

Chile's star in copper-gold

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ASX ANNOUNCEMENT

9 September 2013

Altair Project Drilling to target large anomalies beneath copper mineralisation

HIGHLIGHTS

- ✓ Magnetotelluric inversion model at Colupo reveals large near surface anomalies beneath and immediately south of existing near surface copper mineralisation.
- ✓ Large Magnetotelluric anomalies to be drilled in September 2013 campaign.
- ✓ Further assessment of airborne magnetic data identifies 'similar' magnetic anomaly characteristics at Estrella's Prospects at Antucoya West, Antucoya East and Saturno.
- ✓ Vector Induced Polarisation, Electrical Resistivity and Magnetotelluric geophysics program is currently underway surveying the magnetic anomaly at Antucoya West.

1. Introduction

Estrella Resources Limited (**Estrella** or **Company**) has received the results at its Colupo Prospect from Magnetotelluric (**MT**) inversion modelling by Southern Rock Geophysics (**SRG**) that was combined with the recent chargeability and electrical resistivity survey responses (**Figure 1**).

MT is an electromagnetic geophysical technique that is particularly useful in refining exploration/drilling programs by detecting subsurface metallic sulphides (including sulphide species of copper).

Further review has been undertaken by SRG of the previously acquired airborne geophysical data (ASX announcements 7 May and 11 June 2013) for Estrella's ground in Altair Project nearby/adjoining Antofagasta Minerals' Antucoya Project anomaly (**Antucoya**). This review has revealed magnetic anomalies similar in character to the Antucoya anomaly within Altair which Estrella has named Antucoya West and a new Prospect being Antucoya East which lies on Estrella's Altair Project areas to the west and east. In addition, SRG's work has also identified potential at the Saturno Prospect (100% owned by Estrella) which adjoins Antucoya West.

Estrella has now commenced vector IP, resistivity and MT survey at Antucoya West.

2. Magnetotelluric anomalies at Colupo

The MT cross-section image identifies two large anomalies within the Colupo Prospect (see **Figure 2**). Estrella’s highest priority drill target is the ‘North anomaly’, a strong chargeability anomaly about 50 metres south of the existing SQM drill holes at Colupo, which is approximately 420 metres deep commencing approximately 50 metres from the surface. The ‘North anomaly’ commences 25 metres south of a smaller highly chargeable anomaly that lies beneath existing oxide copper mineralisation (see Figure 3). The second priority target anomaly also commences approximately 50 metres from the surface but appears to be larger and continues to a depth beyond 1 km from the surface.

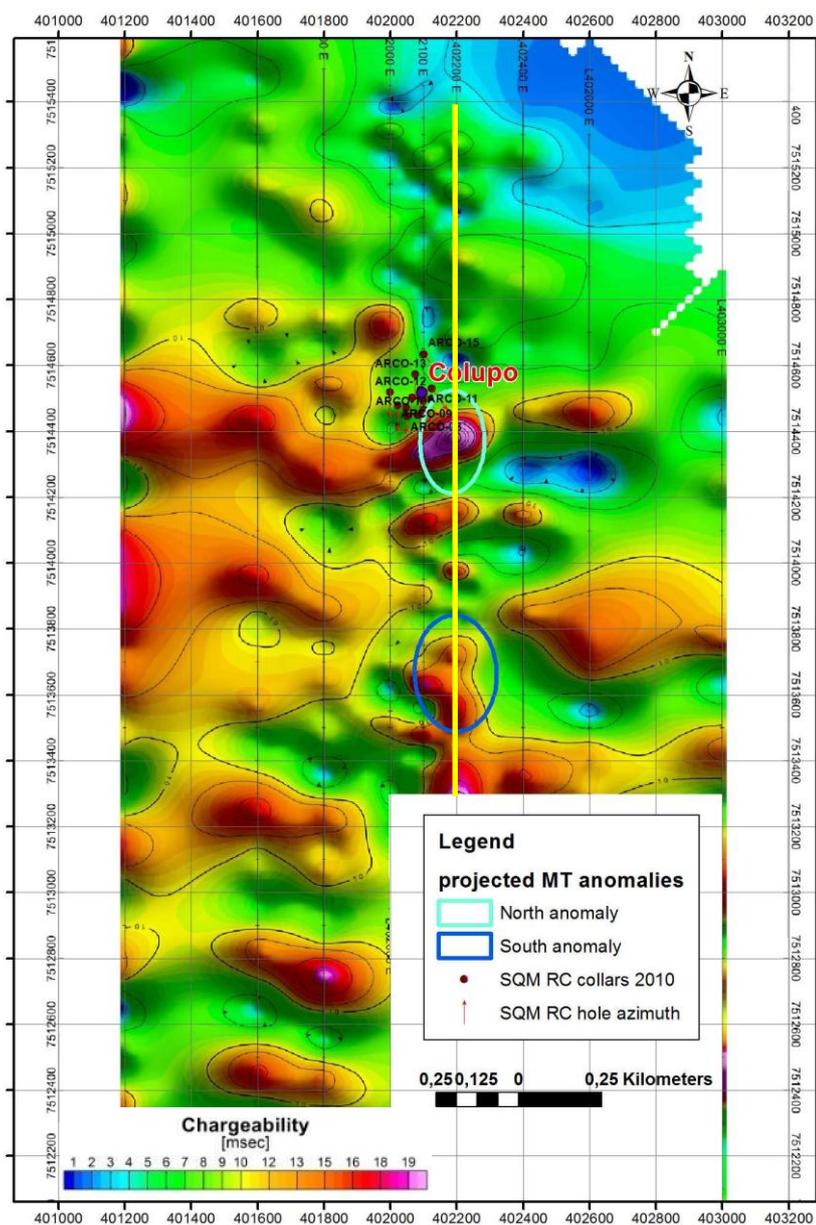


Figure 1: IP survey results for Colupo with MT section line 402200E (yellow line) and SQM 2010 drill hole collar locations and azimuth.

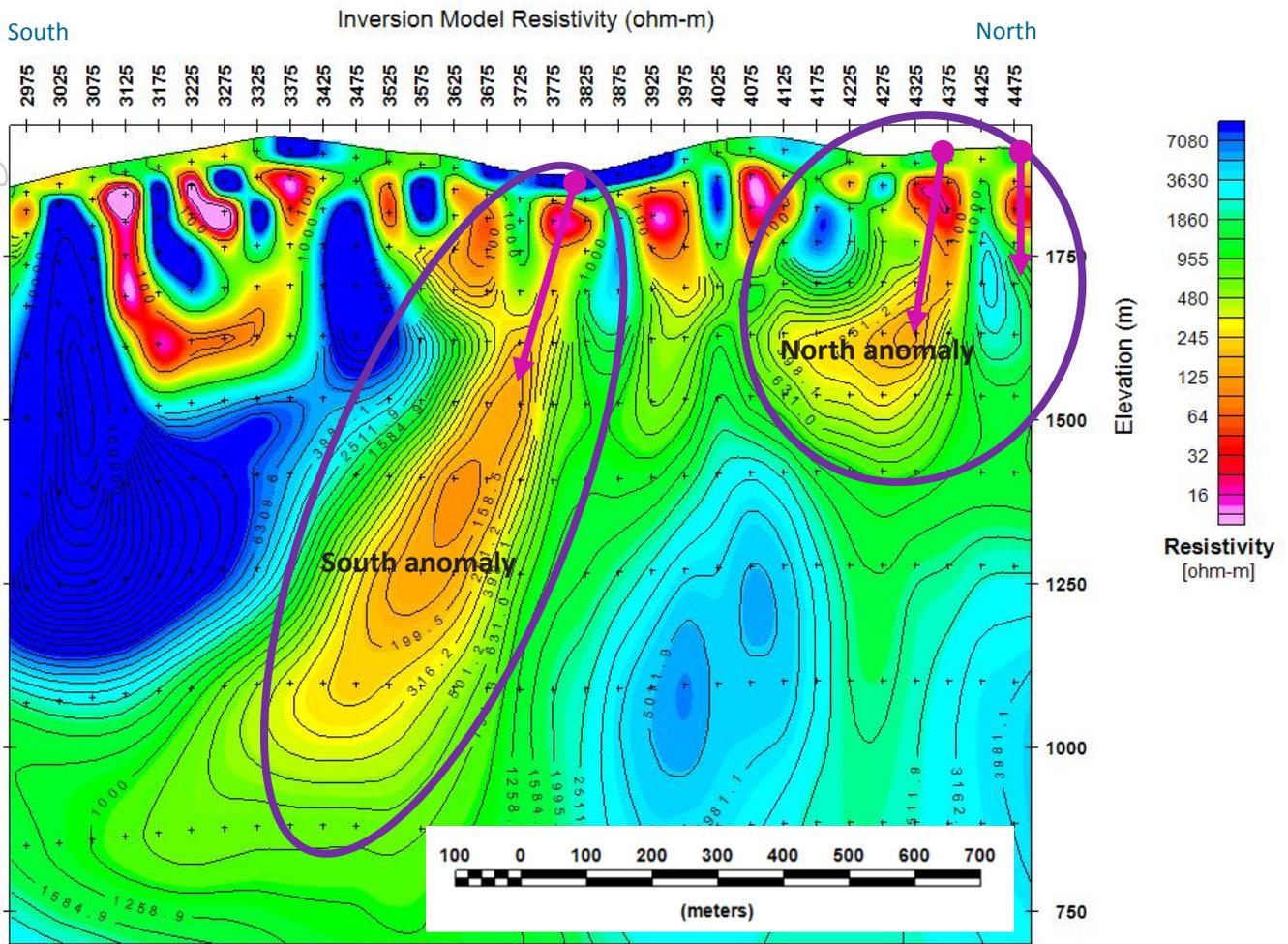


Figure 2: Magnetotelluric inversion model section for line 402200E at Colupo. The purple ellipses highlight significant MT anomalies commencing near surface and penetrating the sub-surface to considerable depths. The pink vectors represent proposed drill holes to test the MT anomalies (x-axis: PSAD 1956 Eastings, z-axis: depths in metres).

In 2010-11 SQM's shallow 15 hole RC drilling program revealed significant oxide copper at Colupo (refer ASX announcements 18 March and 7 May 2013) that lie 100 metres north of the target MT North anomaly. Due to its physical properties, oxide copper does not respond to the geophysical techniques applied at Colupo, however this September Estrella expects to drill into oxide copper immediately above the target sulphide anomalies (see Figure 3).

SQM previously drilled 15 RC holes at Colupo in 2010-2011 (maximum vertical depth 70 metres) with the mineralised intercepts reported by Estrella (ASX announcements dated 18 March 2013 and 7 May 2013) (see Figure 3):

- 31 m @ 1.39% Cu from 28 m (ARCO 02)
- 22 m @ 0.98% Cu from 28 m (ARCO 10)
- 39 m @ 0.63% Cu from 1 m (ARCO 11)
- 8 m @ 1.34% Cu from 55 m (ARCO 11)
- 35 m @ 0.60% Cu from 6 m (ARCO 08)

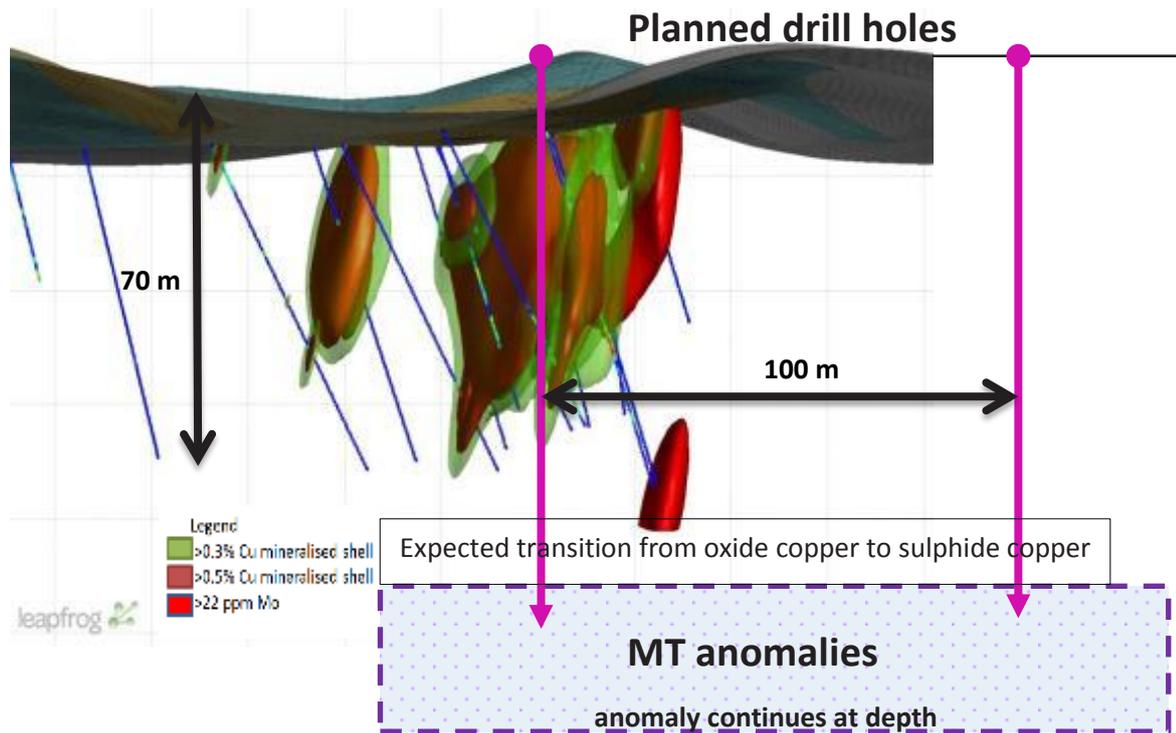


Figure 3: 3D mineralisation model using 15 RC drill holes (blue lines) by SQM at Colupo with a schematic depiction of the northern MT anomalies and Estrella’s planned drill holes (pink lines) to test the anomalies in September 2013 (view is to the east).

3. Antucoya West, Antucoya East and Saturno

Total area 92.75 km² (includes Saturno ESR 100% held tenements) (Figure 4)

On 22 August 2013 Estrella announced that it had added 40 km² of exploration tenements to the west of the Antucoya West Prospect. The 21 new exploration tenements are collectively known as “Saturno” and are held 100% in Estrella’s wholly owned Chilean subsidiary, Estrella Chile SpA. The Altair Project tenements being Antucoya West and Antucoya East are held under the option agreement by Estrella with SQM (entered into earlier this year) and they surround the USD 1,900,000,000 Antucoya porphyry deposit development, owned by Antofagasta Minerals PLC which is currently being developed with mining production scheduled to commence in 2015.

Airborne magnetic data processing by SRG shows the Antofagasta Minerals’ Antucoya deposit features a ‘washed-out’ magnetic anomaly possibly due to alteration related to the mineralisation event ‘breaking-down’ the magnetite in the host rock. SRG also observed similar ‘washed-out’ magnetic responses at Antucoya West, Saturno and Antucoya East. SRG also noted that the anomaly at Saturno is considered “a little more complex but also more interesting as there is a coherent dipolar response in the Total Magnetic Field”.

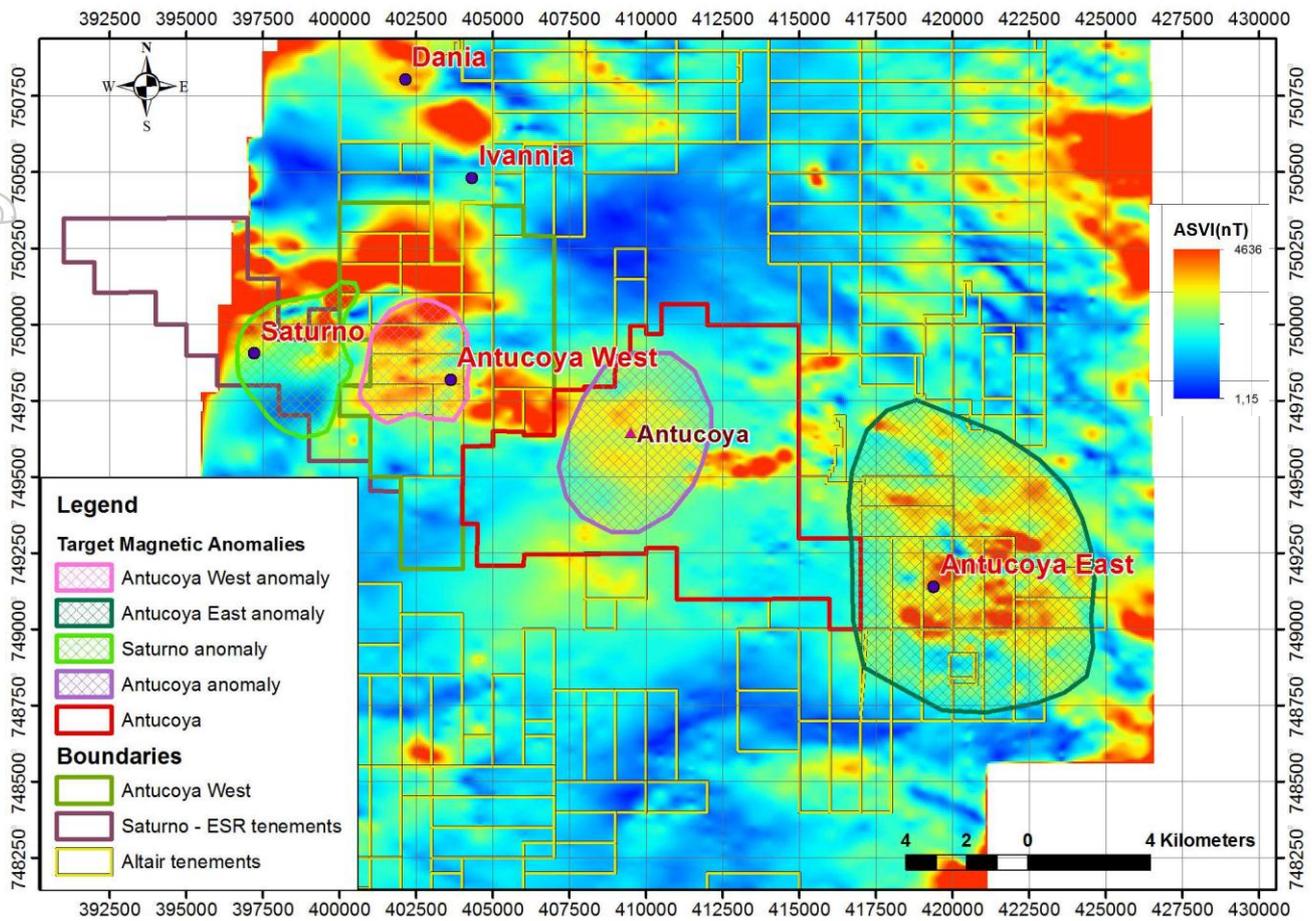


Figure 4: Magnetic anomalies at the Antofagasta Minerals’ Antucoya deposit and adjacent Estrella exploration prospects at the Altair Project (Antucoya West and Antucoya East) and Saturno as identified by SRG.

Exploration Program at Antucoya West

A vector Induced Polarisation, Electrical Resistivity and Magnetotelluric geophysics program is currently underway at Antucoya West to refine targets for future exploration.

4. Commentary

Commenting on the Magnetotelluric inversion model results, Estrella’s Managing Director, Dr Jason Berton said:

“The MT inversion sections are very useful in positioning our drill holes for the upcoming drilling campaign. They complement our current understanding of the geology at Colupo and greatly enhanced our exploration model at depth.”

“The ‘Caliche’ cover sediments at Altair have previously prevented effective ground geophysical exploration however; Estrella has overcome these challenges to produce high quality copper sulphide mineralisation targets. This is an exciting exploration advance that should also be effective in generating high quality exploration targets at Antucoya West.

Competent Person’s Statement

Exploration information in this announcement is based upon work undertaken by Dr. Jason Berton, the Managing Director and a full-time employee of Estrella Resources Limited whom is a Member of the Australasian Institute of Metallurgy and Mining (AusIMM). Dr Berton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a ‘Competent Person’ as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code). Dr Berton consents to the inclusion in this presentation of the statements based on his information and context in which they appear.

About Estrella Resources Limited

Estrella Resources Limited is an ASX listed, Chilean focused copper-gold exploration company. Estrella has a number of exploration projects in Chile. With a highly experienced Board, a strong operational and management team and a sole focus on Chilean copper and gold projects, the Company is well positioned to develop its projects and add value for shareholders.

Directors and Management

- Dr. Jason Berton
Managing Director
- Gavin Solomon
Non-Executive Chairman
- Julian Bavin
Non-Executive Director
- Simon Kidston
Non-Executive Director
- Juan Pablo Vargas de la Vega
General Manager - Chile
- Justin Clyne
Company Secretary

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ORDINARY FULLY PAID SHARES:
87,101,000

UNLISTED OPTIONS:
7,655,000

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