

Hicks Hill Acquisition: Iron Ore Development Potential Upgraded at Tarcoola

Stellar Resources Limited is pleased to announce that PIRSA has provided an offer of grant over ELA 2009/70 Hicks Hill and that its wholly owned subsidiary, Hiltaba Gold Pty Ltd has accepted the offer.

ELA 2009/70 contains the outcropping Hicks Hill magnetite banded iron deposit which is located 30 kilometres to the southeast of Wilgena Hill and 10 kilometres to the north of the Trans-Australian railway line. The magnetite deposit also lies outside of the Woomera Prohibited Area.

The Hicks Hill magnetic anomaly is 2 kilometres in strike length by 300 metres in width – similar dimensions to the near surface section of the Coolybring deposit (shown as a black oval on the eastern edge of the large Coolybring TMI image in Figure 1). One 50 metre RC hole drilled down dip along the southern edge of the Hicks Hill deposit during an MIM exploration program in 2005 showed the mineralisation to be similar in appearance to that drilled at Coolybring. The chip samples were not however assayed for iron and no other exploration was conducted over the deposit.

22 September 2009

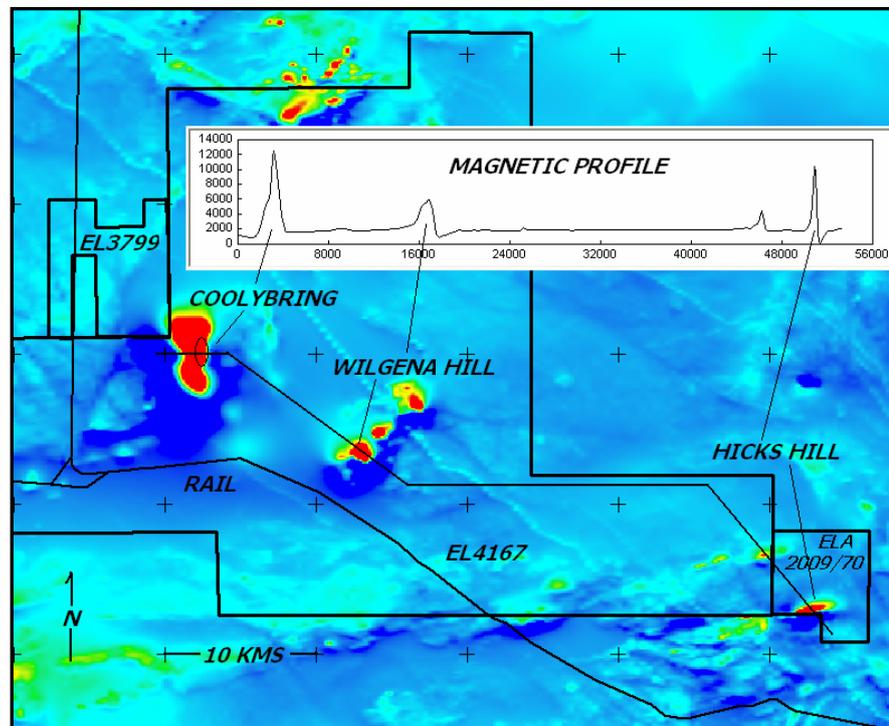


Figure 1 – Total Magnetic Intensity showing Hicks Hill relative to Coolybring and Wilgena Hill magnetic anomalies

Importantly, Figure 1 shows that the magnetic profile at Hicks Hill has intensity that is similar in magnitude to that at Coolybring suggesting that the deposit has considerable depth extent and a high magnetite content despite its narrower width relative to the broader Coolybring anomaly.

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Hicks Hill has the potential to be a lower capital cost and more rapid possible mine development than Coolybring as the deposit crops out over 800 metres on its western side and subcrops below a sand plain to the east. Consequently, there would be little or no overburden removal prior to any mine development. Preliminary magnetic interpretation suggests a potential strike length of 2,000 metres and a true width of 100 metres. Using these parameters to a depth of 300 metres, yields an exploration target of more than 200 million tonnes. If drilling and assessment work confirm this target, Hicks Hill represents a valuable addition to Stellar’s portfolio of wholly owned magnetite deposits in the Tarcoola region of South Australia.

Exploration plan

Surface sampling, assaying and ground geophysics are planned in the December Quarter as a precursor to designing a drilling program to outline the dimensions of the deposit and provide an indication of iron ore and concentrate grade.

Stellar’s Tarcoola Iron Ore Project

The Coolybring and Hicks Hill magnetite deposits are the closest of the central South Australian deposits to the open access Trans-Australian Railway (10 kilometres) which could connect them to the proposed bulk commodity terminal at Port Bonython (see Figure 2). Tonnage potential of near surface deposits, determined from analysis of total magnetic intensity, is around 700 million tonnes with three times that potential at greater depth. The near surface deposits have the potential to support a mine life in excess of 30 years at an annual production rate of 5 million tonnes of magnetite concentrate.

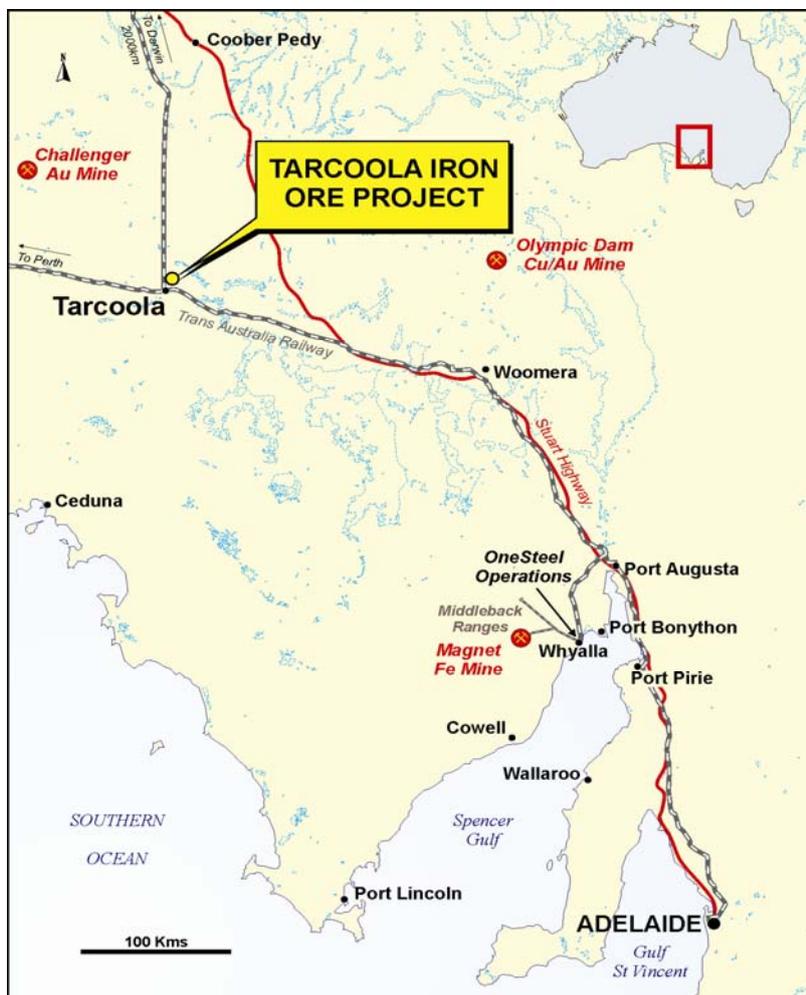


Figure 2 – Locality of the South Australian Tarcoola Iron Ore Project

The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. C.G. Anderson (Fellow of the Australasian Institute of Mining and Metallurgy) who is a Director of the Company. Mr. Anderson 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. Anderson 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.

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