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QUARTERLY ACTIVITIES REPORT

Quarter ending 30 September 2014

ASX RELEASE 31 October 2014

HIGHLIGHTS

- **Signed MuO to remove 49% clawback for Antucoya West,**
- **Multiple Porphyry targets identified at Antucoya West Project along Buey Muerto Fault Zone which hosts Antucoya Porphyry mine development (not Estrella owned),**
- **High grade copper intersected at Colupo Norte,**
- **Shallow RC drilling to identifies near surface mineralisation extensions at Colupo Prospect,**
- **Heath Roberts appointed Company Secretary.**

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Estrella Resources Limited (ASX: ESR) **(Estrella** or **Company)** is pleased to provide its Exploration Activities and Cashflow Reports for the quarter ending 30 September 2014.

1. INTRODUCTION

Estrella's exploration activity for the Quarter was focussed solely on the Altair Project (see **Figure 1** and **Figure 2**) (Estrella's flagship project) with a 38 Reverse Circulation (**RC**) drill hole program completed at Antucoya West, 21 holes drilled at Colupo and 4 holes at Colupo Norte.

Figure 1: Estrella's Altair Project is ideally located close to ports, power, major mining infrastructure and mining projects in Region II northern Chile.

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Figure 2: Estrella's tenement holdings in Chile - Antucoya West, Colupo, Colupo Norte, Dania and Ivannia projects (Altair project) (Map Datum PSAD56 Zn19).

Table 1: Mines and project developments nearby to Project Altair (None owned by Estrella)

Nearby Deposits * (All not owned by Estrella)	Ore Reserve	Mineral Resource	Mineralisation style	Proximity to Altair
Michilla	N/A	Measured: 26.7Mt @ 1.61% Indicated: 24.7Mt @ 1.45% Inferred: 15.8Mt @ 1.67%	Manto & Breccias	17 km west of Saturno
Antucoya	Proven: 215Mt @ 0.38% Probable: 427Mt @ 0.34%	Measured:278 Mt @ 0.34% Indicated:737 Mt @ 0.30% Inferred:91 Mt @ 0.28%	Porphyry	Surrounded by Altair
Mantos Blancos	Proven: 26.3 Mt @ 0.83%, 8.3 Mt @ 0.54%, 2.1Mt @ 0.18% Probable: 19.7 Mt @ 0.80%, 16.3 Mt @ 0.33%, 49.6Mt @ 0.23%	Measured:47.8 Mt @ 0.75%, 14.1Mt @ 0.47% Indicated: 68.1 Mt @ 0.56%, 10.5 Mt @ 0.43%, 8.3 Mt @ 0.20% Inferred: 30.5 Mt @ 0.55%, 5.2Mt @ 0.49%	Rhyolite dome	40 km south of Altair

Disclaimer: This table and information contained therein relates to nearby deposits of Project Altair, none of which are owned by Estrella. The information is obtained from publicly available information. All deposits have been published in compliance with the 2004 JORC Code. Estrella makes no comparison between its projects and these named deposits other than to demonstrate their locality. There is no guarantee that Estrella's projects will realise similar results.

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2. THE ALTAIR PROJECT

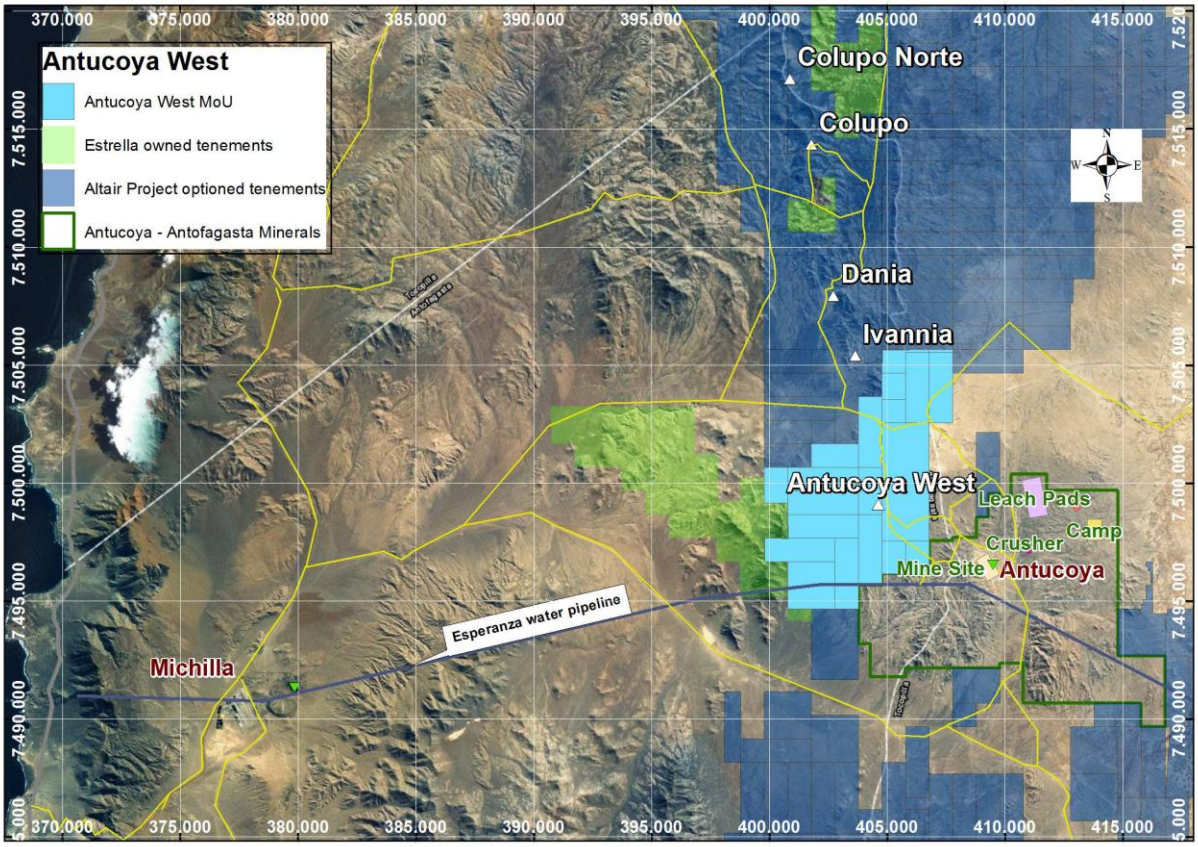

Figure 3: Estrella's Antucoya West Project (light blue) is immediately adjacent to the Antucoya mine development (not owned by Estrella) (Map Datum WGS84 Zn19S). Antucoya West is approximately 32 km from the coast.

2.1. Antucoya West

Estrella has entered into a Memorandum of Understanding (MoU) with SQM for the Antucoya West Project to remove the 49% clawback condition that is part of the Altair Project Option Agreement (see **ASX Announcement 14 October 2014**). Upon signing the new Antucoya West Option Agreement, Estrella will extract 5,200 ha from the existing Altair Option Agreement area. The new Antucoya West Option Agreement is for 4 years and will ensure Estrella the metallic rights to 100% of any discoveries within the Antucoya West Project. Estrella considers this a significant advancement in the 'commerciality' of the Antucoya West Project as it increases the range of investment opportunities for any potential Third Party investors.

Estrella's exploration activities during the Quarter (see **ASX Announcement 5 August 2014**) have advanced the porphyry prospectivity of the Antucoya West Project with a mineralised porphyritic rock intersected only 38 metres beneath the surface in the northern sector of the project as well as copper mineralisation with strong alteration and oxidation indicators near surface over the central zone of the Buey Muerto Fault (BMZ) as it transects the Project area (see **Figure 4** and **Figure 5**).

The target area has been focussed on the BMZ as it hosts the Antucoya Project (owned by Antofagasta Minerals PLC) and extends over Antucoya West, Ivannia, Dania, Colupo and Colupo Norte.

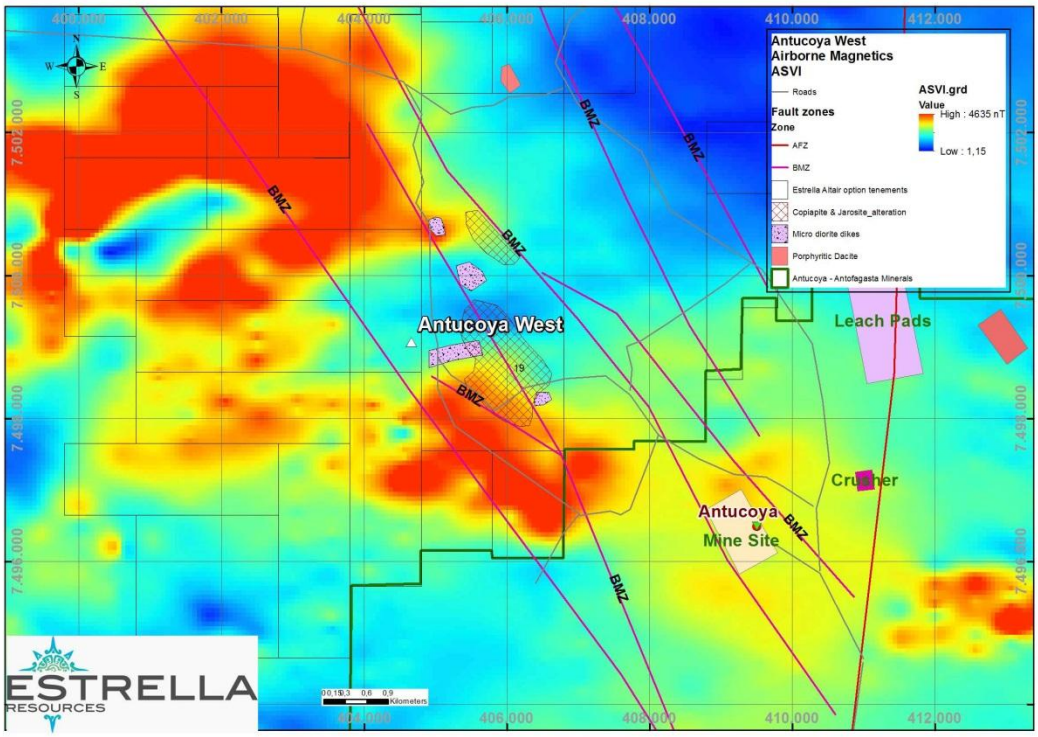

Figure 4: Antucoya West subsurface geology map constructed from shallow drilling beneath the 'caliche' gravel cover (Map Datum WGS84 Zn19S).

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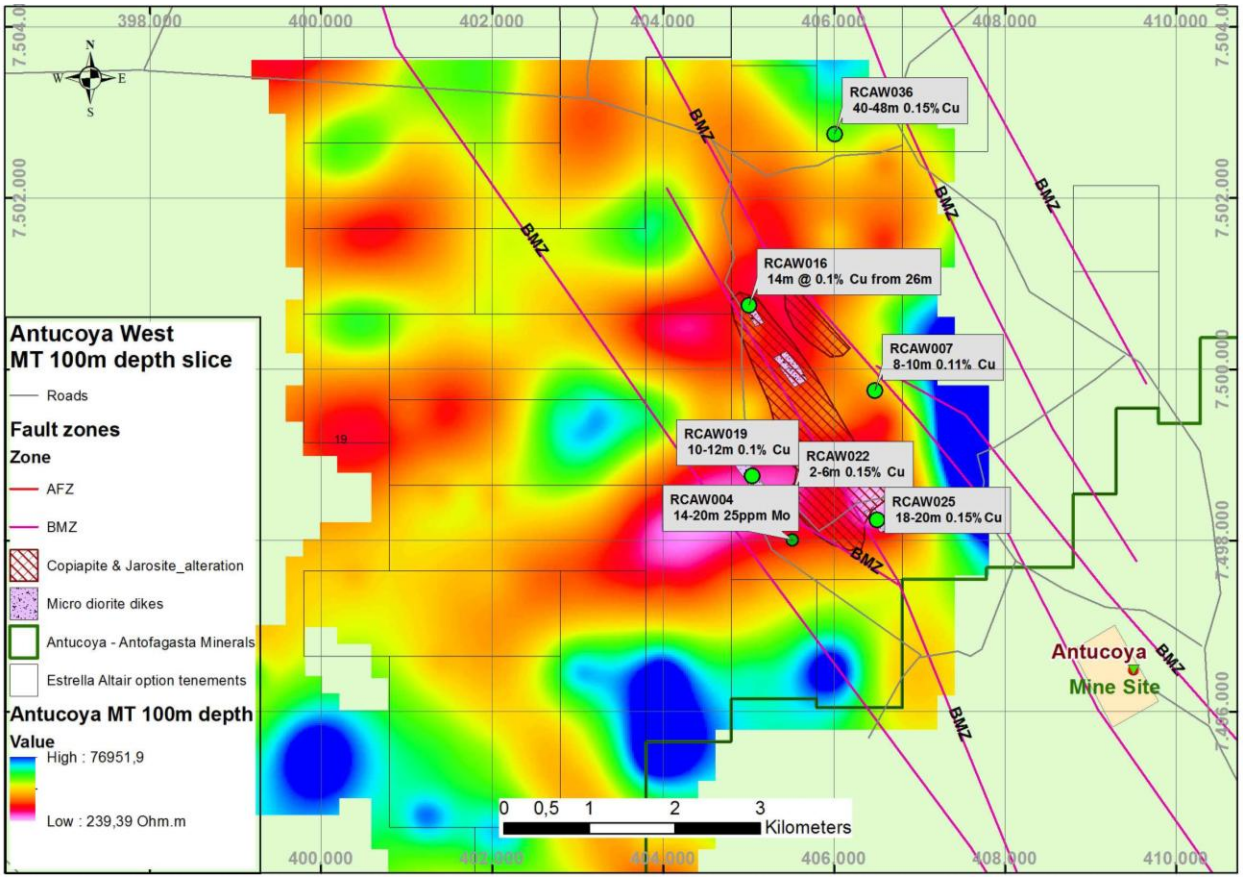

Figure 5: Antucoya West geology overlaid on the 100m MT depth slice image highlights the spatial correlation between copper mineralisation from the shallow RC drill holes and the strong chargeability beneath (Map Datum WGS84 Zn19S).

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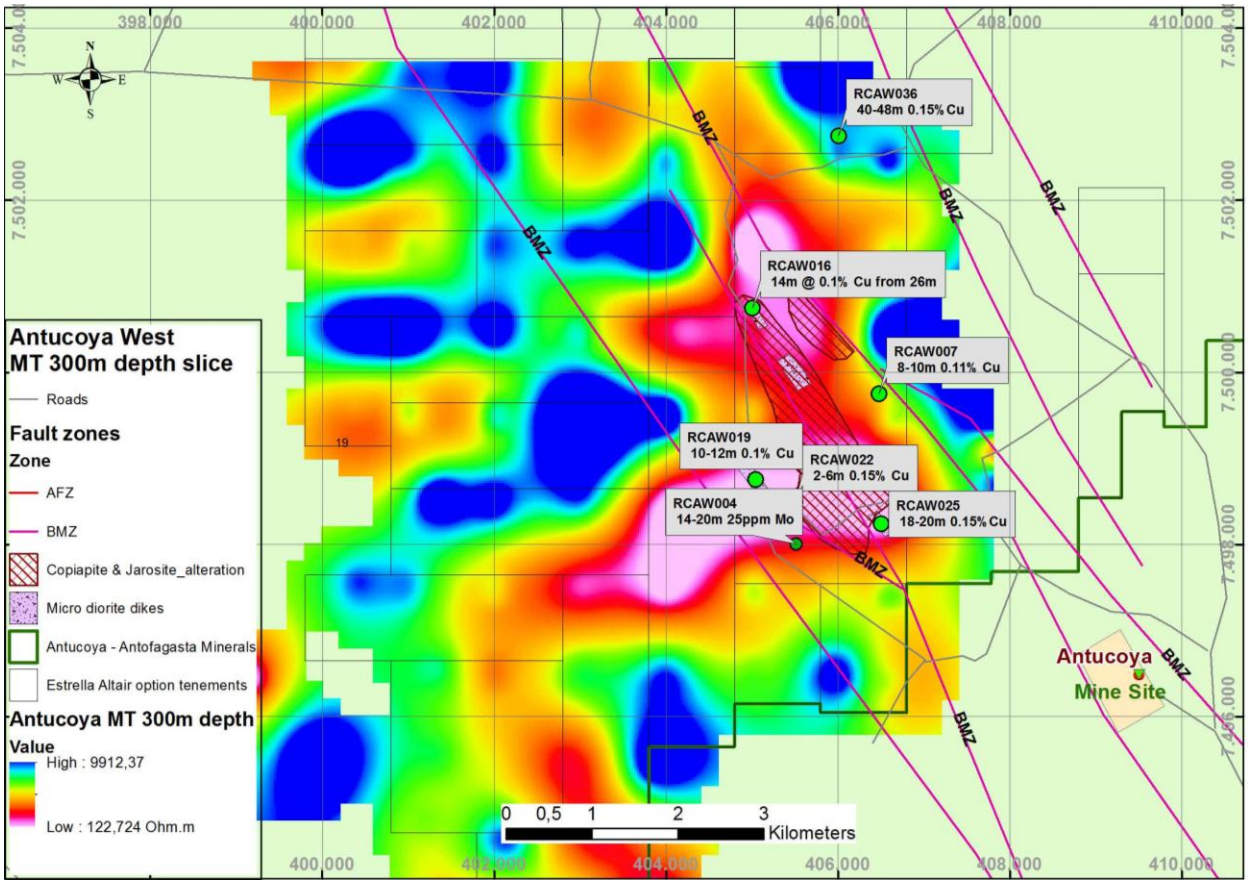

Figure 6: Antucoya West 300m MT inversion model depth slice; the spatial correlation between the near-surface copper mineralisation and the strong chargeability continues at depth.

Following receipt of the assay results, the next steps for Estrella's exploration activity at Antucoya West is to embark on a deeper drilling program to test the mineralised porphyry potential.

2.2. Colupo and Colupo Norte

Colupo is 20 km north of Antucoya West.

Estrella reported (see ASX Announcement 28 August 2014) high grade copper intercepts from its shallow RC drill hole program at Colupo Norte.

- Two mineralised tourmaline breccias intersected near surface; and
- 125 m strike length identified and remains open along strike and depth.
- Shallow RC drilling program intercepts at Colupo Norte include:
  - **4 m @ 1.1% Cu from 1m (RCCN-02), including;**
    - **1m at 2.6% Cu from 3m; and**
  - **2 m @ 1.1% Cu from 8m (RCCN-02), including;**
    - **1m at 1.5% Cu from 9m.**

Table 2: Colupo Norte assay summary using 0.2% Cu cut-off. Note, all mineralisation is host within Tourmaline Breccias.

Hole ID	Easting	Northing	RL	EOH	Azimuth	Dip	From (m)	To (m)	Interval	Cu%
RCCN-01	400,988	7,517,317	2075	24	230	-70	2	8	6	0.4
							9	10	1	0.4
RCCN-02	400,981	7,517,410	2075	26	230	-70	1	5	4	**1.1**
						incl	*3*	*4*	*1*	***2.6***
							8	10	2	**1.1**
						incl	*9*	*10*	*1*	***1.5***
RCCN-03	400,983	7,517,383	2075	20	230	-70	1	4	3	0.4

(Coordinates in PSAD56, zone19s)

Figure 7: Trenches at Colupo Norte, dug historically by SQM, exposed copper oxide within breccia (view NE).

Estrella is greatly encouraged by the results from the shallow RC drill holes because holes RCCN-01, 02 and 03 each intersected two mineralised tourmaline breccias (where previously only one was thought to occur) along a 125 metre strike length. The system remains open along strike and at depth.

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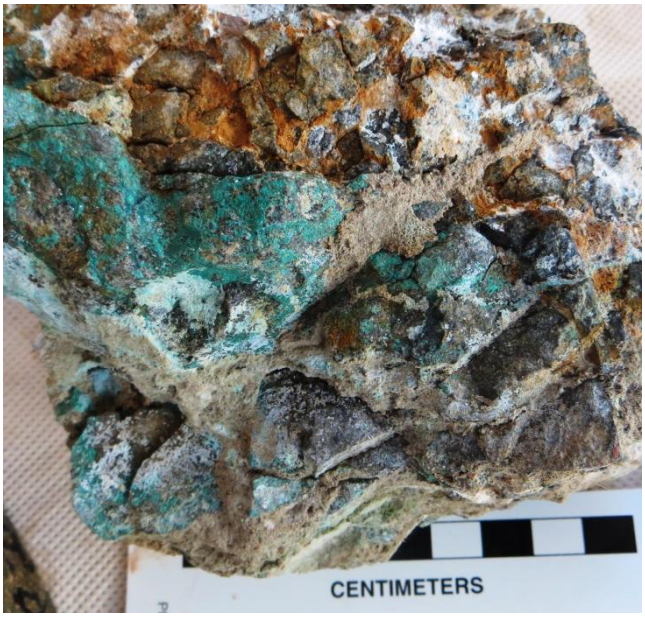

Figure 8: Copper Oxide in brecciated rock sample from Colupo Norte trench.

At Colupo, Estrella's shallow drilling campaign identified extensions of the prospective breccia host rock. Several zones contained anomalous copper values (see **ASX Announcement 28 August 2014**). Estrella has since been re-mapped the local surface geology and is currently re-modelling the geological and mineralisation models for Colupo. Once this has been completed, Estrella intends to resume drilling at Colupo to test the extended breccia zones for further mineralisation before producing a Mineral Resource on the ore body.

Estrella has drilled two campaigns at Colupo in the last 12 months, consisting of RC and diamond core drilling. The best results are summarised below (refer ASX announcements of 11 November and 3 December 2013:

- **20m @ 2.4% Cu from 12 m (hole RCC04) including;**
  - ***6m @ 6.6% Cu, 0.5 g/t Au & 27.1 g/t Ag***
- **16m @ 1.5% Cu from 131m (hole RCC04) including;**
  - ***6m @ 1.6% Cu, 0.2 g/t Au & 7.5 g/t Ag***
  - ***6m @ 2.2%Cu, 0.2 g/t Au & 11.8 g/t Ag***
- **20m @0.9% Cu from 144m (hole RCC02) including;**
  - ***3m @ 3.4% Cu***
- **8 m @ 1.1% Cu from 126 m (hole RCC06) including:**
  - ***3 m @ 2.5% Cu, 0.15 g/t Au & 20.3 g/t Ag***
- **6 m @ 0.8% Cu from 102m (hole RCC06) including:**
  - ***3 m @ 1.2% Cu***
- **5 m @ 0.7% Cu from 55m (hole RCC07)**

All previously reported drilling results from the RC campaign are shown in Table 2 and results from the diamond drilling campaign in Table 3.

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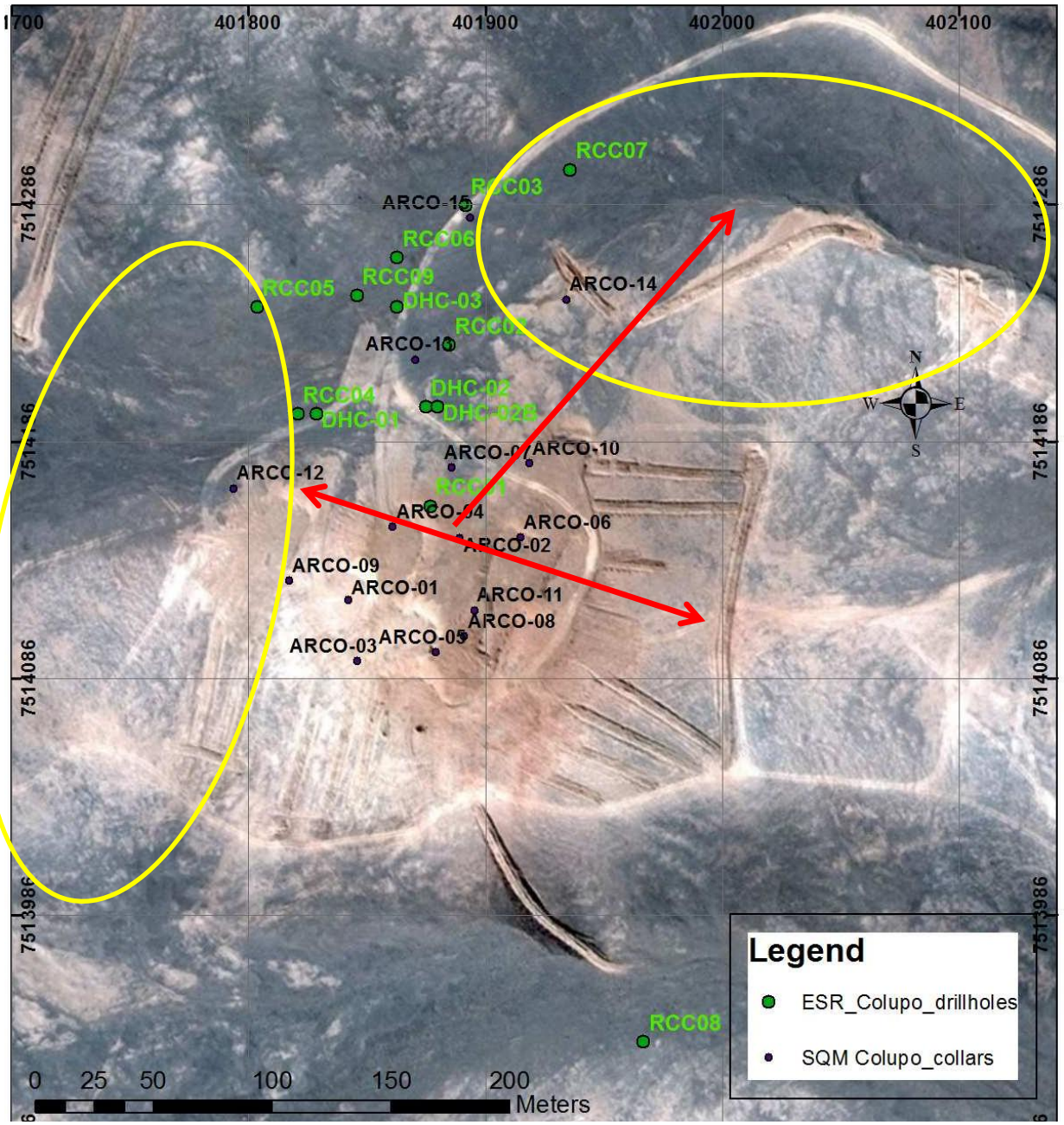

Figure 9: Colupo drill plan layout for all historical Estrella's and SQM's drill holes. The red arrows indicate the mineralisation trends and the yellow ellipses highlight the areas drilled in the shallow RC program (Map Datum PSAD56 Zn19).

Table 3: Colupo, summary of the assay results from holes RCC01 to RCC09 set out below (using a cut-off of 0.3% copper) as previously announced to the ASX on 11 November and 3 December 2013.

Hole_ID	Coordinates (PSAD56)		RL	EOH	Dip	Azimuth		From	To	Interval	Copper	Gold	Silver
	East	North						(m)	(m)	(m)	%Cu	g/t Au	g/t Ag
RCC01	402081	7514511	1910	210	-60	180		10	16	6	0.7		
							Incl	*12*	*15*	*3*	***1.1***		
								34	37	3	0.5		
								43	56	13	0.4		
							Incl	*47*	*51*	*4*	*0.6*		
								53	55	2	0.5		
RCC02	402089	7514579	1910	200	-70	180		7	10	3	0.5		
								118	122	4	0.4		
								144	158	**20**	**0.9**		
							Incl	*150*	*153*	*3*	*3.4*		
RCC03	402096	7514638	1910	200	-60	130		41	44	3	0.3		
								52	54	2	0.5		
								87	**94**	**7**	**1**		
RCC04	402033	7514550	1910	230	-60	180		**12**	**31**	**20**	**2.4**		
							Incl	***23***	***26***	***6***	***6.6***	***0.5***	***27.1***
								56	62	6	0.4		
								102	108	6	0.4		
								115	122	7	0.5		
							Incl	*116*	*119*	*3*	*0.7*		
								131	**147**	**16**	**1.5**		
							Incl	***131***	***137***	***6***	***1.6***	***0.2***	***7.5***
							Incl	**141**	**147**	**6**	**2.2**	**0.2**	**11.8**
RCC05	402008	7514595	1910	250	-60	180		91	96	5	0.3		
								197	199	2	0.4		
RCC06	402067	7514616	1910	200	-60	146		**102**	**108**	**6**	**0.8**		
							Incl	***104***	***107***	***3***	***1.2***		
								125	**133**	**8**	**1.1**		
							Incl	***127***	***130***	***3***	***2.5***	***0.15***	***20.3***
RCC07	402140	7514653	1910	199	-60	130		50	55	**5**	**0.7**		
								194	196	2	0.3		
RCC09	402050	7514600	1910	257	-60	180		83	89	6	0.4		
								101	103	2	0.5		
								184	186	2	0.3		
								195	199	5	0.5	0.2	

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Table 4: Colupo diamond hole assay results reported to the ASX on 18 March 2014.

Hole_ID	Coordinates (PSAD56)		RL	EOH	Dip	Azimuth	From	To	Interval	Copper	Gold	Silver	Core loss	True width
	East	North					(m)	(m)	(m)	%Cu	g/t Au	g/t Ag	%	m
DHC-01	402033	7514550	1920	215	-70	180	**34**	**51**	**17**	**0.3**			**15**	**11**
					including		*38*	*41*	*3*	*0.14*			*26*	
							44	*51*	*7*	*0.6*			*12*	
							45	*48*			*0.1*			
							58	64	6	0.2			**40**	
							71	74	3	0.4			**23**	
							119	**130**	**11**	**0.5**			**56**	**7**
					including		*122*	*128*	*6*		*0.1*			
							127	*128*	*1*	*2.8*				
							178	**200**	**22**	**0.6**			**52**	**14**
					including		*178*	*189*	*11*	*0.7*				
							183	*195*	*13*		*0.2*			
							194	*196*	*2*	*1.7*				
DHC-02	402079	7514553	1920	128	-70	180	**53**	**58**	**5**	**0.6**			8	**3**
					including		*57*	*58*	*1*	*1.5*				
							56	*58*	*2*		*0.1*	*10*		
							96	**128**	**32**	**0.5**			8	**21**
					including		*96*	*108*	*12*	*0.8*				
							97	*108*	*11*			*8*		
							98	*101*	*3*		*0.2*			
					including		*118*	*128*	*10*		*0.1*			
DHC-02B	402084	7514553	1920	188	-70	180	**132**	**135**	**3**	**0.7**			**0**	
DHC-03	402067	7514595	1920	160	-70	145	**71**	**95**	**24**	**0.6**			**7**	**15**
					including		*78*	*83*	*5*	*1.3*	*0.1*			
							80	*87*	*7*			*16*		
							78	*94*	*16*		*0.1*			

2.3. Dania Prospect

No exploration activity was undertaken at Dania during the September 2014 Quarter. Estrella is currently assessing the next steps to advance exploration activities at Dania.

2.4. Ivannia Prospect

No exploration activity was undertaken at Ivannia during the September 2014 Quarter.

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3. TENEMENT HOLDINGS

Pursuant to ASX Listing Rule 5.3.3, the Company provides the following information:

3.1 The Altair Project-100% ESR Owned- subject to Option Agreements with SQM (providing SQM with either a 49% clawback right or royalty payments per discovery)

The Altair Project located in Region II of northern Chile, 90 km north northeast of Antofagasta now covers an area of 1,232.33 km^2 (inclusive of both the "Mercurio and Saturno" Prospects which are located outside Altair and comprise a total of 108 km^2 of 100% Estrella owned tenement) at the end of the June 2014 Quarter.

3.2 Estrella's Tenement holdings in Chile

Description	Tenement Size (hectares)	Tenement Size (km^2)
Option Agreements held with SQM		
Option Agreement One	109,890	1,098.90
Option Agreement Two (Ivannia and Dania)	2,476	24.76
100% Owned by Estrella Resources Limited		
Mercurio (100% owned by Estrella)	7,417	74.17
Saturno (100% owned by Estrella)	3,450	34.5
Total tenement holdings in Chile	**123,233**	**1,232.33**

4. CORPORATE

4.1 Antucoya West Clawback Removal

On 14 October Estrella announced the signing of an MOU with SQM, which has the effect of removing SQM's 'clawback' rights to 49% of the metals in the Antucoya West Project area. The announcement details the tenements subject of the MOU. The parties are now in the process of drafting a formal, binding option agreement to replace the MOU. Under the terms of this new arrangement, SQM will, on execution of the new option agreement, be issued escrowed shares in Estrella equal to 4.9% of the Company's then issued capital.

4.2 Annual Reporting and 2014 AGM

Estrella released its 2014 Annual Report on 30 September 2014. The Company's 2014 Annual General Meeting will be held on 13 November 2014.

4.3 Change of Address

During the quarter, Estrella moved office to Level 52, MLC Centre, 19-29 Martin Place, Sydney NSW 2000.

5. FINANCIAL POSITION

The Company had A$528,000 in cash at 30 September 2014.

Disclaimer: References are made in this quarterly report to historical drilling results by SQM and to drilling results from Estrella's own drilling, all of which have previously been released to the ASX. The Company is not aware of any new information or data that materially affects either of the drilling results from SQM or Estrella.

Competent Person's Statement:

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

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About Estrella Resources

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

Directors and Management

Independent Non-Executive Chairman:
-Robert Thomson

Independent Non-Executive Director:
-Julian Bavin

Managing Director
-Dr. Jason Berton

Company Secretary
-Heath Roberts

ESTRELLA RESOURCES LIMITED
ACN 151 155 207

ASX CODE: ESR

ORDINARY FULLY PAID SHARES:
108,278,728

UNLISTED OPTIONS:
8,780,000