Review of airborne geophysics data reveals highly prospective targets within Altair Project

HIGHLIGHTS

- Initial review of airborne geophysics data completed for Altair Project
- Four highest priority targets identified; Colupo, Antucoya West, Dania & Ivannia.
- Linear airborne geophysical anomalies correlates well with high grade mineralised fault system historically drilled at Colupo
- Magnetics anomaly at Antofagasta PLC's Antucoya project appears to extend into Estrella’s Antucoya West Prospect at Altair
- Ground induced polarisation (IP) surveys to immediately commence at Colupo and Antucoya West

1. Introduction

Estrella Resources Limited (ASX:ESR) (Estrella or the Company) is pleased to advise that the initial review of the substantive airborne geophysical magnetic and radiometric data, recently received by Estrella, has now been completed by the Estrella management supported by Southern Rock Geophysics (formerly known as Zonge Ingenieria and Geofisica) (SRG). The results of this review are highly encouraging.

As previously announced, Estrella has been able to secure historical airborne geophysical data for approximately 80% of the Altair Project (excluding the north eastern portion of the Project). The Altair Project (including Colupo, Dania and Ivannia) is located 90 km NNE from Antofagasta and covers 2,655 km² (265,510 hectares) of tenement along the Atacama Fault Zone.

This historical airborne geophysical data includes coverage of the newly acquired brownfields prospects Dania, Ivannia and Colupo and the Antucoya porphyry project being a porphyry copper deposit with a Resource of 642 Mt of 0.35% Cu (Antucoya) and is adjacent to and adjoining the Antucoya West Prospect within Altair.

Antucoya is owned 70% by Antofagasta PLC and 30% by Marubeni. Antofagasta announced on 27 March 2013 that it had decided to resume the development of the Antucoya project after completion of a full review of the project (see Antofagasta PLC announcement dated 27 March 2013).
Chile’s star in copper-gold

2. **Airborne Geophysics**

Estrella, in consultation with SRG, has reprocessed and reinterpreted the newly acquired airborne geophysical data. **Figure 1** shows the pseudocolour image of the analytic signal of the first vertical derivative (ASVI) of the reduced to pole (RTP) magnetic data for the Altair Project.

**Figure 1**: 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. Antucoya West is highlighted by the red ellipse.
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Regionally there are several known mineralisation systems nearby the Altair Project summarised in the table below and illustrated in Table 1.

Table 1: Nearby mineralised systems

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Company</th>
<th>Mineral Resource</th>
<th>Mineralisation style</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michilla</td>
<td>Antofagasta Minerals</td>
<td>66.7 Mt @ 1.57% Cu</td>
<td>Manto</td>
<td>40km west of Altair</td>
</tr>
<tr>
<td>Antucoya</td>
<td>Antofagasta Minerals</td>
<td>642 Mt @ 0.35% Cu</td>
<td>Porphyry</td>
<td>Central Altair</td>
</tr>
<tr>
<td>Toyaku</td>
<td>Pucobre and Codelco</td>
<td>na</td>
<td>Porphyry</td>
<td>Borders Altair</td>
</tr>
<tr>
<td>Los Mantos Blancos</td>
<td>Anglo American</td>
<td>372.6 Mt @ 0.48% Cu</td>
<td>Manto</td>
<td>10 km east of Altair</td>
</tr>
<tr>
<td>Mantos de la Luna</td>
<td>Private</td>
<td>na</td>
<td>Manto</td>
<td>10 km east of Altair</td>
</tr>
</tbody>
</table>

SGR’s reprocessing and interpretation of the historical airborne magnetic data:

- “Has defined preliminary magnetic anomalies characteristic of large magmatic centers akin to those recognized as hosting some of the region’s most significant porphyry deposits.

- A large magnetic anomaly can be seen at the Antucoya porphyry deposit and it appears to coincide with basement fault structures that continue westward and eastward on to Altair.

- Strong magnetic anomalies can also be seen at Dania and Ivannia as well as a linear magnetic anomaly at Colupo that coincides with WNW to NW trending faults. The linear magnetic anomaly continues for 14 km and highlights the potential for mineralisation to continue beyond the current extents of drill hole information at Colupo”.

Antucoya features a strong magnetic anomaly. Significantly, this anomaly intensifies as it continues westwards into Estrella’s Antucoya West Prospect (see Figure 2). Estrella’s Altair Project adjoins and extends to the north, south, east and west of Antucoya.
Chile’s star in copper-gold

Figure 2: ASVI pseudocolour image for Altair depicting fault traces of the Atacama Fault System and magnetic linear trends that may indicate the presence of faults at sub-surface or the possible extension of faults expressed along the surface. Note that the Colupo region has several sub-parallel lineament trends that Estrella will be targeting for the continuation of mineralisation at Colupo. Further to this, a feature of the magnetic anomalies at Antucoya is a WNW trend that is sub-parallel to the trend at Colupo.
3. **Future Exploration Program at the Altair Project**

Estrella has now identified these four Prospects (Antucoya West, Dania, Ivannia and Colupo) as the highest priority targets for follow up exploration.

Having over 20 years’ experience in regional geophysical exploration programs in northern of Chile, SRG’s principal staff has recommended initial next works being:

1. First pass follow-up at the new Antucoya West prospect, west of Antucoya with the deployment of reconnaissance-style Vector IP surveying. This is the most efficient broad scale technique for the direct detection of buried porphyry-style disseminated sulphide mineralization; and

2. Gradient IP surveying across the magnetic anomaly and faults at Colupo to assist with targeting for further drilling.

Based on this advice, the next phase of Estrella’s exploration program at Altair will comprise infill ground magnetics, induced polarisation (IP) and resistivity surveys at Colupo. Estrella is targeting the mineralised WNW trending fault system, which was shown to host significant copper mineralisation from the SQM RC drilling program.

The ground geophysical survey program will commence at Colupo in June 2013 with the infill drilling program most likely to begin shortly afterwards. A vector IP survey will also be undertaken at the Antucoya West Prospect to test the potential for a mineralised porphyry system immediately west of Antucoya.

4. **Commentary**

Commenting on the airborne geophysical data, Estrella’s Chairman, Gavin Solomon, said:

“Estrella is now uniquely positioned as the only company ever to solely to possess the security of exploration tenure plus historical airborne geophysical data over the extensive Altair grounds coupled with the SQM historical exploration data and this has now significantly fast tracked Estrella’s exploration plans.

The airborne magnetic data has identified the potential for both IOCG and porphyry mineral systems at Altair, including the possibility of an extension to the Antucoya deposit into Altair in a zone not previously investigated.

This is early days for Estrella but we are most excited by what has been uncovered from our compilation of exploration data to date.”
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
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Julian Bavin
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Simon Kidston
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