ESTRELLA RESOURCES

QUARTERLY ACTIVITIES REPORT

Quarter ending 31 March 2013

HIGHLIGHTS

- Exchange of the Landmark Option Agreement with NYSE Listed SQM for major Chilean project-Project Altair
- Due Diligence on Project Altair has identified Initial Target exploration areas
- Second Memorandum of Understanding exchanged with SQM for highly prospective "brownfields" prospects to be added to Project Altair

Estrella Resources Limited (ASX: ESR) **(Estrella** or **Company)** is pleased to provide its Exploration Activities and Cashflow Reports for the quarter ending 31 March 2013.

1. The Altair Project

1.1. Exchange of Landmark Option Agreement

On 18 February 2013, Estrella announced the formal exchange of a 5 year binding Option Agreement (**First Option Agreement**) with New York Stock Exchange Listed Sociedad Quimica y Minera de Chile S.A (NYSE.SQM) (**SQM**) for Project Altair. The Agreement was previously the subject of a Memorandum of Understanding (**MoU**) between Estrella and SQM announced the previous quarter (see ASX announcement of 6 December 2012).

Project Altair is located 90 km NNE from Antofagasta Chile and, including the 'brownfields' acquisitions (see 1.3), covers an area of 2,655 km^2 (265,510 hectares) along the Atacama Fault Zone (**AFZ**) encompassing a significant portion of northern Chile's coastal IOCG belt. Project Altair is located close to a number of existing mining operations as well as associated, existing infrastructure (road, rail, power, and water).

The First Option Agreement has been structured such that Estrella's obligation to pay option fee payments is minimal during the initial years. This enables Estrella to focus its funds towards exploration and development within the tenement areas with the intention to rapidly identify multiple key prospects within Project Altair that can be brought into production.

The commercial terms for both the First Option Agreement and the MoU (see section 1.3) entitle Estrella to earn a 100% working interest in all metal discoveries in Project Altair (subject to SQM's 49% "claw back" rights or, alternatively, royalty payments to SQM). A full summary of the commercial terms is contained within section 5 of the aforementioned ASX announcement.

Prior to signing the First Option Agreement, Estrella undertook three months of extensive due diligence on Project Altair which included the detailed analyses of historical exploration data provided by SQM.

The results of the analyses proved highly encouraging and the Estrella Board and Exploration Team are very excited to commence the follow up on these results in the next quarter with a well-developed exploration program.

As part of its due diligence program, Estrella has engaged SRK Consulting (SRK) to assist with the assessment of the prospectivity of Project Altair. SRK has undertaken a detailed review of SQM's surface geochemical data as well as open file geology data which was available for the entire tenement package. Based on Altair's geological setting and the known presence of Cu, Fe, Pb and Zn in the soil anomalism, SRK concluded that there was potential for significant IOCG mineralisations to occur within the tenement package. SRK also noted that the areas of intense anomalism occur coincidentally with the presence of faults and fault intersections. These fault zones provide a potential pathway/trap site for the mineralised fluids. A summary of SRK's conclusions is contained within Estrella's announcement of 18 February 2013.

Estrella's confidence in the prospectivity of Project Altair is underpinned by:

- Promising historical exploration work by SQM already completed on Altair;
- Positive preliminary assessment by external consultants; and
- Strategic consolidation of Altair into a largely contiguous tenement package.

1.2. Exchange of Second MoU Comprising Brownfields acquisitions

On 18 March 2013, Estrella announced the exchange of a Second MoU with SQM for 'brownfields' projects located within Altair Project bringing the total size of the Altair Project to 2,655 km^2 (265,510 hectares) (**Second MoU**). The formal Option Agreement covered by the Second MoU for these new areas will be for a period of 4 years and the commercial terms are largely similar to that of the original Option Agreement (see section 5 of the Company's ASX announcement of 18 February 2013).

Estrella is currently in the three month due diligence period for the brownfields prospects and with due diligence progressing well, the Company expects to formally exchange the Second Option Agreement (**Second Option Agreement**) in the near term.

Regionally, the brownfield prospects are within a 20 km radius of Antofagasta Minerals' Antucoya Project (**Antucoya**). Antucoya has a Resource of 642 Mt of 0.35% Cu. In addition, Anglo Americans' Mantos Blancos Open Cut Mine (372.6 Mt of 0.484% Cu), which is located 100km to the south, also lies along the Atacama Fault System.

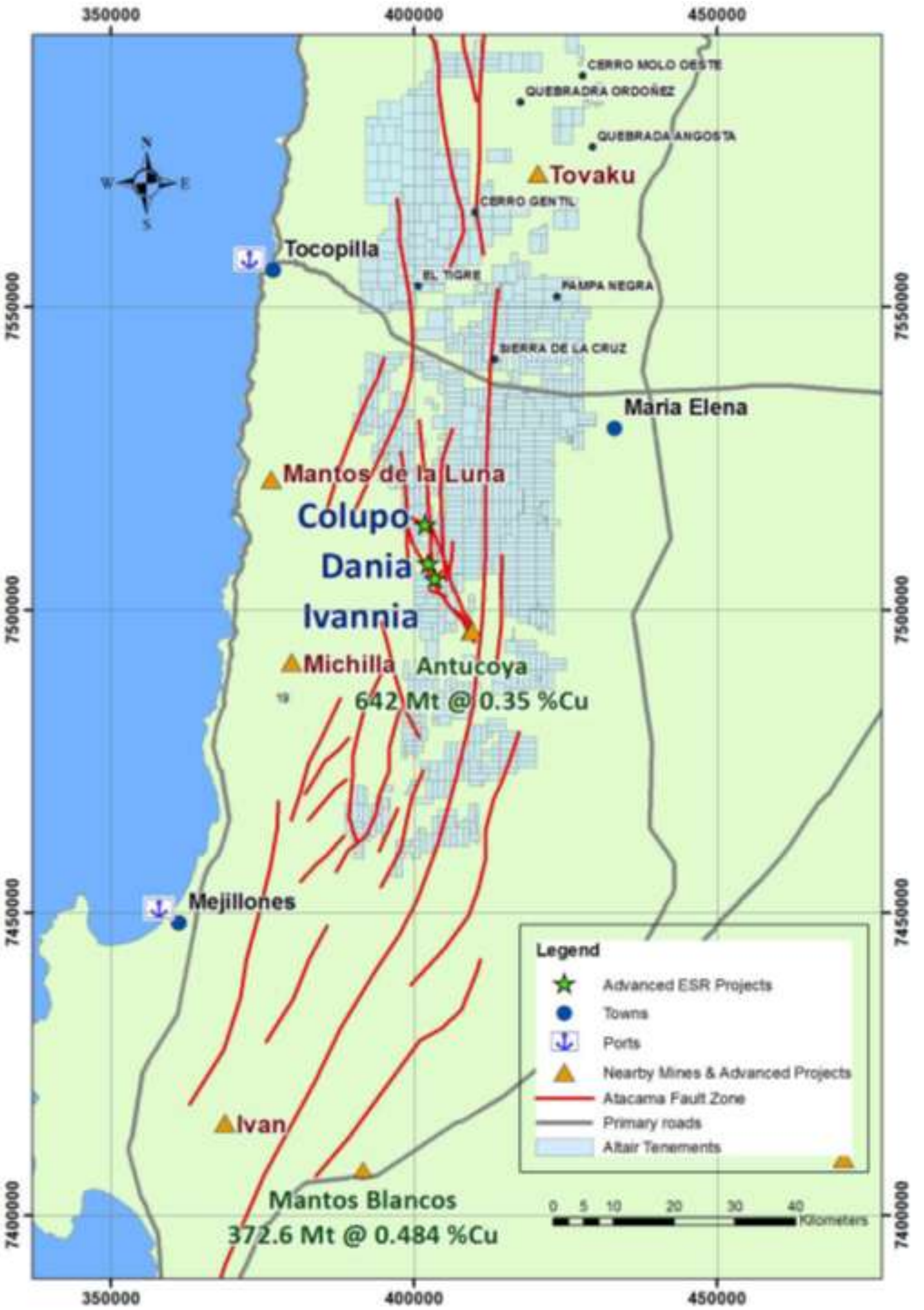
The new brownfields prospects fall within the general Altair region and are immediately surrounded by existing Altair Project grounds the subject of the First Option Agreement. Further, these additional prospects all lie along fault splays of the Atacama Fault System that also extend over the Antucoya deposit. Estrella already has under option the majority of the exploration ground in the region through the First Option Agreement.

These brownfield prospects greatly advance Estrella's exploration program given the significant amount of prior exploration undertaken. These include 15 RC holes to a limit of 70 m vertical depth at Colupo, 19 RC holes at Dania to a maximum depth of 200 m for a total of 1,961 m, and 28 RC holes to a maximum depth 110 m for a total of 1,870 m, and 8 deeper RC holes (150 to 300 m depth) at Ivannia.

Some of the drilling highlights from Colupo prospect include:

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

Figure 1: Map of Project Altair and projects under MoU; Colupo, Dania and Ivannia.



2. The Agustina Project

In January, 2013 the Management and Exploration team decided to terminate the Agustina Option Agreement (**Agustina Agreement**) following results received from the phase two drilling program (as announced to the ASX on 31 January 2013). Whilst disappointing, the Board believes the diligent manner in which the Agustina exploration program was undertaken, enabled it to make a rapid assessment of the project's viability and terminate the Agreement at the earliest possible time thus preserving shareholder funds for higher priority exploration expenditure such as that associated with the new Project Altair.

Terminating the Agustina Agreement has eliminated Estrella's commitment to any future option fee payments, tenement maintenance fees and exploration costs on the project and reduced the contingent liability for such payments over the life of the agreement from approximately $3,000,000 down to modest expenditure of just $225,000 which includes the total of all option fee payments made by Estrella.

The significant saving on expenditure will be applied to the Altair, Luna and Jupiter projects in that order and enables the Board and management to ensure its focus is concentrated.

3. The Venus Project (100% ESR owned)

Estrella plans to commence a trenching and sampling program in the second half of 2013.

4. The Jupiter Project (100% ESR owned)

Estrella plans to conduct IP & electrical resistivity geophysical surveys during the second half of 2013.

5. The Luna Project (100% ESR owned)

Results from the rock chip sampling at Luna were received during the quarter. A number of samples returned highly anomalous Cu results including 5.2% and 5.4% Cu plus high grade Ag & Au. Results were also received for stream sediment samples. A number of high sample values indicate the close proximity to the potential in-situ mineralisation source. Exploration is ongoing at Luna with the focus being follow-up work on the 2km long high grade Cu-Ag-Au structural corridor. A drilling program is being planned for late 2013.

6. CORPORATE:

6.1. Office Relocation

During the quarter, the Company relocated its Australian office from Level 17 to Level 7, 15 Castlereagh Street, Sydney. All other contact details for the Company remain the same. The cost of relocating office came at no cost to Estrella and the commercial terms of its leasing arrangements remain on the same modest terms as previously.

6.2. Changes to Terms of Management Options and Grant of Options

The Company wishes to advise that it has today issued and allotted a total of 450,000 new, unlisted options in the Company pursuant to its Employee Share Option Plan (**ESOP**). In addition, the Company also proposes that, at the earlier of its next Extraordinary General Meeting (**EGM**) of shareholders or its Annual General Meeting (**AGM**) to be held in November 2013, resolutions will be put to shareholders seeking approval to firstly retrospectively vary the terms of the options currently on issue to both the Managing Director (Australia) and General Manager (Chile) and secondly for the granting of new unlisted options to the Directors.

6.3. Grant of Options under the ESOP:

The Board has resolved to issue a total of 450,000 options pursuant to its ESOP (lodged with the ASX on 8 May 2012) having an exercise price of A$0.35 per option, expiring on or before 18 April 2016 and each with various vesting criteria. Details of the new ESOP options including the vesting criteria are contained within Appendix 3B lodged separately.

6.4. Proposed changes to Management Options:

The Board will be proposing resolutions to shareholders at the next EGM/AGM to retrospectively vary the terms of the options currently on issue to the Managing Director (Australia) and General Manager (Chile) to delete one term of the vesting criteria which specifically relates to vesting subject to the need to obtain a JORC Inferred Resource for the Company within 12 months of its IPO. The change will be sought retrospectively as the Company does not wish to incur the expenditure of having to call an EGM solely for this purpose when there are higher priorities for which Shareholders funds can be used, primarily exploration.

The reasoning behind such resolutions to delete these vesting criteria is as follows:

1. The corporate and exploration strategy of the Company has changed significantly since the IPO in May 2012.
2. The Board believes that the vesting conditions of options for key employees in charge of exploration should reflect the current corporate strategy of the Company and aligned with maximising shareholder returns.
3. The Board no longer feels it is appropriate to include a vesting criteria on the options granted to both the Managing Director and General Manager which includes the requirement for them to obtain a "… *JORC Inferred Resource for the Company within 12 months of its IPO that must be not less than 100,000 tonnes of contained metal copper and/or 150,000 ounces of gold*..." Such a requirement is contained in clause v. (c) of their respective, existing options, the full terms of which were released to the ASX on 8 May 2012 as part of the Company's pre quotation disclosure.

4. In light of the recent acquisition of Project Altair including the Colupo, Dania and Ivannia prospects, the Board believes that the Company's funds, time and effort are most appropriately directed towards Project Altair which is a large expanse of prospective tenements and focus on a strategy that has the greatest likelihood of delivering the maximum return for shareholders.

Your Board believes that focusing our limited shareholders' funds to delivering a relatively modest JORC resource at this present time without considering the Company's overall strategy would not be in the best interests of all shareholders.

The purpose of the resolutions to be put to shareholders at the next EGM/AGM will be for shareholders to approve a change to the options vesting terms to remove the JORC Resource requirement (sub-clause v (c)) however all other vesting criteria including requiring each of the Managing Director and General Manager to remain employees at the time of vesting will remain in place.

6.5. Proposed Grant of Options to Directors:

Also at the Company's next EGM/AGM, the Company will be proposing resolutions to be put to shareholders to approve the issue and allotment of new unlisted options to various Board members, each exercisable at A$0.35 on or before the fifth anniversary from the date of grant as follows:

Dr Jason Berton – Managing Director	- 1,000,000 options
Gavin Solomon – Non-Executive Chairman	- 800,000 options
Simon Kidston – Non-Executive Director	- 600,000 options
Julian Bavin – Non-Executive Director	- 600,000 options

The options represent a 133% premium to the Company's closing share price on 29 April 2013. Details of these proposed options are also included in the Appendix 3B lodged separately.

6.6. Financial Position

The Company had A$3.1 million cash at 31 March 2013.

The Company's cash position is sufficient for its planned exploration program in CY 2013.

7. Commentary

Estrella's Managing Director, Dr. Jason Berton, said:

> *"Looking back on the March 2013 Quarter, the Estrella team have achieved a number of company transforming milestones. The formal exchange of the Altair Option Agreement secures Estrella's position in Chile as a serious explorer with top tier tenure.*
>
> *In addition, the ability to exchange a second transaction with SQM for the highly sought after brownfield prospects is further testament to the strength of relationship between Estrella and SQM. The brownfields prospects are highly complementary with Altair and represent a quantum leap for the Company in terms of its exploration program.*
>
> *With numerous identified targets ready for immediate follow up based on historical drilling, Estrella expects to hit the ground running in the next quarter. Overall, the corporate transactions in this quarter have placed the Company in a very strong position to leverage off anticipated exploration success primarily at Altair."*

Competent Person's Statement:

Exploration information in this announcement is based upon work undertaken by Dr. Jason Berton, the Managing Director 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Dr Berton consents to the inclusion in this presentation of the statements based on his information and context in which they appear.

About Estrella Resources

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

Directors and Management

Dr. Jason Berton
Managing Director

Gavin Solomon
Non-Executive Chairman

Julian Bavin
Non-Executive Director

Simon Kidston
Non-Executive Director

Juan Pablo Vargas de la Vega
General Manager - Chile

Justin Clyne
Company Secretary

ESTRELLA RESOURCES LIMITED
ACN 151 155 207

ASX CODE: ESR

ORDINARY FULLY PAID SHARES:
87,101,000

UNLISTED OPTIONS:
7,205,000

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APPENDIX 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Estrella Resources Limited

ABN	Quarter Ended ("Current Quarter")
39 151 155 207	31 March 2013

Consolidated statement of cash flows			Current quarter $A'000	Year to date (9 months) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(578)	(1,306)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(181)	(816)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		33	124
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
Net operating cash flows			(726)	(1,998)
Cash flows related to investing activities				
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	(2)	(10)
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.1	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other- Project Option Fees		-	-
	Net investing cash flows		(2)	(2,008)
1.15	Total operating and investing cash flows (carried forward)		(728)	(2,008)

1.15	Total operating and investing cash flows (brought forward)	(728)	(2,008)
	Cash flows related to financing activities		
1.16	Proceeds from issues of shares, options, etc.	-	-
1.17	Proceeds from sale of forfeited shares	-	-
1.18	Proceeds from borrowings	-	-
1.19	Repayment of borrowings	-	-
1.20	Dividends paid	-	-
1.21	Other – Capital raising costs	-	-
	Net financing cash flows	-	-
Net increase (decrease) in cash held		(728)	(2,008)
1.22	Cash at beginning of quarter/year to date	3,852	5,106
1.23	Exchange rate adjustments to item 1.2	(14)	12
1.24	Cash at end of quarter	3,110	3,110

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.25	Aggregate amount of payments to the parties included in item 1.2	91
1.26	Aggregate amount of loans to the parties included in item 1.10	-

1.27 Explanation necessary for an understanding of the transactions

Directors fees /salary for the period: $91,000

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount Available $A,000	Amount used $A,000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	203
4.2	Development	-
4.3	Production	-
4.4	Administration	290
	Total	493

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	30	83
5.2	Deposits at call	3,070	3,759
5.3	Commercial Bills	-	-
5.4	Other: Term Deposit	10	10
Total: cash at end of quarter (item 1.22)		3,110	3,852

Changes in interests in mining tenements

		Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Agustina	The Option agreement was terminated	100%	0%
6.2	Interests in mining tenements acquired or increased	Altair	Five Year Option Agreement signed for 100% working interest	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total Number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	87,101,000	51,162,500		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**			*Exercise price*	*Expiry date*
	Unlisted	3,600,000	-	25 cents	12-Sep-14
	Unlisted	1,000,000	-	25 cents	25-Oct-14
	Unlisted	505,000	-	20 cents	19-Dec-16
	Unlisted	600,000	-	20 cents	25-Oct-16
	Unlisted	1,500,000	-	20 cents	9-May-17
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.1	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Performance Rights** *(totals only)*				
7.13	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Justin Clyne. Date: 30 April 2013

Print name: Justin Clyne - Company Secretary

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.