



STELLAR RESOURCES LIMITED
Rubicon MinTech Ventures Pty. Ltd.

EL 1/2004 RAMSAY RIVER

**ANNUAL REPORT FOR THE PERIOD
3 JANUARY 2010 – 2 JANUARY 2011**

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ABSTRACT

This Annual Report for EL1/2004 Ramsay River covers the period from 3 January 2010 to 2 January 2011.

The Ramsay River licence area contains historical occurrences of lead-silver-zinc, tin, gold and copper. Previous exploration in the area includes extensive stream sediment sampling, some soil and rock chip sampling, geological mapping, a range of geophysical surveys and several drill holes, which have revealed numerous anomalies. As many of these remain untested or inadequately drilled, the licence is considered to remain prospective for the discovery of significant base metal mineralisation.

In Melbourne office, work has included the ongoing collection of existing regional geological, geochemical and geophysical data and map production.

Further modelling and definition of geophysical targets has taken place from electromagnetic and aeromagnetic datasets. With reference to the existing regional geological, geochemical and geophysical data, and with further detailed drill data available, target definition, modelling and drilling will be considered on current projects. It is intended to ground map, geochemically sample and drill test other prospective targets.

Expenditure on EL1/2004 for 2010 totalled \$15,038.

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1. INTRODUCTION

1.1. EXPLORATION RATIONALE & GEOLOGICAL SETTING

The licence covers the NE part of the Meredith Granite, which is recognised to have similar petrochemistry to the Heemskirk suite. The NE part of the Meredith Granite is considered to extend at shallow depth northeast, under EL 1/2004, and that the porphyry dykes at Mt Bischoff are attributed to the presence of granite at shallow depth. The margins of the Meredith granite in this region flank a series of major magnetic anomalies. The historic Magnet (Pb-Ag-Zn) Mine is on the northeast boundary of the EL, while the Mt Bischoff (Sn) and Cleveland (Sn-Cu) Mines lie within 3km. There are numerous small tin and base metal occurrences within the licence area. Base metal vein style mineralisation appears to be hosted by Precambrian and Cambrian volcanosedimentary sequences. Previous drilling by the Tasmanian Mines Department and Pasminco Limited has shown ultramafic rocks to be present in the area.

There is potential for additional base metal mineralisation adjacent to the old Magnet Mine both at depth and along strike. The area is also highly prospective for skarn deposits similar to Bischoff and Cleveland and there is thought to be some potential for skarn hosted nickel sulphides of the Avebury style.

1.1.1. Geological Setting

Ramsay River is focussed on a major magnetic anomaly flanking the north-eastern corner of the Devonian Meredith Granite. Apart from the Meredith Granite, underlying lithologies comprise Neoproterozoic and Palaeozoic rocks of the Dundas Trough together with allochthonous Cambrian ultramafic bodies.

A block of Oonah Formation sediments surrounds the Mt Bischoff Mine and extends beneath Tertiary basalt to the east. The Neoproterozoic Oonah formation is composed of pale grey quartz sandstones, siltstones, shales, dolomites and minor lavas and volcanoclastics.

The Cleveland–Waratah Association, possibly Early Cambrian age, is largely composed of basalt lavas, basaltic volcanoclastics, siltstones and mudstones. The Cleveland mine sequence includes basalt, dolomite and chert units.

Mixed intermediate to mafic volcanics dominate the area to the west of Arthur Dam. These are high-magnesian andesites and low-titanium tholeiite basalts and were intersected in each of two diamond drill holes completed at Arthur Dam by Pasminco Exploration Limited (Pasminco) in 1997. Best assay result was 3m @ 2.4%Zn and 2.25%Pb in AD4.

To the south of Arthur Dam, some 5km along Betts Track, boulder outcrops are a matrix-supported conglomerate with clasts of pyroxene-feldsparphyric, chloritic lava, volcanoclastics and red-brown sandstone. This area is termed the Betts Basin and is unique to the area. It is possible the lithologies are related to the high magnesian andesites in the area.

A serpentinised ridge of ultramafic rock lies to the east of the mafic volcanic units. It extends NNE from its southern contact with the Meredith Granite near Wilson River where previously alluvial deposits of osmiridium were worked. This ultramafic body is considered thrust emplaced. Drilling by the Tasmanian Mines Department at Arthur Dam (Brown 1986) intersected the ultramafics in drill hole AD001 over an interval of 60m from 95m. The ultramafic is coincident with the strong magnetic anomaly that surrounds this part of the Meredith Granite. The anomaly is believed related to the granite's metamorphic aureole. However this magnetic anomaly has a similar appearance and amplitude to the anomalies defining the Heazlewood and Mt Stewart Ultramafic Complexes, located west of Ramsay River and also the Huskisson Ultramafic Complex flanking the Huskisson Syncline to the south.

Preliminary data from 3D geological modelling by a Tasmanian Government funded cooperative research project indicates the ultramafic body extends around the NE lobe of the Meredith Granite and then, extends southwards under shallow cover of Tertiary basalt to join with the Huskisson Ultramafic Complex. There is potential for skarns hosted by the ultramafics to lie within this significant aeromagnetic anomaly.

The historic Magnet Mine is located on the northern boundary of the Ramsay licence. It is a lode style base metal and silver deposit (0.64Mt @ 7.3%Zn, 7.3%Pb and 427 g/t Ag) hosted by a structurally emplaced mafic/ultramafic body known as the Magnet Dyke. The lower levels of the old mine (below 8 level) are within EL1/2004 while the postulated feeder structure trends southwest into the EL.

The northwest corner of the project area covers part of the Whyte River Complex of mafic and ultramafic rocks. This NE trending belt is generally low lying and tends to be covered by Quaternary alluvials as at the former Luina townsite. Silurian-Devonian Eldon Group shallow marine sandstones and siltstones are recognised in outcrop to the NE and south of Luina.

The NE corner of the Meredith Granite is known to extend as a ridge at shallow depth and underlie the historic Mt Bischoff porphyry and skarn tin deposit. This results in a considerable area of interpreted ultramafic rock being in proximity to the mineralising granite that is prospective for skarn style nickel sulphide deposits.

1.2. LICENCE

TENEMENT NUMBER: 1/2004

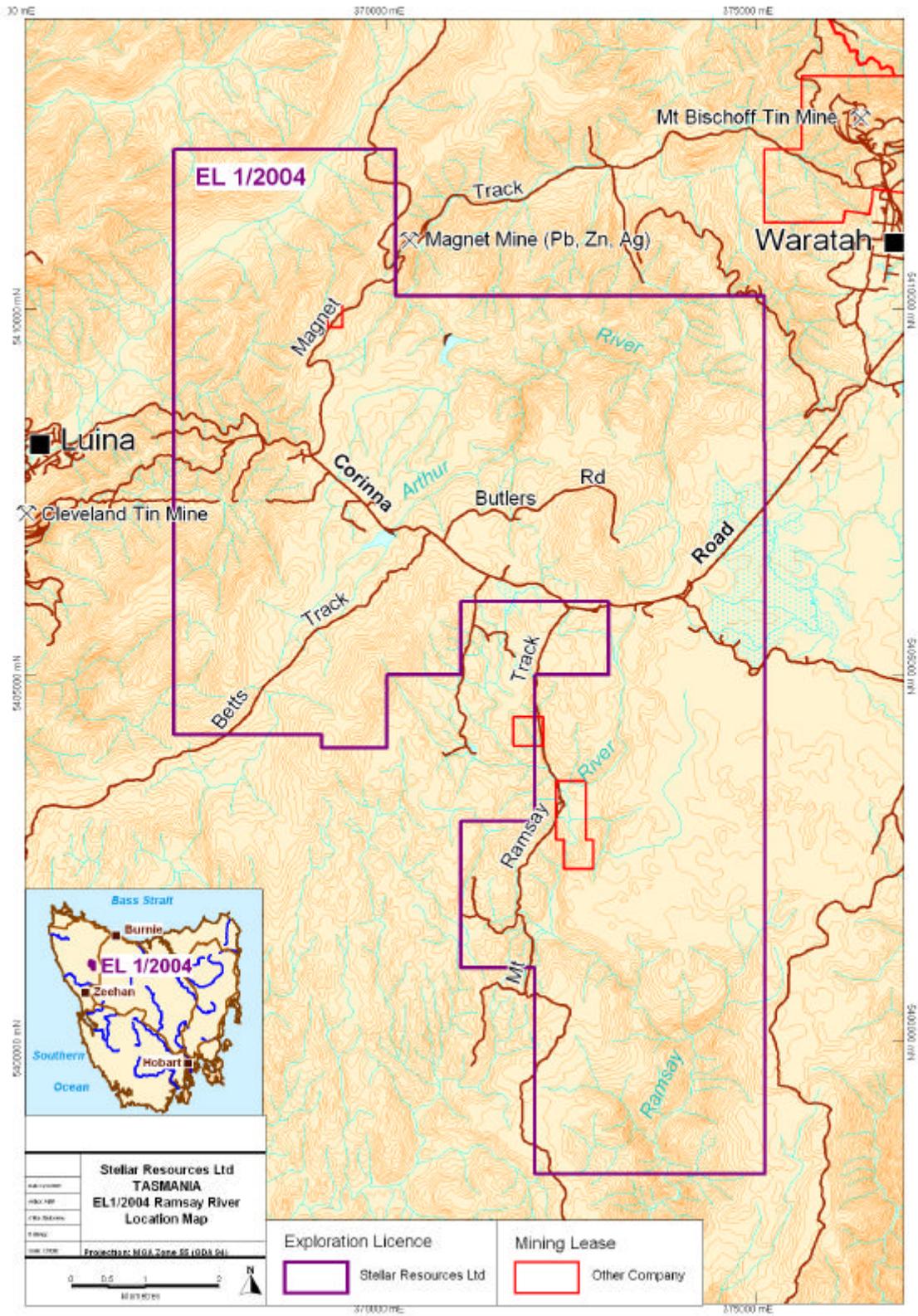
TENEMENT NAME: Ramsay River

TENEMENT LOCATION: Located 60km southwest of Burnie, with main road access from the Corinna Road approximately 10km west of the Murchison Highway (Figure 1). The licence covers 70km² from the Magnet Mine area west of Waratah township, south to within 3km of Mt Ramsay. Much of the EL area is Crown Land, covered by patches of rainforest and forestry, tea-tree scrub and button grass plains. Access is provided by the Corinna Road, numerous logging and old exploration tracks, and walking tracks. Much of the area is accessible only by foot.

REPORTING PERIOD: 3 January 2010 to 2 January 2011.

TENEMENT HOLDER: Rubicon MinTech Ventures Pty Ltd., a wholly owned subsidiary of Stellar Resources Ltd.

1.3. LOCATION OF LICENCE



• Figure 1. EL1/2004, Location Map.

1.4. LAND TENURE

SCHEDULE

LAND DISTRICT OF RUSSELL
VICINITY OF RAMSAY RIVER 8KM SW OF WARATAH
MUNICIPALITY OF WARATAH / WYNYARD
EXPLORATION LICENCE 1/2004 70km²
RUBICON MIN TECH VENTURES PTY. LTD.

Commencing at the northwest corner at grid coordinates 367 000 mE 5 412 000 mN, thence grid east to 370 000 mE, grid south to 5 410 000 mN, again grid east to 375 000 mE, again grid south to 5 398 000 mN, grid west to 372 000 mE, then grid north to 5 401 000 mN, again grid west to 371 000 mE, again grid north to 5 403 000 mN, again grid east to 372 000 mE, again grid north to 5 405 000 mN, again grid east to 373 000 mE, again grid north to 5 406 000 mN, again grid west to 371 000 mE, again grid south to 5 405 000 mN, again grid west to 370 000 mE, again grid south to 5 404 000 mN, again grid west to 367 000 mE aforesaid, thence again grid north to the point of commencement.

Coordinate datum - AGD66, AMG Zone 55.5.

EXCLUSIONS

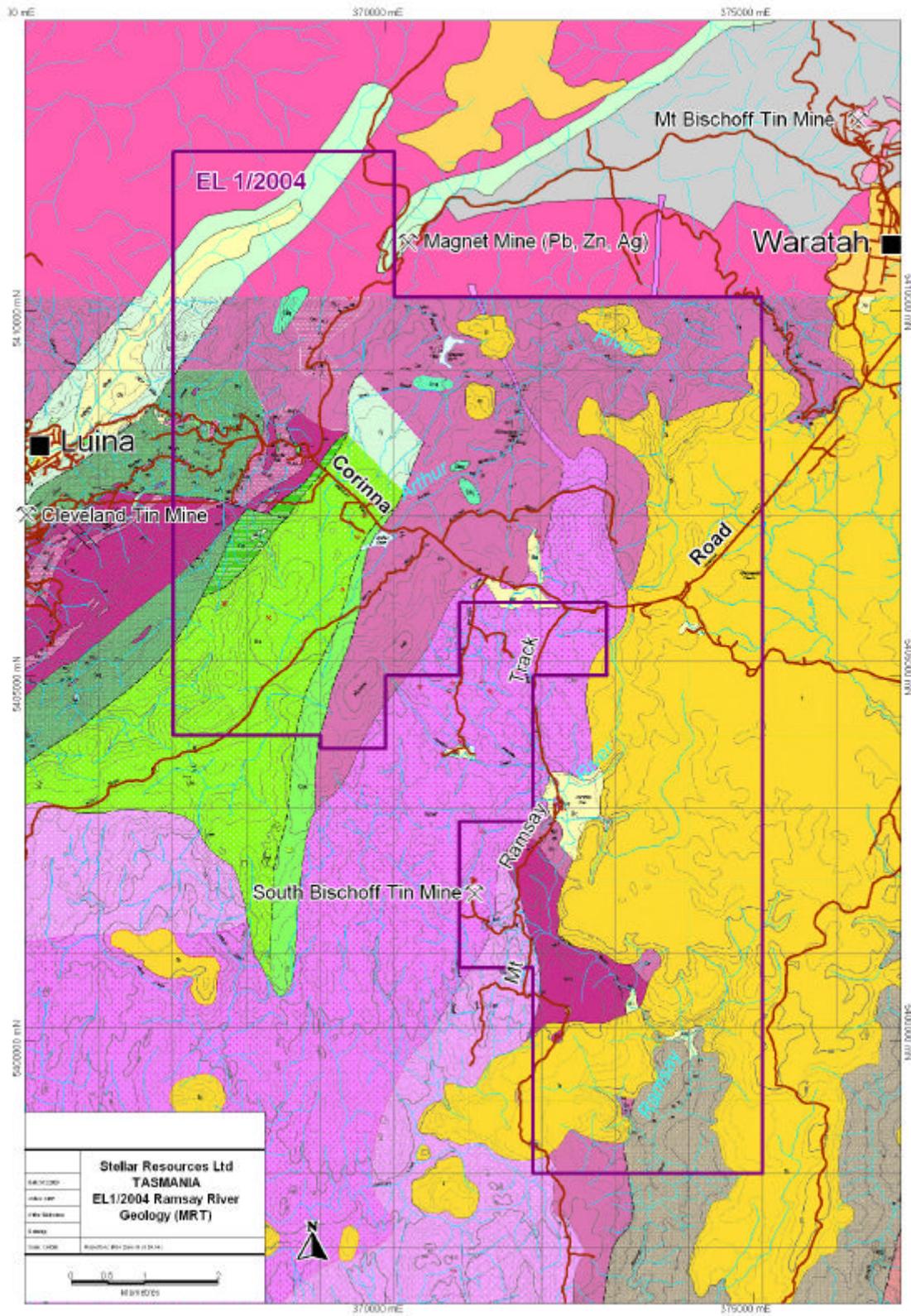
- (a) Any land owned or leased by the Commonwealth of Australia.
- (b) Mining leases amounting to 70ha (more or less) which were applied for or in force prior to the date of application for this licence.
- (c) Crown reservations or other land set apart or dedicated for any public purposes such as public reserves, municipal reserves or roadways unless such areas have been brought under the provisions of the *Mineral Resources Development Act 1995*.
- (d) Land declared as a fossicking area under the *Mineral Resources Development Act 1995* as shown hereunder:
 - 10ha Magnet Fossicking Area
- (e) Areas of private land which either have been, or are in the process of being, purchased by the Crown under the Regional Forest Agreement - Private Forests Reserves Program and / or private land over which the landowners have agreed, or are in the process of agreeing, to place a covenant or management agreement for conservation purposes under the Regional Forest Agreement - Private Forests Reserves Program.

LAND TENURE

The area comprises:

- Private Property
- Multiple Use State Forest
- MDC Informal Reserve
- Meredith Range Regional Reserve
- Savage River Regional Reserve

The licence area contains areas, which are listed (including listed on an interim basis) on the Register of the National Estate kept under the *Australian Heritage Commission Act 1975*.



• Figure 2. EL1/2004, MRT Geology Plan

2. REVIEW OF PREVIOUS WORK

MRT digital geology and geophysics datasets, DPIWE topographic data as well as data captured from open-file company reports continue to be reviewed and significant data summarised and tabulated in spreadsheet form. In particular information from reports of previous tenement holders has been captured from MRT open-file reports.

During 2006 Stellar carried out a regional mapping and soil/rock chip programme aimed at identifying potential nickel targets in the ultramafic rocks that outcrop around the northern end of Betts Track and near Arthur Dam. The company also carried out a five hole (AD05 – AD09), 1200 m diamond drilling program that was primarily aimed at the further testing of known base metal targets near Arthur Dam. One drill hole tested a magnetic anomaly just west of the entrance to Betts Track. The conclusions were:

- Serpentinised pyroxenite bodies around the northern end of Betts Track and Arthur Dam are relatively small, structurally emplaced lenses with limited potential for nickel mineralisation;
- Hornfelsed, greywacke sandstone that contains substantial magnetite as disseminations and in veinlets is the likely source of strong aeromagnetic anomalies around Betts Track and Arthur Dam;
- Vein style copper mineralisation in the eastern part of the Arthur Dam prospect appears to be of sub-economic grade. However, there is potential for the further drill testing of vein style zinc, lead and silver mineralisation in the south western part of the Arthur Dam prospect.

During February 2009, 36 samples of soil or rock were collected from channels cut in the walls of a series of old costeans and adits south of the Magnet Mine, and assayed for Cu, Pb, Zn, Ag, Sn & Au. These workings were cut across the southern extension of the structure hosting the Magnet mineralisation. Only one sample, from the northernmost adit, returned any significant assays (0.4 %Pb, 1.9 %Zn & 17 g/t Ag).

3. EXPLORATION COMPLETED DURING THE REPORTING PERIOD

3.1. REGIONAL EXPLORATION ACTIVITIES

3.1.1. Data Acquisition, Mapping & Analysis

MRT digital geology and geophysics datasets, DPIWE topographic data as well as data captured from open-file company reports have been used to produce various maps at 1:25k, 1:10k and 1:5k scale. Exploration data from Aberfoyle, Cleveland Tin, Comstaff, Geopeko, MPI, MRT, Pasminco, Renison and RGC has been further digitised and captured from MRT open-file reports.

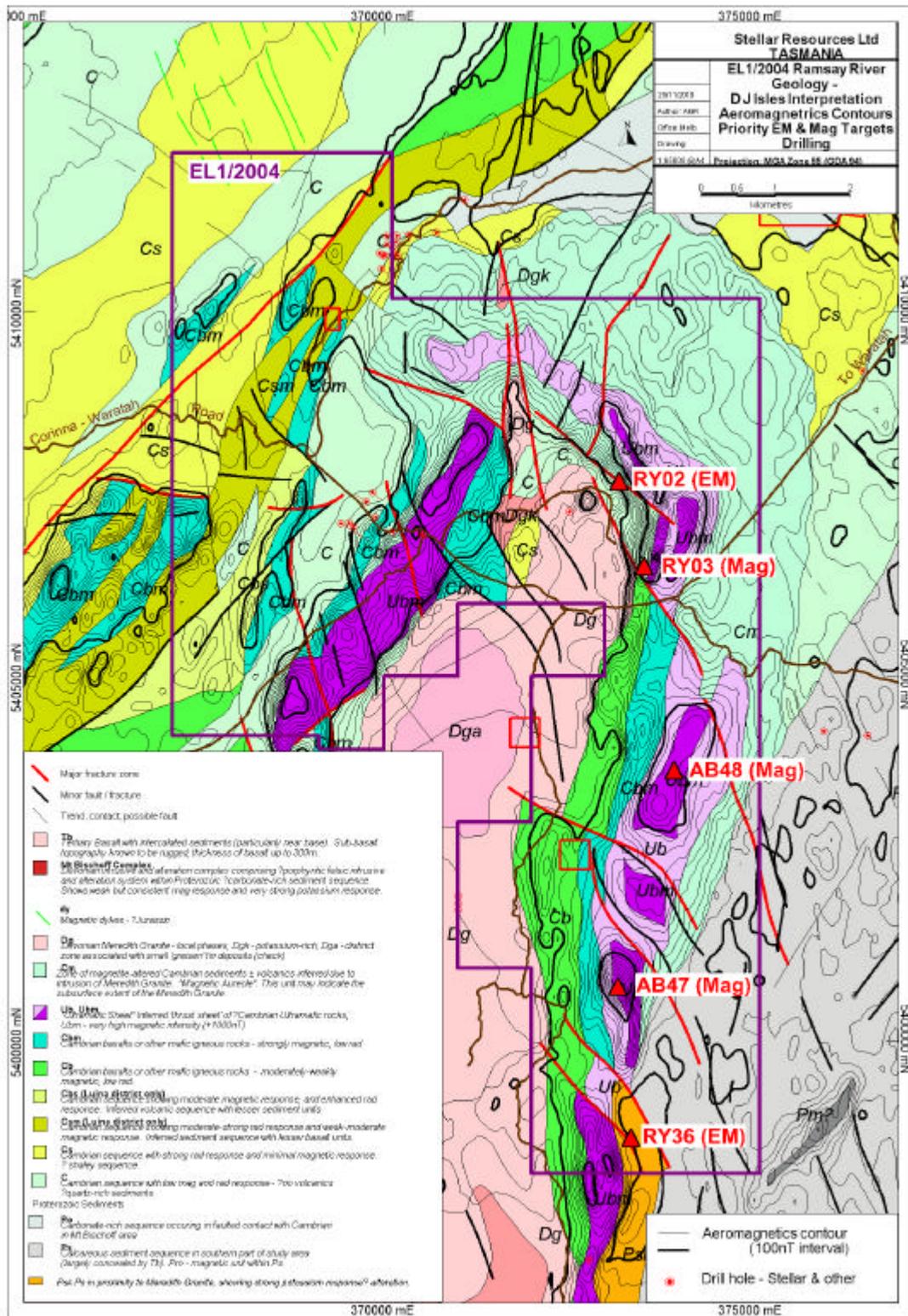
There has been extensive geological, geochemical and geophysical survey programme coverage since the 1960's especially in the northwest along the Cleveland-Magnet trend and environs, with other specific programme areas in the east and south. Tin has been the focus for much of the prior exploration in the northwest and central parts of the licence, with exploration for base metals at Arthur Dam and in the south. Generally only four elements (Sn, Cu, Zn, Pb) have been assayed in most areas. Untested base metal anomalies occur in areas of heavy tin exploration, some warranting further attention. Untested nickel assays in ultramafic rock areas occur in the northwest, which also warrant follow-up.

Revision, interrogation and interpretation of the database continues.

4. DISCUSSION OF RESULTS

The results of historical exploration data research and re-interpretation together with the interpretation of the aeromagnetic survey data have identified 23 exploration targets in the EL. Most are related to aeromagnetic and/or EM anomalies. Stellar's work on some of these targets has downgraded them but others still warrant follow up.

During the past year, Stellar's consultant Dr Tom Whiting reviewed all data on EL1/2004 and all previously identified targets. This included a risking and ranking exercise on the potential of all targets. This has led to the downgrading of some targets and the identification (upgrading) of the current proposed drill targets. This work highlighted the potential of intense aeromagnetic anomalies RY02, RY03, AB47 and AB48 as Avebury-style skarn Ni targets, and RY36 as a replacement-style base metals target (Figure 4).



• Figure 4. EL1/2004, Priority EM and magnetic targets, with geological interpretation from aeromagnetics (D J Isles) and aeromagnetics contours.

5. CONCLUSIONS

The licence covers the northeast part of the Meredith Granite, which is considered to extend at shallow depth further northeast, and possibly source porphyry dykes and the skarn tin deposit at Mt Bischoff. The historic Magnet (Pb-Ag-Zn) Mine is on the northeast boundary of the EL while the Mt Bischoff (Sn) and Cleveland (Sn-Cu) Mines lie within 3km of the licence. There are numerous small tin and base metal occurrences within the licence area. Base metal mineralisation appears to be hosted by Precambrian and Cambrian volcanosedimentary sequences, all reported occurrences being vein-style. The area is also highly prospective for skarn deposits similar to Bischoff and Cleveland.

5.1. RECOMMENDATIONS

- Prioritise exploration targets.
- Access, grid geochemistry and geophysical surveys and drill test Butler's Rd. targets.
- Access and grid geochemistry and geophysical surveys of Ramsay Tk. targets.
- Geophysical survey of Magnet Mine deeps and environs

6. PROPOSED EXPLORATION PROGRAMME

Upgrading of tracks

Grid Geochemistry Survey

Ground geophysics;

Drilling of targets RY02, RY03, AB47, AB48, and possibly RY36.

Stellar Resources: EL1/2004 Ramsay River Proposed 2011 Exploration Programme and Costings			
Access			42000
Drilling	Four holes		240000
Assays			45000
Personnel			100000
Total			427000

7. ENVIRONMENT

Field visits within EL 1/2004 during the 2010 period have been restricted to vehicular and foot travel on passable roads and tracks. Minimal environmental disturbance was associated with this activity and no rehabilitation was required.

8. EXPENDITURE

Transaction Report Rubicon Limited						
Job Code: 6502	EL 1/2004 Ramsay River	RUB	GROUP	Posting Ref	Amount	
Tran. Date	Doc Ref - Description	D1				
	Technical			Total	AU\$1,073.81	
Phase Total	STAFF COSTS	1053			AU\$1,073.81	
	Professional Technical			Total	AU\$7,141.00	
Phase Total	CONTRACT PERSONNEL	106			AU\$7,141.00	
	Geoscientist			Total	AU\$2,760.00	
Phase Total	CONSULTANT PERSONNEL	107			AU\$2,760.00	
	Rents/ Other Utilities			Total	-AU\$335.79	
Phase Total	TENEMENT COSTS	150			-AU\$335.79	
	Administration			Total	AU\$4,399.00	
Phase Total	OVERHEADS	165			AU\$4,399.00	
Job Total : 6502	Class RUB				AU\$15,038.02	

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Keywords

Location: Waratah - Luina
Mineralisation environment: Stockwork veins, skarns,
Minerals: Galena, Sphalerite, Cassiterite, Arsenopyrite, Magnetite
Exploration methods: Geochemistry, Aeromagnetism, Drilling
Mine/prospect name: Magnet Mine, Betts track, Arthur Dam, Butlers Road
Stratigraphic name: Oonah Formation, Cleveland-Waratah Association, Meredith Granite Whyte River Complex
Lithologic name: Sandstone, shale, dolomite, basalt, volcanoclastic, breccia, granite
Geological Province: Dundas Trough, Betts Basin
Geological age: Neoproterozoic, Palaeozoic, Devonian, Tertiary