

ASX Release

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High Grade Results From Heemskirk Tin Drilling

- Four diamond drill holes with two wedge holes completed on Severn.
- Best intersections include:
 - 8m@1.77%Sn (including 1m@8.94%) (ZS110)
 - 7m@0.80%Sn (ZS110)
 - 8m@0.92%Sn (ZS110)
 - 6m@1.21%Sn (ZS110W)
 - 7m@1.20%Sn (ZS110W)
 - 8m@1.59% (ZS111W)
 - 7m@0.50% (ZS109)
- Aeromagnetic survey identifies new drill target south of Severn.



About Stellar:

Stellar Resources (SRZ) is focusing on the development of its tin and base metal projects in Tasmania. The company holds a portfolio of tenements located in Tasmania, South Australia and New South Wales that have excellent development potential. Heemskirk Tin located near Zeehan in Tasmania is the company's flagship project. The company aims to create shareholder value by taking the Heemskirk Tin project into development.

CEO Peter Blight commented *“These are the first holes that have been drilled into the Severn deposit in over 25 years. They confirm the high grade results obtained in the historical drilling and add to our understanding and optimism about the resource. The aeromagnetic survey has identified entirely new targets and demonstrates the untapped potential of the Heemskirk tin system both along strike from Severn and at depth. All of these targets will be tested in the current 10,000 metre drilling program.”*

Drilling Objectives

In early March, Stellar commenced a program at the Heemskirk Tin Project near Zeehan in Tasmania. The company has already published a JORC resource based on the Queen Hill, Montana and Severn ore bodies and is pushing towards completing a feasibility study to develop a mine by the end of 2013.

The current program is the first step in driving towards this goal and consists of a 10,000 metre diamond drilling program and a high resolution aeromagnetic survey covering the Heemskirk retention licence. The two principal goals of this program are:

- To upgrade the status of the currently known JORC resource
- To demonstrate the potential to considerably expand Heemskirk Tin’s known resource base

Historical drilling at Severn has shown that the orebody is characterised by a stock-work of iron sulphide (pyrrhotite/pyrite) veins of varying intensity and thickness. Microscopic studies of historical drill samples across Severn were completed in January and demonstrated that there appear to have been several mineralising pulses in which iron sulphides were injected into the host Crimson Creek sediments from a granite source at depth. Tin, in the form of cassiterite, is often present as medium-grained crystals (> 70 microns) associated with some but not all of the iron sulphide pulses and occurs as discrete and multiple lodes within the broader iron sulphide stock-work body.

The current drilling program is designed to better define known lodes and identify new ones within the stock-work system. It is currently focussed on the Severn deposit with the first diamond drilling rig commencing a 12 month contract in March and the second a month later. The planned approach is to drill primary diamond drill holes to intersect the orebody and where possible to follow this up with a wedged hole to provide a further intersection adjacent to the primary intersection.

Four diamond drill holes have been completed with wedges off two of them. So far 1730 metres of the planned 10,000 metres have been completed. Holes ZS109 and ZS111 were sited to test the western edge of the Severn resource envelope while ZS110 was designed to infill to the northeast of these holes. A deeper hole was also drilled on the western edge (ZS 108) to test for the presence of parallel lodes.

All holes intersected the iron sulphide stock-work zone over an average down-hole thickness of 85 metres. Sulphide veins observed in the core ranged from massive over thicknesses of 1 to 3 metres down to 2-3 centimetres.

High Grade Intersections Achieved

Significant assay results are tabulated in Table 1.

Table 1: Significant Assay Results from Initial Drilling at Severn

Hole No Severn	From m	To m	Interval m	Tin %	Sol Tin %
ZS108	417.0	418.0	1.0	0.62	na
ZS109	188.0	191.0	3.0	0.71	0.01
	235.0	236.0	1.0	2.84	0.02
	251.0	254.0	3.0	0.59	0.01
	275.0	282.0	7.0	0.50	0.01
	285.0	286.0	1.0	1.59	0.01
ZS110	255.0	263.0	8.0	0.92	0.01
	324.0	331.0	7.0	0.80	0.01
	336.0	344.0	8.0	1.77	0.01
ZS110W	300.0	301.0	1.0	2.43	0.01
	324.0	331.0	7.0	1.20	0.01
	335.0	337.0	2.0	0.79	0.01
	361.0	367.0	6.0	1.21	0.01
ZS111	211.0	218.0	7.0	0.50	0.01
	233.0	235.0	2.0	0.72	0.01
ZS111W	214.0	216.0	2.0	0.59	0.01
	227.0	235.0	8.0	1.59	0.01

ZS110 represents one of the best holes drilled at Heemskirk to date. Three ore grade lodes were intersected, the deepest averaging 1.77% tin over 8 metres from 338 metres. This included 1 metre of 8.94% tin. A second lode occurred 5 metres up hole from the first and averaged 0.80% tin over 7 metres from 324 metres. A third averaging 0.92% tin over 8 metres was encountered a further 60 metres above the second lode at a down-hole depth of 225 metres.

Wedge hole **ZS110W** was drilled from ZS110 and intersected the lower two lodes, confirming the high grades encountered in ZS110. In this case, the lower lode averaged 1.21% tin over 6 metres from 361 metres and the upper lode averaged 1.20% tin over 7 metres from 324 metres.

ZS109 intersected a 100 metre wide zone of sulphide stock-work on the western edge of Severn, 200 metres below the surface. Tin mineralisation occurs throughout the intersection with higher grade intervals summarised in Table 1. The thickest zone averaged 0.5% tin over 7 metres from 275 metres.

Difficult ground conditions prevented drilling of a wedge hole.

ZS111 was drilled to the southwest of ZS109 and encountered a 71 metre zone of sulphide stock-work. The best intersection within this zone was 7 metres averaging 0.50% tin from 211 metres. Wedge-hole **ZS111W**, drilled from 200 metres down ZS111, intersected a higher grade interval of 1.59% tin over 8 metres from 227 metres. The difference between these holes is possibly related to the close proximity of the holes to the margin of the tin lode.

ZS108 intersected a 45 metre interval of iron sulphide stock-work but contained low grade tin mineralisation. The best result was 0.62% tin over 1 metre from 417 metres. Poor ground conditions prevented the drilling of a wedge-hole rendering the drilling result inconclusive.

Hole ZS108 indicates that the plunge of the Severn deposit is as yet not well understood. Drilling of further deep holes to better define it will commence in the September quarter when a percussion rig is available to carry out pre-collaring and thereby defray the cost of the deeper holes.

A three dimensional computer model of the Severn deposit is being created. This will provide a greater understanding of mineralisation continuity between the new holes and the historical drill holes.

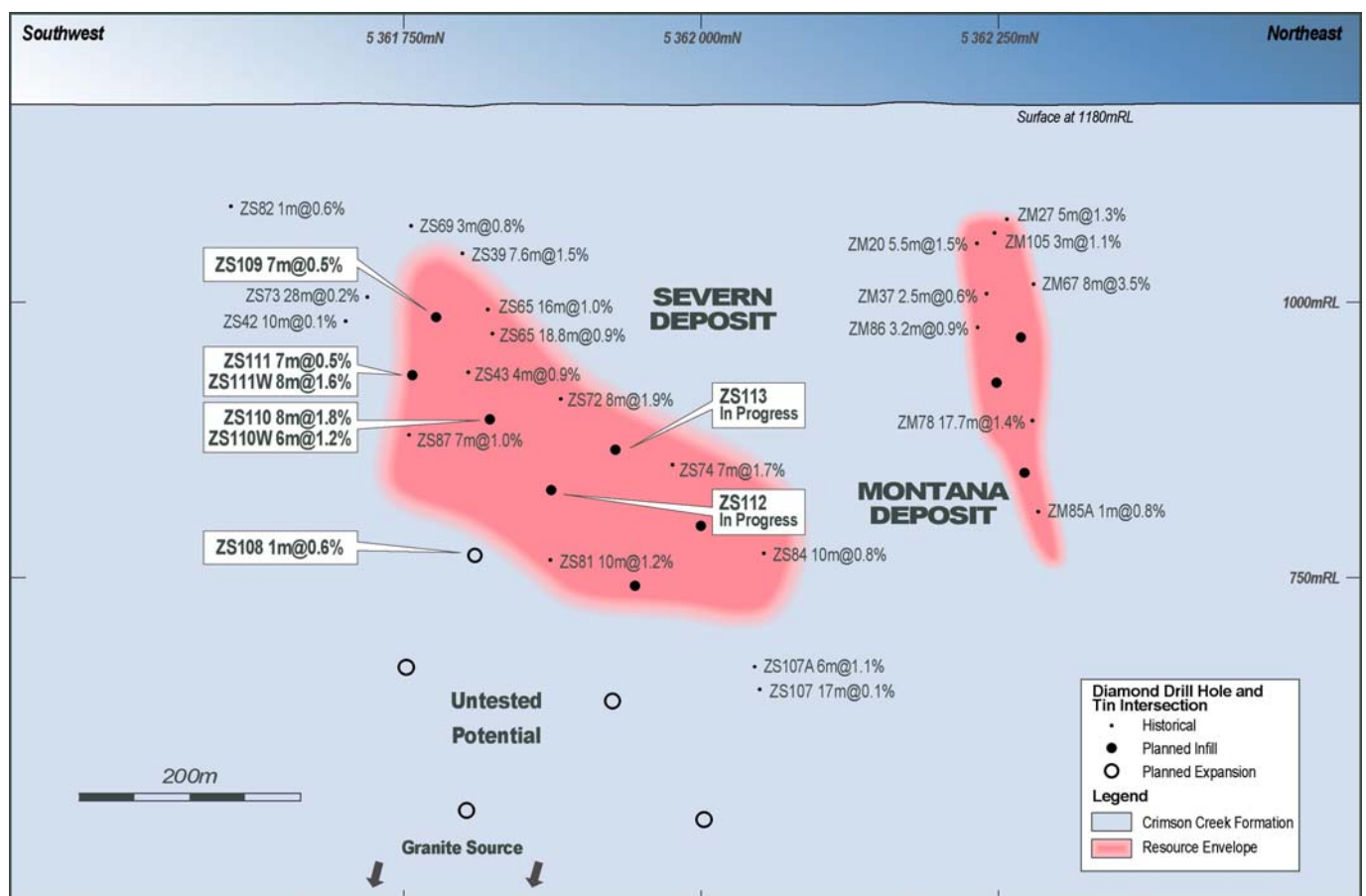


Figure 1: Schematic Long-section Severn and Montana (Oblique) Tin Deposits

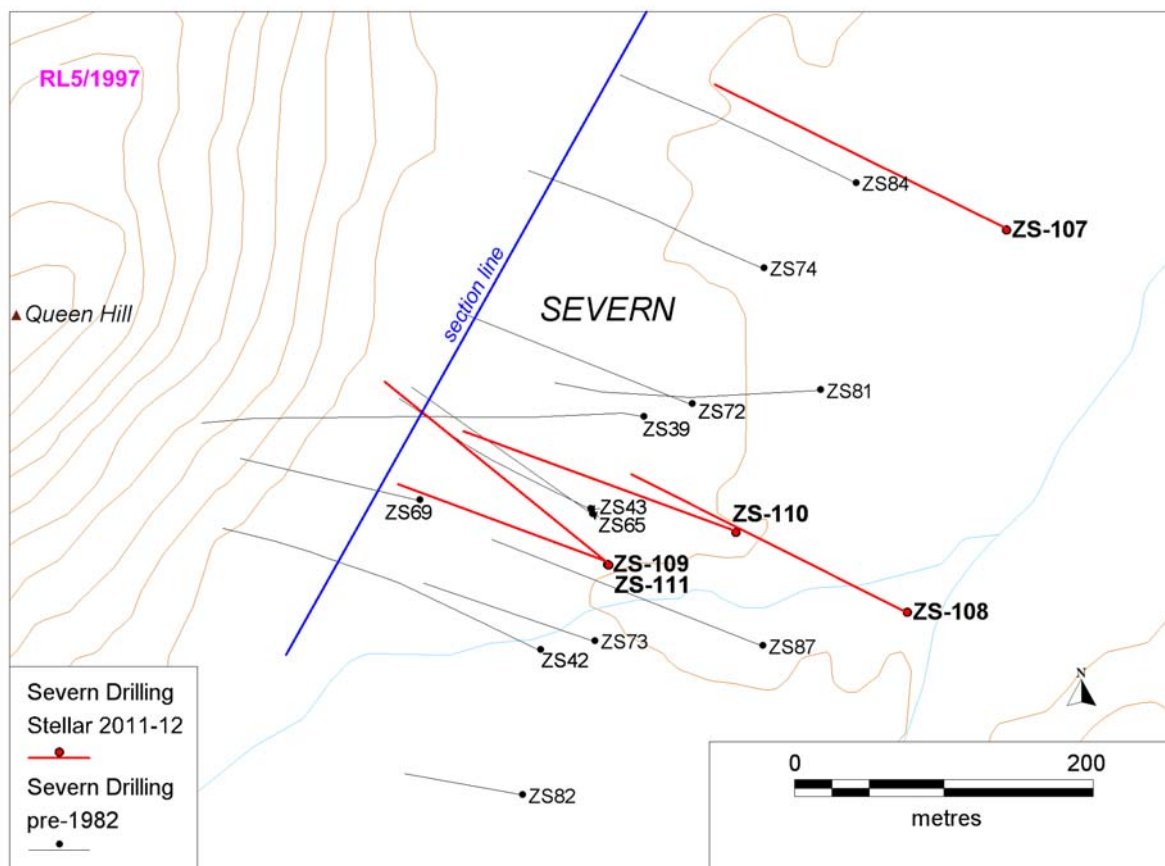


Figure 2: Plan view of drill hole locations

Aeromagnetic Survey Identifies New Target.

In March 2012, Stellar completed a high resolution airborne magnetic survey to assess the untapped potential of the Heemskirk project. It covered the 6 square kilometre area of the Heemskirk Tin retention licence. The presence of high levels of the magnetic mineral pyrrhotite in the mineralised stock-work makes magnetic surveying an ideal method for locating new targets.

The survey identified a large magnetic anomaly centred over Severn and covering a one and a half kilometre by two kilometre area. An analysis of the magnetic response from a depth of 200 metres below surface is shown in Figure 2. This highlights the Queen Hill and Severn orebodies along with a new target south of Severn. The new target has been designated Golf Course and will be drilled during the current 12 month program.

Further analysis using sophisticated computer modelling is in progress and showing promising results.

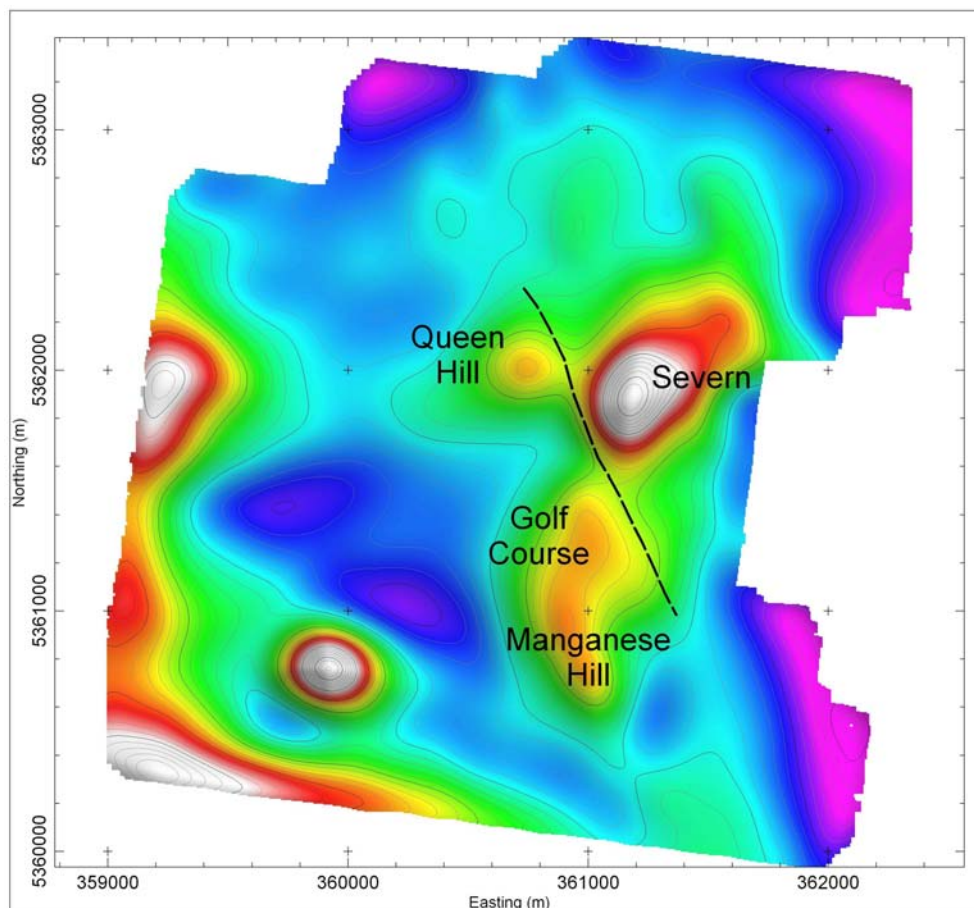


Figure 2: Magnetic response 200m from surface

Upcoming Program – September Quarter

The two diamond drilling rigs are now established on new sites and drilling ahead with results due as follows:

- Diamond drill holes ZS112 and ZS113 testing down plunge from ZS110 complete in early July
- Rigs to move to new sites down plunge of ZS112 and ZS113 with drilling through to mid August
- Arrival of pre-collar percussion drilling rig to establish deeper holes to the southwest of and below ZS107 in early August.
- Diamond drilling of deeper holes from pre-collars to commence in mid August.
- One diamond drilling rig to commence testing magnetic targets to the southwest of Severn in mid August.

Metallurgical testing of Severn mineralisation is to commence in July following the process-route established by Queen Hill test results.

Environmental base-line sampling will continue throughout the period.

Appendix 1: Drill Hole Coordinates

Hole No	Northing Collar	Easting Collar	Relative Level m	Collar Dip/Azimuth	Depth m	Recovery %
ZS108	5361692	361456	179	67/297	524	98
ZS109	5361724	361256	181	55/309	328	98
ZS110	5361745	361342	181	61/290	400	96
ZS110W	5361745	361342	181	60/313	380	100
ZS111	5361724	361257	182	65/290	352	95
ZS111W	5361724	361257	181	63/292	280	99

Appendix 2: Assay Data

Hole No	From m	To m	Interval m	Tin %	Sol Tin ppm
ZS108	417	418	1	0.62	<50
ZS109	188	189	1	0.61	90
	189	190	1	0.03	<50
	190	191	1	1.48	90
	235	236	1	2.84	150
	251	252	1	0.61	<50
	252	253	1	0.46	60
	253	254	1	0.70	170
	275	276	1	0.80	<50
	276	277	1	0.13	<50
	277	278	1	0.55	<50
	278	279	1	0.08	<50
	279	280	1	0.66	<50
	280	281	1	0.77	<50
	281	282	1	0.50	<50
	282	283	1	0.08	<50
283	284	1	0.06	<50	
284	285	1	0.09	<50	
285	286	1	1.54	50	
ZS110	255	256	1	0.97	230
	256	257	1	1.79	100
	257	258	1	0.13	<50
	258	259	1	0.26	<50
	259	260	1	0.17	50
	260	261	1	1.14	120
	261	262	1	1.68	110
	262	263	1	1.22	<50
	324	325	1	0.75	<50
	325	326	1	0.96	<50
	326	327	1	0.50	<50
	327	328	1	0.52	<50
	328	329	1	1.94	<50
	329	330	1	0.16	<50
	330	331	1	0.80	<50
	336	337	1	0.58	50
	337	338	1	1.58	70
	338	339	1	1.41	120
339	340	1	0.07	<50	
340	341	1	0.24	210	
341	342	1	8.94	310	
342	343	1	0.42	<50	
343	344	1	0.95	<50	

Hole No	From m	To m	Interval m	Tin %	Sol Tin ppm
110W	300	301	1	2.43	<50
	324	325	1	1.77	<50
	325	326	1	0.28	<50
	326	327	1	0.39	60
	327	328	1	0.55	50
	328	329	1	0.64	<50
	329	330	1	1.18	<50
	330	331	1	3.57	100
	335	336	1	0.89	110
	336	337	1	0.68	<50
	350	351	1	1.66	<50
	361	362	1	0.92	<50
	362	363	1	2.10	<50
	363	364	1	0.71	<50
	364	365	1	0.01	<50
	365	366	1	1.20	<50
	366	367	1	2.30	<50
ZS111	211	212	1	0.86	<50
	212	213	1	0.24	<50
	213	214	1	0.01	<50
	214	215	1	0.04	<50
	215	216	1	0.02	<50
	216	217	1	0.11	<50
	217	218	1	2.24	<50
	233	234	1	0.81	70
	234	235	1	0.62	120
ZS111W	214	215	1	0.76	<50
	215	216	1	0.41	<50
	227	228	1	5.75	<50
	228	229	1	0.08	<50
	229	230	1	0.21	<50
	230	231	1	0.21	<50
	231	232	1	0.57	<50
	232	233	1	0.13	<50
	233	234	1	0.09	<50
	234	235	1	5.64	<50

Competent Person Statement – Exploration

The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr R K Hazeldene (Member of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists) who is a Consultant of the Company. Mr Hazeldene has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr Hazeldene consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.

Background

The Heemskirk Tin Project is located near Zeehan on Tasmania's West Coast in an area well serviced by power, water, transport, mining and other infrastructure. Stellar holds 100% of the project and also owns 100% of the nearby St Dizier tin deposit.

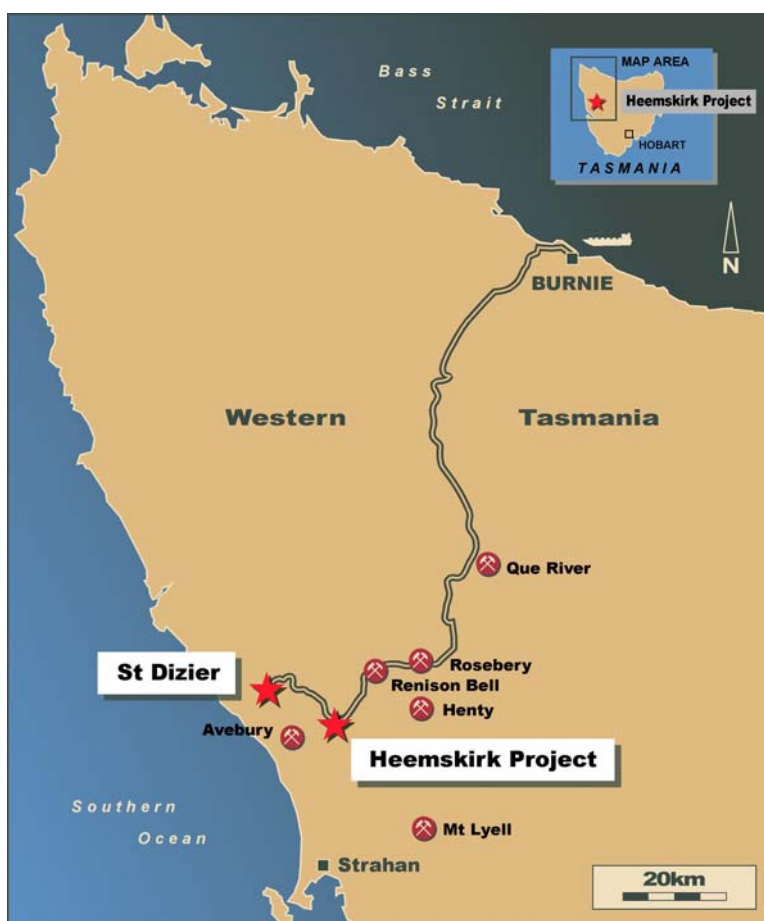


Figure 3: Location of the Heemskirk Tin Project

Drilling by Gippsland Limited in the 1970s and subsequently Aberfoyle Limited during the 1980s identified three tin deposits; Queen Hill, Montana and Severn. In 2010, Stellar added to the substantial drilling database with 6 holes into the near surface Queen Hill deposit. The Stellar results confirmed the high grade nature of the mineralisation and provided fresh samples for metallurgical testing. The Mineral Resource estimate following is based on historical drilling and Stellar's more recent drill results.

Deposit	Indicated		Inferred			Total			
	kt	% Sn	kt	% Sn	kt Sn	kt	% Sn	kt Sn	
Queen Hill	1,600	1.2	19			1,600	1.2	19	
Montana				360	1.6	6	360	1.6	6
Severn				2,400	0.9	23	2,400	0.9	23
Total	1,600	1.2	19	2,760	1.0	29	4,360	1.1	48

cut-off grade 0.6% tin

estimated on 3 March 2011 by Mining One Pty Ltd

Competent Person Statement – Heemskirk Mineral Resource

The information in this report that relates to Mineral Resources is based on information compiled by Michael McKeown who is a fellow of the Australasian Institute of Mining and Metallurgy. Michael McKeown is employed by Mining One Pty Ltd and he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Michael McKeown consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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