



30 July 2015

JUNE QUARTER ACTIVITY REPORT

Exploration Activity during the quarter

Brightstar Gold project

A review of the geology and structural architecture of the Laverton north and Burtville district was completed during the quarter with the intention of a better understanding of the components of the controlling factors of gold mineralisation in both areas. The company has planned to follow up some of the recommendations with an exploration programme at its Laverton Gold Project focusing on two primary systems that host multiple high-grade targets, Laverton north (Varden) and Burtville district, with the objective of discovering additional targets to increase its resource/reserve inventory.

Geophysics data compilation of Laverton north (Varden) and Burtville district

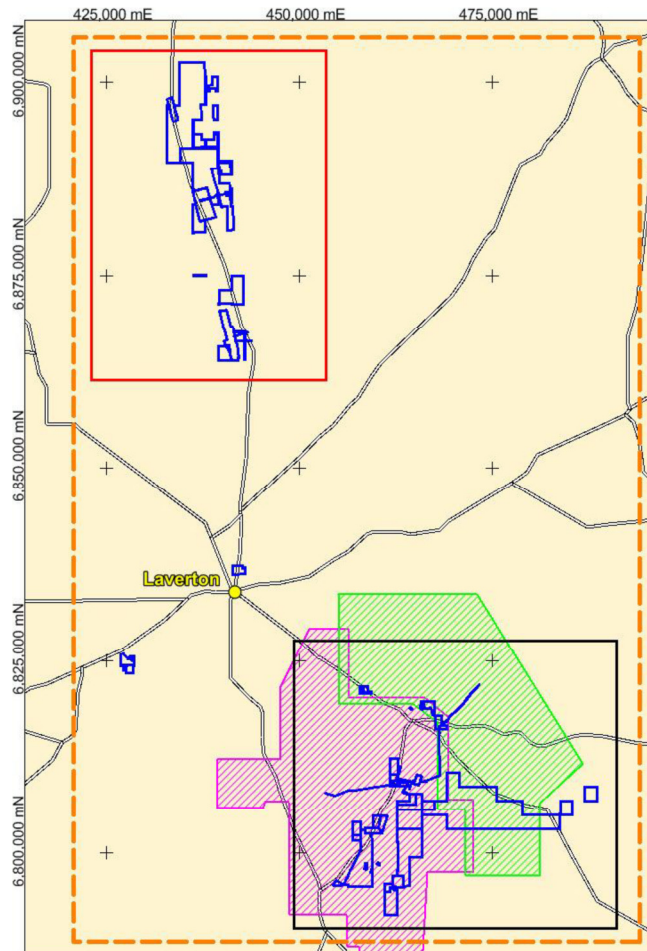


Figure 1: Laverton North (red polygon) and Laverton South (black polygon) prospect image areas. Blue polygons are Stone Resources' tenements.



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All available open-file, regional geophysical data at the Laverton Project were compiled. This includes data of two areas of very high resolution airborne magnetic, radiometric and digital elevation (DEM) surveys (50m line spacing or less) in the southern half of the Laverton Project, along with regional government aeromagnetic surveys (Figure 1).

Pink shaded area shows the North Sunrise 40 m line spaced open-file data of aeromagnetic and radiometric survey, and the green shaded area shows the Mount McKenna 50 m line spaced open-file data of aeromagnetic and radiometric survey. The remaining yellow areas are only covered by government open-file 400 m line spaced data of aeromagnetic and radiometric surveys.

Various processing filters were applied to the magnetic data, including: Reduction to the Magnetic Pole; First and Second Vertical Derivative (1VD and 2VD); Analytic Signal; Automatic Gain Control and Tilt Derivative.

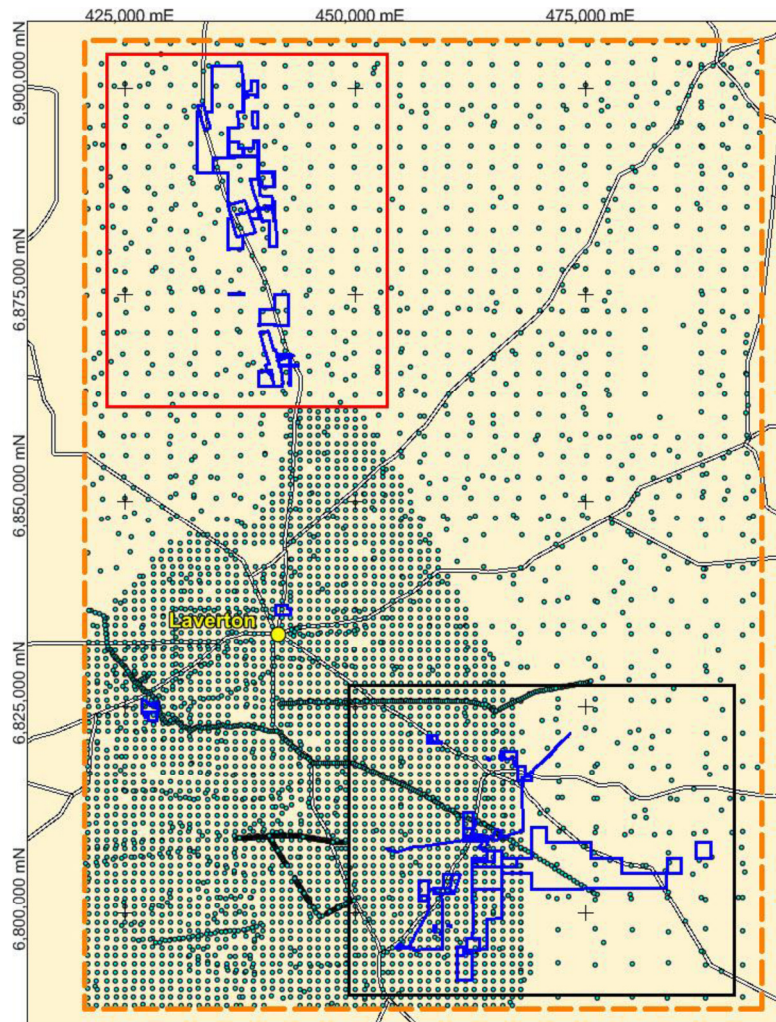


Figure 2: Gravity stations in the Laverton project area. Teal dots represent the location of gravity survey recordings. The south western part of the Project area was gridded and merged on top of the more regional gravity coverage throughout the project area. Blue polygons are Stone Resources' tenements. Coordinates are GDA 94, MGA 51.



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Regional ground gravity surveys have also been carried out throughout the Project area, the distribution of gravity surveying throughout the Project area is shown in Figure 2. Shuttle RADAR Topography Mission (SRTM) DEM data were also analysed.

Based on the interpretation of the Geophysics data compiled and results of the previous MMI geochemical sampling program, a Sub-Audio Magnetic survey programme was designed to further identify and verify potential targets and anomalies. A total of 13 SAM survey blocks (7 in Varden area and 6 in Burtville, show in figure 3a, 3b, 4a and 4b) were planned covering 24 tenements. This work is ongoing. Stone will follow up the significant targets identified or verified in the SAM survey with drilling.



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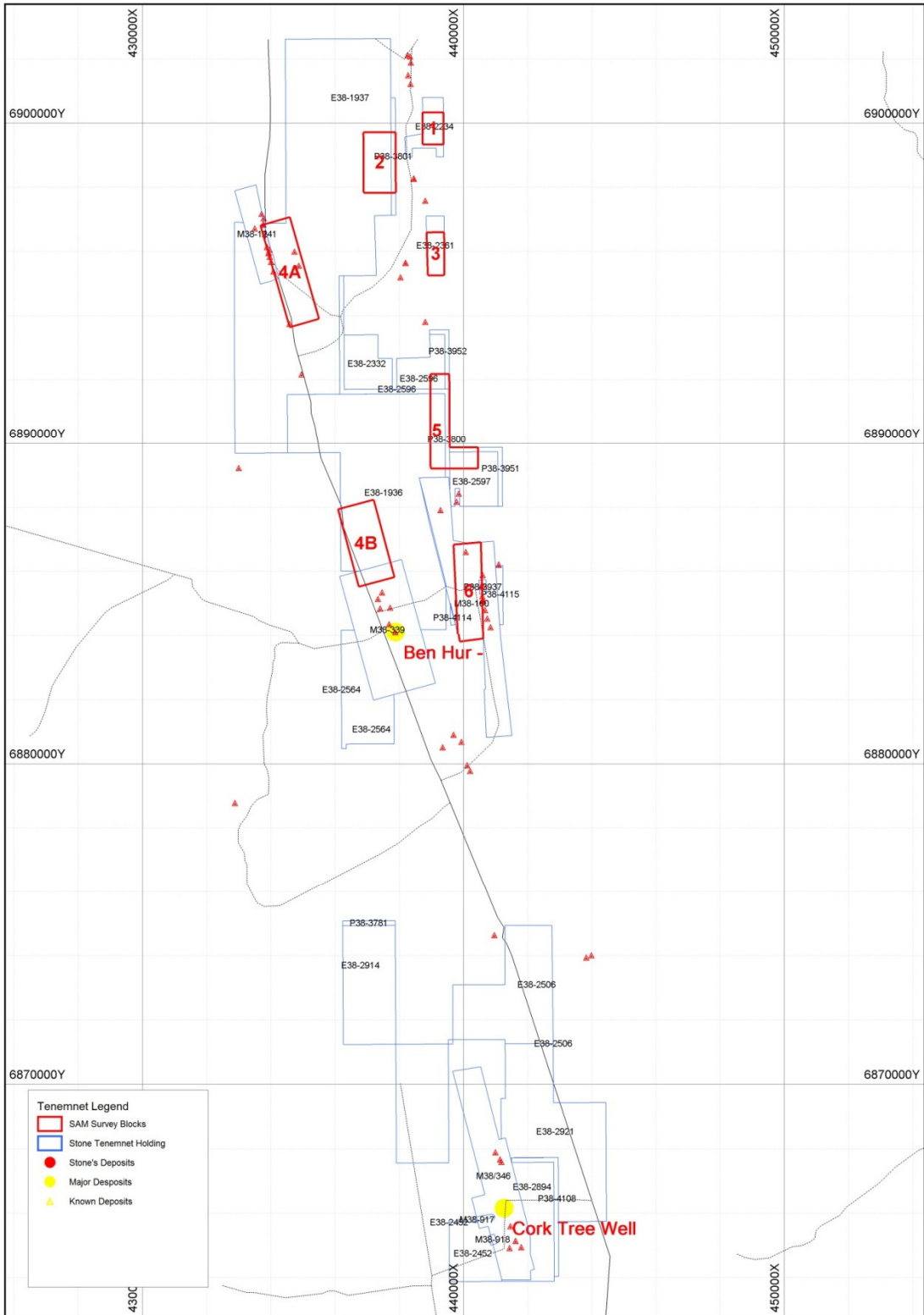


Figure 3a: SAM Survey areas in Brightstar north area (Laverton North)



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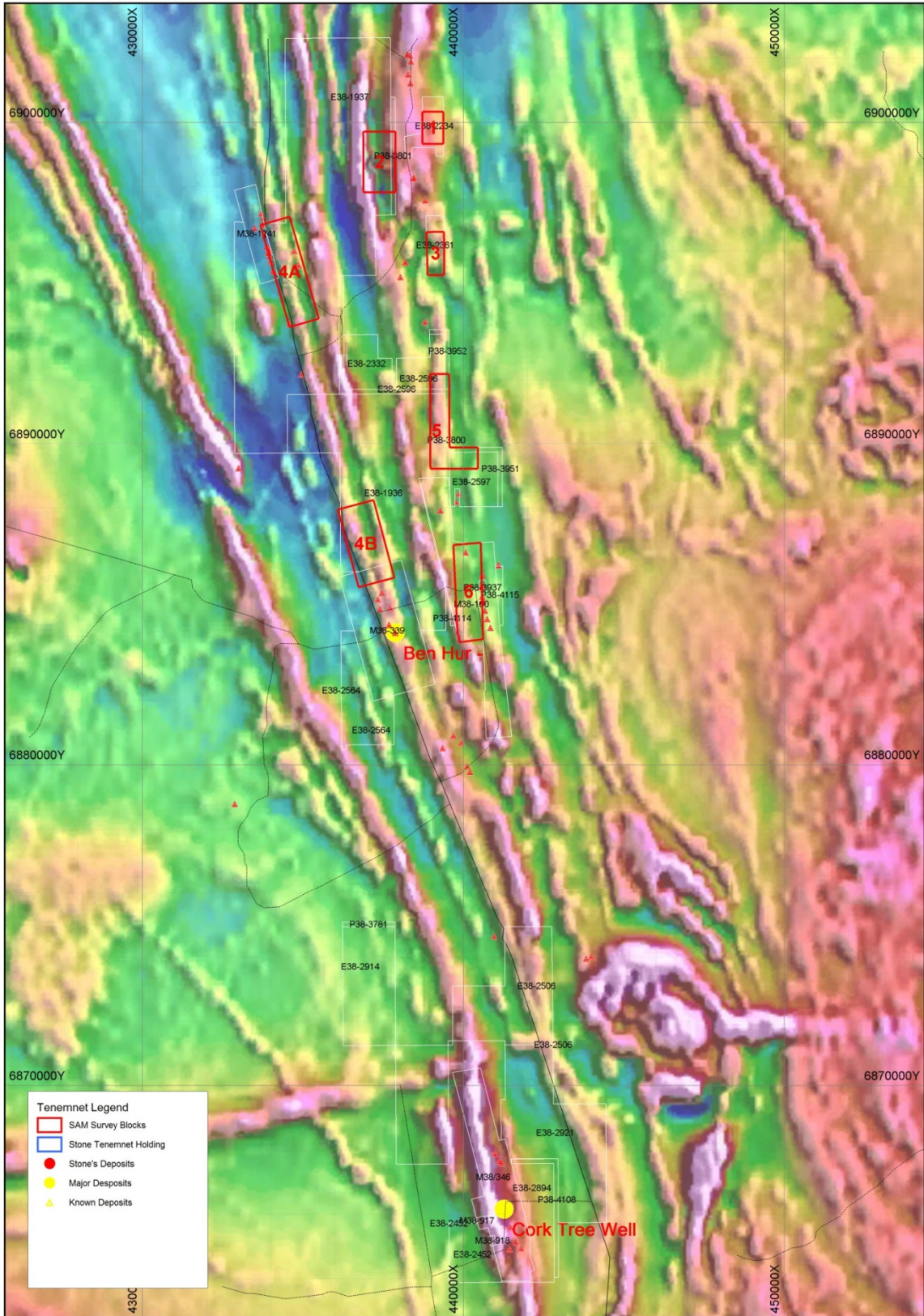


Figure 3b: SAM Survey areas in Brightstar north area (Laverton North) on magnetic plots

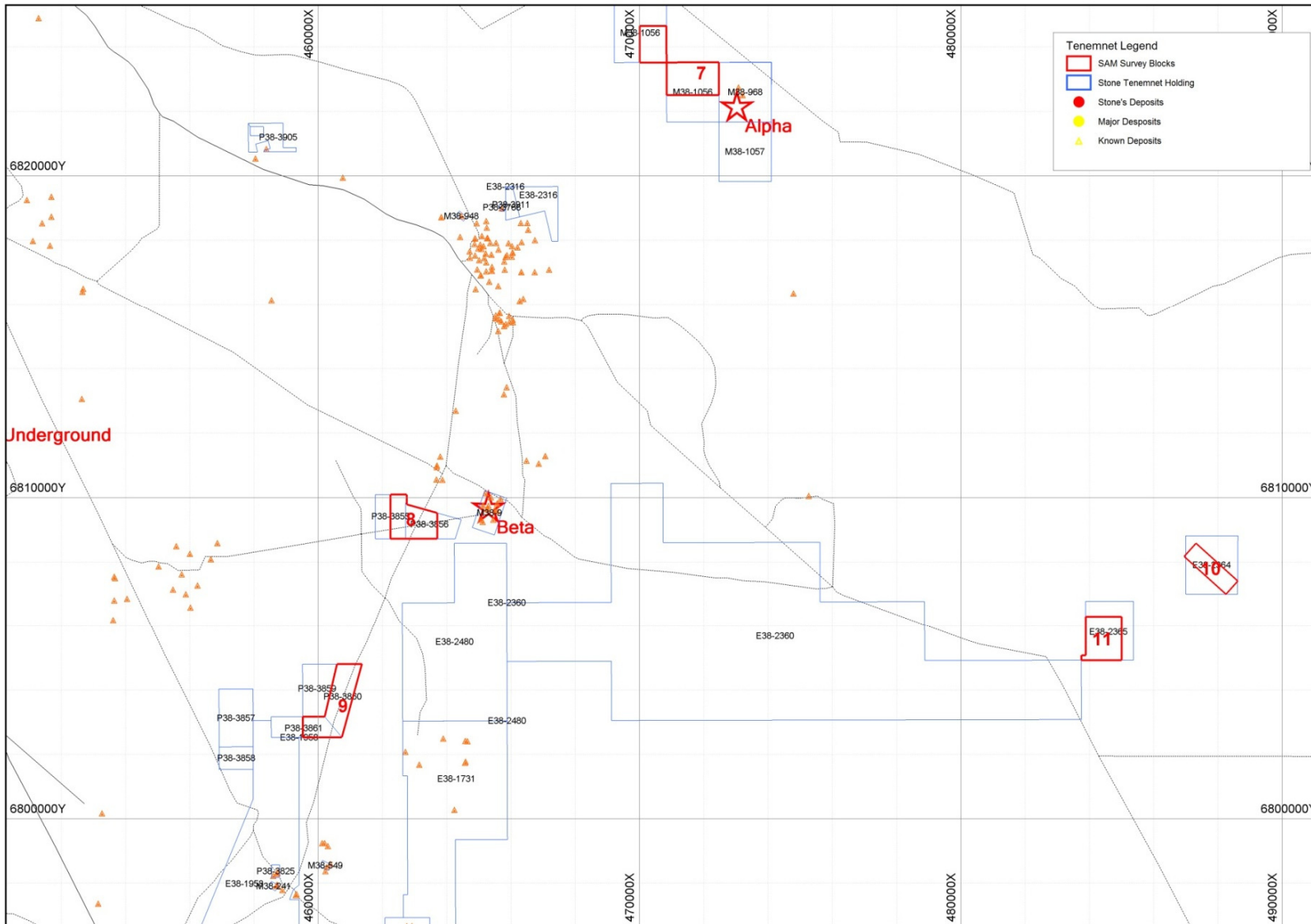


Figure 4a: SAM Survey areas in Burtville area (Brightstar South)

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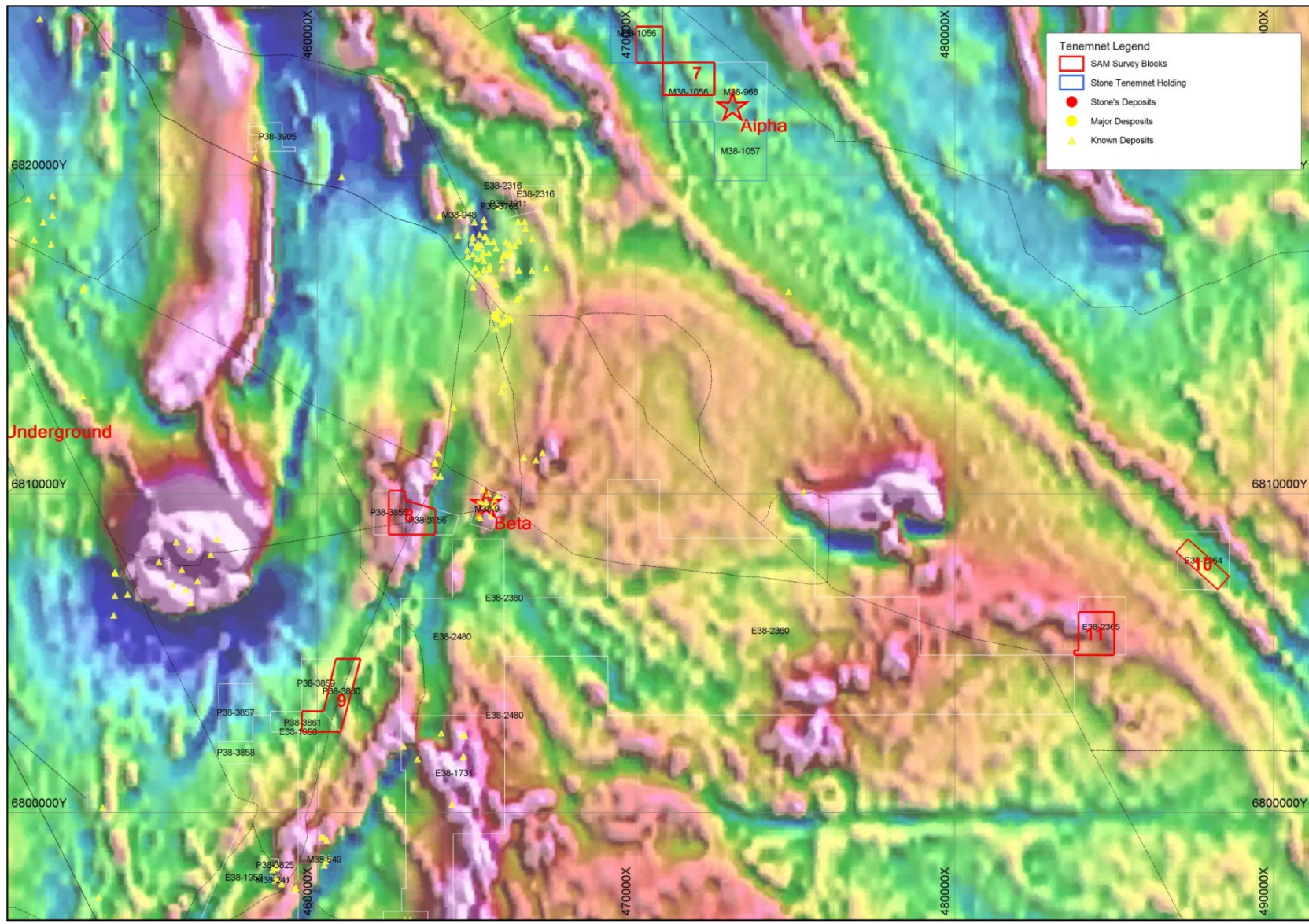


Figure 4b: SAM Survey areas in Burtville area (Brightstar South) on magnetic plots

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Survey areas cover two types of targets: a. extension of known deposit; b. where MMI anomalies coincide with potential target zone indicated by magnetic response. Stone has engaged contractors to discuss on the field data acquisition process and the survey is planned to be carried out in August – September 2015.

Environment

During the quarter, the Company continued to work with its environmental consultants and the DMP to resolve residual non-compliances.

Corporate

The Company received continuous funding from the parent entity, Stone Resources Limited, for exploration and working capital requirements. During the quarter the company received approximately \$771,000 from the parent entity.

As per its announcement of 24 July 2015, the Company and VM Drilling Pty Ltd reached settlement resulting in the proceedings between these parties being dismissed by consent.

For Further information, please see other ASX announcements or email the Joint Company Secretary at shengl@stoneral.com.au.

Yours sincerely

Zu Guo Fu
Chief Executive Officer