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Project Update, including drilling intentions

Stellar Resources is pleased to provide this update on activities, including drilling plans, on the following key projects:

- Goldfinger
- Soyuz
- Padthaway
- Palaeochannel Uranium

Goldfinger, N.S.W. (Stellar option to earn 60% interest)

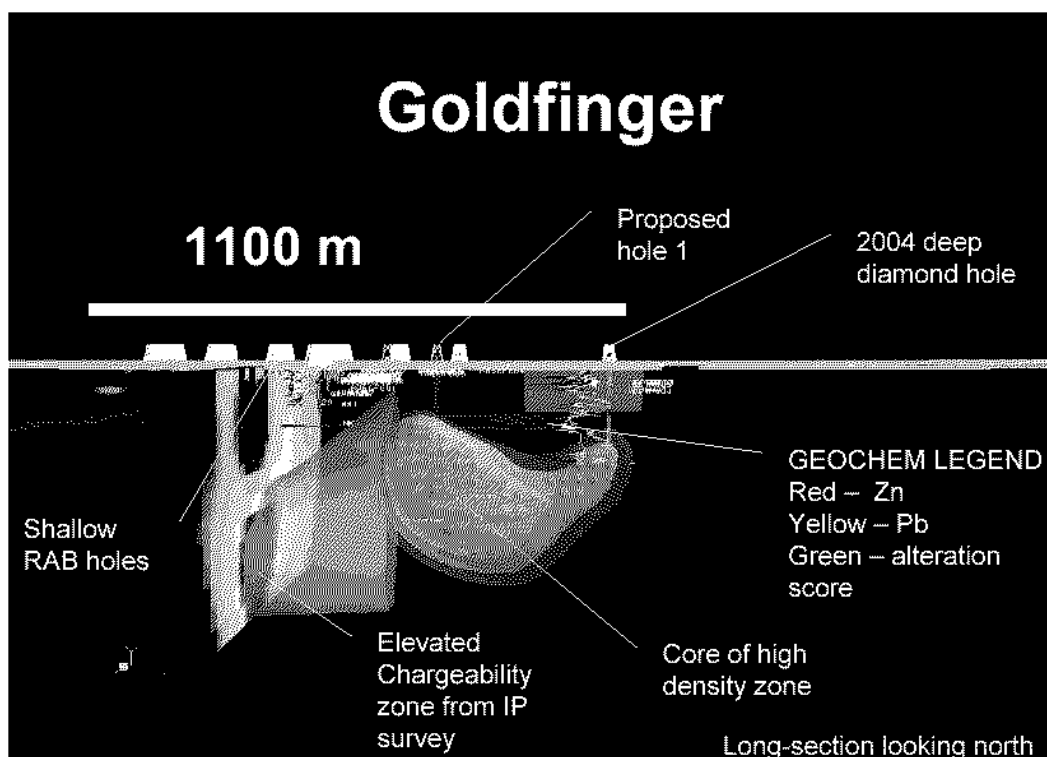
Diamond drilling of the major Goldfinger gravity anomaly, located 20kms south of Broken Hill, is ready to commence once a drilling rig is available. Stellar awaits release of the rig from its existing program in nearby Broken Hill.

The Goldfinger target was better defined from a recently completed IP survey and detailed geophysical modeling of both IP and gravity data indicates a "central zone" of high density flanked by zones of elevated chargeability.

A diamond drill hole to test the central, high-density part of this target is planned to a depth of over 400 metres. Geophysical imaging of the Falcon® gravity data indicates a large "excess mass" in the central zone.

Some 600m along strike from this proposed drill hole, a diamond drill hole in 2004 intersected 59m @ 0.25% Zn, demonstrating the presence of highly anomalous metal concentrations in a rock unit showing strong affinities with the Broken Hill mine sequence.

The Board of Stellar views this as highly significant and considers Goldfinger to represent one of the best targets generated from the Broken Hill regional Falcon® survey.



Goldfinger project – Long section (looking north) – The core of the high-density zone is seen to be flanked by zones of elevated chargeability.

Soyuz (Stellar 100%)

The Soyuz prospect is located in the Tarcoola project area of central South Australia.

A program of shallow RAB geochemical drilling is scheduled to commence this month to target the Soyuz copper-gold gravity and magnetic targets. A program of deeper RC drilling, which has received PACE funding subsidy approval for 2005/06, will be based around the results of this geochemical drilling program.

Padthaway (Stellar option to earn 100%)

Drilling has commenced on base metals targets generated from assessment of magnetic imaging over the Kiki prospect, located under cover on the Padthaway Ridge, S.A. This drilling has attracted PACE funded subsidy for a short orientation program.

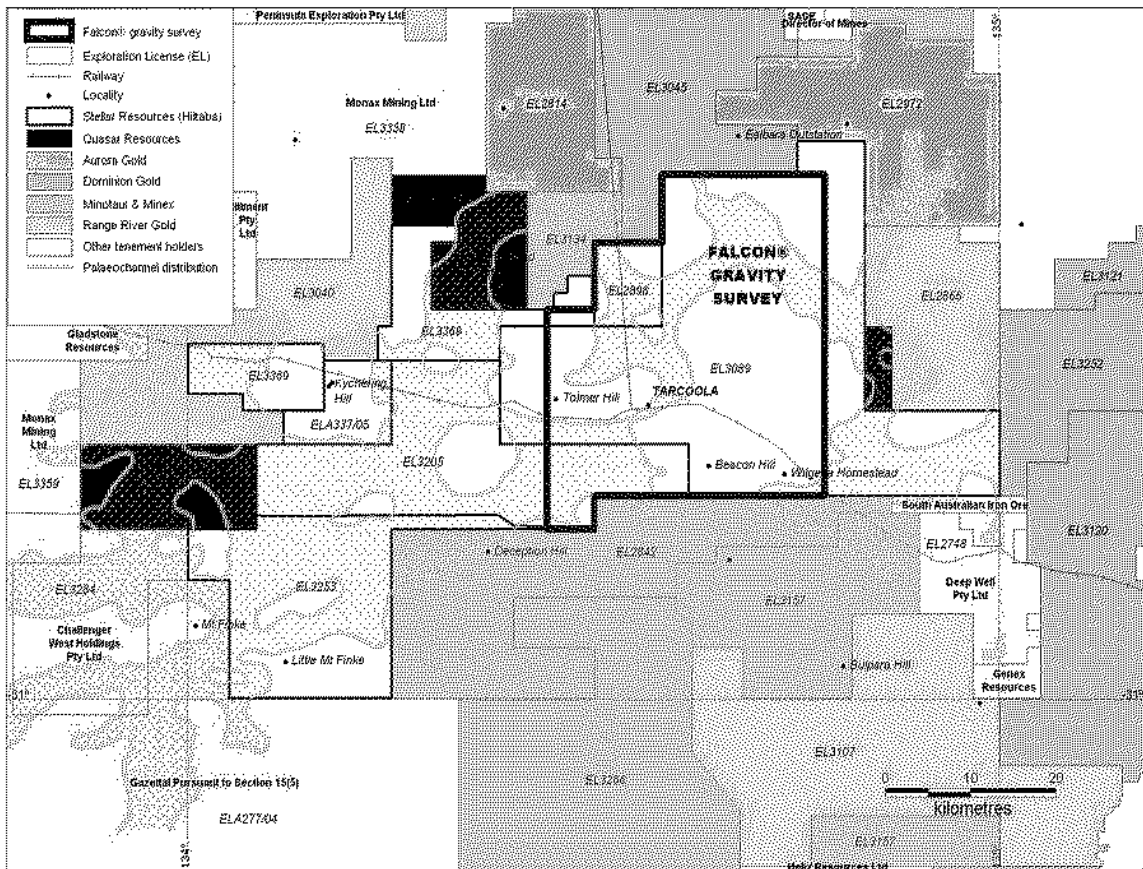
The Kiki targets represent magnetic anomalies which are interpreted to be zoned intrusive bodies with potential for nickel or copper-gold mineralization. The initial program is two drill holes.

Palaeochannel Uranium (Stellar 100%)

In view of the improving market climate for uranium (especially as a source of non greenhouse gas emitting energy) Stellar has conducted an internal review of its 3,000 sq. kms of Gawler Craton tenements. Public domain (PIRSA) data shows a network of palaeochannels traversing Stellar's ground. These palaeochannels are considered prospective for "roll front" uranium deposits and are located proximal to Hiltaba age granites. These granites are considered as potential source rocks for uranium, particularly where they are upstream of potential deposition sites.

Further assessment of the Falcon® Ealbara survey, flown in 2004, coupled with test drilling in late 2004, demonstrates that Falcon® gravity imaging can accurately define the location of palaeochannels which greatly assists drill targeting.

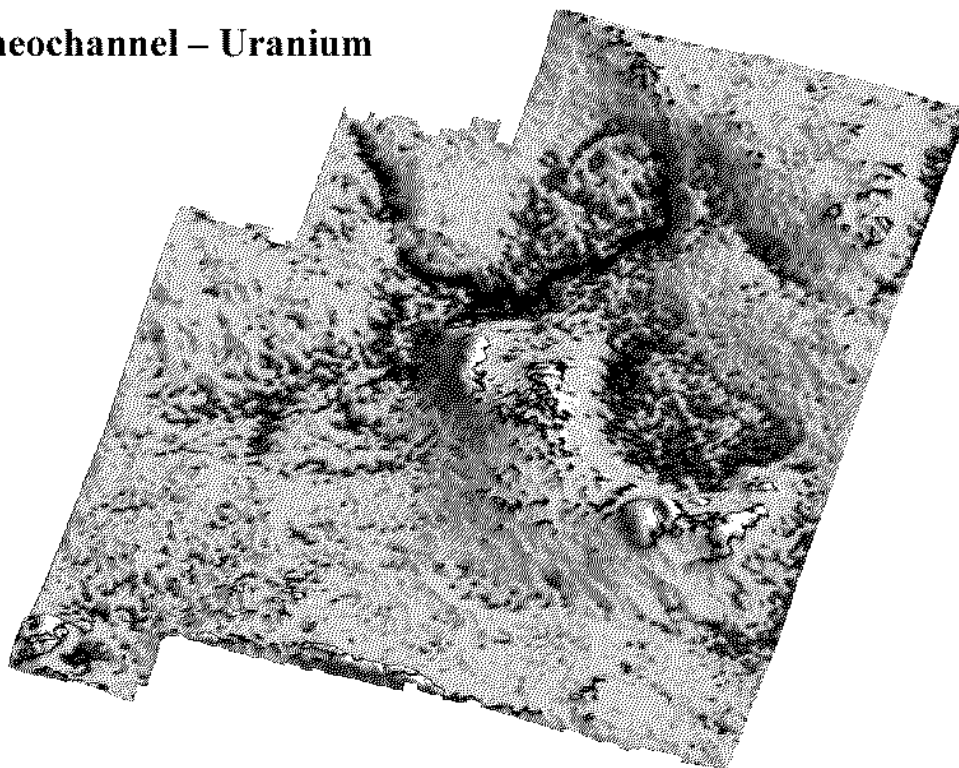
Stellar plans an aggressive strategy to test targets generated within the Falcon® survey area.



Note:

Stellar Resources tenement holding in the Tarcoola region of the Gawler Craton. Palaeochannel locations are derived from recent PIRSA publications. (Competitor tenements are shown indicating 'holders'). The position of the Falcon® survey is outlined.

- **Palaeochannel – Uranium**



The gravity image derived from the Falcon® survey.

Note:

The gravity “lows” which are interpreted as palaeochannels are in the north central portion of the image.

Further details

More details on all Stellar Resources projects will be contained in the June Quarterly report, to be released later this month.

The drill 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 full time employee of the Company with more than twenty years experience in the field of activity being reported. 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 and do not imply that a mineral resource has or will be defined.

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