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ASX ANNOUNCEMENT

20 February 2014

Altair Project Exploration Update

HIGHLIGHTS

- ✓ Initial Diamond Drilling Program completed at Colupo.
- ✓ First batch of core sample assay results expected in March 2014.
- ✓ Diamond Drilling commences at Dania Prospect.

1. Overview

Estrella Resources Limited (ASX:ESR) (**Estrella** or **Company**) is pleased to advise that the initial Diamond core drilling program at the Colupo Prospect is now complete.

The diamond holes have been drilled at Colupo to determine:

- Strike and dip of the structural contacts to assist validating the current geological model;
- Geometrical nature of the multiple breccia system and subsequent mineralisation;
- Deeper extensions of multiple mineralisation zones;
- True width thicknesses of each mineralisation zone; and
- Assist delineating an initial JORC resource at Colupo.

As previously advised, Estrella expects the diamond core assay results to be received from the labs in March 2014 and released to the market immediately thereafter.

2. Diamond Drilling Rig mobilised to Dania and drilling commenced

A diamond coring drill rig is now deployed on site at the Dania Prospect and drilling is now underway.

The Colupo, Dania and Ivannia Prospects (all within Project Altair and all within close proximity to each other) are located along fault splays of the Atacama Fault System that also extends over Antofagasta Minerals' Antucoya deposit (not owned by Estrella) (see **Figure 1**).

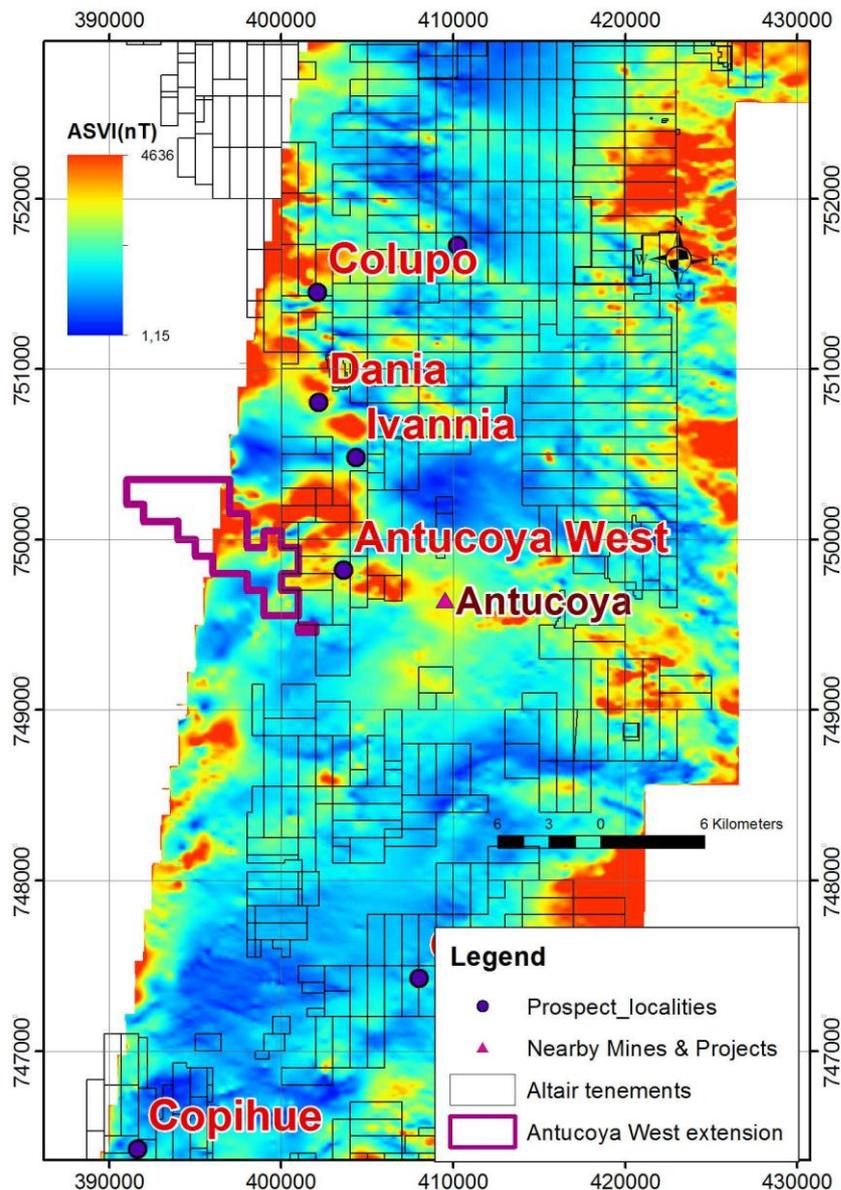


Figure 1: ASVI Image of Project Altair (Map Datum PSAD 1956 Zone 19 South)

The Dania Prospect lies 9km north-west of the Antucoya deposit and is 7km south of the Colupo Prospect.

Now that the initial Colupo diamond drilling program has been satisfactorily completed, the Board of Estrella has decided to extend the current program to test the Dania Prospect and to follow up historical drilling by SQM. Having recently examined the chip samples from the historical SQM drilling at Dania, it was discovered that some of the shallow holes which had encountered significant porphyritic copper grades had also ended prematurely within mineralisation. The diamond drilling will be aimed at testing the extent of this known mineralisation. Drilling will be ongoing whilst the assay results from Colupo are anticipated.

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3. Commentary

Commenting on the exploration activities at Colupo and Dania, Estrella's Managing Director, Dr. Jason Berton, said:

"The Estrella team remains focused on our goal of defining near surface, high grade JORC compliant resources. The completion of the initial Diamond Drilling Program at Colupo is an important step towards achieving this goal.

Further, the deployment of the Diamond Drilling Rig to Dania helps us continue to fast track our exploration efforts and potentially lead to additional significant discoveries within close proximity of Colupo."

Competent Person's Statement

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

About Estrella Resources

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

Justin Clyne
Company Secretary

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ASX CODE: ESR

ORDINARY FULLY PAID SHARES:
96,601,000

UNLISTED OPTIONS:
11,130,000