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STELLAR

Stellar Pushing Ahead with Heemskirk Evaluation

Highlights

Stellar Resources will push ahead with a program to upgrade and expand the JORC compliant resource of 4.4mt grading 1.1% tin at the world class Heemskirk Tin Project. A drilling program has commenced with the following aims:

- Target near surface and lateral extensions of Queen Hill, Montana and Severn deposits.
- Evaluate down-dip extensions of Queen Hill, Montana and Severn deposits.
- Explore for additional deposits along the prospective Severn Fault.

Stellar is very encouraged by the outcome of the recent resource assessment by the Mining One consulting group. The assessment has confirmed historical resource estimates and the company believes that it can form the basis for a potential mining project.

The report also identified potential to extend the known ore deposits. This work, along with recent re-evaluation of the exploration data over the area of the Heemskirk project, leads Stellar to believe that there is excellent potential to upgrade the total resource in the area.

The company has commenced drilling on potential lateral extensions of the Queen Hill deposit with an initial drill hole on the south side of Queen Hill. This week a second hole commenced on the northside of the deposit (Targets 1 and 2 in Figure 1).

Company CEO, Mr Peter Blight, stated that "*The drilling program represents a planned campaign designed to define a potentially mineable resource. We are encouraged by the Mining One report and also by the favourable results from the metallurgical testing previously announced and plan to start a development scoping study. We also believe that there is considerable potential to upgrade the global resource of the Heemskirk Project*".

About Stellar:

Stellar Resources (SRZ) is focusing on the development of its tin and base metal projects in Tasmania. The company holds a portfolio of tenements located in Tasmania, South Australia and New South Wales that have excellent development potential. Key projects include: Heemskirk Tin located near Zeehan in Tasmania and the Tarcoola Iron Ore Project in central South Australia. The company aims to create shareholder value by identifying and developing mature exploration properties.

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 a 60% interest in the Heemskirk Tin Project with joint venture partner, Gippsland Limited and can increase its holding to 70% by completing a feasibility study.

Stellar is aggressively pushing ahead with the assessment of the Heemskirk Project. A recent evaluation by Mining One identified an indicated plus inferred resource of 4.4 million tonnes at 1.1% tin in three separate deposits.

Stellar will soon commission a scoping study to test the economic viability of developing a mine. Along with this study, the company plans to upgrade the resource status and to potentially expand the resource base by testing the limits of the known lodes and exploring the untapped potential to discover additional lodes.

Drilling has commenced on the southern zone at Queen Hill. Testing will be carried out over three stages in conjunction with geophysical, geological and geochemical mapping.

Exploration Targets

Figure 1 illustrates the mapped geology and mineralisation in the immediate vicinity of the Queen Hill, Montana and Severn deposits, northwest of the township of Zeehan. Also shown are the targets that Stellar plans to test over the upcoming drilling campaign.

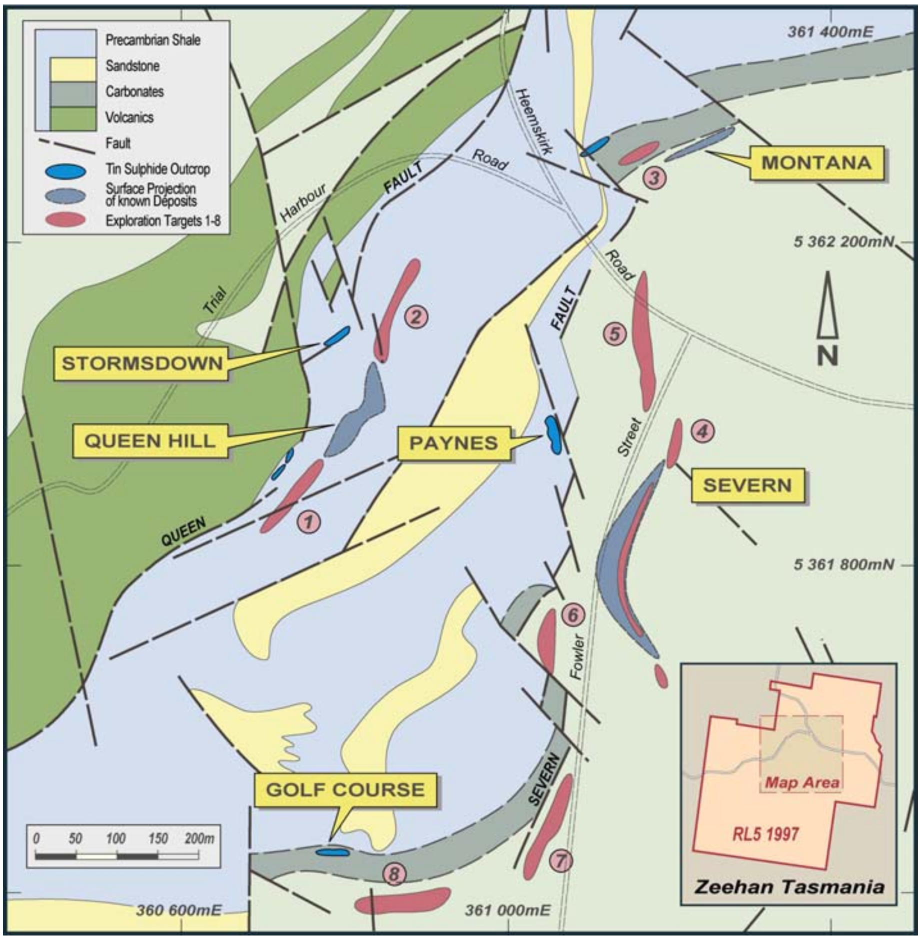

Figure 1: Interpretative Geology and Exploration Targets

Stage 1 – Shallow lateral extensions of known deposits
The first stage of drilling will focus on shallow lateral extensions to the known deposits. At Queen Hill, this potential is to the north and south of the deposit labeled targets 1 and 2. At Montana (target 3), drilling will focus on untested potential mineralisation between the sulphides that outcrop in the Montana pit and the top of the known deposit at 75m depth to the east and at Severn (target 4) near surface lateral potential immediately north of the known deposit (target 4) will be tested.

Stage 2 – Down dip extensions to know deposits
The Mining One study indentified a number of drill targets below the known mineralization at Queen Hill and Severn. Stage 2 drilling will test this potential with a view to expanding the resource estimates down-dip.

Stage 3 – New targets along the Severn fault
The Severn Fault is interpreted to be the principal conduit for the fluids that formed the Severn mineralisation. A number of other surface occurrences including the Montana, Paynes and Golf Course prospects also appear to be related to the Severn fault. There are several locations along the fault where structure intersects favourable geology and where untested magnetic anomalies provide as yet untested targets.

APPENDIX – Heemskirk Tin Mineral Resource

Deposit	Indicated			Inferred			Total		
	kt	% Sn	kt Sn	kt	% Sn	kt Sn	kt	% Sn	kt Sn
Queen Hill	1,600	1.2	19				1,600	1.2	19
Montana				360	1.6	6	360	1.6	6
Severn				2,400	1.0	24	2,400	1.0	24
Total	**1,600**		**19**	**2,760**		**30**	**4,360**	**1.1**	**49**

cut-off grade 0.6% tin
estimated on 3 March 2011 by Mining One Pty Ltd

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.

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