



STONE RESOURCES AUSTRALIA LIMITED

21st January 2013

EXPLORATION UPDATE

Stone Resource Australia Limited (the Company) is pleased to update the exploration work undertaken by the Company as follows:

1. Drilling in Alpha

Pursuant to a drilling contract entered in November 2012, the reverse circulation drilling program was commenced on 2 December 2012 for Alpha Project. As at 31 December 2012, Resource Drilling Services has completed drilling of 16 holes, with a total of 1,848m. It represents one third of holes have been completed, or 34.5% in meters. Distributions of holes drilled are shown in Diagram 1 enclosed.

2. Assay Samples from Ben Hur and Cork Tree Well

As at 31 December 2012, the Company has packed 33,302 assay samples from Ben Hur and Cork Tree Well. By taking into account of 830 empty samples, there are altogether 34,132 samples have been packed and delivered to laboratory for assay testing.

3. Results of Assay Testing for Ben Hur

Up to 20 December 2012, the Company has obtained results of 2,249 assay samples from Ben Hur, out of 18 holes. There are 9 samples with higher grades, their Au ppm ranging from 10.01 to 37.30. For those meaningful assay results, please refer to the statistics shown in Table 1.

The Company will provide a further update at an appropriate time in the future.

For further information, please contact the Company on +618 9277 6008

Kaiye Shuai

CEO

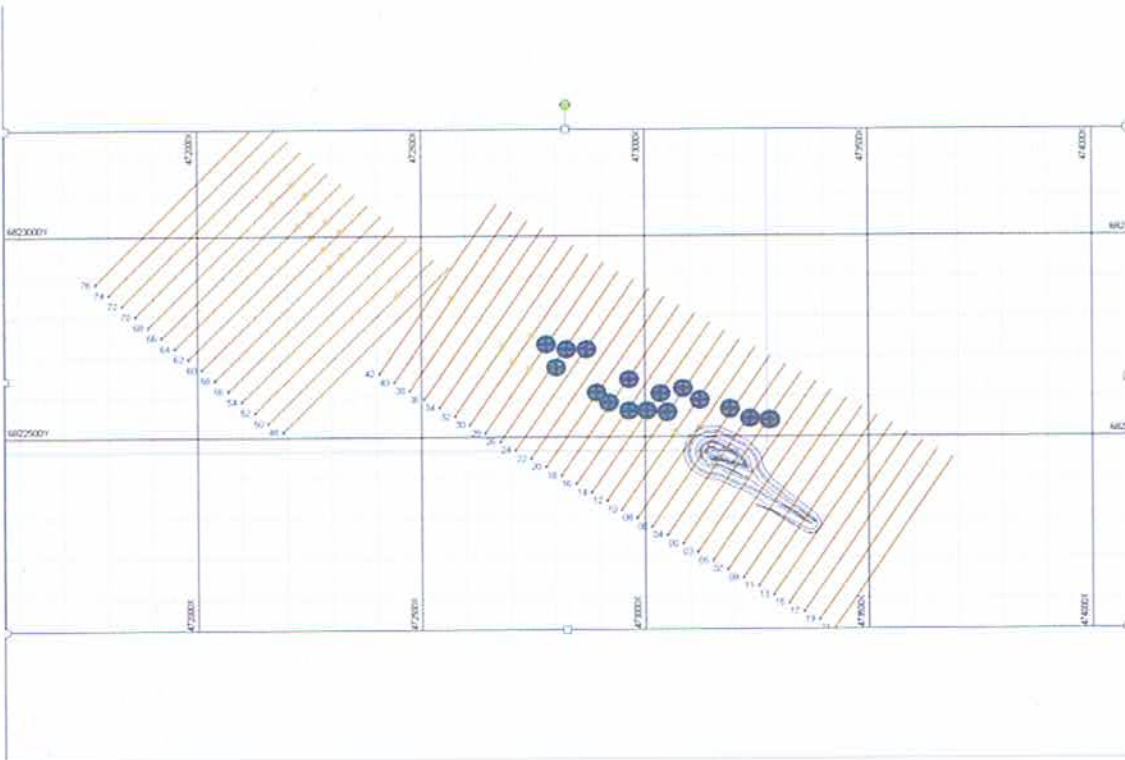
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Diagram 1 – DISTRIBUTION OF HOLES DRILLED IN ALPHA





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Table 1 – MEANINGFUL STATISTICS OF ASSAY RESULTS IN BEN HUR

<u>Drill Hole No.</u>	<u>From</u>	<u>To</u>	<u>Intercept</u>
	(m)	(m)	
DBR1604	76	93	17m @ 3.11 ppm (Including 7m @ 5.83 ppm from 76m)
	101	117	16m @ 2.08 ppm (Including 1m @ 10.75 ppm from 101m)
DBR1203	59	76	17m @ 3.06 ppm (Including 4m @ 4.00 ppm from 62m; 6m @ 4.59 ppm from 70m)
	92	100	8m @ 3.04 ppm (Including 5m @ 4.33 ppm from 92m)
DBR0801	71	73	2m @ 1.43 ppm
DBR1201	89	96	7m @ 3.25 ppm (Including 4m @ 4.85 ppm from 92m)
	121	123	2m @ 2.47 ppm
DBR1202	161	164	3m @ 2.71 ppm
	173	175	2m @ 1.62 ppm
	181	182	1m @ 1.72 ppm
DBR1501	82	84	2m @ 2.05 ppm
	93	94	1m @ 1.67 ppm
DBR0301	98	100	2m @ 1.31 ppm
	102	103	1m @ 1.17 ppm
DBR0805	78	81	3m @ 3.03 ppm (Including 1m @ 5.92 ppm from 78m)
	83	91	8m @ 2.01 ppm (Including 1m @ 5.63 ppm from 85m)
DBR0803	12	14	2m @ 1.29 ppm
	26	27	1m @ 1.79 ppm
	33	34	2m @ 1.95 ppm
DBR0701	32	33	1m @ 4.96 ppm
	72	73	1m @ 1.45 ppm
	78	81	3m @ 1.04 ppm
DBR2405	97	138	41m @ 3.13 ppm (Including 3m @ 8.12 ppm from 101m; 16m @ 4.99 ppm from 122m)
DBR0802	148	155	7m @ 0.99 ppm
DBR0804	46	48	2m @ 2.73 ppm
	60	70	10m @ 2.59 ppm