Stellar Resources
ASX Announcement

8 August 2013

Heemskirk Drilling Extends Montana Tin Deposit

- Successful diamond drill hole ZM126 extends tin mineralisation at the Montana deposit by a further 120 metres down plunge.
- ZM126W confirms continuity of mineralisation between historical drill holes and the deeper ZM126.
- Best Intersections:

  ZM126
  8 metres at 0.7% tin and minor base metals from 455 metres – including:
  2 metres at 2.2% tin and 1.3% copper from 455 metres

  ZM126W
  6 metres at 0.6% tin from 422 metres.

- Montana mineralisation on the same stratigraphic contact as Severn suggesting convergence at depth.
- Confirms excellent exploration targets:
  - In the zone of potential convergence between Montana and Severn.
  - Down plunge and to the north of Lower Queen Hill deposit.
- Supports potential extension of 7 year mine life identified in the recently completed prefeasibility study.

ASX Code: SRZ

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

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

www.stellarresources.com.au

About Stellar:

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.

CEO Peter Blight said "*ZM126 and ZM126W confirm the continuity of tin mineralisation at depth at the Montana deposit and increases the prospectivity of the zone between Montana and Severn. This is an exciting development as it demonstrates the potential to expand the Mineral Resource released in February and provides support for the recently announced positive prefeasibility study.*"

Drilling Location

Since the last drilling update in the March Quarter Report (released on 30 April 2013), two diamond holes (ZM126 and ZM 126W) were completed below the Montana deposit. The parent hole (ZM126) was collared above the Severn deposit (see Figure 1) and drilled 550 metres to the northwest to target a possible extension of the Montana mineralisation at a depth 400 metres below the surface or 100 metres below the nearest historical diamond drill hole. A wedge hole (ZM126W) tested the zone 50 metres above and 30 metres to the east of ZM126.

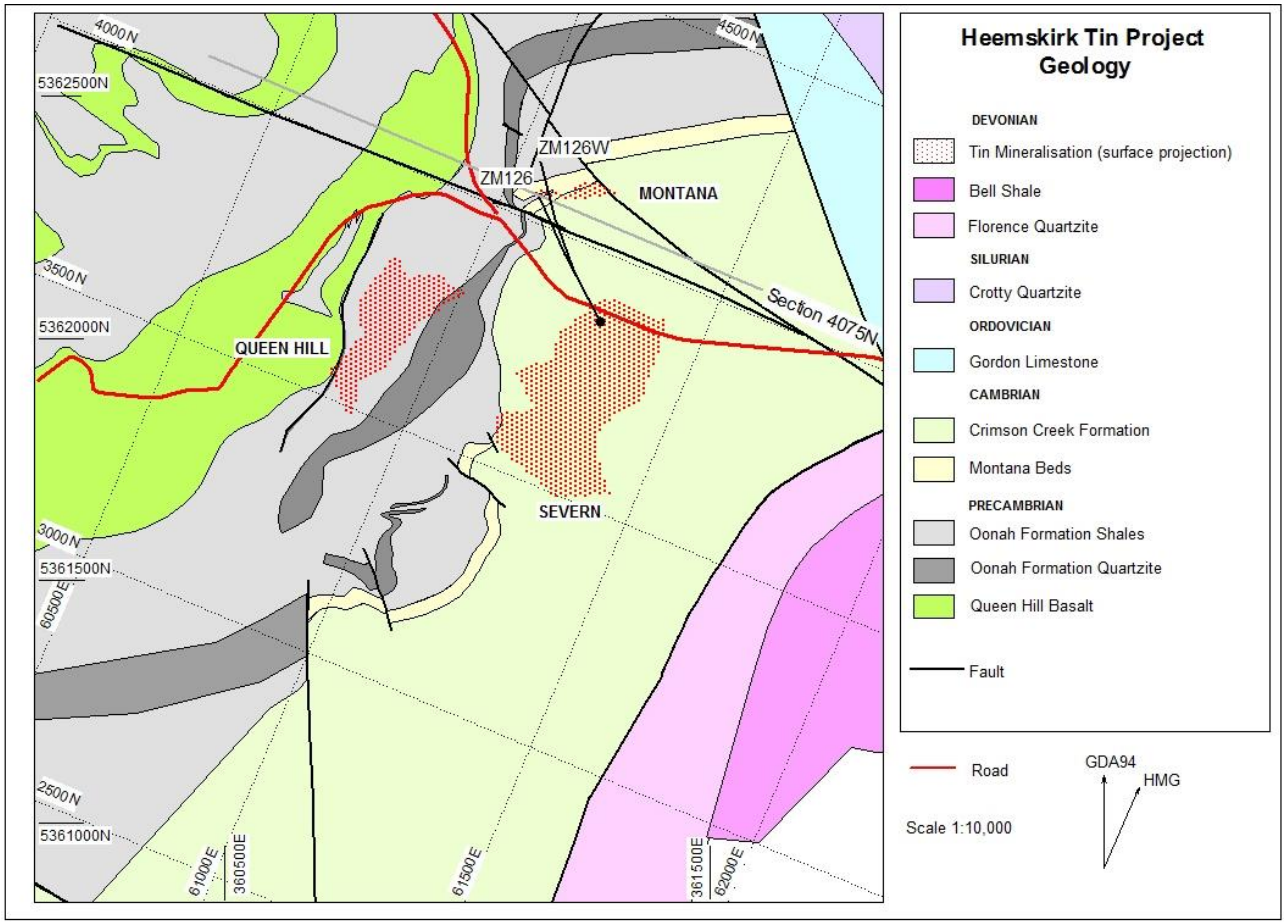


Figure 1: Geology Plan Showing Drill Hole Traces (ZM126 & 126W) and Tin Lode Projections

Significant Assay Results

ZM 126 successfully demonstrated an extension of the Montana mineralised zone at depth. An 8 metre intersection grading 0.74% tin from 455 metres was achieved with the highest grade (2.2% tin) in the top 2 metres of the zone (see Table 1). Shearing of a massive iron sulphide unit from 452 to 457 metres led to poor core recovery implying that the mineralised zone may be wider than the assays indicate and the average grade could be understated.

ZM126W provided a mineralised intercept averaging 0.56% tin over 6 metres from 422 metres. In addition, a secondary zone grading 1.09% tin over 3 metres from 483 metres was also intersected. The secondary zone was not intersected by earlier drilling and may be a new or additional zone to the main Montana mineralisation.

Table 1: Significant Assay Results

Hole No	From m	To m	Interval m	Tin %	Sol Tin %	Lead %	Zinc %	Copper %
Montana								
ZM126	**455.0**	**463.0**	**8.0**	**0.74**	**0.22**	**0.05**	**0.10**	**0.41**
including	455.0	457.0	2.0	2.20	0.70	0.08	0.30	1.32
ZM126W	**422.0**	**428.0**	**6.0**	**0.56**	**0.04**	**0.03**	**0.03**	**0.06**
	483.0	486.0	3.0	1.09	0.79	0.41	0.06	1.13

Extending the Resource Envelope

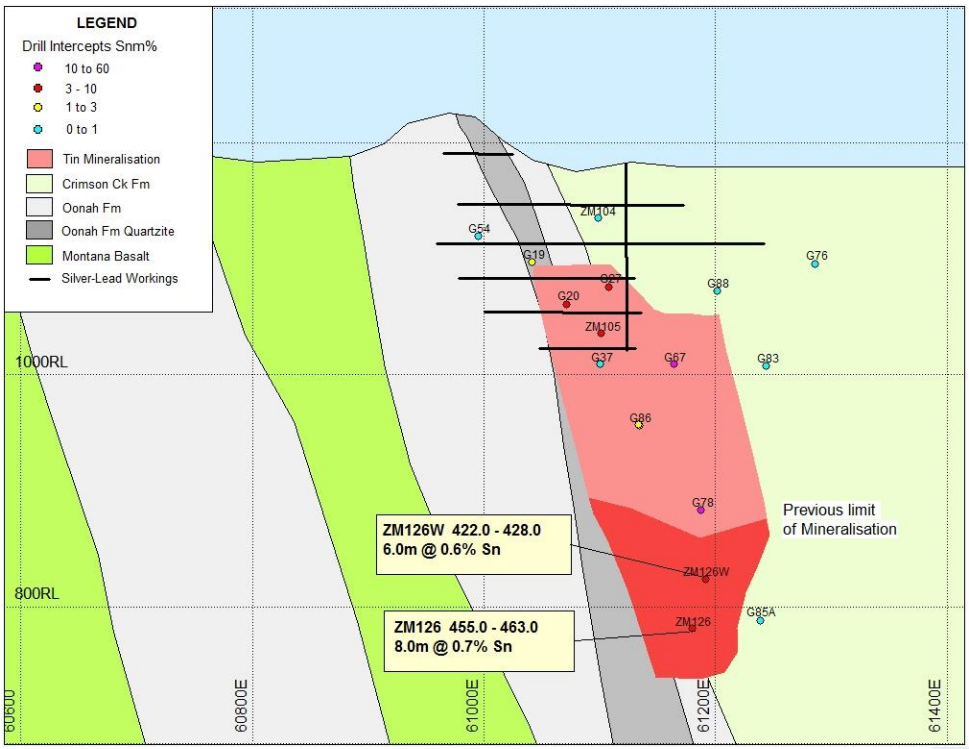


Figure 2: Montana Schematic Long-Section Showing Drill-hole Pierce Points

Figure 2 shows the impact of ZM126 and ZM126W on the mineralised envelope at Montana. The envelope has been extended down plunge by 120 metres. It commences at 80 metres below surface and extends for 350 metres, remaining open at depth. The mineralisation is also open to the west.

Geological Interpretation

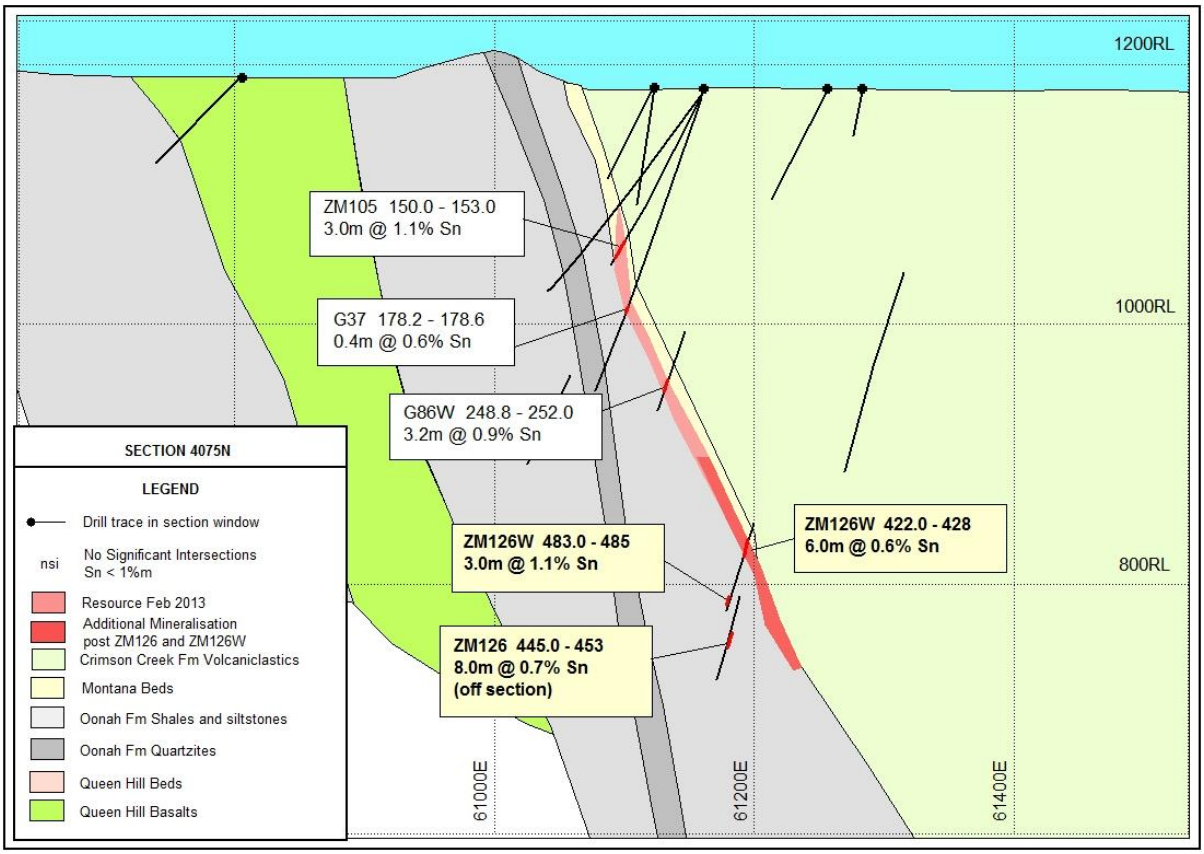
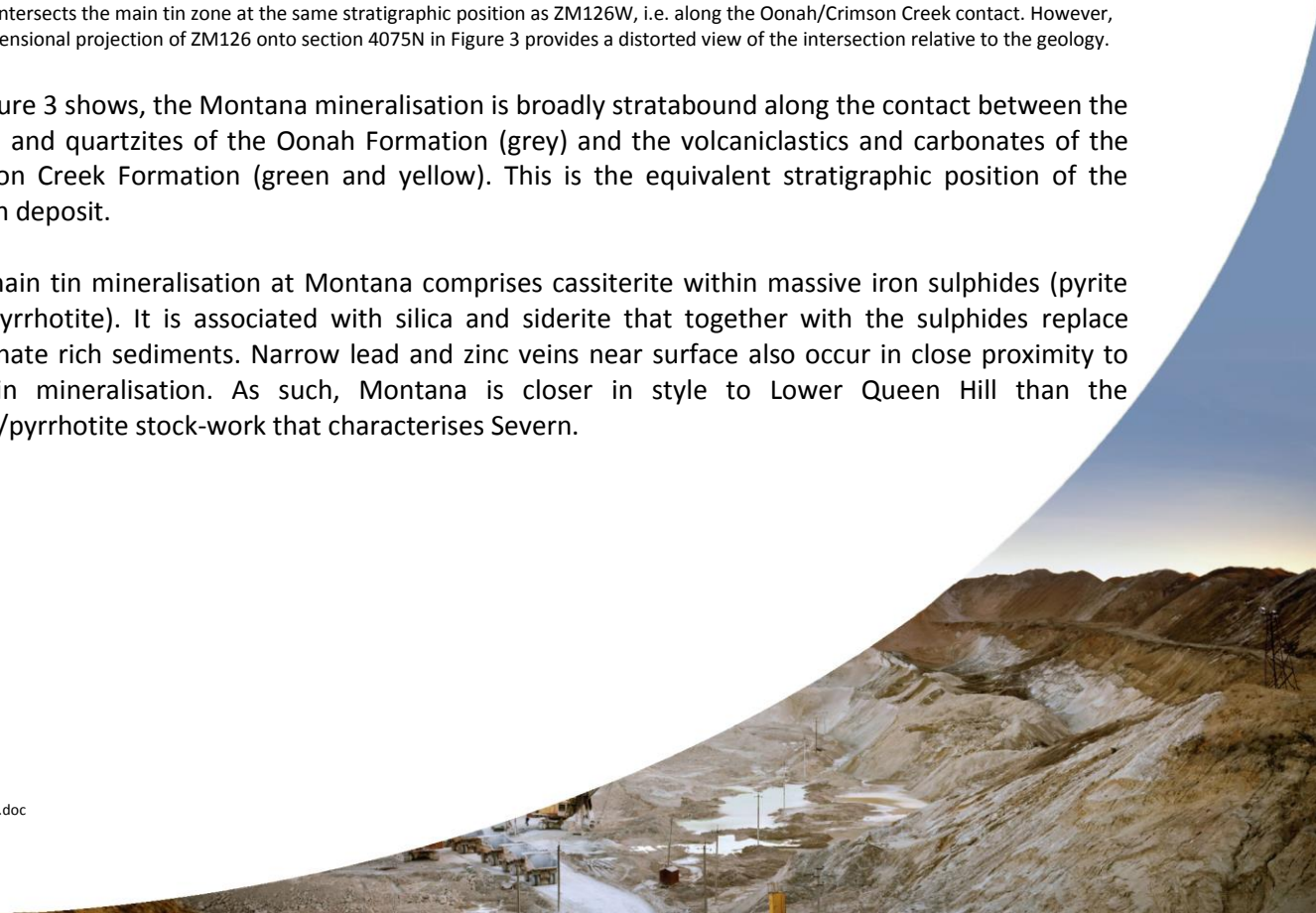


Figure 3: Montana Oblique Section Showing ZM126 & 126W on Mine Grid Line 4075N

ZM126 intersects the main tin zone at the same stratigraphic position as ZM126W, i.e. along the Oonah/Crimson Creek contact. However, two dimensional projection of ZM126 onto section 4075N in Figure 3 provides a distorted view of the intersection relative to the geology.

As Figure 3 shows, the Montana mineralisation is broadly stratabound along the contact between the shales and quartzites of the Oonah Formation (grey) and the volcaniclastics and carbonates of the Crimson Creek Formation (green and yellow). This is the equivalent stratigraphic position of the Severn deposit.

The main tin mineralisation at Montana comprises cassiterite within massive iron sulphides (pyrite and pyrrhotite). It is associated with silica and siderite that together with the sulphides replace carbonate rich sediments. Narrow lead and zinc veins near surface also occur in close proximity to the tin mineralisation. As such, Montana is closer in style to Lower Queen Hill than the pyrite/pyrrhotite stock-work that characterises Severn.



Drilling Targets

Given the close proximity of the three deposits a common source is the most likely situation with the deposits converging towards Montana which may provide the conduit for fluids from the granite (see Figure 4).

From an exploration perspective, this model suggests that the best rewards will come from following the known mineralisation down plunge along the Oonah/Crimson Creek contact. The zone down plunge from Queen Hill represents an attractive and relatively shallow additional target (see Figure 4).

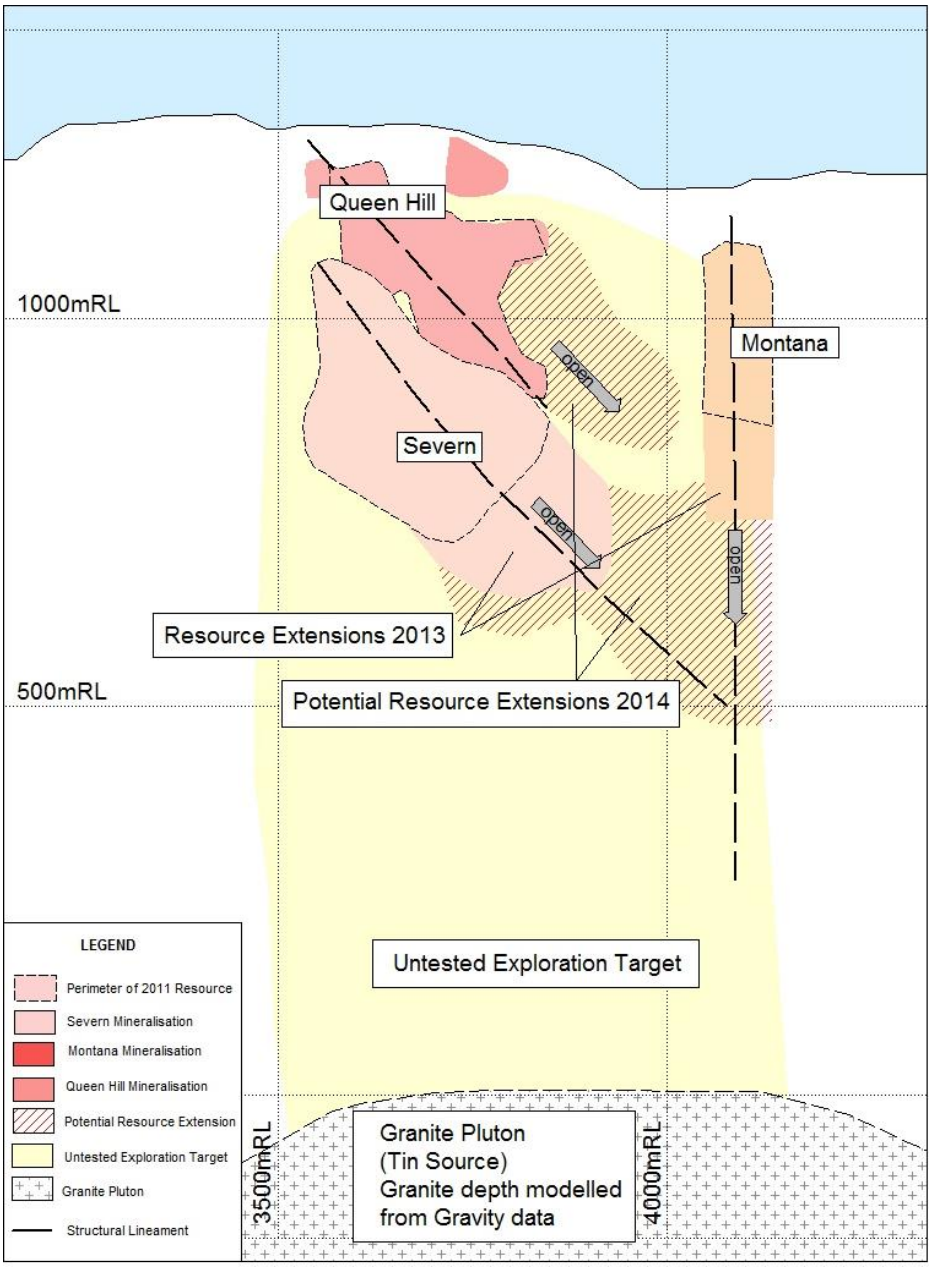


Figure 4: Schematic Section Showing Zones of Potential Convergence

Appendix 1: Drill Hole Coordinates

Hole No	Northing Collar	Easting Collar	Relative Level m	Collar Dip/Azimuth	Depth m	Recovery %
ZM126	5362043	361268	181	62/357	551	93
ZM126W	5362043	361268	181	50/005	444	98
Located on section 4075N, ZM126W wedged off ZM126 from 155 metres						

Appendix 2: Assay Data

Hole No	From m	To m	Interval m	Tin %	Sol Tin ppm	Lead %	Zinc %	Copper %
ZM126	455	456	1	1.00	3700	0.13	0.23	0.70
	456	457	1	3.40	10500	0.02	0.37	1.94
	457	458	1	0.03	70	0.01	0.01	0.01
	458	459	1	0.42	380	0.03	0.02	0.06
	459	460	1	0.30	530	0.07	0.05	0.10
	460	461	1	0.03	190	0.05	0.01	0.02
	461	462	1	0.02	90	0.04	0.01	0.01
	462	463	1	0.69	2210	0.02	0.10	0.41
	463	464	1	0.27	190	0.02	0.03	0.02
ZM126W	422	423	1	1.46	430	0.07	0.07	0.04
	423	424	1	0.25	350	0.01	0.00	0.11
	424	425	1	0.15	420	0.02	0.02	0.08
	425	426	1	0.08	180	0.04	0.03	0.04
	426	427	1	0.13	240	0.04	0.02	0.04
	427	428	1	1.30	540	0.02	0.02	0.04
	483	484	1	0.97	8820	0.07	0.04	1.03
	484	485	1	0.01	<50	0.03	0.00	0.01
	485	486	1	2.29	14750	1.12	0.13	2.35

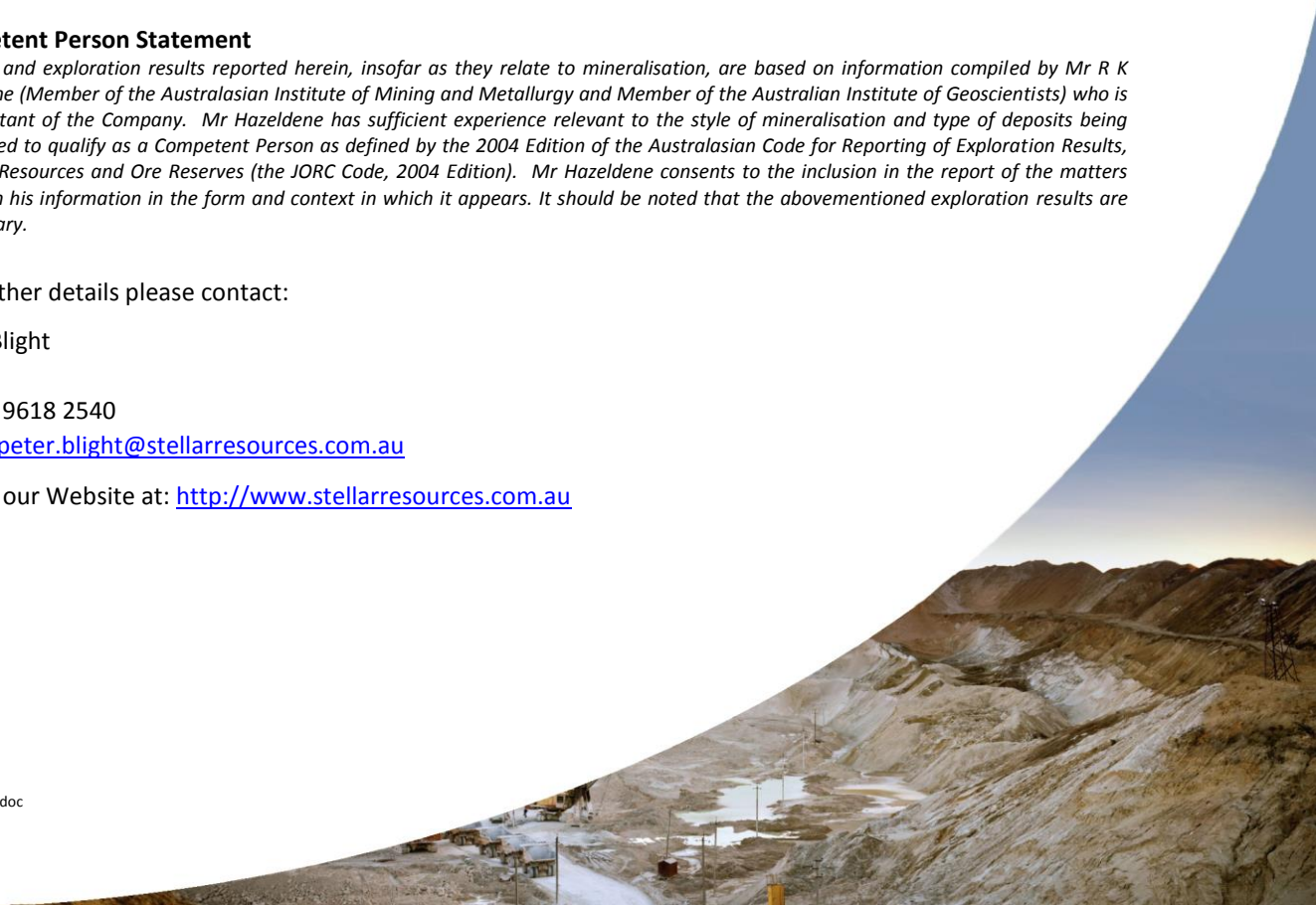
Competent Person Statement

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.

For further details please contact:

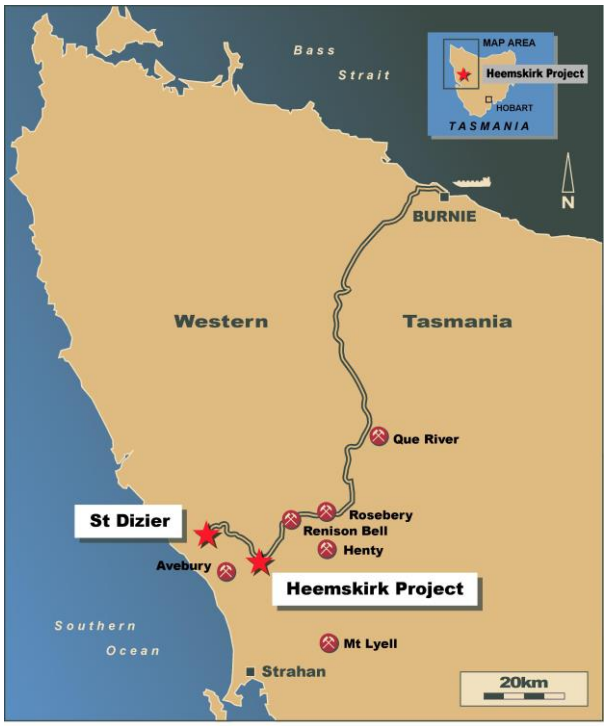
Peter Blight
CEO
Tel: 03 9618 2540
Email: peter.blight@stellarresources.com.au

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



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.