

15 April 2013

Heemskirk Tin – Strong Drilling Result from Queen Hill

Queen Hill – ZQ125

- First hole drilled into the main Queen Hill body for 30 years
- Drilled for metallurgical purposes - provided thicker than expected intersections of high grade tin and hanging wall base metal lodes
- Best Intersections:
32 metres @ 1.58% tin from 226 metre - Including:
 - 10 metres @ 2.54% tin from 238 metre
 - 5 metres @ 2.49% tin from 253 metres
 - 7 metres @ 1.67% tin from 226 metres

Hanging wall lodes

- 10 metres @ 0.10% tin, 58g/t silver, 3.11% lead and 2.56% zinc
- 3 metres @ 0.19% tin, 135g/t silver, 4.67% lead and 0.3% zinc

Severn – ZS124

- Infill hole - confirmed continuity of multiple tin zones and the positive impact on mine design of structural steepening of these zones
- Best intersections ZS124:
16 metres @ 0.63% tin from 256 metres – Including:
 - 4 metres @ 1.20% tin from 268 metres
 - 6 metres @ 0.76% tin from 256 metres

Current Drilling

- ZQ125W is complete (assays pending)
- ZM126 is progressing - will test the down plunge continuity of the Montana deposit

ASX Code: SRZ

About Stellar:

ABN 96 108 758 961
Level 17, 530 Collins Street
Melbourne Victoria 3000
Australia

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.

Telephone +61 3 9618 2540
Facsimile +61 3 9649 7200

www.stellarresources.com.au



CEO Peter Blight said “the Queen Hill result was particularly pleasing with a thicker tin intersection than expected from nearby historical drill holes, high tin grades and a well developed hanging wall base metals lode. Metallurgical testing of the tin and base metal intersections along with geological modelling is underway. Project economics would certainly benefit if a viable base metal credit can be developed.”

Drilling Location

Since the last drilling update on 30 January 2013 both new diamond drill holes recorded significant intersections.

ZS124 was designed as an infill hole at Severn, collared on mine grid section 3650N (see Figure 1).

ZQ125, also an infill hole, was collared on the same section but was designed to intersect Queen Hill mineralisation 200 metres below the surface (previous drilling by Stellar sampled Queen Hill within 70 metres of the surface) to provide a sample for metallurgical testing. It is the first diamond drill hole into the main mineralised body at Queen Hill for 30 years.

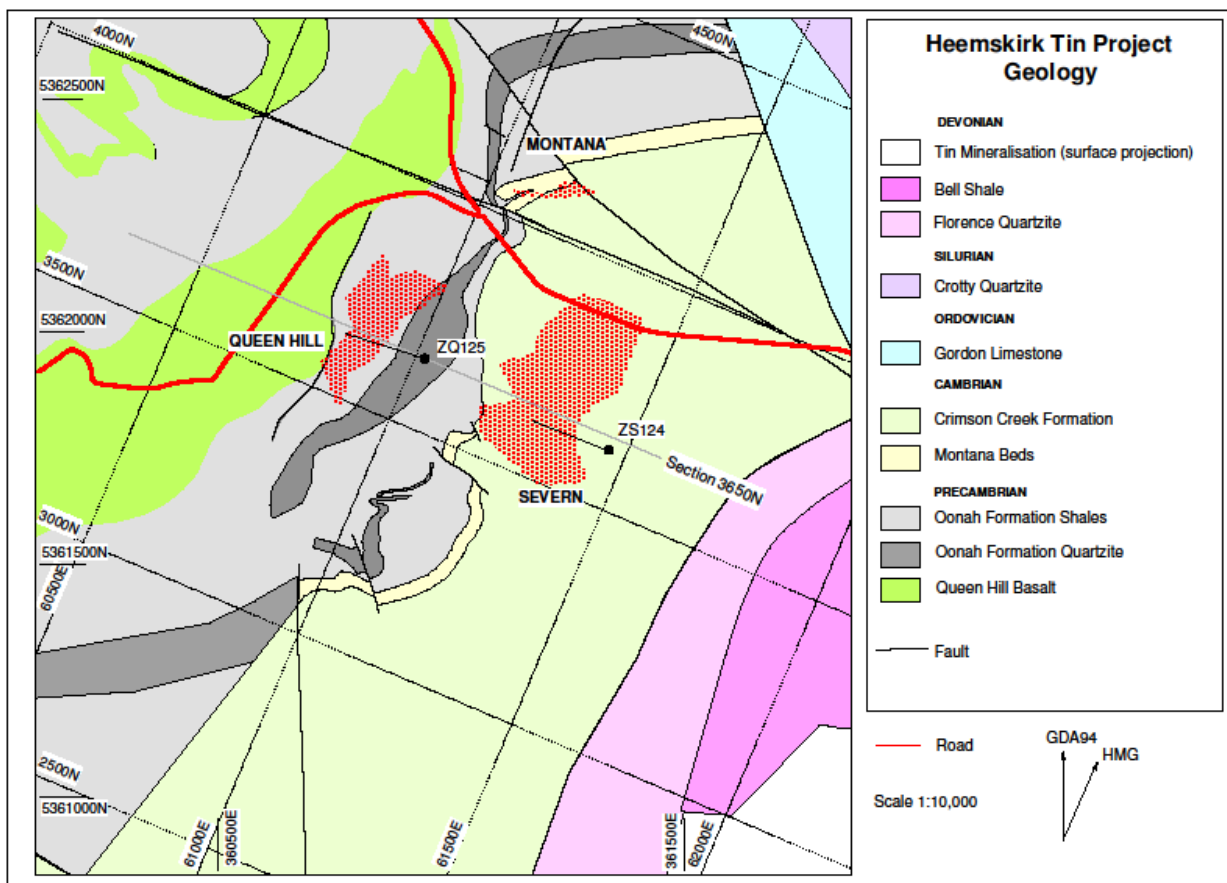


Figure 1: Simplified Geological Plan, Heemskirk Tin Project

Significant Assay Results

ZS124 intersected two zones of tin mineralisation with the best result in the upper zone. The 16 metre upper zone averaged 0.63% tin from 256 metres and included 6 metres averaging 0.76% tin from 256 metres and 4 metres averaging 1.20% tin from 268 metres (see Table 1). The lower zone also showed a significant thickness of mineralisation but at lower grade, possibly reflecting the local impact of a geological structure.

ZQ125 showed the juxtaposition of silver, lead and zinc mineralisation in Clarks load with tin mineralisation in the main Queen Hill body. Clarks Lode provided a 3 metre intersection grading 135g/t silver, 4.67% lead and 0.3% zinc from 201 metres followed by a second intersection of 10 metres grading 58g/t silver, 3.11% lead and 2.56% zinc from 211 metres.

Queen Hill mineralisation commenced at 226 metres with a 32 metre intersection grading 1.58% tin. The intersection contained three zones with 7 metres grading 1.67% tin from 226 metres, 10 metres grading 2.54% tin from 238 metres and 5 metres grading 2.49% tin from 253 metres. Importantly, comparing high tin grades with low soluble tin assays implies that more than 97% of tin is in the form of cassiterite – the most favourable tin mineral for processing.

Table 1 Significant Assay Results

Hole No	From	To	Interval	Tin	Sol Tin	Silver	Lead	Zinc
Severn	m	m	m	%	%	ppm	%	%
ZS124	256.0	272.0	16.0	0.63	0.02			
including	256.0	262.0	6.0	0.76	0.02			
	268.0	272.0	4.0	1.20	0.02			
	302.0	313.0	11.0	0.24	0.01			
ZQ125	201.0	204.0	3.0	0.19	0.03	135	4.67	0.30
	211.0	221.0	10.0	0.10	0.03	58	3.11	2.56
	226.0	258.0	32.0	1.58	0.02	25	0.65	1.70
including	226.0	233.0	7.0	1.67	0.05	67	2.60	7.37
	238.0	248.0	10.0	2.54	0.02	10	0.11	0.11
	253.0	258.0	5.0	2.49	0.01	4	0.02	0.01

Geological Interpretation

The geological cross-section in Figure 2 shows that ZS124 drilled down a fault or fold structure as reflected by a kink in the geology. The two tin mineralised zones steepen at or above ZS124 and correlate well with the two zones intersected 100 metres below by ZS112. Steepening of Severn should provide benefits in mine design.

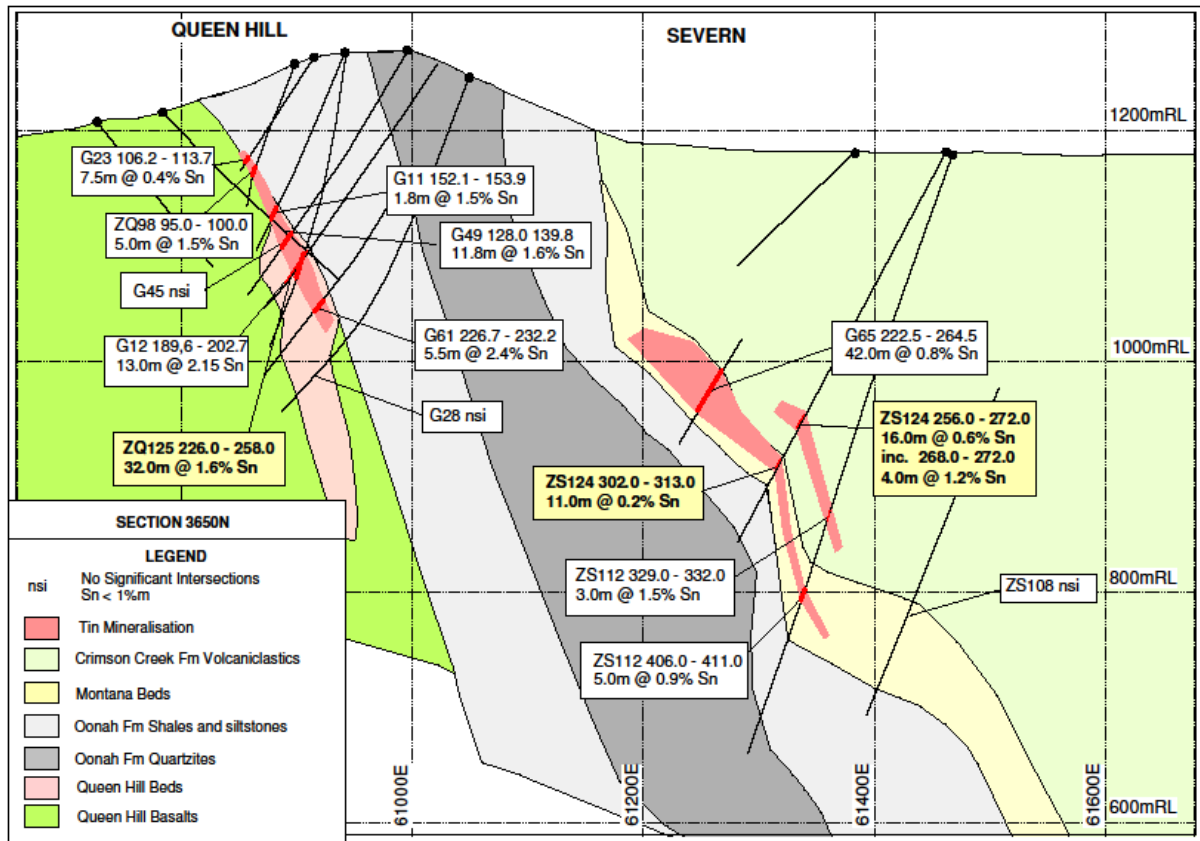


Figure 2: Severn and Queen Hill Cross-section - Mine Grid Line 3650N

At Queen Hill, ZQ125 provided a much thicker tin intersection than the surrounding drill holes suggesting local thickening of the mineralised zone. The drill hole also demonstrated increasing grade with depth and confirmed the high grade nature of tin mineralisation in the main body of Queen Hill.

Previous explorer, Aberfoyle Limited, formed the view that cassiterite grain size also increases with depth at Queen Hill but failed to test this theory. The current round of metallurgical work on ZQ125 samples will test for the first time whether potentially larger cassiterite grain size and higher tin grade have a positive impact on tin recovery.

The intersection of Clarks lode silver, lead and zinc mineralisation in the hanging wall also provides the opportunity to test its metallurgical performance which should be enhanced by the coarse grained nature of the sulphides.

Silver, lead and zinc mineralisation was the target of early mining in the 1890s across the Heemskirk retention licence with numerous small workings and five serious underground mines developed. At that time, Zeehan was the largest producer of silver and lead in Australia outside of Broken Hill.

The association of silver, lead and zinc mineralisation at the surface and above or along side tin mineralisation at Queen Hill and Montana means that all significant areas of old workings are potential targets for tin exploration. Geological modelling of the old workings is underway in order to rank these targets for future drilling programs.

At Queen Hill, historical mining exploited the silver, lead and zinc veins to a depth of 100 metres. However, as ZQ125 shows they do continue beyond 100 metres with potential for greater thickness than those mined near surface. Geological modelling of historical intersections of the hanging wall base metal lodes is currently underway in order to assess the potential for a mineable resource.

Figure 3 shows the pattern of historical drilling in defining the shape of the north plunging and steeply east dipping Queen Hill deposit. ZQ125 is located within an area of high grade mineralisation that may extend down dip of G28, the only barren hole defining the lower limit of mineralisation. Queen Hill is also open down plunge in the direction of the arrows. These targets will be tested by future drilling programs.

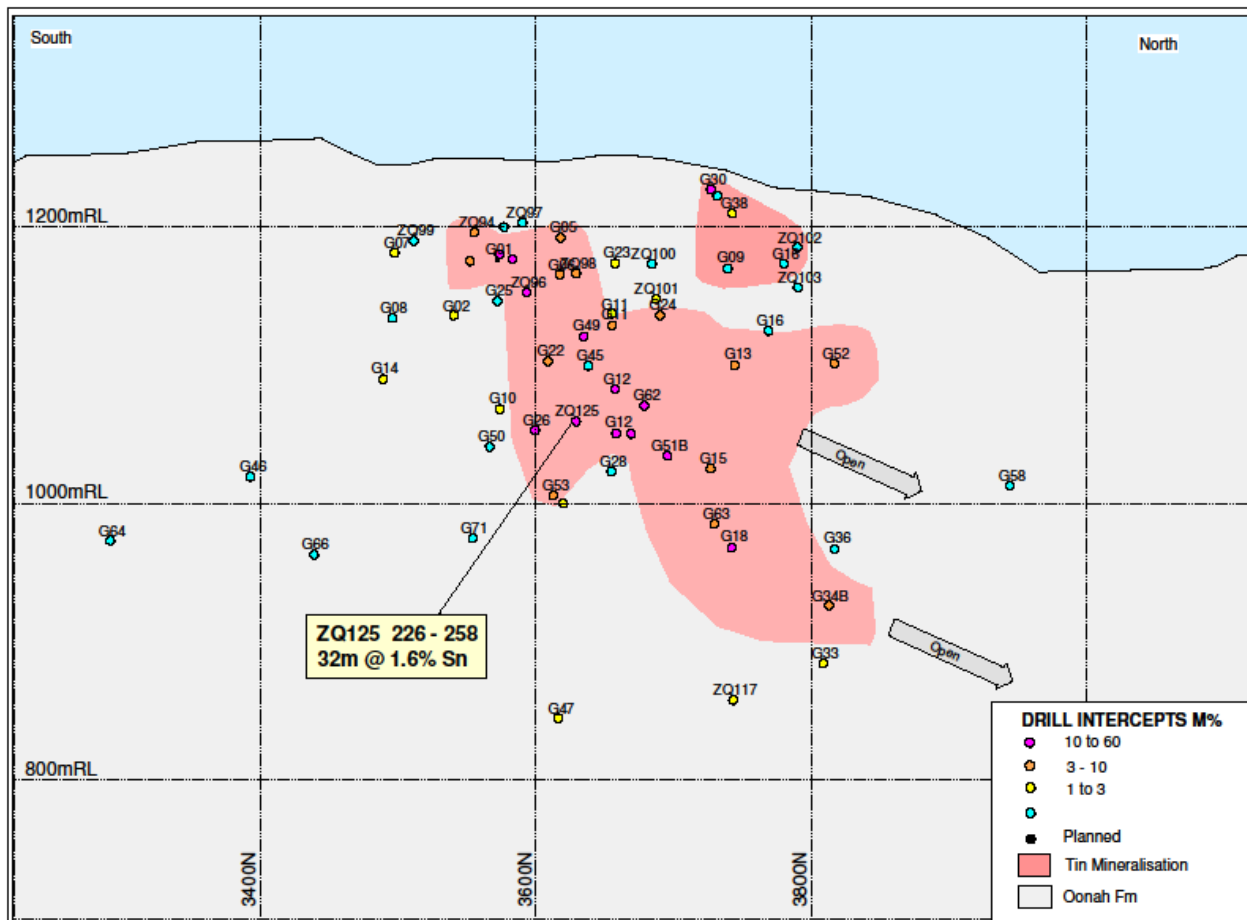


Figure 3: Queen Hill Schematic Long Section Showing ZQ125 Pierce Point

Current Drilling

ZQ125W was recently completed as a wedge hole off ZQ125 to maximise the sample for metallurgical testing. It intersected a similar sequence to that reported for the parent hole. Assay results are pending.

ZM126 is currently drilling below the Montana deposit to test the continuity of mineralisation at a depth of 500 metres below the surface and 200 metres below the nearest mineralised drill hole. This hole is also designed to intersect any structures that lie between Severn and Montana in order to better understand the geological relationship between the two deposits and how this may affect the distribution of mineralisation. This information could be used to target deeper drilling at Severn. ZS126 is a 600 metre diamond drill hole and should reach its target depth in late May. A shallower wedge hole is planned on completion of ZS126.

Appendix 1: Drill Hole Coordinates

Hole No	Northing Collar	Easting Collar	Relative Level m	Collar Dip/Azimuth	Depth m	Recovery %
ZS124	5361746	361338	180	62/295	378	79
ZQ125	5361942	360943	256	55/285	301	96

Located on section 3650N

Appendix 2: Assay Data

Hole No	From m	To m	Interval m	Tin %	Sol Tin ppm
ZS124	256	257	1	0.46	110
	257	258	1	1.62	160
	258	259	1	1.20	680
	259	260	1	0.33	80
	260	261	1	0.08	90
	261	262	1	0.84	220
	262	263	1	0.15	100
	263	264	1	0.15	200
	264	265	1	0.13	130
	265	266	1	0.04	<50
	266	267	1	0.20	120
	267	268	1	0.11	50
	268	269	1	0.95	150
	269	270	1	1.94	260
	270	271	1	1.29	170
271	272	1	0.60	80	

Hole No	From m	To m	Interval m	Tin %	Sol Tin ppm	Silver ppm	Lead %	Zinc %
ZQ125	201	202	1	0.09	170	160	4.31	0.07
	202	203	1	0.35	350	68	2.30	0.27
	203	204	1	0.13	490	179	7.40	0.56
	211	212	1	0.10	310	44	1.85	0.73
	212	213	1	0.11	210	43	2.19	1.88
	213	214	1	0.13	360	58	2.70	4.40
	214	215	1	0.13	410	28	1.08	2.61
	215	216	1	0.07	230	65	3.68	3.23
	216	217	1	0.07	290	15	0.28	0.13
	217	218	1	0.09	230	179	13.75	3.82
	218	219	1	0.10	250	71	2.16	4.53
	219	220	1	0.03	80	13	0.15	0.09
	220	221	1	0.17	240	67	3.32	4.15
	226	227	1	1.07	310	20	0.18	5.13
	227	228	1	0.74	700	63	2.27	17.60
	228	229	1	0.10	410	83	3.56	12.85
	229	230	1	0.29	340	128	6.51	5.60
	230	231	1	1.06	820	129	4.82	3.20
	231	232	1	5.55	740	20	0.43	3.81
	232	233	1	2.90	460	29	0.45	3.42
	233	234	1	0.18	340	28	0.36	0.37
	234	235	1	0.12	290	15	0.12	0.14
	235	236	1	0.19	310	25	0.18	0.14
	236	237	1	0.13	280	17	0.09	0.52
	237	238	1	0.10	240	18	0.21	0.21
	238	239	1	2.19	130	10	0.08	0.08
	239	240	1	2.67	150	15	0.12	0.07
	240	241	1	2.50	180	16	0.18	0.17
	241	242	1	3.34	150	15	0.19	0.05
242	243	1	3.65	220	12	0.15	0.40	
243	244	1	1.91	250	9	0.14	0.24	
244	245	1	1.39	150	9	0.10	0.07	
245	246	1	2.03	80	6	0.08	0.05	
246	247	1	2.76	90	6	0.05	0.05	
247	248	1	2.96	100	3	0.02	0.01	
248	249	1	0.30	<50	4	0.03	0.08	
249	250	1	0.06	<50	15	0.05	0.01	
250	251	1	0.03	<50	23	0.07	0.02	
251	252	1	0.02	<50	24	0.07	0.00	
252	253	1	0.01	<50	32	0.05	0.00	
253	254	1	2.19	<50	8	0.01	0.00	
254	255	1	2.94	50	4	0.03	0.00	
255	256	1	2.60	50	3	0.02	0.00	
256	257	1	2.04	<50	3	0.02	0.00	
257	258	1	2.66	<50	2	0.01	0.00	

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. Stellar has completed three rounds of drilling on these deposits since 2010 and on 19 February 2013 upgraded the Mineral Resource Estimate to 71,500 tonnes of contained tin, a 49% increase on the previous estimate.

Classification	Deposit	Tonnes millions	Grade % tin	Contained Tin tonnes
Indicated	All	1.41	1.26	17,790
Inferred	All	4.87	1.10	53,710
Total		6.28	1.14	71,500
Indicated	Queen Hill	1.41	1.26	17,790
Inferred	Queen Hill	0.19	1.63	3,090
	Severn	4.17	0.98	40,900
	Montana	0.51	1.91	9,710
Total		6.28	1.14	71,500

0.6% tin block cut-off grade

Tonnes rounded to reflect uncertainty of estimate

Estimates prepared by Resource and Exploration Geology

Competent Person Statement – Heemskirk Mineral Resource

The information in this report that relates to Mineral Resources was prepared in accordance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Tim Callaghan of Resource and Exploration Geology, who is a Member of The Australian Institute of Mining and Metallurgy ("AusIMM"), has a minimum of five years experience in the estimation and assessment and evaluation of Mineral Resources of this style and is the competent Person as defined in the JORC Code. This report accurately summarises and fairly reports his estimations and he has consented to the resource report in the form and context it appears.

For further details please contact:

Peter Blight

CEO

Tel: 03 9618 2540

Email: peter.blight@stellarresources.com.au

or visit our Website at: <http://www.stellarresources.com.au>