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ESTRELLA RESOURCES

2013 ANNUAL REPORT

ABN: 39 151 155 207

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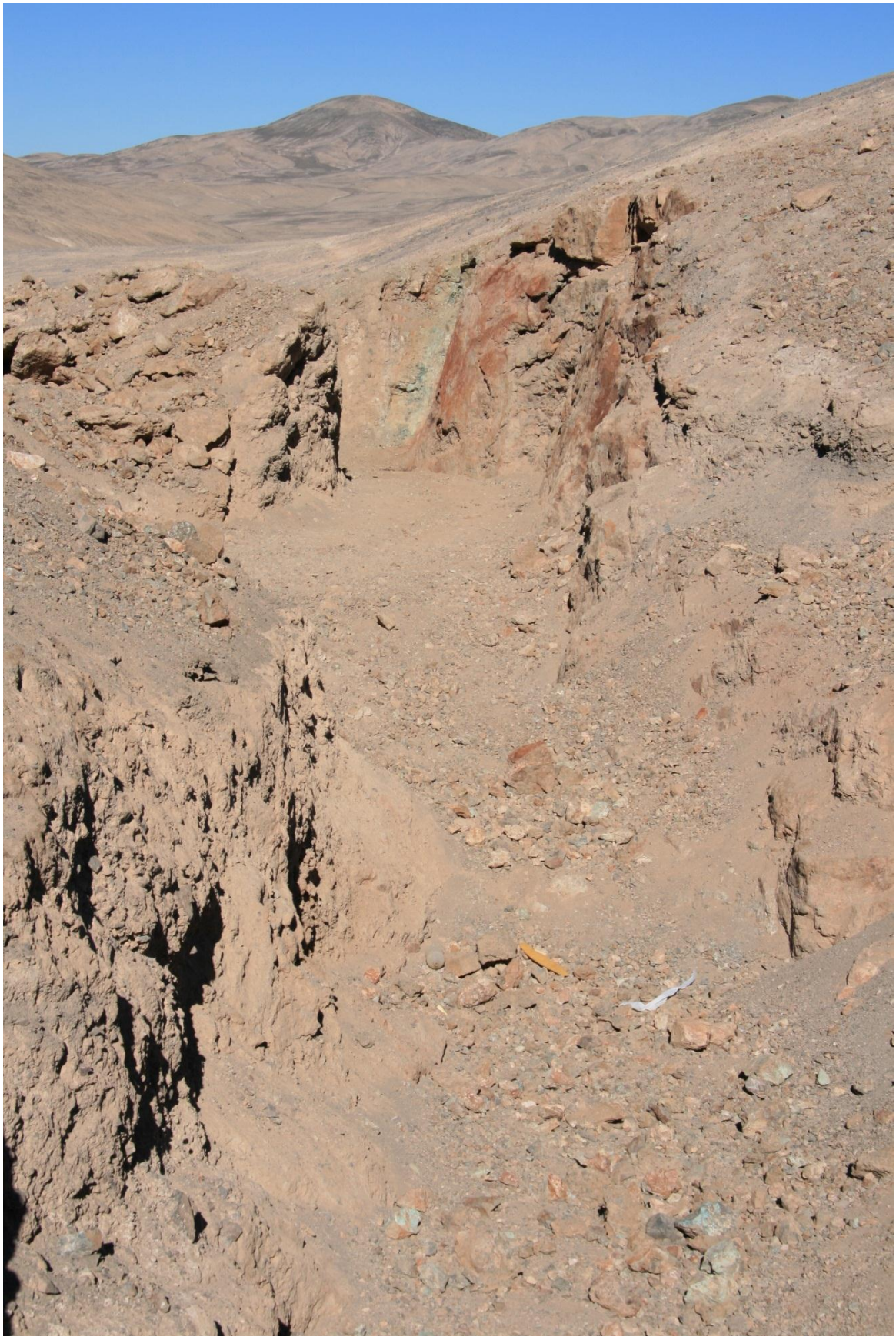

The Altair Project

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CHAIRMAN'S LETTER

Dear Estrella Shareholder,

On behalf of the Board of Directors and Management of Estrella Resources Limited (**Estrella** or the **Company**), I present the Annual Report for 30 June 2013.

Estrella is now well into its second year as an ASX listed company. The Board and Management team have worked hard in positioning Estrella for the future with the Company moving closer to achieving the short to medium term objectives set out in last year's Annual Report, some of which include:

- Utilising our on-ground presence in Chile to selectively capitailise on opportunities presented to us;
- A well planned and prudent exploration program; and
- Seeking near term production opportunities.

Over the course of the past 12 months Estrella has made significant progress. The acquisition of the Altair Project from Sociedad Quimica y Minera de Chile S.A (NYSE.SQM) (**SQM**) in early 2013 is an example of how Estrella's on-ground presence in Chile has secured an opportunity that many of the world's Copper "majors" have been unsuccessful in seeking. Estrella added the Altair Project to its tenement portfolio via two separate option agreements with SQM.

Estrella's management team has sought to deliver results from a methodical, well planned and prudent exploration program and is now supplementing its knowledge base with a drilling and geophysics campaign at the Altair Project. The utilisation of SQM's historical drilling and exploration information at Altair coupled with the acquisition of a significant amount of aeromagnetic data saved Estrella over A$1.5M and 12 to 18 months of time and is assisting Estrella in its future exploration.

The Company is now focused upon assessing opportunities to fast track its prospects towards production, with a particular emphasis on the Altair Project, with the objective of discovering multiple significant economically extractable ore bodies. Your Board is focussed on only proceeding with opportunities and projects which are value accretive for all shareholders.

Estrella's decision to terminate the Agustina option agreement in late 2012 following the inconclusive results from the phase two drilling program is part of that process. By not proceeding with Agustina, the Estrella Board ensured the preservation of shareholder funds for higher priority projects such as Altair.

The Company is cognisant of the prevailing fluctuating market conditions which are likely to continue for the short to medium term. Your Board will maintain its focus on well-considered and targeted exploration with a focus on near term deliverables that will create and enhance shareholder value.

With the solid foundations of highly prospective projects, on-ground expertise and an experienced Board and Management, your Board has considerable confidence in Estrella's ability to create value for all stakeholders.

I look forward to reporting to you on our progress during the next year of activity and thank all shareholders for your continued support.

Yours Faithfully

Gavin Solomon

Non-Executive Chairman

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Managing Director's Review of Operations

Estrella's exploration over the second half of the past year has been primarily focused on advancing our flagship project, Altair, with the objective of discovering multiple significant economically extractable ore bodies.

The Estrella exploration team were able to secure rights to historical airborne geophysical magnetic and radiometric data for approximately 80% of the Altair Project at a nominal cost. This data has significantly advanced our exploration program as it has revealed regional magnetic signatures to existing known ore bodies (e.g. the Antucoya deposit owned by Antofagasta Minerals PLC. (**Antucoya**) and allowed us to better identify high priority areas and implement subsequent exploration activities.

Estrella has recently announced its results from its Induced Polarisation (**IP**), electrical resistivity and magnetotelluric inversion modelling at the Colupo Prospect (**Colupo**) with the Altair Project. As a result, Estrella has now identified the highest priority exploration drilling targets at Colupo for the Reverse Circulation (**RC**) drilling program commencing late September 2013, to step further afield from the known areas of mineralisation that were previously identified from Sociedad Quimica y Minera de Chile S.A (NYSE.SQM) (**SQM**)'s drilling in 2010.

The Antucoya West Prospect within the Altair Project is the next highest priority exploration area of interest. Antucoya West was identified with the magnetic data reprocessing by Southern Rock Geophysics (**SRG**) who recognised "*A large magnetic anomaly can be seen at the Antucoya porphyry deposit (owned by Antofagasta Minerals PLC) and it appears to coincide with basement fault structures that continue westward and eastward on to Altair*."

Estrella is now undertaking a similar set of geophysical ground surveys at Antucoya West to what the Company carried out at Colupo, namely a vector IP and electrical resistivity survey combined with deep penetrating Magnetotelluric (**MT**) inversion modelling to identify target sulphide anomalies of sub surface for mineralisation (potentially extensions from the Antucoya Deposit).

Recognising the highly prospective nature of the Antucoya West region as indicated by the reprocessing of the airborne geophysics data, Estrella has also acquired 100% ownership of the adjoining Saturno tenements (ASX announcement 22 August 2013). Saturno now forms part of the Altair Project.

In light of the high priority given to the entire Altair Project this has meant that limited resources have been allocated to the Company's other projects at Luna/Inca, Jupiter and Venus.

During the reporting period the Company has used its funds for the primary purposes of progressing the exploration and development work on its tenement portfolio in Chile. This expenditure is consistent with the Company's stated objectives particularised in its Replacement Prospectus lodged with ASIC on 11 April 2012.

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Estrella's Project Localities

A location map (Figure 1) is provided to illustrate the locality of each of Estrella's Chilean projects. The Altair Project is situated in Region II of northern Chile, Jupiter lies in Region III nearby Candelaria, Luna/Inca and Venus both lie in Region IV close to La Serena.

Figure 1: Estrella's exploration projects in Chile and their respective metallogenic belts (Map Datum WGS 1984 zone 19s).

Altair Project

(100% working interest in all metal discoveries subject to either a 49% back in right or royalty payments to SQM)

Location: Located in Region II of northern Chile, 90 km north northeast of Antofagasta.

Project Area: 2,686 km^2 (including Saturno 31.16 km^2 – which is 100% owned by Estrella Chile)

Project locality:

Situated in the coastal IOCG belt in northern Chile, Altair is close to advanced mining infrastructure including:

- Ports and power – Mejillones and Tocapilla.
- Nearby Mining operations (owned by other parties):
  - SQM's Pedro de Valdivia nitrate operation (Marie Elena).
  - Los Mantos Blancos.
  - Michilla.
  - Mantos de la Luna.
- Nearby Development projects (owned by other parties):
  - Antucoya
  - Tovaku
  - Los Mantos Blancos
- Major roads: Pan American Highway

Regional Geology:

The Altair Project is situated in the Coastal Copper Belt of northern Chile (see Figure 2) specifically within the Atacama Fault Zone (**AFZ**). The Coastal Belt hosts a variety of significant copper, gold, silver and iron deposits that are related to the Jurassic – Cretaceous magmatic arc off the Coastal Cordillera.

The Mesozoic plutonic complexes are emplaced into similarly aged volcanic arc successions. The underlying metasedimentary units and granites are of Palaeozoic age (Carboniferous – Permian). Basement rocks are found in the north-eastern portion of the tenement area and are typically deformed and metamorphosed.

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The AFZ is a major regional fault structure in Chile that extends for over 1,500 km in strike length and varies in width between 40-80 km. It is recognised as an important dilational structure that hosts several major deposits.

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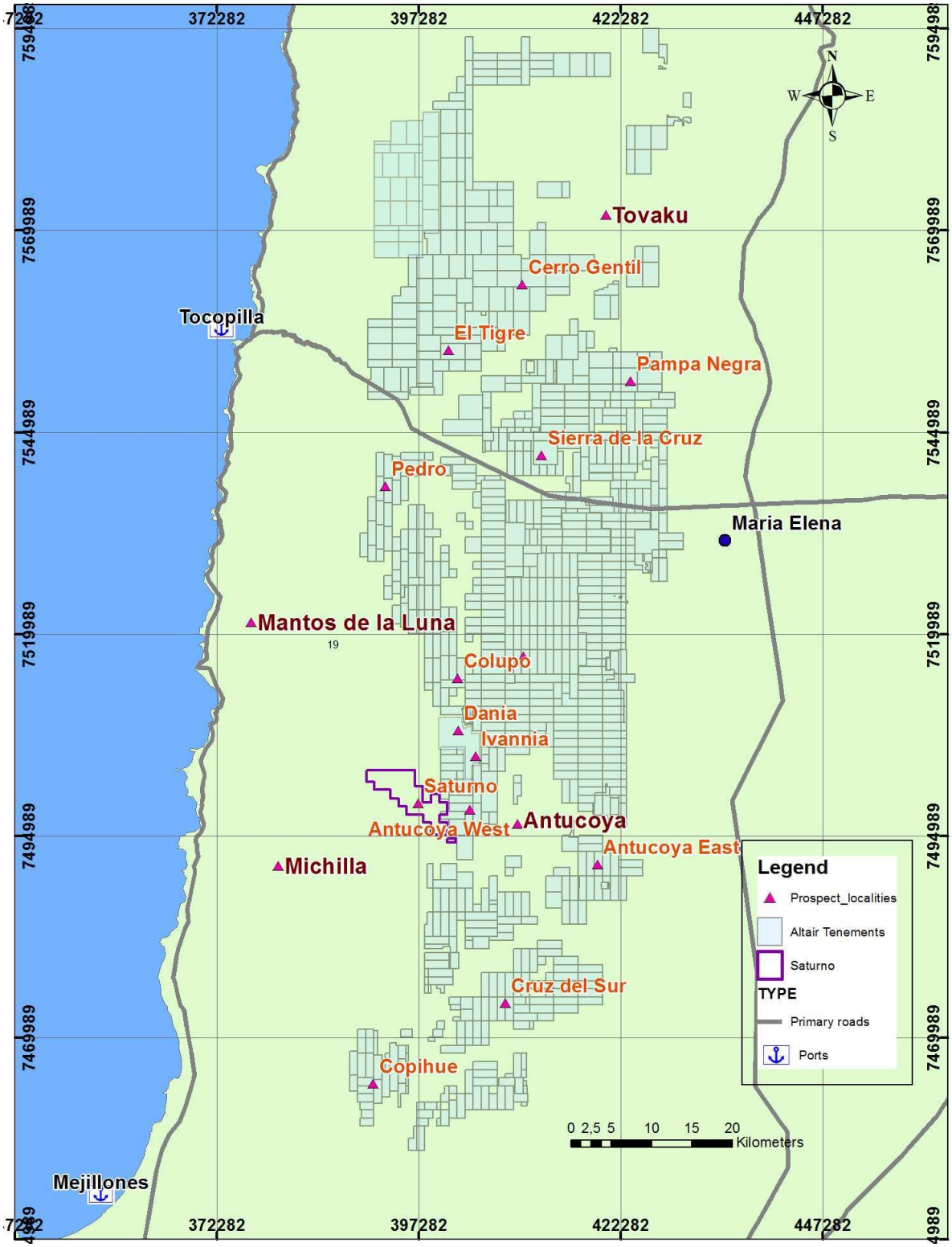

Figure 2: Prospects of the Altair Project (Map Datum WGS 1984 zone 19s).

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Regionally there are several known mineralisation systems nearby to the Altair Project summarised in the table below:

Deposit	Owner	Mineral Resource	Mineralisation style	Location
Michilla	Antofagasta Minerals	66.7 Mt @ 1.57% Cu	Manto	40km west of Altair
Antucoya	Antofagasta Minerals	642 Mt @ 0.35% Cu.	Porphyry	central Altair
Toyaku	Pucobre and Codelco	na	Porphyry	Borders Altair
Los Mantos Blancos	Anglo American	372.6 Mt @0.48% Cu	Manto	10 km east of Altair
Mantos de la Luna	Private	na	Manto	10 km east of Altair

Tenement holdings:

All tenements for the Altair Project (other than Saturno) are currently held by SQM, which is solely responsible for maintenance of the tenements (including payment of all statutory charges). The Altair Project was acquired via two option agreements Estrella exchanged with SQM comprising 939 tenements (see Figure 2).

Local Geology:

The Antucoya porphyry deposit and adjacent Altair Prospects acquired by Estrella (Colupo, Dania and Ivannia) (see Figure 2) lie within an intrusive complex of multiphase granodioritic and tonalitic porphyries and dacite dikes which were emplaced within Jurassic aged andesitic volcanic rocks of the La Negra Formation (**LNF**). Post mineralisation gravels partly cemented by nitrates, regolith and gypcrete cover most of the prospect areas.

The AFZ passes through the Altair Project and, as in other areas of the Coastal Cordillera the AFZ, plays a fundamental role in the controls to mineral deposits within Altair. The faults of the AFZ surface on the western side of Altair but not on the eastern side due to cover by unconsolidated sediments. The major faults typically trend North South with sub-vertical dips, linked frequently via northwest trending 'minor' fault splays.

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Two altered and mineralised porphyry intrusions occur at Antucoya; the dominant lithology is a granodioritic porphyry (or Antucoya porphyry) and the lesser tonalite porphyry (known as 'fine-grained porphyry'). The two porphyries have mutual intrusion relationships, suggesting either that these are composite intrusions or that they intruded almost simultaneously (Maksaev et al., 2006).

Magmatic hydrothermal breccias occur along the contacts between these two porphyries in the centre of the Antucoya deposit. These breccias are polymictic and matrix-supported, pipe-like, irregular bodies, which range from near vertical to SW-dipping; their recognised vertical extent is 250–250 metres (Maksaev et al., 2006).

La Negra Volcanic Formation

Jurassic aged vesicular andesites interbedded with volcanic arenites occur within Altair.

Rhyolite

Volcanic rocks that occur throughout the Altair area are porphyritic in texture.

Unconsolidated Sediments

Much of the mineralised copper units within Altair are covered by partially consolidated Miocene to Pleistocene sediments consisting of cemented salts and sulphates within sand and gravels. These units host what is known as 'Caliche' and are exploited by SQM for nitrates and iodine including at the Pedro de Valdivia mine.

Airborne Geophysics

On 7 May 2013 Estrella announced its acquisition of the license for the airborne geophysical dataset that covers approximately 80% of the Altair Project surface area (see Figure 3)

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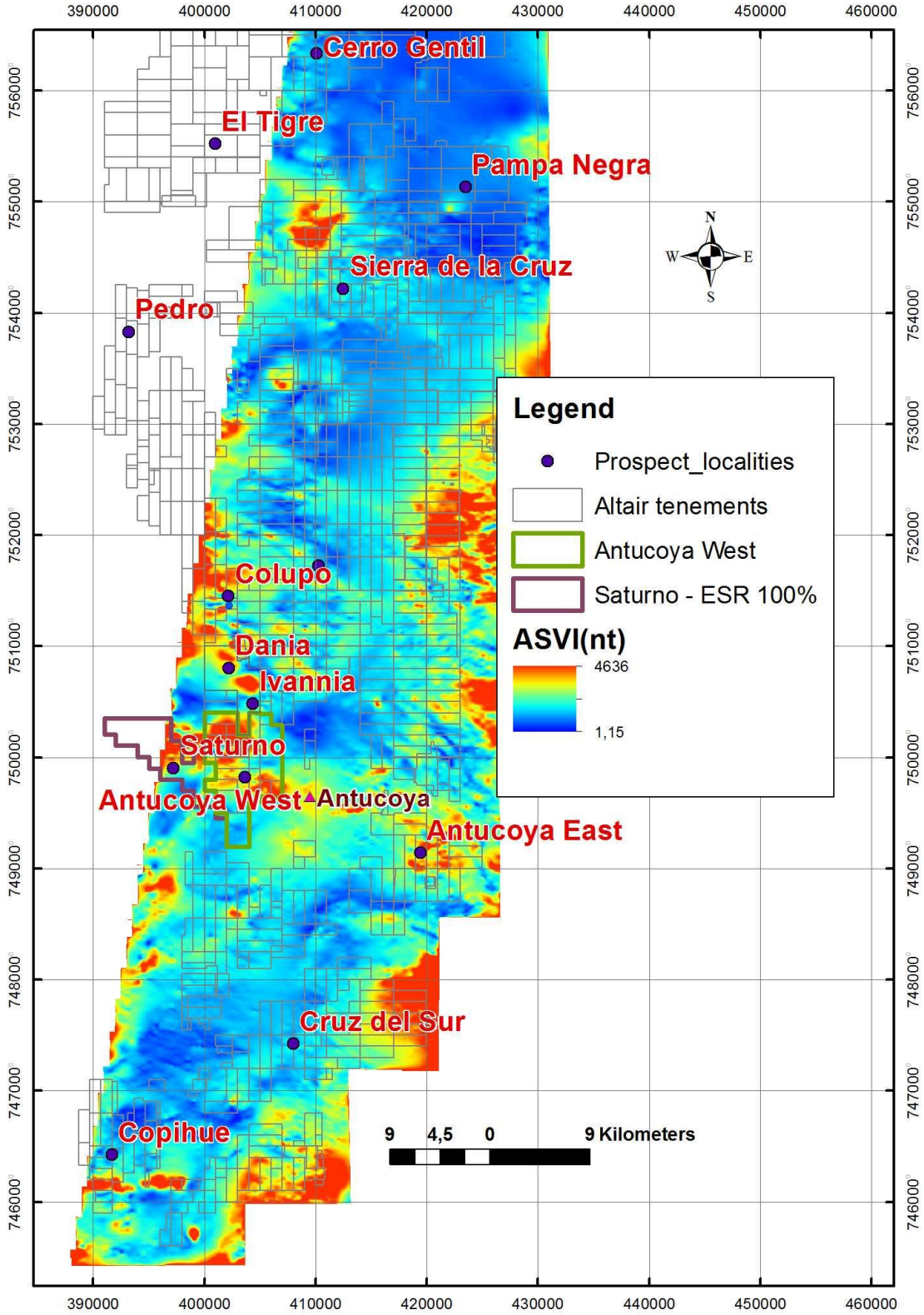

Figure 3: Analytic signal of the first vertical derivative (ASVI) of the reduced to pole (RTP) magnetic data for the Altair Project. The Antucoya porphyry deposit is located on a vast magnetic high that continues on to Estrella's Altair project. The Saturno extension is highlighted by the purple polygon (Map Datum PSAD 1956).

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The airborne geophysics data includes magnetic and radiometric responses. Estrella engaged and reviewed the Airborne Magnetic data with SouthernRock Geophysics (SRG) (formerly Zonge) (ASX announcement 11 June 2013). The airborne magnetic data has been particularly useful in identifying:

- Regional magnetic trends
- Basement magnetic structures
- 'Signatures' to known mineralisation occurrences
- Exploration areas of interest.

Geochemistry

SQM provided Estrella with their geochemical sample database from 1,900 shallow depth reverse circulation drill holes (refer ASX announcement 18 February 2013) (see Figure 4).

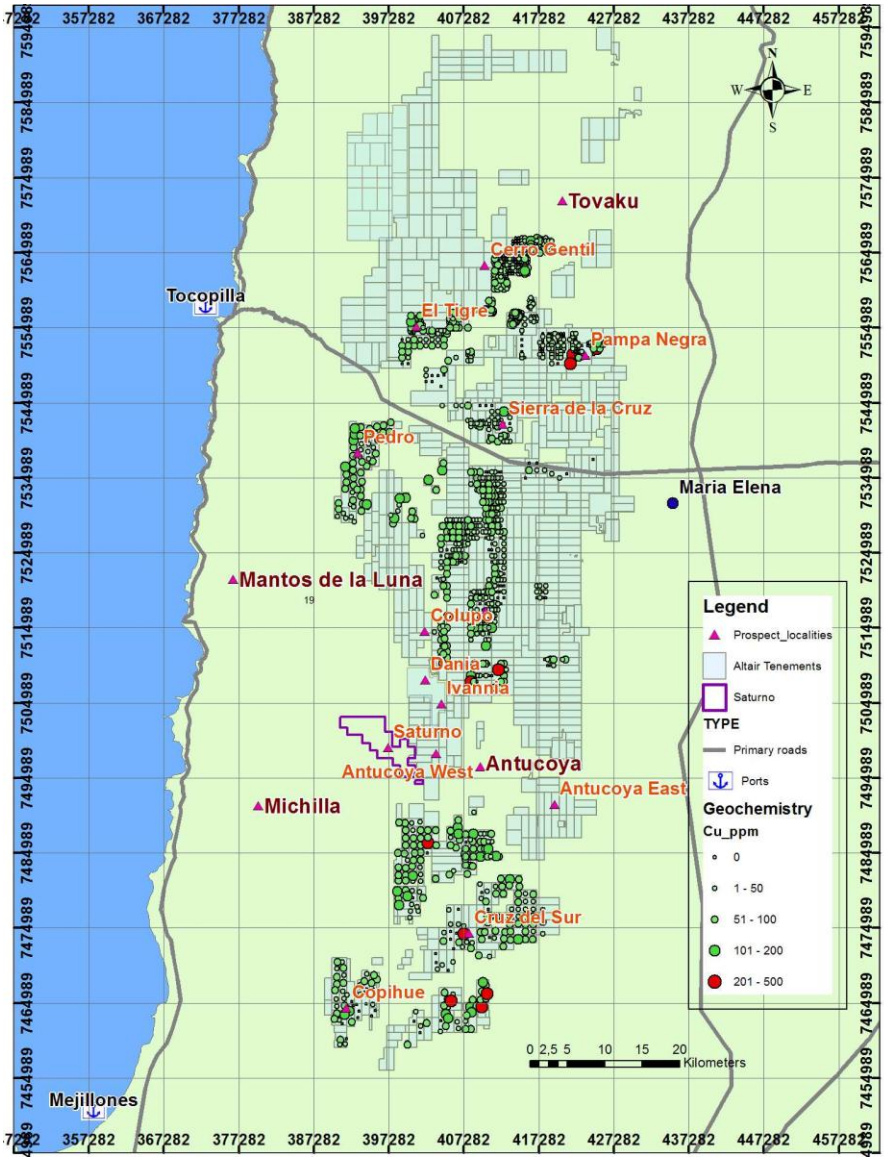

Figure 4: Altair project copper geochemistry (Map Datum WGS 1984 zone 19s)

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Estrella engaged SRK Consulting to undertake a geochemical review, which identified several prospects within Altair (ASX announcement 18 February 2013).

HIGH PRIORITY TARGETS WITHIN THE ALTAIR PROJECT

Colupo Prospect

Total area 893 ha

Mineralisation:

Copper mineralisation is host within fracture filling structures containing tourmaline veins and breccias within the La Negra volcanics. Oxide copper minerals observed are; atacamite, azurite, brochantita, chrysocolla, cuprite and chalcocite. Minor amounts of copper sulphides (chalcopyrite) have been observed.

Exploration:

- 2010 RC drilling program by SQM (ASX announcements 18 March 2013 and 7 May 2013) 15 RC holes - all holes were inclined between 60°–75° at a maximum depth of 100 metres. Estrella is not attempting to report SQM's data as Exploration Results according to the JORC Code (2012) (ASX announcement 13 September 2013) but rather Estrella is simply using SQM's historic results as a guide for follow up exploration (including drilling) activity.
- Estrella appointed SRK Consulting to review SQM's exploration drilling data to construct a 3-dimensional interpretation (Figure 5) which Estrella has used to assist the design of its exploration program.

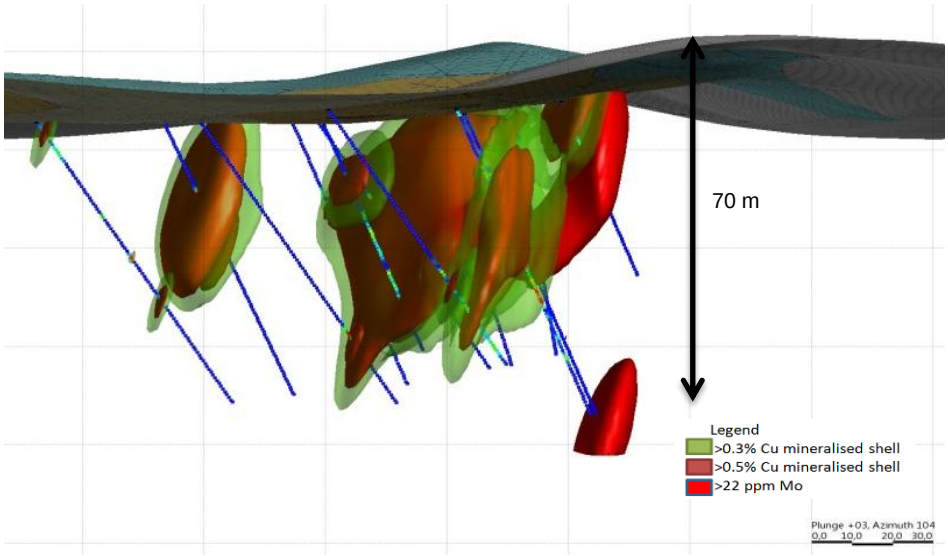

Figure 5: 3-D mineralisation shells at Colupo, produced by SRK Consulting.

Gold and Silver fire assays exhibited a positively correlated relationship with the copper mineralisation identified by SQM's drilling at Colupo (refer ASX announcement 7 May 2013). The highest gold grade was 0.71 g/t and the typical range in gold grade within the mineralised copper shells were 0.1 – 0.3 g/t and silver 20 – 60 g/t.

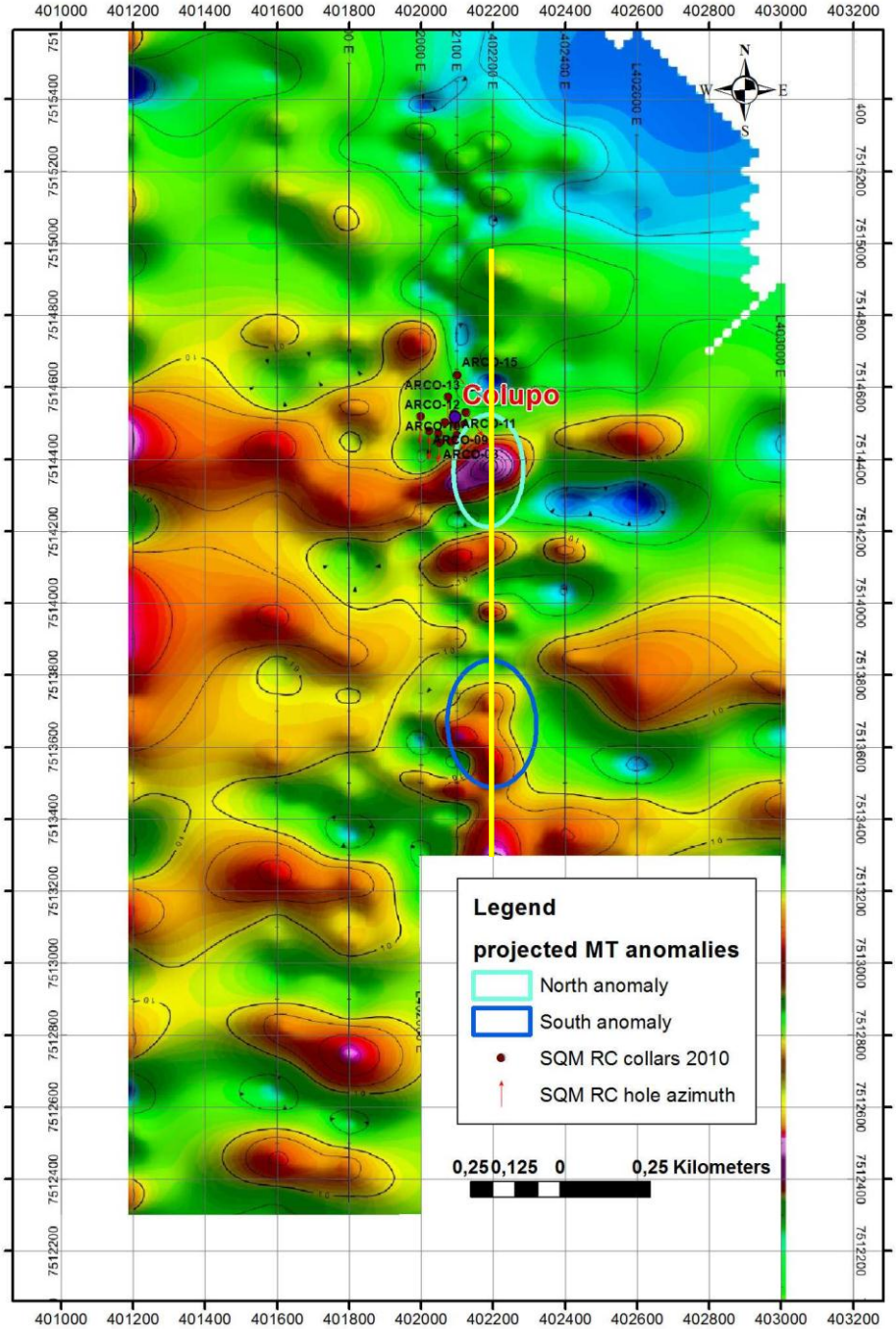

Figure 6: IP survey results for Colupo with MT section line 402200E (yellow line) and SQM 2010 drill hole collar locations and azimuth.

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Magnetotelluric Inversion Modelling (MT)

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).

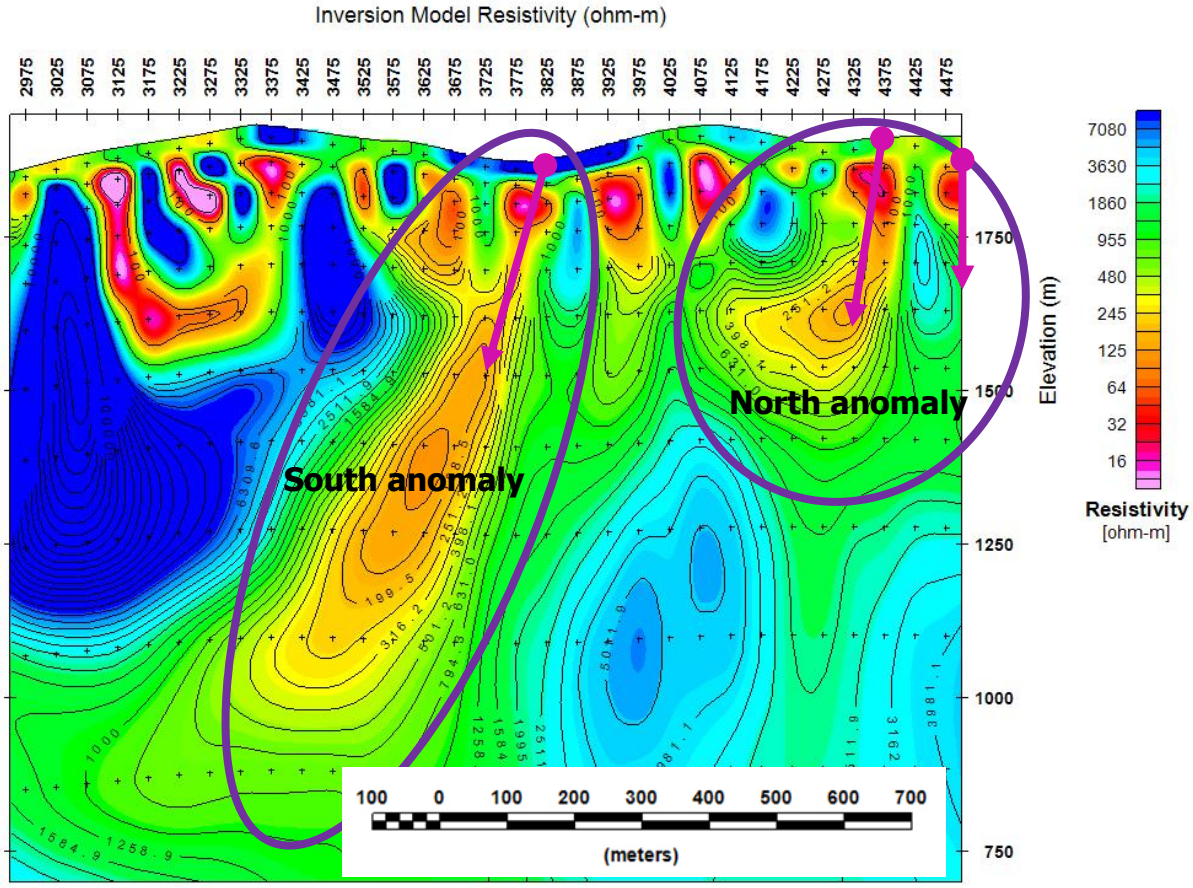

Figure 7: Magnetotelluric inversion model section for line 402200E at Colupo. The purple ellipses highlight significant MT anomalies commencing near surface and penetrating the sub-surface to considerable depths. The pink vectors represent proposed drill holes to test the MT anomalies (x-axis: PSAD 1956 Eastings, z-axis: depths in metres).

Future Exploration:

The RC Drilling Program at Colupo in late September 2013 is to test for the extension of the existing mineralisation zone. Further exploration activities at Colupo will be reserved until the results of the RC drilling program.

Antucoya West Prospect

Total area 92.75 km^2 (includes Saturno tenements area of 31.16 km^2)

Exploration Targeting:

The Antucoya West prospect was identified by reprocessing of the airborne geophysical data. The Analytical Signal of the first Vertical derivative (ASVI) from the Reduced to Pole (**RTP**) magnetic dataset (Figure 8) has identified that the anomaly associated with the Antucoya deposit trends-westwards onto Antucoya West, thus identifying Antucoya West as a prospective target for mineralisation. Further to this, Estrella was successful in adding the Saturno tenements adjacent to Antucoya West. Estrella is the 100% rights holder of the Saturno tenements.

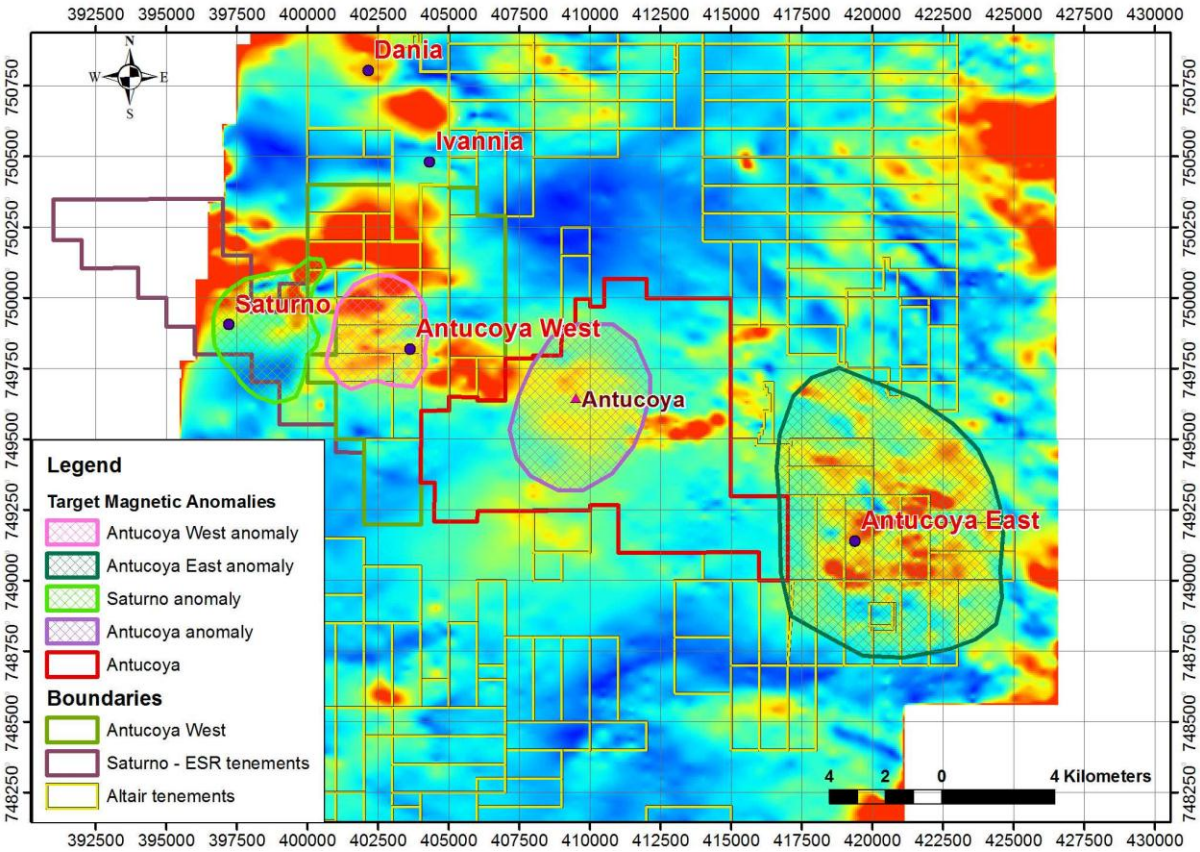

Figure 8: Magnetic anomalies at the Antofagasta Minerals' Antucoya deposit and adjacent Estrella exploration prospects at the Altair Project (Antucoya West and Antucoya East) and Saturno as identified by SRG.

Within the Antucoya West prospect SRG has identified two major follow-up areas based upon zones of broadly diffuse magnetic signature that is similar in characteristic to Antucoya.

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Exploration:

As at late September 2013 SRG is performing fieldwork acquiring IP, resistivity and magnetotelluric data at Antucoya West for subsequent modelling to identify targets follow up exploration.

Future Exploration:

Estrella is currently designing a Vector IP and resistivity ground survey in conjunction with a Magnetotelluric (**MT**) survey to test the sub-surface for mineralised extensions from the Antucoya deposit owned by Antofagasta Minerals PLC. The geophysics program has been recommended by SRG at Antucoya West for its rapid deployment and cost-effective area coverage as a first-pass identifier of likely sub-surface mineralisation targets. Estrella expects to apply the same exploration geophysics at Saturno over the summer months of 2013-2014.

Dania and Ivannia Prospects

Total area 1,476 ha located to the south of Colupo.

Mineralisation:

Copper mineralisation at Dania and Ivannia are mostly oxidised copper sulphate and to a lesser extent black copper (copper wad) atacamite and others. Additionally limonite has been observed to occur with copper, whilst the sulphides correspond to chalcopyrite with partial haematisation.

Exploration:

Estrella engaged the services of SRK Consulting to review the 77 historic drill holes drilled by SQM between 2008 and 2011 at Dania and Ivannia. Estrella has incorporated this work into the exploration approach currently in operation at Antucoya West and Colupo.

Further Exploration:

Estrella is ongoing with its mapping activities at Dania and Ivannia. Further exploration planning of Dania and Ivannia will incorporate mapping results and exploration activities at Colupo, Antucoya West and Saturno.

References:

Maksaev, V. et al. (2006): SHRIMP U-Pb dating of the Antucoya porphyry copper deposit: new evidence for an Early Cretaceous porphyry-related metallogenic epoch in the Coastal Cordillera of northern Chile. *Mineralium Deposita*, 41, 637-644.

Luna/Inca Projects

(Luna 100% Estrella owned and Inca 91.5% Estrella owned)

Area: total area 260 km^2

Project locality:

Situated in Region IV of northern Chile (see Figure 9), Luna/Inca is nearby advanced mining infrastructure including:

- Ports and power – La Serena – 90 km SE of Coquimbo
- Mining operations
  - Andacollo Cu porphyry (Teck)
  - El Indio (closed Au mine)
- Major roads: Pan American Highway

Figure 9: Luna and Inca project locality in Region IV northern Chile.

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Project description and geology:

Beyond the Luna eastern boarder the Barrick/Codelco joint venture project is located. A well maintained road exists across the entire Project and there is also good road access either via Vicuna or Ovalle.

Although situated in the Principal Cordillera, altitudes in Luna are below 4,400 m with exploration prospects lying well beneath the peaks between 2,200 to 2,600m.

Exploration to date:

Over the summer of 2012-2013 Estrella undertook an exploration campaign comprised of geological mapping, stream sediment sampling and rock chipping. The results can be seen in Figure 10 which identifies several potential mineralisation repetitions with high copper mineralisation grades. Mapping and rock chip sampling traverses across major fault corridor that hosts several artisan mine workings.

Exploration Plans 2013/14:

Estrella plans to follow up mapping the delineated high grade zones in 2014 with infill mapping and higher density sampling programs.

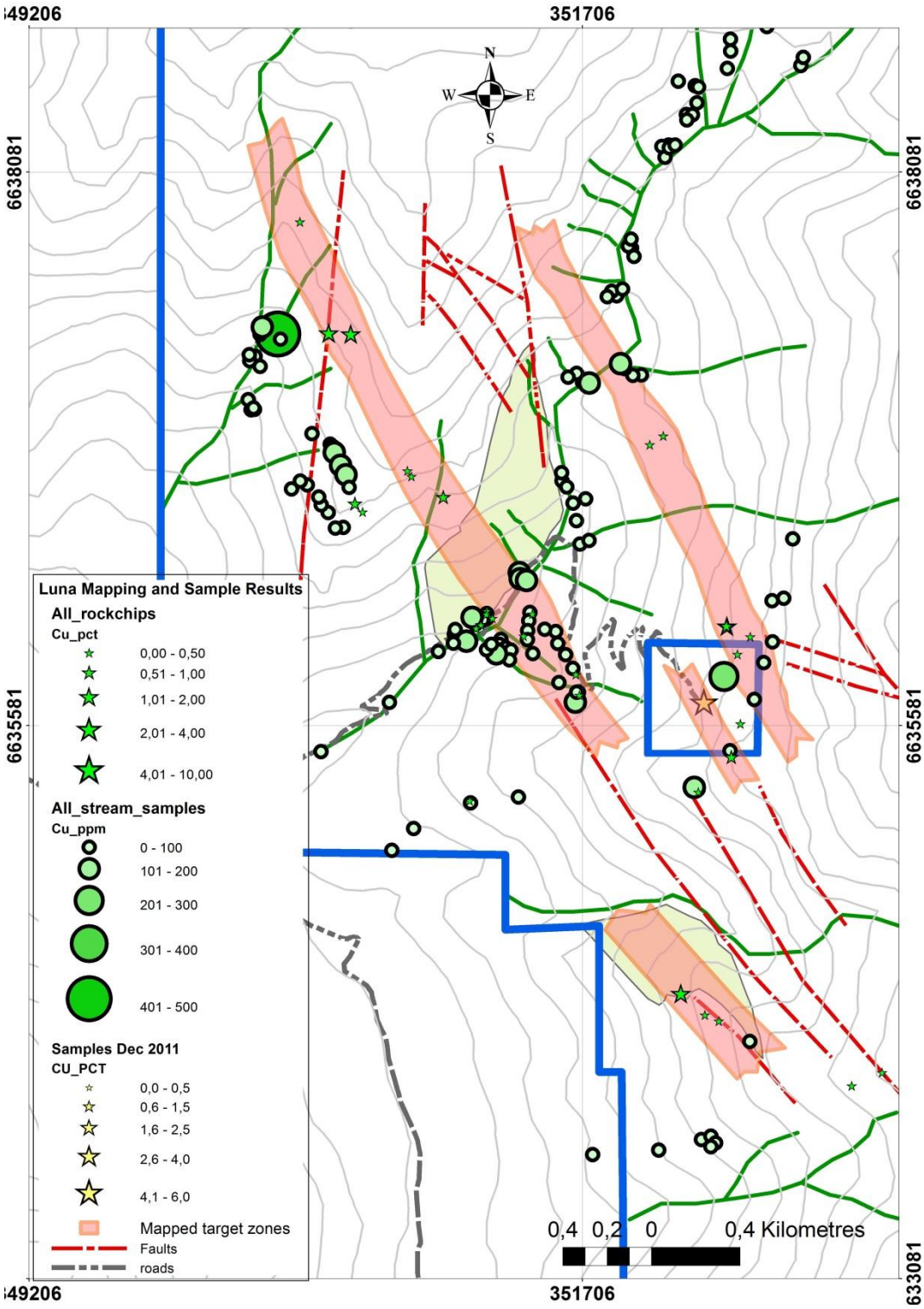

Figure 10: Luna Project stream samples, grab samples and mapped target zones delineated from 2012-13 field exploration campaign.

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Venus Project

(100% Estrella owned)

Area: total area 85 km^2

Project locality:

Situated in Region IV, Venus is nearby advanced mining infrastructure including:

- Ports and power – La Serena 70 km South
- Nearby Mining operations (owned by other parties):
    - Barrick Wind Farm
- Nearby Development projects (owned by other parties):
    - Pascua- Lama Project- Barrick
- Major roads: Pan American Highway

Project description and geology:

The Venus Project is located within the AFZ. featuring several mineralised regional fault splays of the AFZ that pass across the tenements. Venus hosts several artisan workings and has geologically; faults and vein hosted within granodioritic rocks although the area appears to be better endowed with gold.

Mineralisation type: Vein and fault hosted gold systems

Exploration to date: During 2012/2013 Estrella carried out mapping and grab sampling activities throughout the tenement which produced significant high grade gold values within vein and fault systems (see Figure 11).

Exploration Plans 2013/14:

Estrella plans to follow up mapping later in the year.

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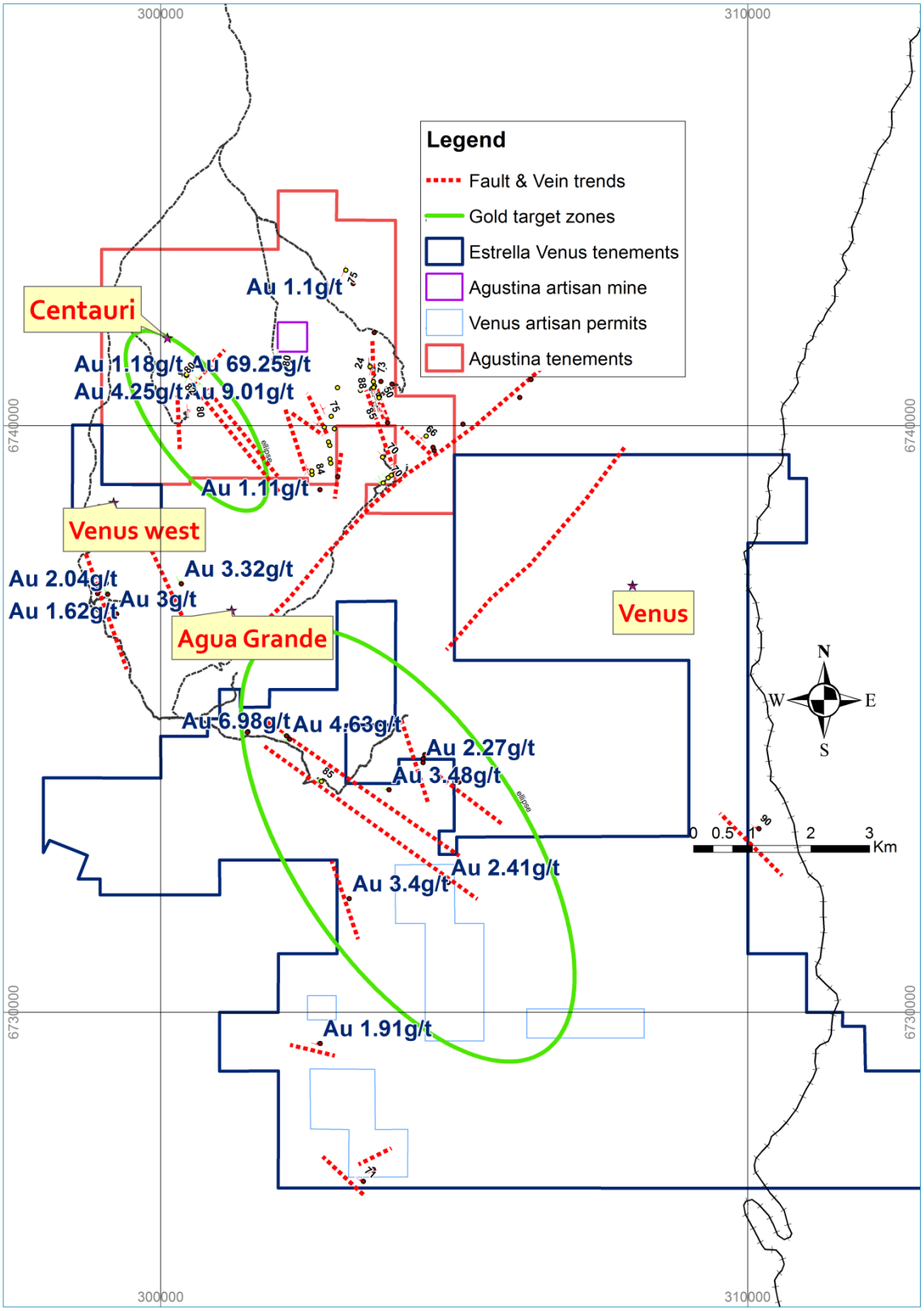

Figure 11: Venus Project gold samples and mapped structural trends.

Jupiter Project

(100% Estrella owned)

Location: Region III about 50 km northeast of Copiapo, 670 km north of Santiago (see Figure 1).

Area: total area 17.5 km^2

Project locality:

Situated in Region III, Jupiter is nearby advanced mining infrastructure including:

- Towns – the Jupiter project lies 30 km northeast of Copiapo
- Nearby Mining operations (owned by other parties):
  - Candelaria Mine (Freeport-McMoran).
- Nearby Development projects (owned by other parties):
  - Positioned between Copiapo and Maricunga mining districts.
- Major roads: Pan American Highway

Project description and geology:

Jupiter is situated within the Cu-Au Metallogenic belt of the Cretaceous to Palaeocene period. This belt traditionally hosts many significant deposits including Freeport McMoran's Candelaria and Pucobre's Punta de Cobre mine. Region III is also well-known for the Maricunga belt that hosts Kinross's Maricunga.

The geology at Jupiter features volcanic, volcaniclastics, conglomerates, arenites and lacustrine sedimentary rocks from the Cretaceous to the Eocene and intrusive Palaeocene plutonic rocks. The Jupiter tenure is generally underlain by tonalite to diorite phases of the Cabaca de Vaca batholith and is highly prospective for copper-gold mineralisation.

The copper-gold mineralisation is associated with structurally controlled breccia pipes which are particularly prevalent within the local region. Within Jupiter, two such breccia pipes are visibly present at surface. The dimensions of breccia pipes have been observed to be up to 400 m in diameter in the region. Traditionally when breccia pipes form in clustered fashion as they do at Jupiter, it indicates the potential of a significant porphyritic "feeder" source beneath.

Estrella's field sampling program did not identify any immediate areas for follow up exploration. Jupiter remains untested to its potential in hosting buried mineralised systems however ground geophysical surveys are required to assess this likelihood.

Exploration Plans 2013/2014:

Estrella plans to undertake further mapping and sampling programs in 2014.

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DIRECTORS' REPORT

For year ended 30 June 2013

Your directors present their Report on the consolidated entity (referred to hereafter as the "**Group**") consisting of Estrella Resources Limited (the "**Company**") and the entity it controlled at the end of, or during, the year ended 30 June 2013.

Directors

The following persons were Directors of Estrella Resources Limited during and since the end of the reporting period up to the date of this report, unless otherwise stated:

Gavin Solomon	Non-Executive Chairman
Dr Jason Berton	Managing Director
Julian Bavin	Non-Executive Director
Simon Kidston	Non-Executive Director

Principal activities

The Company was incorporated on 27 May 2011. The principal activities of the Group during the reporting period were to apply for and/or acquire maintain and explore mining/mineral exploration rights/assets in Chile with a medium term strategy to develop these into producing assets.

No significant change in the nature of these activities occurred during the year.

Operating results

The Group incurred a loss after tax for the reporting period of $2,356,404 (2012: $823,115) after an impairment charge of its capitalised exploration and evaluation expenditure of $1,328,017 relating to the Agustina Project which was terminated during the year.

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Review of operations

During the reporting period, the Company has through, its wholly owned subsidiary, Estrella Resources Chile SpA ("**Estrella Chile**") maintained and undertaken exploration on its various projects in Chile. During the reporting period Estrella Chile relinquished the Agustina Project. Based on historical exploration work, existing artisanal mining site and favourably local geology, Estrella believes the balance of its projects to be highly prospective for significant copper-gold mineralisation.

- The Altair Project - Estrella Chile owns a 100% working interest in all metallic mineral discoveries in the Altair Project (subject to for each discovery at pre-feasibility study stage either a 49% claw back right or alternatively a royalty scheme based on the then prevailing LME price);
- Saturno Project - Estrella Chile owns a 100% exploration interest in the Saturno Project which adjoins and now forms part of Project Altair;
- The Luna/Inca Project - Estrella Chile owns a 100% exploration interest in the Luna Project and the Company also holds a 91.5% mining interest in the Inca Project which essentially forms a small proportion of Luna. Estrella Chile has also entered into a 'Finder's Fee Agreement' in respect of the Inca Project. Upon the successful commencement of operation of production Estrella Chile is to pay the Finder 8.5% of the perceived economic benefits of the project (less costs) and a 1.5% Net Smelter Return royalty on products extracted from the Mining Concessions held;
- The Venus Project - Estrella Chile owns a 100% exploration interest in the Venus Project; and,
- The Jupiter Project - Estrella Chile owns a 100% exploration interest in the Jupiter Project.

Changes in the state of affairs

During the year, there were nil changes to the state of affairs of the Group other than (i) the termination of the Agustina Option Agreement and (ii) the entering of two Option Agreements both relating to Project Altair.

Dividends

In respect to the current year, no dividends were paid or declared during the period by the Group and no recommendation is made as to dividends.

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Events subsequent to the reporting period

No matters or circumstances since the end of the year have occurred that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Entity in subsequent financial years.

Likely future developments

Likely developments in the operations of the Group and the expected results of those operations in future financial periods will be reliant upon the Group's activities securing positive exploration results.

Environmental issues

The Group's operations are subject to the laws and regulations pertaining to mining exploration operations in Chile, South America and future production activities. As at the date of this Report the Group has not been notified of any breach of any such laws or regulations.

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Mr Gavin Solomon: Non-Executive Chairman

BComm/LLB, Member of the AICD, Notary Public

Date of appointment: 27 May 2011

Expertise and experience

Gavin has over 30 years' experience in equity and capital markets in Australia and overseas. Gavin is a Sydney based lawyer by background and has been a Director of a number of ASX listed companies as well as many unlisted public and private companies. Gavin was a former non-executive director and co-founder of Endocoal Limited (EOC: ASX) which was acquired for A$73M by U & D Mining (a Chinese SOE) in May 2013. Gavin has also held executive and non-executive positions with a range of companies in commercial fields such as mineral exploration, media, property and telecommunications both within Australia and overseas. Gavin holds a bachelor of Commerce/Law from the University of New South Wales is a Notary Public and is a member of the Australian Institute of Company Directors. Gavin brings a wealth of expertise to Estrella Resources with his wide ranging business experience and knowledge. Gavin is also a Non-executive Director of the Bradman Foundation (including the International Cricket Hall of Fame).

Special Responsibilities

Gavin is Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and the Health, Safety, Environment and Community Committee.

Other current directorships

Gavin is currently Managing Director of Helmsec Global Capital Limited (unlisted).

Former directorships in the last 3 years

Former Non-executive Director of Endocoal Limited (ASX:EOC).

Interest in shares and options

5,549,026 fully paid ordinary shares and 258,850 unlisted options over ordinary shares in Estrella Resources Limited plus being a Director and shareholder of Helmsec Global Capital Limited as bare trustee for certain employees and consultants of Helmsec Global Capital Limited in relation to a further 3,326,000 fully paid ordinary shares and 511,900 unlisted options over ordinary shares in Estrella Resources Limited.

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Dr Jason Berton: Managing Director

PhD Structural Geology, B.Sc.(Hons), B.Ec, AusIMM, GSA

Date of appointment: 25 October 2011

Expertise and experience

Jason has over 14 years' mining and exploration experience including a number of years working for majors including Homestake, Barrick and BHP Billiton. Jason later moved into consulting and gained broader project experience covering a number of commodities with SRK Consulting. He worked for two years in private equity investment co-ordinating due diligence performing mineral asset valuations, developing strategic planning and generating acquisition targets. Jason holds two Bachelor Degrees, Bachelor of Economics and Bachelor of Science (Hons) and a PhD in Structural Geology, all from Macquarie University. Jason is a member of the AusIMM.

Special Responsibilities

Managing Director

Other current directorships

Nil

Former directorships in the last 3 years

Nil

Interest in shares and options

1,000,000 fully paid ordinary shares and 3,000,000 unlisted options over ordinary shares in Estrella Resources Limited.

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Mr Julian Bavin: Non-Executive Director

B.Sc. Mining Geology (Hons), M.Sc Mineral Exploration, Member of IMM, Chartered Engineer, Fellow of Society of Economic Geologists

Date of appointment: 6 March 2012

Expertise and experience

Julian is an independent director who was educated at the University of Leicester, the Royal School of Mines, and London Business School. He has 30 years' of technical, operational and commercial experience in mineral exploration gained from work in a wide range of commodities, jurisdictions and cultures most of which was spent with the Rio Tinto Group in South America, Australia, Indonesia and Europe. From 2001 to 2009 he was responsible for the Rio Tinto exploration in South America and the teams which identified the potential in a range of projects now in various stages of feasibility including the PRC potash and Altar copper/gold projects in Argentina, the Mina Justa, Constancia and La Granja copper projects in Peru, and the Amargosa bauxite project in Brazil. Mr Bavin is also a Director and CEO of Pan Global Resources and a non-executive Director of Exeter Resource Corporation and Prism Resources. Mr Bavin holds a Bachelor of Science and a Masters of Science and is a Fellow of the SEG.

Special Responsibilities

Julian is Chairman of the Health, Safety, Environment and Community Committee and a member of the Remuneration Committee and the Audit and Risk Management Committee.

Other current directorships

Julian is currently a Non-executive Director of Exeter Resource Corporation and Prism Resources Inc. and Director and CEO of Pan Global Resources Inc.

Former directorships in the last 3 years

Nil

Interest in shares and options

500,000 fully paid ordinary shares and 1,000,000 unlisted options over ordinary shares in Estrella Resources Limited.

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Mr Simon Kidston: Non-Executive Director

BCom, GradDipAppFin

Date of appointment: 27 May 2011

Expertise and experience

Simon has almost 20 years investment banking experience in Australia, UK and Asia. Simon has an equity capital markets and M&A background and has considerable experience assisting "small and mid-cap" companies raise capital. Simon is a Non-executive director and co-founder of Carabella Resources Limited (CLR:ASX). Simon holds a Bachelor of Commerce degree from Griffith University and has a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. Simon Kidston is also a member of the Australian Institute of Company Directors.

Special Responsibilities

Simon is Chairman of the Remuneration Committee, a member of the Audit and Risk Management Committee and the Health, Safety, Environment and Community Committee.

Other current directorships

Simon is currently a Non-executive Director of Carabella Resources Limited (CLR:ASX) and Executive Director of Helmsec Global Capital Limited (unlisted).

Former directorships in the last 3 years

Nil

Interest in shares and options

4,962,566 fully paid ordinary shares and 258,850 unlisted options over ordinary shares in Estrella Resources Limited plus being a Director and shareholder of Helmsec Global Capital Limited as bare trustee for certain employees and consultants of Helmsec Global Capital Limited a further 3,326,000 fully paid ordinary shares and 511,900 options over ordinary shares in Estrella Resources Limited.

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Executives

Juan Pablo Vargas de la Vega: General Manager, Chile

Juan Pablo has extensive experience as a resource analyst and previous research experience at Foster Stockbroking. Prior to working with Foster, Juan Pablo worked in the resources industry with Santos and BHP Billiton as a senior analyst for business development and project valuation. Over the past 10 years Juan Pablo has had extensive exposure to both hard rock and oil and gas projects at a corporate level as well as site-based experience in Australia, South America and Africa. Juan Pablo has worked for a number of resources majors including Rio Tinto, Minara, Leighton and Petroleum Geoservices. Juan Pablo is a native Spanish speaker and holds an undergraduate degree in Economics from Gabriela Mistral University in Santiago, Chile. He is currently finishing a Masters in Science in Mineral Economics from Curtin University in Western Australia. Juan Pablo is located full-time in Chile.

Mr Justin Clyne: Company Secretary

LLM (UNSW), GradDipACG

The Company Secretary in office at the date of this report is Mr Justin Clyne. He was appointed as Company Secretary on 24 August 2011.

Justin was admitted as a Solicitor of the Supreme Court of New South Wales and the High Court of Australia in 1996 before gaining admission as a Barrister in 1998. Justin has 15 years of experience in the legal profession acting for a number of Australia's largest corporations, initially in the areas of corporate and construction law before developing an interest in mining investment and research.

Justin is a director and/or Company secretary of a number of listed and unlisted mining and oil and gas companies and the principal of Clyne Corporate Advisory.

He has significant experience and knowledge of the Corporations Act, the ASX listing rules and general corporate regulatory requirements. Justin holds a Master of Laws in International Law from the University of New South Wales and is also a qualified Chartered Company Secretary.

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Meetings of the Board

The number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

	BOARD MEETINGS		AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		HEALTH SAFETY AND ENVIRONMENT COMMITTEE MEETINGS	
Director	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**
G Solomon	10	10	2	2	2	2	2	2
J Berton	10	10	0*	1*	0*	2*	0*	2*
S Kidston	10	10	2	2	2	2	2	2
J Bavin	10	10	2	1	2	2	2	2

*By invitation of the Committee.

Unissued shares under option

Details of unissued shares or interests of Estrella Resources under option at the date of this report are:

Grant date of options	Number of shares under option	Class of shares	Exercise price	Expiry date of options
12 Sep 2011	3,600,000	Ordinary	$0.25	12 Sep 2014
25 Oct 2011	1,000,000	Ordinary	$0.25	25 Oct 2014
25 Oct 2011	600,000	Ordinary	$0.20	25 Oct 2016
19 Dec 2011	505,000	Ordinary	$0.20	19 Dec 2016
09 May 2012	1,500,000	Ordinary	$0.20	09 May 2017
18 Apr 2013	450,000	Ordinary	$0.35	18 Apr 2016
Total	**7,655,000**			

In addition, there are 3,000,000 Options in total over ordinary shares that are not yet allotted, with an exercise price of $0.35 each expiring 5 year from the date of issue. These options are subject to Shareholder approval at the Annual General Meeting in November 2013.

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Shares issued during or since the end of the year as a result of exercise

No shares have been issued during or since the end of the year as a result of exercise of an option.

Indemnifying officers or auditor

During the reporting period, the Group paid an insurance premium to insure the Directors and Officers of the Group. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group. Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has entered into agreements with each of the Directors and Officers to indemnify them against any claim and related expenses, which arise as a result of work completed in their respective capabilities. The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Proceedings on behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-audit services

The auditor did not provide any non-audit services during the year.

Details of the amounts paid to the auditors of the Group, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 24 to the Financial Statements.

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 44 of this financial report and forms part of this Directors' report.

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REMUNERATION REPORT (Audited)

The Directors of Estrella Resources Limited present the Remuneration Report prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements

Principles used to determine the nature and amount of remuneration

The following Report determines the principle used to determine the nature and amount of remuneration. The Board established a Remuneration Committee on 8 March 2012. The Remuneration Committee is responsible for reviewing and providing recommendations to the Board with respect to the remuneration packages of Directors and Key Management Personnel. The role also includes responsibility for share options incentives, superannuation entitlements, retirement and termination entitlements, fringe benefits policies, liability insurance policies and other terms of employment.

The Remuneration Committee will review the arrangements having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages or fees paid to Key Management Personnel. No remuneration consultant was used during the year. Remuneration packages are set at levels intended to attract and retain Key Management Personnel capable of managing the Group's activities. Where Key Management Personnel positions are held by consultants, fees are based on normal commercial terms and conditions.

The remuneration of an Executive Director is ultimately decided by the Board, without the affected Executive Director participating in that decision-making process.

The total maximum remuneration of Non-Executive Directors is the subject of a Shareholder resolution in accordance with the Company's Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The current limit, which may only be varied by Shareholders in general meeting, is an aggregate amount of $380,000 per annum.

The Board may award additional remuneration to Non-Executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

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Remuneration report-(Audited) (continued)

Principles used to determine the nature and amount of remuneration (continued)

The executive pay and reward framework has three components:

1. Base pay and benefits;
2. Long-term incentives through share schemes; and
3. Other remuneration such as superannuation.

The combination of these comprises the Key Management Personnel total remuneration. All remuneration is fixed and no portion is based on performance targets. The award of long-term incentives is based upon the discretion of the Board.

Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the Directors and Key Management Personnel of the Group for the year ended 30 June 2013 are set out in the following table:

2013	Short-term benefits		Post-employment benefits	Share-based Payments	
Name	Salary And Fees $	Other $	Superannuation $	Options $	Total $
DIRECTORS					
G Solomon	73,395	-	6,605	-	80,000
Dr J Berton	206,422	-	18,578	18,441	243,441
J Bavin	57,337	-	-	-	57,337
S Kidston	55,046	-	4,954	-	60,000
EXECUTIVES					
J Vargas de la Vega	134,937	-	6,984	5,360	147,281
J Clyne[1]	57,500	-	-	3,000	60,500
Total	**584,637**	**-**	**37,121**	**26,801**	**648,559**

1. J Clyne: Total fees of $57,500 reflects consulting fees paid to Clyne Corporate Advisory, a company in which Mr Clyne has an interest, for providing company secretarial services to the Company. This arrangement is based on normal commercial terms and conditions.

Remuneration report-(Audited) (continued)

Details of remuneration (continued)

2012	Short-term benefits		Post-employment benefits	Share-based Payments	
Name	Salary And Fees $	Other $	Superannuation $	Options $	Total $
DIRECTORS					
G Solomon [1]	12,233	-	1,100	-	13,333
Dr J Berton[2]	145,872	9,174	13,954	36,926	205,926
J Bavin[3]	10,000	-	-	19,100	29,100
S Kidston[4]	9,174	-	826	-	10,000
EXECUTIVES					
J Vargas de la Vega[5]	83,685	-	-	4,456	88,141
J Clyne[6]	36,332	-	-	1,910	38,242
Total	**297,296**	**9,174**	**15,880**	**62,392**	**384,742**

1. G Solomon: Total remuneration of $13,333 reflects directors fees paid for the period from the 1 May 2012 to 30 June 2012.
2. Dr J Berton: Dr Berton was appointed on 25 October 2011. Total remuneration reflects the period 25 October 2011 to 30 June 2012. Other short term benefit represents a bonus paid of $9,174 (4.46% of total remuneration). This bonus payment was made at the discretion of the Board and no part of the bonus was forfeited.
3. J Bavin: Total fees of $10,000 reflect directors fees paid for the period from the 1 May 2012 to 30 June 2012.
4. S Kidston: Total remuneration of $10,000 reflects directors fees paid for the period from the 1 May 2012 to 30 June 2012.
5. J Vargas de la Vega: Mr Vargas de la Vega was appointed on 1 November 2011. Total remuneration reflects the period 1 November 2011 to 30 June 2012.
6. J Clyne: Total fees of $36,332 reflects consulting fees paid to Clyne Corporate Advisory during the period 24 August 2011 to 30 June 2012, a company in which Mr Clyne has an interest, for providing company secretarial services to the Company. This arrangement is based on normal commercial terms and conditions.

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Remuneration report-(Audited) (continued)

Share based remuneration

The Employee Share Option Plan (**ESOP**) was established on 8 March 2012. During the reporting period, 450,000 Options were issued to employees under the ESOP of which 350,000 were granted as remuneration to Key Management Personnel as set out below.

Share options

2013	Grant date	Number granted	Value per option at grant date	Number vested	Number lapsed	Exercise price	First exercise date	Last exercise date	Percentage of remuneration which is options
Executives									
J Vargas de la Vega	18 Apr 13	250,000	$0.03	-	-	$0.35	18 Apr 15	18 Apr 16	3.63%
J Clyne	18 Apr 13	100,000	$0.03	100,000	-	$0.35	18 Apr 13	18 Apr 16	4.96%

Details of executive share options have been disclosed in note 20 to the financial statements

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Remuneration report-(Audited) (continued)

Share based remuneration

Details of options over ordinary shares in the Company that have been granted as remuneration to each Director and Key Management Personnel are set out below:

Share options

2012	Grant date	Number granted	Value per option at grant date	Number vested	Number lapsed	Exercise price	First exercise date	Last exercise date	Percentage of remuneration which is options
Directors									
G Solomon*	-	-	-	-	-	-	-	-	-
Dr J Berton**	12-Sep-11	3,000,000	$0.0143	1,000,000	-	$0.25	9-May-12	12-Sep-14	18%
J Bavin	25-Oct-11	1,000,000	$0.0191	1,000,000	-	$0.25	25-Oct-11	25-Oct-14	66%
S Kidston*	-	-	-	-	-	-	-	-	-
Executives									
J Vargas de la Vega**	12-Sep-11	500,000	$0.0143	-	-	$0.25	12-Mar-13	12-Sep-14	5%
J Clyne	12-Sep-11	100,000	$0.0191	100,000	-	$0.25	12-Sep-11	09-May-12	0.04%

*During the reporting period 2,605,000 options over ordinary shares were granted to Helmsec Global Capital Limited, a company in which Mr Gavin Solomon and Mr Simon Kidston have a beneficial interest as bare trustee for certain parties of which 1,834,250 options were transferred to these parties.

** Refer to Service Agreements below for the vesting terms of options granted to Dr J Berton and J Vargas de la Vega.

The options were provided at no cost to the recipients. Upon vesting, each option allows the holder to purchase one ordinary share at the exercise price determined at grant date.

Details of executive share options have been disclosed in note 20 to the financial statements.

Remuneration report-(Audited) (continued)

Service Agreements

Contracts for services of Directors and Key Management Personnel and the Company in place during the reporting period are as follows:

Gavin Solomon: Non-Executive Chairman

Letter of Agreement with Gavin Solomon stipulates remuneration of $80,000 per annum inclusive of superannuation and taxation.

Dr Jason Berton: Managing Director

By an agreement dated 15 August 2011 the Company engaged the services of Dr Berton to serve as Managing Director until terminated. The Board may terminate the consultancy agreement at any time by giving not less than one (1) months' notice in writing; or immediately in instances of misconduct. Dr Berton may terminate the agreement by giving not less than one (1) months' notice in writing.

Under the terms of the Agreement, the Company shall pay a Base Salary of A$180,000 per annum (inclusive of 9% compulsory superannuation contribution and taxation). The Base Salary was amended to $225,000 per annum (inclusive of 9% compulsory superannuation contribution and taxation) effective from 1 July 2012. Bonus payments are at the discretion of the Board. On 12th September 2011 Dr Berton has been granted 3,000,000 options over ordinary shares with an exercise price of $0.25 each, exercisable on or before 12 September 2014. The options vest in three tranches of 1,000,000 options each, the first of which vested on the 9 May 2012, the date the Company officially listed on the ASX, the second tranche vested on 12 March 2013 and the final tranche is due to vest on 12 September 2013. The vesting criteria for options granted in 2011 are the subject of shareholder resolution at the November 2013 Annual General Meeting of the Company.

Julian Bavin: Non-Executive Director

Letter of Agreement with Julian Bavin and Estrella Chile stipulates remuneration of $60,000 per annum inclusive of superannuation and taxation.

Simon Kidston: Non-Executive Director

Letter of Agreement with Simon Kidston stipulates remuneration of $60,000 per annum inclusive of superannuation and taxation.

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Remuneration report-(Audited) (continued)

Service Agreements (continued)

Juan Pablo Vargas de la Vega: General Manager, Chile

By an agreement dated 1 November 2011 the Group engaged the services of Mr Vargas de la Vega to serve as General Manager, Chile, until terminated. The Board may terminate the consultancy agreement at any time by giving not less than one (1) months' notice in writing; or immediately in instances of misconduct. Mr Vargas de la Vega may terminate the agreement by giving not less than one (1) months' notice in writing.

Under the terms of the Agreement, the Group shall pay a Base Salary of A$145,000 per annum (inclusive of 9% compulsory superannuation contribution). Bonus payments are at the discretion of the Board.

In addition, Mr Vargas de la Vega has been granted 500,000 options over ordinary shares with an exercise price of $0.25 each, exercisable on or before 12 September 2014. These options vest in two tranches: 250,000 options on 12 March 2013 and 250,000 options on 12 September 2013.

Justin Clyne: Company Secretary

By a Letter of Engagement with Clyne Corporate Advisory the Company engaged the services of Mr Clyne to provide Company Secretarial Services commencing 18 January 2012.

Pursuant to the terms of the Engagement Letter, the Company will pay Clyne Corporate Advisory an amount of $5,000 per month exclusive of GST. The fee was amended to $2,750 per month inclusive of GST effective for the months of June 2013 and July 2013 only.

The Agreement may be terminated by either party by providing one (1) months' notice.

END OF THE AUDITED REMUNERATION REPORT.

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Hedging of securities

In accordance with the Group's general share trading policy directors, officers and employees are prohibited from engaging in hedging arrangements over unvested securities issued as remuneration incentives or pursuant to any employee share option plan.

Signed in accordance with a resolution of the Board of Directors:

Gavin Solomon

Non-Executive Chairman

Dated this 25 day of September 2013

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Grant Thornton

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Auditor's Independence Declaration
To the Directors of Estrella Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Estrella Resources Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G S Layland
Director – Audit & Assurance

Sydney, 25 September 2013

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CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Best Practice Recommendations (Best Practice Recommendations). The Best Practice Recommendations are not mandatory. However, the Company is required to provide a statement disclosing the extent to which the Company has followed the Recommendations.

BEST PRACTICE RECOMMENDATION		COMMENT
1	Lay solid foundations for management and oversight	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities and functions of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director. The Board Charter also specifically outlines the role of the Company's Directors. Each function and its responsibility are outlined in the Board Charter and this Corporate Governance Statement is available on the Company's website.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.
1.3	Companies should provide the information indicated in the *Guide to reporting on Principle 1*.	This Corporate Governance Statement is available on the Company's website as well as the Board Charter. The Board Charter discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director. The Board Charter also specifically outlines the role of the Company's Chairman, Individual Directors and Managing Director. No formal evaluation of senior executives took place during the past year however a full evaluation is expected to be carried out carried out in the first half of the current year.
2	**Structure the board to add value**	
2.1	A majority of the board should be independent directors.	Notwithstanding the fact that Mr Solomon and Mr Kidston each have a non-controlling interest in the Company's adviser, Helmsec, three of the four members of the current board (Mr Solomon, Mr Kidston and Mr Bavin) are considered to be independent directors and the remaining director, Dr Berton, is not due to his role as

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		Managing Director. A majority of the board is comprised of independent directors (as above) and three of the four members of the current board are non-executive Directors except for the Managing Director, Dr Jason Berton. The Board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time. It is intended that, as considered appropriate, further non-executive Director appointments to the Board will be made in the future as required.
2.2	The chair should be an independent director.	The Chairman of the Board is Mr Gavin Solomon who is considered to be an independent non-executive director.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The Company does not currently have a Chief Executive Officer however, the Company has a separate Chairman and a Managing Director who is responsible for the day to day operations and administration of the Company.
2.4	The board should establish a nomination committee.	The Board, as a whole, currently serves as the Company's nomination committee. Terms and conditions of employees are negotiated by the Managing Director for recommendation to the Board. As the Company grows in size it is planned that the Company will implement a separate nomination committee with its own separate nomination committee charter.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The performance of the Board and the various Board committees as and when established is to be evaluated by the Chairperson. The performance of each committee is measured against the scope and responsibilities detailed in their respective charters and the process for evaluating the performance of the Board, its committees and individual directors is to be disclosed by the Chairman. A formal evaluation of the Board has not yet occurred however it is expected to be carried out in the first half of the current year. The Board is responsible for the evaluation and review of the performance of the Chairman and the effectiveness and programme of board meetings. The position of Chairman will be reviewed by the Board at the first Board meeting following the Annual General Meeting each year. A formal evaluation of the Chairman has not yet occurred however it is expected to be carried out in the first half of the current year.

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		The programme of board meetings has been reviewed and modified to ensure timely information is reviewed by the board. The Company's Corporate Governance Policies set out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.
2.6	Companies should provide the information indicated in the *Guide to reporting on Principle 2*.	A description of the skills and experience of each of the directors is contained within this Annual Report. Three of the four members of the current board (Mr Solomon, Mr Kidston and Mr Bavin) are considered to be independent directors in accordance with the definition of an independent director as contained in the Company's Board Charter due to the fact that Mr Solomon and Mr Kidston each only have a non-controlling interest in the Company's adviser, Helmsec. The Board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time. The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairperson. The Board, as a whole, will serve as the Company's nomination committee as and when required. The Board will determine the procedure for the selection and appointment of new directors and the re-election of incumbents in accordance with the Company's constitution and having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. The policy for the appointment of new directors is set out in the Company's Board Charter which is available on the Company's website. A formal evaluation of the Board, its Committees and Directors has not yet occurred however it is expected to be carried out in the first half of the current year. Mr Solomon and Mr Kidston were appointed as directors on 27 May, 2011, Dr Berton on 25 October, 2011 and Mr Bavin on 6 March, 2012.

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3	**Promote ethical and responsible decision-making**	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: the practices necessary to maintain confidence in the company's integrity the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company's Corporate Governance Plan includes the following policies and charters which provide a framework for decisions and actions in relation to ethical conduct in employment. • Board Charter • Audit & Risk Management Committee Charter • Code of Conduct - Obligations to Stakeholders • Code of Conduct - Directors and Key Officers • Continuous Disclosure • Health, Safety, Environment and Community Committee Charter • Remuneration Committee Charter • Securities Trading • Diversity A summary of the Company's Corporate Governance Policies are contained within this Corporate Governance Statement and all of the Policies are available on the Company's website.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Company has established a Diversity Policy as part of its Corporate Governance Plan. The Policy details the Board's commitment to providing an inclusive workplace and recognises the value that a workforce made up of individuals with diverse skills, values, backgrounds and experiences can bring to the Company. The Company has a commitment to gender diversity and female participation is sought in all areas. Decisions relating to promotion, leadership development and flexible work arrangements are all based on merit and reinforce the importance of equality in the workplace. Ongoing monitoring of company policies and culture will be undertaken to make sure they do not hold any group back in their professional development. The Board is responsible for the selection of new board members. In accordance with its Board Charter and the ASX Corporate Governance Principles and Recommendations (including 2010 amendments), the Board must ensure that the selection process is formal and transparent. High quality female candidates should be considered as part of any recruitment process. The Company will establish measurable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so.

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		The Board will, at least once per year, review the policy to determine its adequacy for current circumstances and make recommendations to the Board for amendment where required.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	The Company will establish measurable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so and this will be included in the Annual Report each year.
3.4	Proportion of women employees, senior executive positions and on the Board.	The Company currently has 3 employees, one of whom is female and also a female Chief Financial Officer. The Company does not have any women on the Board at present but this will be reviewed in accordance with each review of the Board's skills and requirements in accordance with the Company's Diversity Policy.
3.5	Companies should provide the information indicated in the *Guide to reporting on Principle 3.*	This Corporate Governance Statement is available on the Company's website as well as the Company's Diversity Policy. The Company's Annual Report each year will contain an update on the Company's compliance with the ASX's recommendations and the Company's Diversity Policy.
4	**Safeguard integrity in financial reporting**	
4.1	The board should establish an audit committee.	The Company has established an Audit and Risk Management Committee and a copy of the policy titled *"Charter of the Audit and Risk Management Committee"* was summarised in the Company's Prospectus lodged with the ASX and like all of the Company's policies is available on the Company's website.
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	The Audit and Risk Management Committee currently has three members who are all independent non-executive directors. The committee is chaired by Mr Solomon who is also Chair of the Board however, while this is considered appropriate at present, the position of Chair of the Audit and Risk Management Committee will be reviewed in line with the first Board review after the Company's next Annual General Meeting. Mr Kidston and Mr Bavin are the other members of the Committee and are also considered independent.
4.3	The audit committee should have a formal charter.	The Company's Corporate Governance Plan includes a formal charter for the Audit and Risk Management Committee.

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4.4	Companies should provide the information indicated in the *Guide to reporting on Principle 4*.	The Committee meets twice a year and at least once each year with the Company's Auditors. The Committee has powers under the Company's Audit & Risk Management Charter including unrestricted access to the Company's internal and external auditors and all Company records for the purposes of carrying out its responsibilities under the Charter. The Committee will recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners. The members of the Committee are Mr Solomon, Mr Kidston and Mr Bavin whose experience are all detailed in this Annual Report. The Committee met on two occasions during the past year. A copy of the Committee's Charter is available on the Company's website.
5	**Make timely and balanced disclosure**	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program/policy in place designed to ensure compliance with the ASX Listing Rule on continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.
5.2	Companies should provide the information indicated in *Guide to Reporting on Principle 5.*	The continuous disclosure policy of the Company was summarised in the Company's Prospectus lodged with the ASX and like all of the Company's policies is available on the Company's website.
6	**Respect the rights of shareholders**	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company's Corporate Governance Plan includes a shareholder communications strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. This is contained within the Company's policies titled *"Code of Conduct – Obligations to Stakeholders"* and *"Corporate Governance Policy – Continuous Disclosure".*
6.2	Companies should provide the information indicated in the *Guide to reporting on Principle 6*.	The shareholder communication policy of the Company is set out in the Company's policies titled *"Code of Conduct – Obligations to Stakeholders"* and *"Corporate Governance Policy – Continuous Disclosure"* which was summarised in the Company's Prospectus and like all of the Company's policies is available on the Company's website.
7	**Recognise and manage risk**	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board in conjunction with the Audit and Risk Management Committee determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

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		The Company has established policies for the oversight and management of material business risks. The Audit and Risk Management Charter of the Company was set out in the Company's Prospectus lodged with the ASX and is available on the Company's website.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to the Board in conjunction with the Audit and Risk Committee. The Board and Audit and Risk Management Committee are required to assess risk management and associated internal compliance and control procedures and will be responsible for ensuring the process for managing risks is integrated within business planning and management activities. Reports on risk management are to be provided to the Board by the Audit and Risk Management Committee at the first Board meeting subsequent to each Committee meeting.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Reports on risk management are to be provided to the Board by the Audit and Risk Management Committee. The Board received the relevant assurance from the Managing Director and CFO.
7.4	Companies should provide the information indicated in *Guide to Reporting on Principle 7.*	Reports on risk management are to be provided to the Board by the Audit and Risk Management Committee. The Board received the report under Recommendation 7.2 and will continue to ensure that the management or the executive director(s) provide the assurance under Recommendation 7.3 at the relevant time.
8	**Remunerate fairly and responsibly**	
8.1	The board should establish a remuneration committee.	The Board has established a separate Remuneration Committee.
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent chair; and • has at least three members.	The members of the remuneration committee are Simon Kidston (Chair), Julian Bavin and Gavin Solomon who are all independent directors. The Committee Chair is separate from the Board Chair.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of	The Committee distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior

	executive directors and senior executives.	executives. The Company's Constitution and the Corporations Act also provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting. The Board is responsible for determining the remuneration of the executive directors (without the participation of the affected director).
8.4	Companies should provide the information indicated in the *Guide to reporting on Principle 8*.	The Remuneration Committee meets twice a year. A copy of the Remuneration Committee Charter was summarised in the Company's Prospectus lodged with the ASX and is available on the Company's website. The members of the Remuneration Committee are currently Mr Simon Kidston (Chair), Mr Gavin Solomon and Mr Julian Bavin. A summary of the Company's policy on prohibiting transactions in associated products which operate to limit the risk of participating in unvested entitlements under any equity based remuneration scheme is contained within the Remuneration Committee Charter.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	30 June 2013	30 June 2012
		$	$
Revenue from continuing operations	4	175,416	52,460
Expenses from continuing operations	5	(2,531,820)	(875,575)
Loss before income tax		(2,356,404)	(823,115)
Income tax expense	6	-	-
Loss for the year		(2,356,404)	(823,115)
Other comprehensive income			
Other comprehensive income for the year, net of tax:			
Foreign currency translation reserve movement		137,133	(32,261)
Total comprehensive loss for the year attributable to members of Estrella Resources Limited		**(2,219,271)**	**(855,376)**
Loss per share:			
Basic loss per share (cents per share)	16	(2.7)	(1.5)
Diluted loss per share (cents per share)	16	(2.7)	(1.5)

These financial statements should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
Current assets			
Cash and cash equivalents	18	2,487,476	5,106,367
Trade and other receivables	7	15,314	53,827
Other current assets	8	31,789	32,247
Total current assets		**2,534,579**	**5,192,441**
Non-current assets			
Receivables	9	35,412	-
Exploration and evaluation assets	10	1,505,638	1,167,008
Property, plant and equipment	11	46,816	46,220
Total non-current assets		**1,587,866**	**1,213,228**
Total assets		**4,122,445**	**6,405,669**
Current liabilities			
Trade and other payables	12	139,162	276,689
Provisions	13	50,171	4,680
Total current liabilities		**189,333**	**281,369**
Non-current liabilities			
Provisions	13	1,329	647
Total non-current liabilities		**1,329**	**647**
Total liabilities		**190,662**	**282,016**
Net assets		**3,931,783**	**6,123,653**
Equity			
Share capital	14	6,697,675	6,697,675
Reserves	15	413,627	249,093
Accumulated losses		(3,179,519)	(823,115)
Total equity		**3,931,783**	**6,123,653**

These financial statements should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

	Issued capital $	Accumulated losses $	Option reserve $	Foreign exchange reserve $	Total $
Balance at 30 June 2011	35,001	-	-	-	35,001
Total comprehensive loss for the year	-	(823,115)	-	-	(823,115)
Foreign exchange translation reserve	-	-	-	(32,261)	(32,261)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of costs	6,662,675	-	-	-	6,662,675
Options issued during the period	-	-	281,354	-	281,354
Balance at 30 June 2012	**6,697,675**	**(823,115)**	**281,354**	**(32,261)**	**6,123,653**
Total comprehensive loss for the year	-	(2,356,404)	-	-	(2,356,404)
Foreign exchange translation reserve	-	-	-	137,133	137,133
Transactions with owners in their capacity as owners:					
Options issued during the period	-	-	27,401	-	27,401
Balance at 30 June 2013	**6,697,675**	**(3,179,519)**	**308,755**	**104,872**	**3,931,783**

These financial statements should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note	30 June 2013 $	30 June 2012 $
Cash flows from operating activities			
Cash payments in the course of operations		(1,070,287)	(593,273)
Cash receipts from consulting fees		-	9,750
Interest received		148,733	42,710
Net cash used in operating activities	18	(921,554)	(540,813)
Cash flows from investing activities			
Exploration and evaluation costs		(1,844,441)	(1,019,550)
Payment for property, plant and equipment		(9,471)	(46,669)
Net cash used in investing activities		(1,853,912)	(1,066,219)
Cash flows from financing activities			
Proceeds from issue of shares		-	7,630,000
Payments for share issue costs		-	(956,601)
Net cash provided by financing activities		-	6,673,399
Net change in cash and cash equivalents held		(2,775,466)	5,066,367
Cash and cash equivalents at beginning of financial period		5,106,367	40,000
Effects of exchange rate changes on cash and cash equivalents		156,575	-
Cash and cash equivalents at end of financial period	18	**2,487,476**	**5,106,367**

These financial statements should be read in conjunction with the accompanying notes

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. Nature of Operations

The consolidated entity (the Group) consists of Estrella Resources Limited (the "Company") and the entity it controlled at the end of, or during, the year ended 30 June 2013. The Group's principal activities include gold and copper exploration in Chile.

2. General Information

Estrella Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The Company was incorporated on 27 May 2011. The financial report also incorporates the Company's fully owned subsidiary Estrella Resources (Chile) SpA (a Chilean company).

The registered and principal place of business is Level 7, 15 Castlereagh Street, Sydney NSW 2000. Estrella Resources' shares are listed on the ASX (ASX.ESR).

3. Statement of significant accounting policies

a) Basis of preparation

Statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**). Estrella Resources Limited is a for-profit entity for the purpose of preparing the financial statements. The consolidated financial statements for the year ended 30 June 2013 (including comparatives) were approved and authorised for issue by the Board of Directors on 25 September 2013.

Historical Cost Convention

The financial report has been prepared on an accruals basis and is based on the historical costs modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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3. Statement of significant accounting policies (continued)

Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period in which the estimate is revised (for further details refer to note 3 t).

Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date which they are granted. The fair value is determined by Directors' assessment as to the cost of the last equity based transaction made. Refer to note 20 for detail. The accounting estimates and assumptions in relation to equity settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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3. Statement of significant accounting policies (continued)

c) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

d) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less, where applicable, any accumulated depreciation.

Depreciation is calculated on the diminishing balance method as follows:

- Computer equipment 60%
- Motor Vehicles 19%

The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period and adjusted if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

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3. Statement of significant accounting policies (continued)

e) Exploration and Evaluation Expenditure

Pre-licence costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

Exploration and evaluation expenditure, including the costs of acquiring licences, are capitalised on a project by project basis. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Expenditure deemed to be unsuccessful is recognised in the Statement of Profit or Loss and Other Comprehensive Income immediately.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

g) Trade and Payables

Trade and other payables are stated at cost and are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

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3. Statement of significant accounting policies (continued)

h) Trade and Other Receivables

Trade and other receivables are stated at their cost less impairment losses.

i) Post-employment benefits and short-term employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

j) Revenue

Interest revenue is recognised using the effective interest method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

k) Operating expenses

Operating expenses are recognised in profit and loss upon utilisation of the service or at date of their origin.

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3. Statement of significant accounting policies (continued)

l) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (being the Managing Director). The chief operating decision maker (being the Managing Director), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

m) Foreign currency translation reserve

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the parent company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD are translated into AUD upon consolidation. The functional currency of the entities in the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into AUD at the closing rate. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

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3. Statement of significant accounting policies (continued)

n) Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

o) Equity, reserves and dividend payments

Share Capital represents the fair value of shares that have been issued. Any transactions cost associated with the issuing of shares are deducted from the share capital, net of any related income tax benefits.

Other components of equity include the following:

- Foreign currency translation reserve - comprises foreign currency translation difference arising on the translation of financial statements of the Group's foreign entity in Australian dollars (refer to note 3 l).
- Option reserve – The fair value of options granted to directors, officers and consultants is recognised as an expense with a corresponding increase in equity.

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3. Statement of significant accounting policies (continued)

p) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Estrella Resources Limited at the end of the reporting period. A controlled entity is any entity over which Estrella Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 26 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

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3. Statement of significant accounting policies (continued)

q) Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

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3. Statement of significant accounting policies (continued)

r) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

s) New accounting standards and interpretations

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

Certain new accounting standards and interpretations became effective on 1 January 2013. The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Group's accounting policies or the amounts reported during the reporting period.

- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (Applies annual reporting periods beginning on or after 1 July 2012).
  AASB 2011-9 requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially re-classifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'. The adoption of AASB 2011-9 has resulted in changes to the Group's presentation of its financial statements.
- AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

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3. Statement of significant accounting policies (continued)

s) New accounting standards and interpretations (continued)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard will affect in particular the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the Group did not record any such gains in other comprehensive income.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

Consolidation Standards

A package of consolidation standards are effective for annual periods beginning or after 1 January 2013. Information on these new standards is presented below. The Group's management have yet to assess the impact of these new and revised standards on the Group's consolidated financial statements.

- AASB 10 Consolidated Financial Statements (AASB 10)

AASB 10 supersedes the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements (AASB 127) and Interpretation 112 Consolidation – Special Purpose Entities. It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

- AASB 11 Joint Arrangements (AASB 11)

  AASB 11 supersedes AASB 131 Interests in Joint Ventures (AASB 131). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. It introduces two accounting categories (joint operations and joint ventures) whose applicability is determined based on the substance of the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method for joint ventures, which is currently used for investments in associates.

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3. Statement of significant accounting policies (continued)

s) New accounting standards and interpretations (continued)

- AASB 12 Disclosure of Interests in Other Entities (AASB 12)

  AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

- Consequential amendments to AASB 127 Separate Financial Statements (AASB 127) and AASB 128 Investments in Associates and Joint Ventures (AASB 128)

  AASB 127 Consolidated and Separate Financial Statements was amended to AASB 127 Separate Financial Statements which now deals only with separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

- AASB 13 Fair Value Measurement (AASB 13)

  AASB 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this new standard.

- Amendments to AASB 119 Employee Benefits (AASB 119 Amendments)

  The AASB 119 Amendments include a number of targeted improvements throughout the Standard. The main changes relate to defined benefit plans. They:

  - eliminate the 'corridor method', requiring entities to recognise all gains and losses arising in the reporting period in other comprehensive income
  - streamline the presentation of changes in plan assets and liabilities
  - enhance the disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.

  The entity does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the entity.

- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (AASB 124 Amendments)

  AASB 2011-4 makes amendments to AASB 124 Related Party Disclosures to remove individual key management personnel disclosure requirements, to achieve consistency with the international equivalent (which includes requirements to disclose aggregate (rather than individual) amounts of KMP compensation), and remove duplication with the Corporations Act 2001. The amendments are applicable for annual periods beginning on or after 1 July 2013. The Group's management have yet to assess the impact of these amendments.

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3. Statement of significant accounting policies (continued)

s) New accounting standards and interpretations (continued)

- Amendments to AASB 2012-2 and AASB 2012-3 Financial Instruments: Presentation and AASB 7 Financial Instruments: Disclosures 5

  The amendments to AASB 2012-2 and AASB 2012-3 add application guidance to address inconsistencies in applying AASB 2012's criteria for offsetting financial assets and financial liabilities. Qualitative and quantitative disclosures have been added to AASB 7 relating to gross and net amounts of recognised financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position. The amendments are applicable for annual periods beginning on or after 1 January 2014 for AASB 2012-2 and on or after 1 January 2015 for AASB 2012-3. The Group's management have yet to assess the impact of these amendments.
- AASB Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

  Clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 112 Inventories if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, stripping activity asset if certain recognition criteria are met (as an addition to, or enhancement of, an existing asset). The interpretation is applicable for annual periods beginning on or after 1 January 2013. The interpretation will have no impact on the Group as it has no mining activities.

t) Critical judgements in applying the entity's accounting policies

The following are the critical judgements including those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

i) Share-based payments

The Company is required to use assumptions in respect of the fair value model, and the variable element in the model, used in determining the share based payments.

3. Statement of significant accounting policies (continued)

t) Critical judgements in applying the entity's accounting policies (continued)

ii) Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to the environmental restoration obligations) and changes to commodity prices.

Given the stage of exploration of the Company, it is not possible to reliably estimate future cash flows. The carrying value of mineral properties is reviewed and assessed with reference to comparative transactions, the status of existing joint venture arrangements, market volatility and the significant changes in valuations for all mineral assets as a result of the recent significant discounting of equity markets. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

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4. Revenue

	30 June 2013	30 June 2012
	$	$
Interest income	148,733	42,710
Foreign exchange gain	26,683	-
Consulting revenue	-	9,750
	175,416	**52,460**

5. Result for the period

Loss before income tax includes the following specific expenses:

	30 June 2013 $	30 June 2012 $
Administrative and corporate costs	1,119,922	635,021
Impairment of exploration and evaluation assets	1,328,017	-
Initial Public Offering costs expensed	-	166,155
Depreciation of non-current assets	13,168	475
Share based payments:		
- Consultants	3,000	21,010
Employee benefit expenses:		
Post-employment benefits		
- Superannuation	43,312	11,532
Share based payments:		
- Employee share based payments	24,401	41,382
	2,531,820	**875,575**

6. Income tax expense

	30 June 2013 $	30 June 2012 $
The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Loss before income tax expense	(2,356,404)	(823,115)
Prima facie tax payable on profit before income tax at 30%	(706,921)	(246,934)
Tax effect permanent differences	8,220	-
Tax effect of tax loss and temporary differences not recognised	698,701	246,934
Income tax expense	**-**	**-**

The amount of tax losses carried forward as at 30 June 2013 amount to $1,784,950 (2012: $847,843).

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7. Trade and other receivables

	30 June 2013	30 June 2012
	$	$
GST receivable	15,314	53,827

8. Other current assets

	30 June 2013	30 June 2012
	$	$
Prepayments	31,789	32,247

9. Non-current receivables

	30 June 2013	30 June 2012
	$	$
VAT receivable (Chile)	35,412	-

10. Exploration and evaluation assets

	30 June 2013	30 June 2012
	$	$
Exploration and evaluation assets		
Balance at the beginning of the year	1,167,008	-
Additions – at cost	1,666,647	1,167,008
Impairment of exploration and evaluation assets	(1,328,017)	-
Balance at the end of the year	**1,505,638**	**1,167,008**

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Company shall conduct impairment testing on an annual basis when indicators of impairment are present at the reporting date.

During the reporting period, the Board assessed the carrying value of the Agustina Project to $nil resulting in an impairment charge of $1,328,017.

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11. Property, plant and equipment

	Computer Hardware $	Field Equipment $	Motor Vehicles $	Total $
Gross Carrying Amount				
Balance at 1 July 2012	2,308	-	44,391	46,699
Net foreign currency exchange differences	-	-	4,930	4,930
Additions	8,130	1,312	-	9,442
Balance at 30 June 2013	**10,438**	**1,312**	**49,321**	**61,071**
Depreciation and impairment				
Balance at 1 July 2012	228	-	251	479
Net foreign currency exchange differences	-	9	599	608
Depreciation expense	4,713	135	8,320	13,168
Balance at 30 June 2013	**4,941**	**144**	**9,170**	**14,255**
Carrying amount				
30 June 2012	2,080	-	44,140	46,220
30 June 2013	**5,497**	**1,168**	**40,151**	**46,816**

Aggregate depreciation allocated, whether recognised as an expense, or capitalised as part of the carrying amount of other assets during the year.

	30 June 2013 $	30 June 2012 $
Plant and equipment	**46,816**	**46,220**

12. Trade and other payables

	30 June 2013 $	30 June 2012 $
Current		
Trade payables	112,115	247,189
Accruals	27,047	29,500
Total	**139,162**	**276,689**

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13. Provisions

	30 June 2013 $	30 June 2012 $
Current		
Employee benefits	28,567	4,680
Provision for rehabilitation	21,604	-
	50,171	**4,680**
Non-Current		
Employee benefits	1,329	647

14. Issued capital

	30 June 2013 $	30 June 2012 $
87,101,000 fully paid ordinary shares (2012: 87,101,100)	7,665,001	7,665,001
Share issue costs	(967,326)	(967,326)
	6,697,675	**6,697,675**

The Group does not have a limited amount of authorised capital and issued shares do not have a par value. Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Fully paid ordinary shares	30 June 2013 Number	30 June 2013 $	30 June 2012 Number	30 June 2012 $
Balance as at the beginning of the reporting period	87,101,000	6,697,675	35,001,000	35,001
Shares issued during the period and fully paid	-	-	52,100,000	7,630,000
Share issue costs	-	-	-	(967,326)
	87,101,000	**6,697,675**	**87,101,000**	**6,697,675**

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14. Issued Capital (continued)

a) There were no ordinary shares issued during the 2013 reporting period.

b) The following ordinary shares were issue during the 2012 comparative period:

i. On 13 September 2011, the Company allotted 11,200,000 fully paid ordinary shares at an issue price of $0.05 per share raising $560,000.

ii. On 19 October 2011, the Company allotted 400,000 fully paid ordinary shares at an issue price of $0.05 per share raising $20,000.

iii. On 7 December 2011, the Company allotted 9,450,000 fully paid ordinary shares at an issue price of $0.10 per share raising $945,000.

iv. On 8 December 2011, the Company allotted 1,050,000 fully paid ordinary shares at an issue price of $0.10 per share raising $105,000.

v. On 30 April 2012, the Company allotted 30,000,000 fully paid ordinary shares at an issue price of $0.20 per the IPO share raising of $6,000,000.

c) Options

The total number of unlisted options on issue at the end of the reporting period were 7,655,000. For details of unlisted options issued as part of share based payments refer Note 20 and options issued to Key Management Personnel ("**KMP**") refer to Note 22.

d) Capital Management

The Board controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

The Board effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. The Group has no borrowings and it does not have a gearing ratio.

15. Reserves

Summary	30 June 2013 $	30 June 2012 $
Option reserve	242,972	239,972
Employee equity-settled reserve	65,783	41,382
Total option reserve	308,755	281,354
Foreign currency translation	104,872	(32,261)
	413,627	**249,093**
Option reserve		
Balance at beginning of year	239,972	-
Options allotted*	3,000	239,972
Balance at end of year	**242,972**	**239,972**
*Refer to notes below.		
Employee equity settled reserve*		
Balance at beginning of year	41,382	-
Share based payment	24,401	41,382
Balance at end of year	**65,783**	**41,382**

*Further information about share-based payments to employees is made in note 20 and note 21 to the financial statement.

Foreign currency translation reserve		
Balance at beginning of year	(32,261)	-
Gain/(loss) on translation of overseas controlled entity	137,133	(32,261)
Balance at end of year	**104,872**	**(32,261)**

Notes

2013

On 18 April 2013, the Company granted 100,000 unlisted options over ordinary shares with an exercise price of $0.35 each, exercisable on or before 18 April 2016, to Mr Justin Clyne who provides company secretarial services to the Company. These unlisted options have been valued at $3,000 using the Black - Scholes methodology.

2012

i. On 12 September 2011, the Company granted 100,000 unlisted options over ordinary shares with an exercise price of $0.25 each, exercisable on or before 12 September 2014, to Mr Justin Clyne who provides company secretarial services to the Company. These unlisted options have been valued at $1,910 using the Black & Scholes methodology

ii. On 25 October 2011, the Company granted 1,000,000 unlisted options over ordinary shares with an exercise price of $0.25 each, exercisable on or before 25 October 2014, to Mr Julian Bavin, non-executive Director. These unlisted options have been valued at $19,100 using the Black & Scholes methodology.

iii. On 25 October 2011, the Company granted 600,000 unlisted options over ordinary shares with an exercise price of $0.20 each, exercisable on or before 25 October 2016, to Helmsec Global Capital Limited (or its nominees) to partly satisfy costs associated with the capital raising of $580,000. These unlisted options have been valued at $14,640 using the Black & Scholes methodology.

iv. On 19 December 2011, the Company granted 505,000 unlisted options over ordinary shares with an exercise price of $0.20 each, exercisable on or before 19 December 2016, to Helmsec Global Capital Limited (or its nominees) to partly satisfy costs associated with the capital raising of $1,050,000. These options have been valued at $12,322 using the Black & Scholes methodology.

v. On 9 May 2012, the Company granted 1,500,000 options with an exercise price of $0.20 to Helmsec Global Capital Limited (or its nominees), as the lead Manager for IPO and advisory services each exercisable on or before 9 May 2017. These options have been valued at $192,000 using the Black & Scholes methodology.

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16. Earnings per share

	30 June 2013 Cents per share	30 June 2012 Cents per share
Basic earnings/ (loss) per share	(2.7)	(1.5)
Diluted earnings/(loss) per share	(2.7)	(1.5)

The following reflects the income and share data used in the calculations of the basic and diluted earnings per share:

Earnings reconciliation		
Net loss for the period	($2,356,404)	($823,115)
Earnings used in calculating basic and diluted earnings	($2,356,404)	($823,115)
Weighted average number of ordinary shares used as the denominator in calculating basic and dilutive earnings per share	87,101,000	55,091,574

The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares in the calculation of diluted earnings per share:

	30 June 2013 Number	30 June 2012 Number
$0.25 Unlisted Options, granted 12 Sep 2011	3,600,000	3,600,000
$0.25 Unlisted Options, granted 25 Oct 2011	1,000,000	1,000,000
$0.20 Unlisted Options, granted 25 Oct 2011	600,000	600,000
$0.20 Unlisted Options, granted 19 Dec 2011	505,000	505,000
$0.20 Unlisted Options, granted 09 May 2012	1,500,000	1,500,000
$0.35 Unlisted Options, granted 18 April 2013	450,000	-
Total	**7,655,000**	**7,205,000**

In addition, there are 3,000,000 Options in total over ordinary shares that are not yet allotted, with an exercise price of $0.35 each expiring 5 year from the date of issue. These options are subject to Shareholder approval at the Annual General Meeting to be held in November 2013.

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17. Expenditure commitments

a) Mining Concessions

i. During the reporting period, Estrella Chile terminated the agreement for the acquisition of certain Mining Concessions in Chile, South America being the Agustina Agreement. As a result the periodic payments previously recorded as payable have been brought to an end with no further payments due.

ii. Estrella Chile has previously entered into a 'Finder's Fee Agreement' in respect of the Inca Project in Chile, South America. Upon the successful operation of a mine the Group is to pay the Finder 8.5% of the perceived economic benefits of the project (less costs) and a 1.5% Net Smelter Return royalty on products to be extracted from the Mining Concessions held. The quantum of these payments cannot be ascertained at this stage. Estrella Chile has the right to terminate the Finder's Fee Agreement provided that the Group is not in default with any further liabilities/payments being required beyond the date of termination.

iii. During the Reporting period, Estrella Chile entered into two separate Option Agreements previously subject to Memoranda of Understandings for the Altair Project. The commercial terms of the Option Agreements are to earn 100% interest in all individual metal projects discovered within the Altair Project (subject to either a 49% claw back right or, alternatively, royalty payments to SQM). Dania and Ivannia tenements within the Altair Project are under a 4 year Option Period with the remainder under a 5 year Option Period. The project area is 2,686 km^2.

Project Altair Option Fees and Exploration Expenditure Contingent Commitments (maximum)	**Project Altair $**
Payable:	
- not later than 12 months	1,106,744*
- between 12 months and five years	59,338,069*

* The above amounts are a maximum contingent exposure if the Group retains the entire land package at Project Altair for the entire periods of the relevant Option Agreements. The Group has the unfettered right to reduce some/all of these option fees and exploration expenditure commitments at any time by the relinquishment of part or all of tenement areas within the Altair Project to such an extent that, if for example the Group in its absolute discretion determines, to relinquish all of Project Altair then all such future commitments would be extinguished in full. The Group is continuously reviewing its tenement package at the Altair Project. The Group may at any time during the 5 year period of the Option Agreements exercise its right to acquire parts of Project Altair upon each metal discovery with the then future commitment to option fees and exploration expenditure being extinguished in full. In addition, upon each metal discovery the "claw back "rights of SQM becomes a factor in also reducing the then ongoing future exploration commitment by the Group. In effect, the Company's expenditure commitment at Project Altair will be dependent on the size of the tenement holding at the time of payment. Any decision to reduce the size of the tenement holdings will be subject to exploration results.

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17. Expenditure commitments (continued)

b) Equity raising mandate agreement

In accordance with the Mandate Letter with Helmsec Global Capital Limited dated 22 August 2011 for corporate advice, equity capital raising and corporate advisory (all at industry standard commercial rates) for the Group, the Company is required to pay $8,000 per month for 2 years following the listing of the Company on the ASX.

18. Notes to the statement of cash flow

a) Reconciliation of cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 June 2013	30 June 2012
	$	$
Cash at bank and in hand	2,487,476	5,106,367

b) Reconciliation of loss for the period after income tax to cash flows used in operating activities

	30 June 2013	30 June 2012
	$	$
Loss for the period	(2,356,404)	(823,115)
Depreciation of non-current assets	13,168	479
Impairment of exploration and evaluation assets	1,328,017	-
Foreign currency translation	(23,734)	-
Equity settled share based payments	27,401	62,392
IPO costs expensed*	-	166,837
(Increase)/decrease in assets:		
Current receivables	37,966	(12,428)
Prepayments	458	(32,247)
Increase/(decrease) in liabilities:		
Current payables	27,004	91,942
Current and non-current provisions	24,570	5,327
Net cash from operating activities	**(921,554)**	**(540,813)**

*2012: IPO costs expensed are expenses incurred in connection with the Initial Public Offering and included in capital raising costs in the Statement of Cash Flow.

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18. Notes to the statement of cash flow (continued)

c) Non-cash financing and investing activities

2013

There were no non-cash financing and investing activities during the reporting period.

2012

During the comparative period, the Group paid for consulting services by way of equity instruments of the Company. As disclosed, in note 15 a total of 2,605,000 options were issued to Helmsec Global Capital Limited (or its nominees) for services rendered at an aggregate deemed value of $218,962. This expense was not reflected in the 2012 statement of cash flows.

19. Financial instrument risk management

The Group is exposed to a variety of financial risks through its use of financial instruments.

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Market risk
- Credit risk
- Liquidity risk
- Sovereign risk
- Operational risk
- Contractual risk
- Commodity price volatility risk
- Foreign exchange rate risk
- Commercialisation risks

Financial instruments used

The principal categories of financial instrument used by Estrella Resources are:

- Trade receivables
- Cash at bank
- Trade and other payables

19. Financial instrument risk management (continued)

The Company's exposure to interest rate risk and effective weighted average interest rate for financial assets and liabilities is set out below.

FIXED MATURITY DATES

2013	Weighted average effective interest rate %	Variable interest rate $	Less than 1 year $	1-2 years $	2-3 years $	Non interest bearing $	Total $
Financial assets							
Cash and cash equivalents	2.76%	2,487,476	-	-	-	-	2,487,476
Trade and other receivables		-	-	-	-	50,726	50,726
		2,487,476	**-**	**-**	**-**	**50,726**	**2,538,202**
Financial liabilities							
Trade and other payables		-	-	-	-	139,162	139,162
		-	**-**	**-**	**-**	**139,162**	**139,162**

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19. Financial instrument risk management (continued)

FIXED MATURITY DATES

2012	Weighted average effective interest rate %	Variable interest rate $	Less than 1 year $	1-2 years $	2-3 years $	Non interest bearing $	Total $
Financial assets							
Cash and cash equivalents	3.85%	5,106,367	-	-	-	-	5,106,367
Trade and other receivables		-	-	-	-	53,827	53,827
		5,106,367	**-**	**-**	**-**	**53,827**	**5,160,194**
Financial liabilities							
Trade and other payables		-	-	-	-	276,688	276,688
		-	**-**	**-**	**-**	**276,688**	**276,688**

Fair value estimation

The net fair value of financial assets and financial liabilities approximates their carrying values as disclosed in the statement of financial position and notes to the financial statements.

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19. Financial instrument risk management (continued)

Objectives, policies and processes

Risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Managing Director has been delegated the authority for designing and implementing processes which follow the objectives and policies.

The Board receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Market risk

Cash flow interest rate sensitivity

At 30 June 2013 the Group is exposed to changes in market interest rates through its cash and cash equivalents, which are subject to variable interest rates.

At 30 June 2013, the effect on loss and equity as a result of fluctuations in the interest rate, with all other variables remaining constant has been considered. For the purpose of this exercise, a 1% increase in the interest rate results in a decrease in loss by $23,564 and an increase in equity by $23,564. These changes are considered to be reasonably possible based on observation of current market conditions.

Other price risk

Market price risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The nature of the Group's financial assets and liabilities is such that its exposure to market price risk is essentially only through foreign exchange rates which will impact payments made in US dollars for future commitments and exploration.

Credit risk analysis

Credit risk is the risk of loss from a counter-party failing to meet its financial obligations to the Group.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the reporting date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

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19. Financial instrument risk management (continued)

The Group's cash and cash equivalents are deposited with licensed Australian banks. The most significant other financial assets are trade and other receivables. The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

There were no past due debts at the reporting date requiring consideration of impairment provisions.

Liquidity risk analysis

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group may encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Sovereign risk

The Company's mining/resource operations are based solely in Chile and are subject to the risks associated with operating in a foreign country. Whilst Chile is considered one of South America's most politically stable nations, the Company cannot guarantee that the legal and regulatory requirements in Chile will not change which may affect the Company's operations.

These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control of mineral properties, or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Adverse changes in government policies or legislation in Chile affecting foreign ownership of mineral interests, taxation, profit, repatriation, royalties, land access, labour relations and mining and exploration activities may affect the operation of the Company.

Contractual risks

As a party to contracts, the Company will have various contractual rights in the event of non-compliance by a contracting party. However, no assurance can be given that all contracts will be fully performed by all contracting parties and that the Company will be successful in securing compliance with the terms of each contract by the relevant third party.

19. Financial instrument risk management (continued)

Commodity price volatility risk

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities such as copper and gold, changes in global copper and gold mining capacity, forward selling by producers and production cost levels in major metal – producing regions.

Moreover, commodity prices are also affected by macro-economic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Foreign exchange rate risk

The Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the Group's measurement currency.

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20. Share based payments

Employee share option plan

The Employee Share Option Plan (**ESOP**) was established on 8 March 2012. 450,000 options were issued under the ESOP during the reporting period.

Other share based payment options on issue

The following reconciles other outstanding share-based payment options on issue at the beginning and at the end of the reporting period:

	2013	2012
	Number of Options	**Number of Options**
Balance at beginning of the reporting period	7,205,000	-
Granted during the financial year	450,000	7,205,000
Expired during the financial year	-	-
Balance at end of the reporting period	**7,655,000**	**7,205,000**

The following share-based payment arrangements were in existence during the reporting period:

Options series	Number	Grant date	Expiry date	Exercise price	Fair value of options granted/vested date**
12 Sep 2011*	3,500,000	12 Sep 2011	12 Sep 2014	$0.25	$41,382
12 Sep 2011	100,000	12 Sep 2011	12 Sep 2014	$0.25	$ 1,910
25 Oct 2011	1,000,000	25 Oct 2011	25 Oct 2014	$0.25	$19,100
25 Oct 2011	600,000	25 Oct 2011	25 Oct 2016	$0.20	$12,322
19 Dec 2011	505,000	19 Dec 2011	19 Dec 2016	$0.20	$14,640
09 May 2012	1,500,000	09 May 2012	09 May 2017	$0.20	$192,000
18 Apr 2013	450,000	18 Apr 2013	18 Apr 2016	$0.35	$13,500
Total	**7,655,000**				

*Options granted to employees prior to the establishment of the ESOP.

**The fair value at grant date/vested date has been calculated using the Black & Scholes methodology. Volatility has been calculated with reference to comparable entities.

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20. Share based payments (continued)

Inputs into the model	Option series	Option series	Option series	Option series	Option series	Option series
Grant date	12 Sep 11	25 Oct 11	25 Oct 11	19 Dec 11	09 May 12	18 Apr 13
Exercise price	$0.25	$0.20	$0.25	$0.20	$0.20	$0.35
Expected volatility	109%	76%	109%	95%	76%	60%
Option life	3 years	5 years	3 years	5 years	5 years	3 years
Risk-free interest rate	4.75%	3.47%	4.75%	4.75%	3.47%	2.75%

21. Key Management Personnel Compensation

The key management personnel of the Company during the reporting period were:

a) Key Management Personnel

Directors	Position
G Solomon	Non-Executive Chairman
Dr J Berton	Managing Director
J Bavin	Non-Executive Director
S Kidston	Non-Executive Director
Executives	
J Vargas de la Vega	General Manager, Chile
J Clyne	Company Secretary

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

b) Key Management Personnel Compensation

The aggregate compensation of the Key Management Personnel of the Company is set out below:

	2013	2012
	$	$
Short-term key management personnel benefits	584,637	306,470
Post-employment benefits	37,121	15,880
Share-based payment	26,801	62,392
Total	**648,559**	**384,742**

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22. Related party disclosures

a) Equity interests in related parties

Nil.

b) Transactions with key management personnel

2013

During the reporting period, fees of $96,000 exclusive of GST were paid to Helmsec Global Capital Limited ("**Helmsec**") for providing corporate advisory services plus fees of $27,000 exclusive of GST were paid to Helmsec for providing office premises and associated support services from 1 October 2012 to the end of the reporting period. Mr Gavin Solomon and Mr Simon Kidston are Directors and have a beneficial interest in Helmsec.

2012

During the reporting period, fees were paid to Helmsec for corporate advisory services, co-ordinating and managing the pre-IPO capital raisings and, in accordance with the Mandate Letter dated 22 August 2011 ("**Mandate Letter**"), acting as the lead manager to the IPO of the Company. Details as follows:

- In accordance with the Mandate Letter, an equity raising fee equal to 6% (plus GST) of all equity raised during the term of the Mandate letter was paid during the reporting period totalling $457,00 (excluding GST), a retainer fee of $20,000 (plus GST) per month was paid up to 9 May 2012 being the date of listing the Company on the ASX totalling $180,000 (exclusive of GST) and a corporate advisory fee of $8,000 per month (plus GST) was paid since IPO totalling $8,000 (excluding GST).
- On 25 October 2011, the Company granted 600,000 options to Helmsec (or its nominees) over ordinary shares with an exercise price of $0.20 each, exercisable on or before 25 October 2016. These options have been valued at $14,640 using the Black & Scholes methodology.
- On 19 December 2011, the Company granted 505,000 options to Helmsec (or its nominees) over ordinary shares with an exercise price of $0.20 each, exercisable on or before 19 December 2016. These options have been valued at $12,322 using the Black & Scholes methodology.
- On 9 May 2012, the Company granted 1,500,000 options to Helmsec (or its nominees) with an exercise price of $0.20 exercisable on or before 9 May 2017. These options have been valued at $192,000 using the Black & Scholes methodology.

22. Related party disclosures (continued)

c) Key management personnel shareholdings

Fully Paid Ordinary Shares

2013	Balance 01 July 2012	Purchases /(Sales)	Net other Change	Balance 30 June 2013	Balance held nominally
Directors					
G Solomon*	8,333,960*	403,500		8,737,460	3,326,000
Dr J Berton	1,000,000	-	-	1,000,000	-
S Kidston*	8,151,000*	-	-	8,151,000	3,326,000
J Bavin	500,000	-	-	500,000	-
Executives					
J Clyne	600,000	-	(182,960)	417,040	-
J Vargas de la Vega	850,000	-	-	850,000	-

*Includes 3,326,000 shares held by Helmsec Global Capital Limited, a company in which Mr. Gavin Solomon and Mr. Simon Kidston are Directors and have a beneficial interest as bare trustee for the benefit of certain Helmsec employees and consultants.

2012	Balance 01 July 2011	Purchases /(Sales)	Net other Change	Balance 30 June 2012	Balance held nominally
Directors					
G Solomon*	8,151,000	182,960	-	8,333,960	3,326,000
Dr J Berton	-	1,000,000	-	1,000,000	-
S Kidston*	8,151,000	-	-	8,151,000	3,326,000
J Bavin	-	500,000	-	500,000	-
Executives					
J Clyne	-	600,000	-	600,000	-
J Vargas de la Vega	95,000	755,000	-	850,000	-

*Includes 3,326,000 shares held by Helmsec Global Capital Limited, a company in which Mr. Gavin Solomon and Mr. Simon Kidston are Directors and have a beneficial interest as bare trustee for the benefit of certain Helmsec employees and consultants.

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22. Related party disclosures (continued)

c) Key management personnel shareholdings (continued)

Share Options

2013	Balance 1 July 2012	Options Granted	Options Acquired/ Transferred	Options Exercised	Balance 30 June 2013	Balance Held Nominally	Total Vested 30 June 2013	Total Un-Exercisable 30 June 2013
Directors								
G Solomon*	770,500	-	-	-	770,750	511,900	770,750	-
Dr J Berton	3,000,000	-	-	-	3,000,000	-	2,000,000	1,000,000
S Kidston*	770,750	-	-	-	770,750	511,900	770,750	-
J Bavin	1,000,000	-	-	-	1,000,000	-	1,000,000	-
Executives								
J Clyne	140,000	100,000	-	-	240,000	-	240,000	-
J Vargas de la Vega	500,000	250,000	-	-	750,000	-	250,000	500,000

*Includes 511,900 options over ordinary shares held by Helmsec Global Capital Limited, a company in which Mr. Gavin Solomon and Mr. Simon Kidston are Directors and have a beneficial interest as bare trustee for the benefit of certain Helmsec employees and consultants.

Details of executive share options have been disclosed in note 20.

2012	Balance 1 July 2011	Options Granted	Options Acquired/ Transferred	Options Exercised	Balance 30 June 2012	Balance Held Nominally	Total Vested 30 June 2012	Total Un-Exercisable 30 June 2012
Directors								
G Solomon*	-	2,605,000	(1,834,250)	-	770,750	511,900	770,750	-
Dr J Berton	-	3,000,000	-	-	3,000,000	-	1,000,000	2,000,000
S Kidston*	-	2,605,000	(1,834,250)	-	770,750	511,900	770,750	-
J Bavin	-	1,000,000	-	-	1,000,000	-	1,000,000	-
Executives								
J Clyne	-	100,000	40,000	-	140,000	-	140,000	-
J Vargas de la Vega	-	500,000	-	-	500,000	-	-	500,000

* During the reporting period 2,605,000 options over ordinary shares were granted to Helmsec Global Capital Limited (or its nominees), a company in which Mr Gavin Solomon and Mr Simon Kidston are Directors and have a beneficial interest as bare trustee for certain employees and consultants of Helmsec of which 1,834,250 options were transferred to these parties.

Details of executive share options have been disclosed in note 20.

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23. Segment information

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group operates in one business segment being mineral exploration in South America. All segment assets, segment liabilities and segment results relate to one business segment and therefore no segment analysis has been prepared.

24. Auditor's remuneration

	2013	2012
	$	$
Remuneration of the auditor for the Group for:		
Audit or review of the financial report	53,030	43,815
Remuneration of the auditor for the Group for:		
Preparation of the Investigating Accounts for the IPO	-	36,692
Remuneration of the previous auditor for the group for:		
Audit or review of the financial report for the year ended 30 June 2011	-	3,500
Total	**53,030**	**84,007**

The auditor of the Group is Grant Thornton Audit Pty Ltd.

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25. Parent company information

	2013	2012
	$	$
Statement of Financial Position		
Current Assets	2,289,680	5,073,697
Non-current assets	2,522,498	858,499
Total Assets	**4,812,178**	**5,932,196**
Current Liabilities	92,120	101,620
Non-current liabilities	1,329	647
Total liabilities	**93,449**	102,267
Net Assets	**4,718,729**	**5,829,929**
Equity		
Issued capital	6,697,675	6,697,675
Option reserves	242,972	239,972
Employee equity-settled reserve	65,783	41,382
Foreign exchange translation reserve	(7,184)	-
Accumulated losses	(2,280,517)	(1,149,100)
Total Equity	**4,718,729**	**5,829,929**
Statement of Comprehensive Income		
Loss for the year	(1,131,415)	(1,149,100)
Total Comprehensive Loss	**(1,131,415)**	**(1,149,100)**

26. Controlled entities

Controlled entities	Country of incorporation	Percentage owned
Estrella Resources (Chile) SpA	Chile	100%

The controlled entity listed above was incorporated by Estrella Resources Limited, and as such was not acquired for any consideration.

27. Events after the reporting period

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Estrella Resources Limited:

   a) The consolidated financial statements and notes of Estrella Resources Limited are in accordance with the Corporations Act 2001, including

      i) giving a true and fair view of its financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
      ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   b) there are reasonable grounds to believe that Estrella Resources Limited will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2013.

3. The consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Gavin Solomon

Non-executive Chairman

Dated this 25 day of September 2013

Jason Berton

Managing Director

Dated this 25 day of September 2013

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Independent Auditor's Report
To the Members of Estrella Resources Limited

Report on the financial report

We have audited the accompanying financial report of Estrella Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion,

a the financial report of Estrella Resources Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 36 to 42 of the directors' report for the year ended 30 June 2013. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

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Auditor's opinion on the remuneration report

In our opinion the remuneration report of Estrella Resources Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G S Layland
Director – Audit & Assurance

Sydney, 25 September 2013

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SHAREHOLDER INFORMATION

Additional information, current as 20 September 2013 required by the ASX is as follows:

Voting Rights

Shareholder voting rights are specified in clause 14 of the Company's Constitution lodged with the ASX on 8 May 2012. Option holders do not have the right to vote at a general meeting of shareholders until such time as the options have been converted into ordinary shares in the Company.

Total number of Shareholders	**353**
Total number of Optionholders	**18**
Total number of Escrowed Shares (Escrowed until 09/05/2014)	**35,938,500**

Substantial Shareholders	**Total Units**	**Percentage %**
Citicorp Nominees Pty Limited	7,661,000	8.796
Pancho (NSW) Pty Limited <Gavsol Super Fund A/C>	5,549,026	6.371
GJN Holdings Pty Limited <Patterson Business A/C>	4,835,000	5.551
Rocky Rises Pty Limited	4,825,000	5.540
KFT Capital Pty Limited <Gundimaine A/C>	4,825,000	5.540
	27,695,026	**31.798**
Total Shares on Issue	**87,101,000**	**100.00**

The number of Shareholders with less than a marketable parcel of shares 4

Holdings Ranges

	Holders	**Total Units**	**Percentage %**
Unmarketable (<4,545)*	4	12,368	0.000142
Marketable (> 4,545)	349	87,088,632	99.999858
Total	**353**	**87,101,000**	**100.000**

*based on the 20/09/2013 closing price of $0.110 per share an unmarketable parcel is one of 4,545 or fewer shares

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Distribution of Shareholders

Holdings Ranges	Holders	Total Units	Percentage %
1-1,000	0	0	0.000
1,001-5,000	7	27,368	0.031
5,001-10,000	151	1,492,260	1.713
10,001-100,000	104	4,711,626	5.409
100,001 and over	91	80,869,746	92.846
Total	**353**	**87,101,000**	**100.000**

Distribution of Optionholders

Holdings Ranges	Holders	Total Units	Percentage %
1-1,000	0	0	0.000
1,001-5,000	0	0	0.000
5,001-10,000	0	0	0.000
10,001-100,000	4	220,650	2.882
100,001 and over	14	7,434,350	97.118
Total	**18**	**7,655,000**	**100.000**

Top Option Holders	Total Units	Percentage %
Mr Jason Robert Berton	3,000,000	39.190
	3,000,000	**39.190**
Total	**7,655,000**	**100.00**

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Top 20 Shareholders	Total Units	Percentage
		%
Citicorp Nominees Pty Limited	7,661,000	8.796
Pancho (NSW) Pty Limited <Gavsol Super Fund A/C>	5,549,026	6.371
GJN Holdings Pty Limited <Patterson Business A/C>	4,835,000	5.551
Rocky Rises Pty Limited	4,825,000	5.540
KFT Capital Pty Limited <Gundimaine A/C>	4,825,000	5.540
Morgan Stanley Australia Securities (Nominee) PTY LIMITED <No 1 Account>	4,313,595	4.952
HSBC Custody Nominees (Australia) Limited	3,915,743	4.496
J P Morgan Nominees Australia Limited	3,667,949	4.211
Helmsec Global Capital Limited	3,326,000	3.819
HSBC Custody Nominees (Australia) Limited - A/C 3	2,894,547	3.323
Equity Trustees Limited <Lowell Resources Fund A/C>	2,810,333	3.227
Essen Consultancy Limited	2,650,000	3.042
Navigator Australia Ltd <MLC Investment Sett A/C>	1,433,333	1.646
Clare Louise Offer	1,418,750	1.629
Mr Richard George Michael Offer	1,418,750	1.629
Fulcrum Resources Limited	1,325,000	1.521
UBS Wealth Management Australia Nominees Pty Ltd	1,215,000	1.395
Orogen Investments Pty Limited	1,000,000	1.148
Mr Peter Stephen Curtis	1,000,000	1.148
Randleson Holdings Limited	945,834	1.086
Top 20 Shareholders	**61,029,860**	**70.068**
Total Issued Capital	**87,101,000**	**100.00**

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CORPORATE DIRECTORY

Directors

Gavin Solomon	Non-Executive Chairman
Dr. Jason Berton	Managing Director
Simon Kidston	Non-Executive Director
Julian Bavin	Non-Executive Director

Executives

Juan Pablo Vargas de la Vega	General Manager, Chile
Justin Clyne	Company Secretary

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Principal Place of Business

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Auditor

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Bankers

ANZ Banking Corporation
Citi Bank Chile

Stock Exchange Listing

Estrella Resources Limited shares are listed on the Australian Securities Exchange (ASX Code: ESR).

Website address

www.estrellaresources.com.au