

12 December 2012

Heemskirk Tin – Latest Drilling Extends Severn

- ZS120 – 3 metres @ 1.04% tin from 514 metres.
– 21 metres @ 0.63% tin from 534 metres.
- 21 metre zone includes – 7 metres @ 0.85% tin from 535 metres.
- Result extends Severn mineralisation 100 metres below historical drill intersections to 550 metres below surface.
- Severn remains open at depth and down-plunge to the northeast.
- Two diamond drill holes in progress. ZS122 is testing for a lateral extension of Severn to the southwest and ZS123 is an infill hole.



ZS120: Visible Cassiterite in Pyrite Stock-work at 536m Down-hole

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Stellar Resources (SRZ) is an exploration and development company with assets in Tasmania and South Australia. The company is rapidly advancing its high-grade Heemskirk Tin Project, located near Zeehan in Tasmania, and plans to become Australia's second largest producer of tin.

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CEO Peter Blight commented “ZS120 confirms that Severn mineralisation of good thickness and grade continues at depth. Importantly, ZS120 has extended the Severn mineralised envelope from 450 to 550 metres below surface and augurs well for a resource increase in the review scheduled for March quarter 2013.”

Drilling Location

ZS120 was collared 25 metres south of Section 3750N and drilled along section to the northwest at an inclination of 67 degrees (see Figure 1)

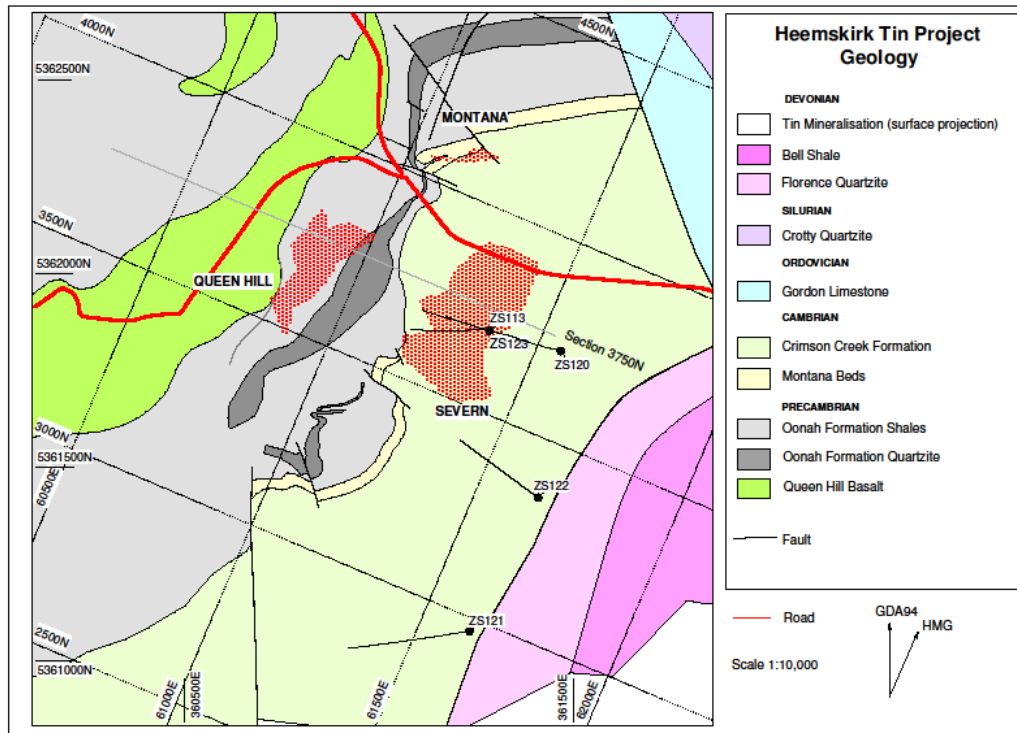


Figure 1: Simplified Geological Plan, Heemskirk Tin Project

Significant Assay Results

ZS120 intersected a 62 metre alteration zone (from 514 to 576 metres), comprising a stockwork of pyrrhotite and pyrite veins within a carbonate-rich volcanoclastic sediment. A 3.0 metre tin lode grading 1.04% was intersected at the top of the alteration zone with a much wider zone of 21 metres grading 0.63% tin commencing at 534 metres. Seven metres of the wider zone, from 535 metres, provided a higher average grade of 0.85% tin (see Table 1). Tin is in the form of cassiterite, as confirmed by the negligible level of soluble tin.

Table 1: Significant Assay Results ZS120 at Severn

Hole No	From	To	Interval	Tin	Sol Tin
Severn	m	m	m	%	%
ZS120	514.0	517.0	3.0	1.04	0.01
	534.0	555.0	21.0	0.63	0.01
including	535.0	542.0	7.0	0.85	0.01

ZS120 provided a successful test of a position more than 200 metres down-dip from ZS113 on section 3750N (see Figure 2). ZS113 demonstrated thickening of the mineralised zone in Severn with an intersection of 42 metres grading 1.1% tin. ZS120 confirmed that this thickened zone continues at depth and also contains lodges of higher grade. The intersection lies 100 metres below the mineralised envelope used in the calculation of the March 2011 JORC compliant inferred resource and shows that Severn remains open at depth.

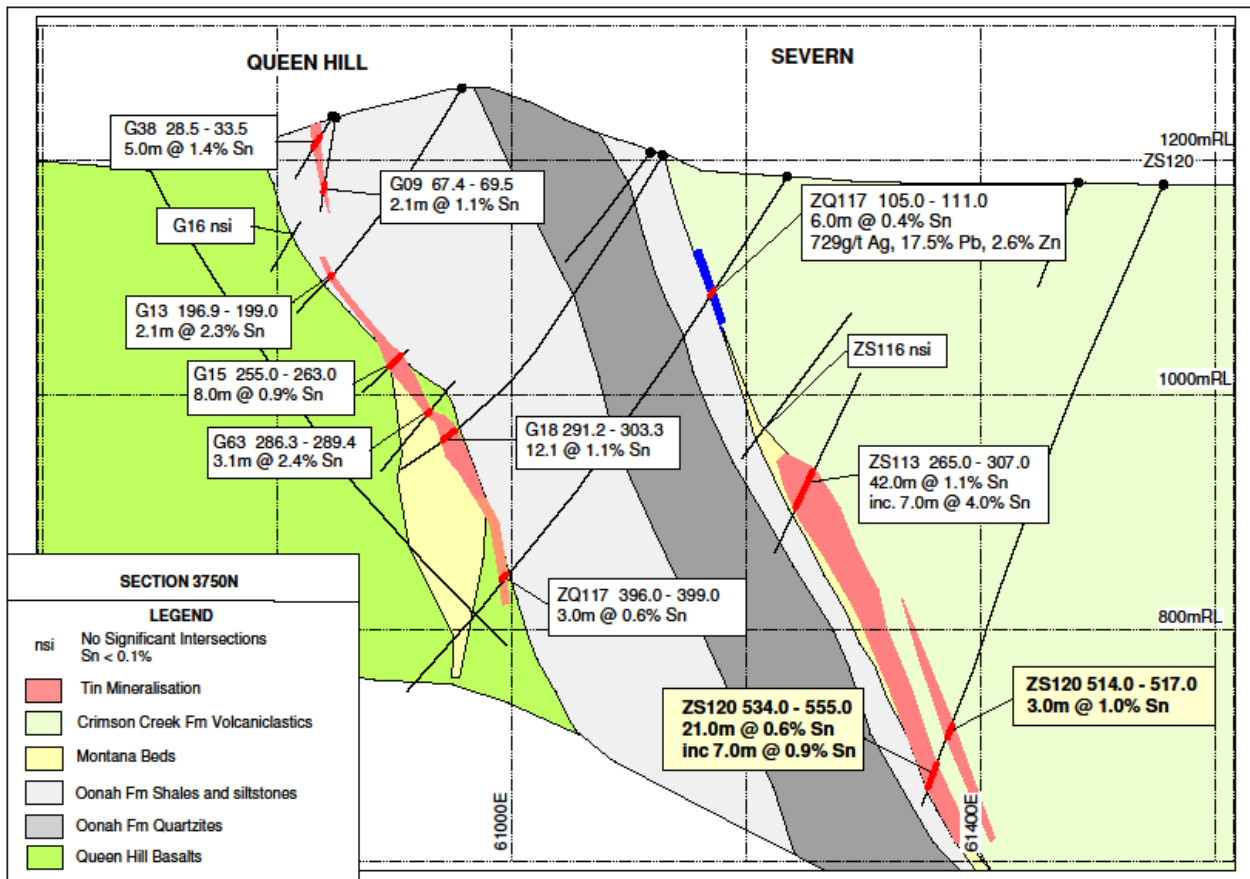


Figure 2: Queen Hill and Severn Cross-section at 3750N



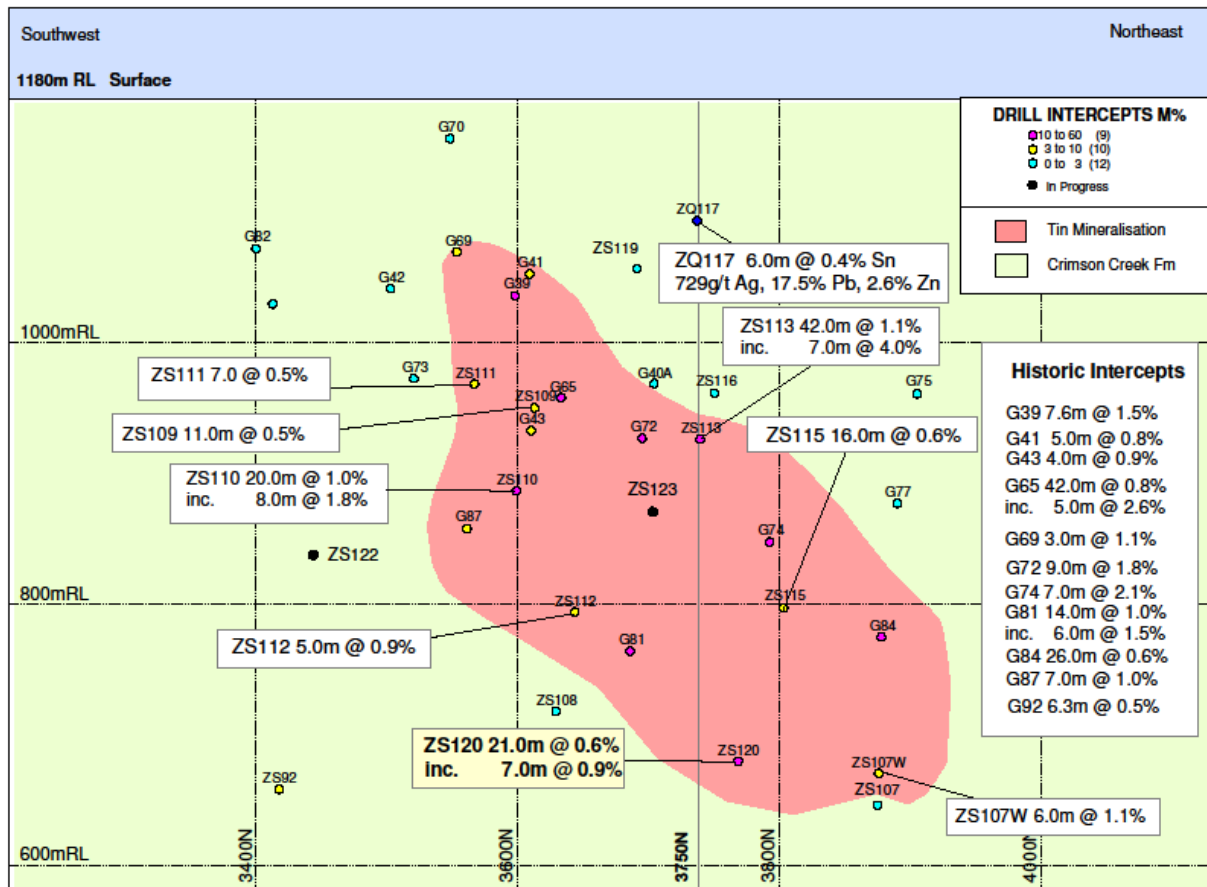


Figure 3: Severn Schematic Long-Section

South Severn Target

ZS121 was collared on section 2900N, 650 metres to the south of Severn, to test a magnetic target and the up-dip extent of a mineralised intersection in historic diamond drill hole G91. The hole was completed at a depth of 496 metres after intersecting a sequence of black shales, magnetite bearing basalts and volcanoclastic sediments with minor pyrite veining over 54 metres from 405 metres. No significant tin mineralisation was intersected. Further geological modelling is required to determine whether the target was adequately tested.

Drilling Outlook

Two diamond drill holes are currently underway.

ZS122 is collared on section 3400N and will test for an extension of Severn to the south of historic hole G87 (see Figure 3) which intersected 7.0 metres grading 1.0% tin from 193 metres. It will also target an area up-dip from G92 which intersected 6.3 metres grading 0.5% tin from 542 metres.

ZS123 is an infill Severn hole on section 3700N (see Figure 3)

Appendix 1: Drill Hole Coordinates

Hole No	Northing Collar	Easting Collar	Relative Level m	Collar Dip/Azimuth	Depth m	Recovery %
ZS120	5361800	361468	178	67/302	600	96
Located on section 3750N						

Appendix 2: Assay Data

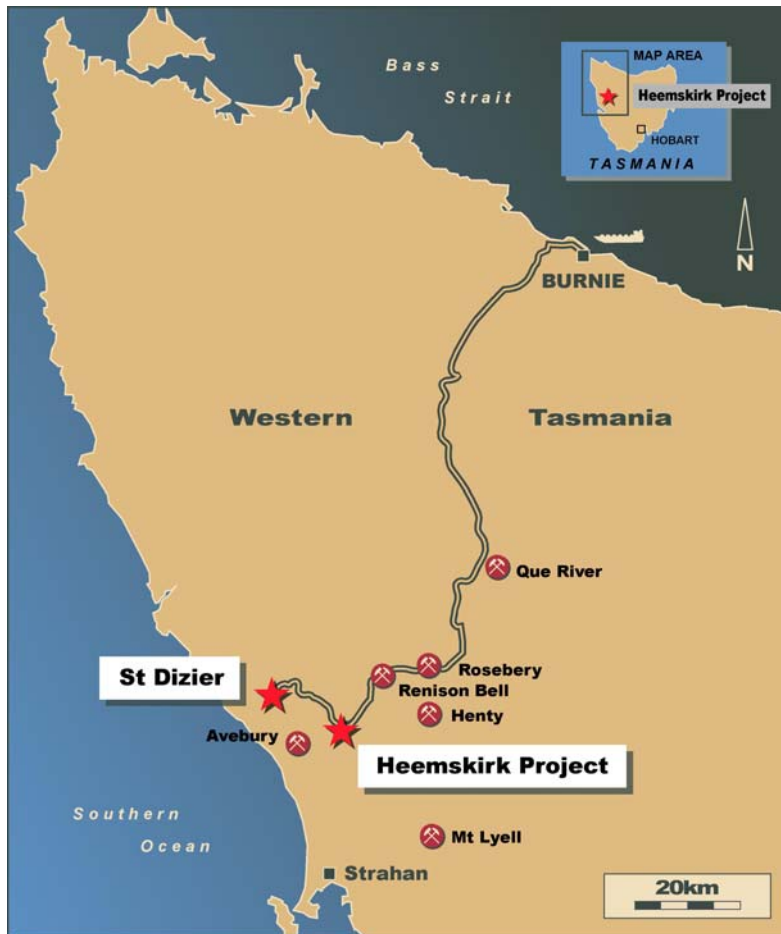
Hole No	From m	To m	Interval m	Tin %	Sol Tin ppm
ZS120	514	515	1	0.80	60
	515	516	1	0.90	<50
	516	517	1	1.41	<50
	534	535	1	0.53	<50
	535	536	1	1.50	90
	536	537	1	0.76	<50
	537	538	1	1.11	<50
	538	539	1	0.46	<50
	539	540	1	0.13	<50
	540	541	1	0.11	<50
	541	542	1	1.86	60
	542	543	1	0.65	<50
	543	544	1	0.26	<50
	544	545	1	0.54	<50
	545	546	1	0.04	<50
	546	547	1	0.46	<50
	547	548	1	0.17	<50
	548	549	1	0.87	<50
	549	550	1	0.87	<50
	550	551	1	0.56	<50
551	552	1	0.28	<50	
552	553	1	0.40	<50	
553	554	1	0.23	<50	
554	555	1	1.34	70	

Competent Person Statement

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.



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	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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