

207 Stirling Highway
Claremont WA 6010
Australia

t : +61 8 9340 6000
f : +61 8 9340 6060

PO Box 352
Nedlands WA 6909
Australia

e : info@gippslandltd.com
w : www.gippslandltd.com



ABN 31 004 766 376

25 January 2011

HEEMSKIRK TIN PROJECT UPDATE

Gippsland Limited [ASX: 'GIP'; FRA: 'GIX'] is pleased to provide the attached copy of today's Stellar Resources Ltd [ASX: 'SRZ'] announcement which outlines their rapid progress on the Heemskirk Tin Project in Tasmania and provides an outline of activities over the next three months.

For further information, please contact:

John Dunlop
Director
Gippsland Limited
T: +61 8 9340 6000
E: jsdunlop@bigpond.com

For personal use only

ASX Release

Heemskirk Tin Project Update

Stellar is driving rapid progress on its Heemskirk Tin Project in Tasmania. It is pleased to provide an outline of current activities over the next three months that will allow it to commence scoping studies in the June quarter.

- Preparation of a JORC compliant resource estimate is well advanced and following validation of some of the historical data should be ready for release at the end of February.
- Preliminary metallurgical test work has shown that the traditional high-sulphide tin processing circuit will work for Heemskirk tin mineralization. Stellar has committed to the next stage of metallurgical testing which will focus on the tin float circuit.
- Tin prices remain strong at US\$27,800/tonne with market tightness expected to maintain current or higher price levels throughout 2011.

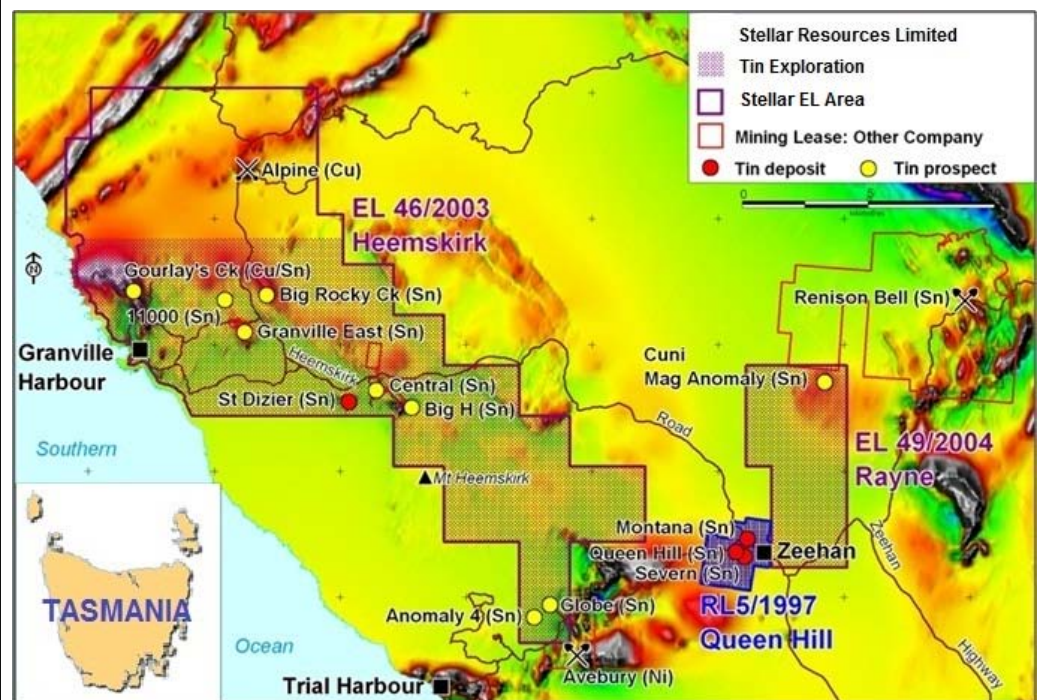


Figure 1 Location of Heemskirk Tin Project (RL5/1997)

25 January 2011

ASX Code: SRZ

ABN 96 108 758 961
Level 7 Exchange Tower
530 Little Collins Street
Melbourne Victoria 3000
Australia

Telephone +61 3 9909 7618
Facsimile +61 3 9909 7621

www.stellarresources.com.au
srzinfo@stellarresources.com.au

About Stellar:

Stellar Resources (SRZ) is focusing on the development of its tin and iron projects and advancement of uranium and base metal exploration properties. 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.

For personal use only

Introduction

The Heemskirk Tin Project is located north of Zeehan on Tasmania's west coast. The location is ideal for mining given that the area is well serviced by power, water, transport, other infrastructure and mining services. 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.

Drilling by Aberfoyle during the early 1980s identified three tin deposits - Queen Hill, Severn and Montana - all located within 500m of each other. In 2010, Stellar drilled 6 holes into the near surface Queen Hill deposit. The results confirmed the high grade nature of mineralisation, showed that the deposit remains open to the north and south and provided fresh samples for metallurgical testing.

Resource Estimation

Stellar has appointed an independent geological consultancy with tin expertise to review the historical drilling data and prepare a JORC resource estimate. Verification of some of the data has taken longer than initially expected with the result that the final report is now due before the end of February 2011.

Metallurgical Test Work

As previously reported, preliminary metallurgical test work has shown that the traditional high-sulphide tin processing circuit shown in Figure 1 will work for Heemskirk tin Mineralisation.

The main conclusions from the early stage test work are that:

- Pre-concentration through the heavy media circuit works well rejecting 18% of mass and 36% of silicate minerals with very low loss of tin.
- Liberation characteristics of cassiterite are good down to finer fractions. Accordingly, tin losses of 14% through the pyrite flotation circuit are typical for a sulphide rich tin ore. A high proportion of this cassiterite is fine and free and potentially recoverable.
- Gravity separation works well for a size fraction above 53 micron.

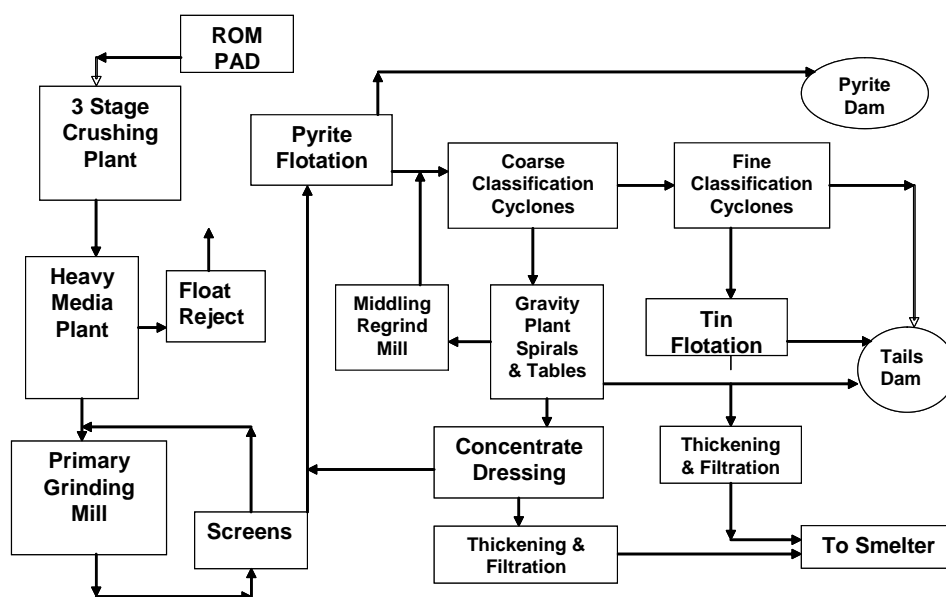


Figure 2 Preliminary Process Flow Chart

Test work on tin flotation, the final stage of the process in which fine grained tin is recovered, will be examined next. Stellar has recently committed to this work which should be completed by the end of February.

Ore characterisation studies and mineralogical assessment of the various process streams set the theoretical recovery target at 70% for a 50% tin concentrate. This is comparable with other tin concentrates around the world.

Tin Market Update

The LME tin price remained strong over the last three months with an increase to US\$27,800/t from \$26,400/t in mid October 2010. Indonesian exports (accounting for 30% of the world market) declined by 9% in December due to weather disrupted production and increased government regulation of artisanal mining. In addition, China - the largest producer of tin in the world, has moved to protect its tin consuming industries by calling for a reduction in exports and an increase in imports. In 2010, China became a net importer for the first time with imports increasing by 171% to 13,744 tonnes.

According to the International Tin Research Institute (ITRI), the tin market was short by 20,000 tonnes of metal in 2010 which resulted in a substantial drawdown of LME stocks and a 60% increase in the LME price. Despite ITRI's prediction of modest demand growth in 2011, little new supply is also expected resulting in another deficit year, a further drawdown of LME stocks and continued strong prices.

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 9909 7618

Email: peter.blight@stellarresources.com.au

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