9 August 2017

ASX ANNOUNCEMENT

LARGE SPODUMENE CRYSTALS IDENTIFIED IN OUTCROP AT ATOMIC THREE

HIGHLIGHTS

- **Follow-up detailed mapping at Bravo Cluster and Charlie Pegmatite has identified a zone of large spodumene crystals in outcrop and further refined the geological map of the area**
- **New rock chip samples returned up to 3.40% Li_2O, confirming the spodumene occurrence and providing an indication of grade potential**
- **Drill planning and POW preparation progressing, to expand this potential high-grade lithium occurrence at depth**

Figure 1. Photo of outcropping spodumene bearing pegmatite at Bravo Cluster near sample site AP00406. The darker coloured rod shaped crysals below and right of the pencil, and the dark blotches left of the pencil, are spodumene.

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to inform shareholders of detailed mapping follow-up at Bravo Cluster and Charlie Pegmatite (Bravo Charlie), Atomic Three prospect area. The mapping has expanded on the highly prospective pegmatite occurrences and has identified the largest spodumene crystals seen to date.

ONGOING WORK AT BRAVO CHARLIE

24 rock chip samples have been collected from Bravo Charlie. All but 6 samples returned over 0.2% Li_2O, and seven returned over 2% Li_2O. The anomalous area now extends over at least 200m of strike. However, Bravo Charlie is now interpreted to be the strike continuation of Alpha Pegmatite, meaning the overall strike length exceeds 600m. The pegmatites appear to be at their thickest and highest grade at Bravo Charlie, but drilling is required to better determine this.

Figure 2. Photo of the AP00461 sample site, which returned 3.40% Li_2O. The orange brown tarnished crystals above the hammer are spodumene

Follow-up drilling will be conducted as soon as practicable to determine if the new interpretations are correct, to determine if the pegmatites are related to each other, or are connected by a common feeder, and to generate a JORC2012 mineral resource estimate.

Approximately 12 – 15 holes are proposed, with planned depths between 60m and 72m. Holes will be drilled at -60 towards 80 in a "top to tail" formation, roughly perpendicular to the stratigraphy. This will ensure the entire stratigraphic width of the pegmatites is sampled. Drilling will target directly beneath the highest-grade rock chip results, and the where pegmatites have the widest surface expressions.

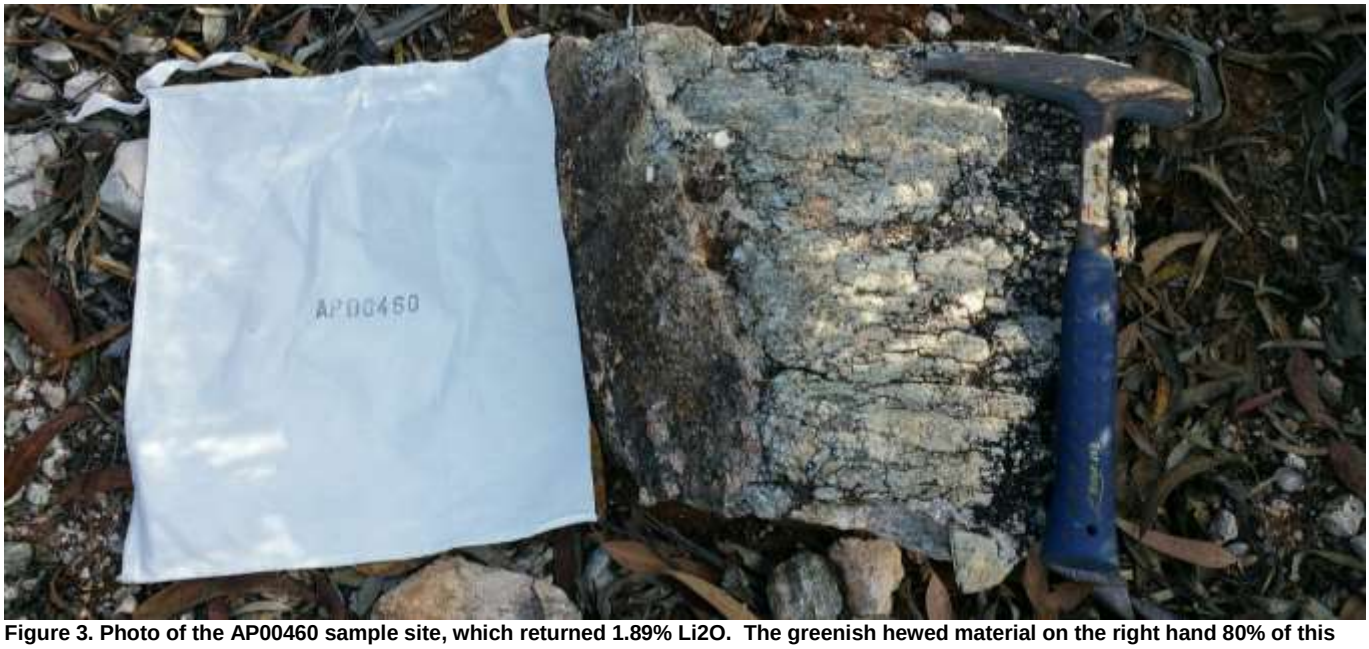

Figure 3. Photo of the AP00460 sample site, which returned 1.89% Li2O. The greenish hewed material on the right hand 80% of this sample contains abundant spodumene. This specimen was taken from an historic costean.

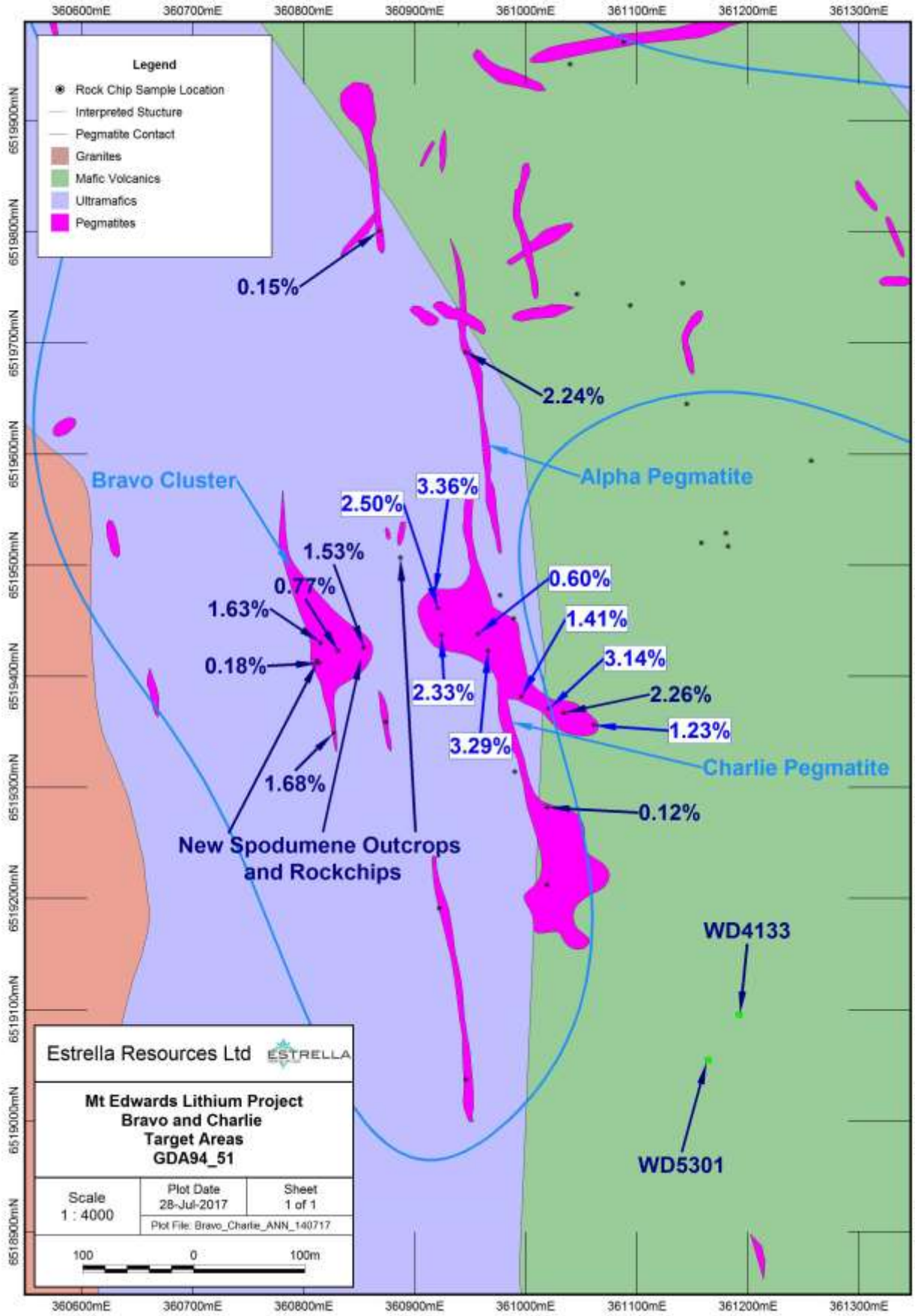

Figure 4. Map of Bravo Charlie prospect showing all of the rock chips sampled to date, labelled with % Li_2O for anomalous results above 0.1% Li_2O. The best of the more recent sampling results are labelled in a white highlight.

ABOUT THE MELP

The MELP consists of 16 tenements covering over 127km^2 on the highly prospective Widgiemooltha Dome. It is located centrally, within an emerging highly endowed and globally significant lithium province.

The MELP location in relation to the other significant LCT pegmatite projects in the province is as follows:

- 2km east of the recent Goldfields Lithium Alliance (GLIA) Widgiemooltha project acquisition
- 40km south of the Mt Marion Lithium project
- 40km SSE of the Londonderry Pegmatites and Lithium Australia's Lithium Hill project
- 60km west of the Bald Hill Sn-Ta-Li project and Tawana Resources' Cowan project
- 30km north of Pioneer Resources Limited Pioneer Dome Lithium project

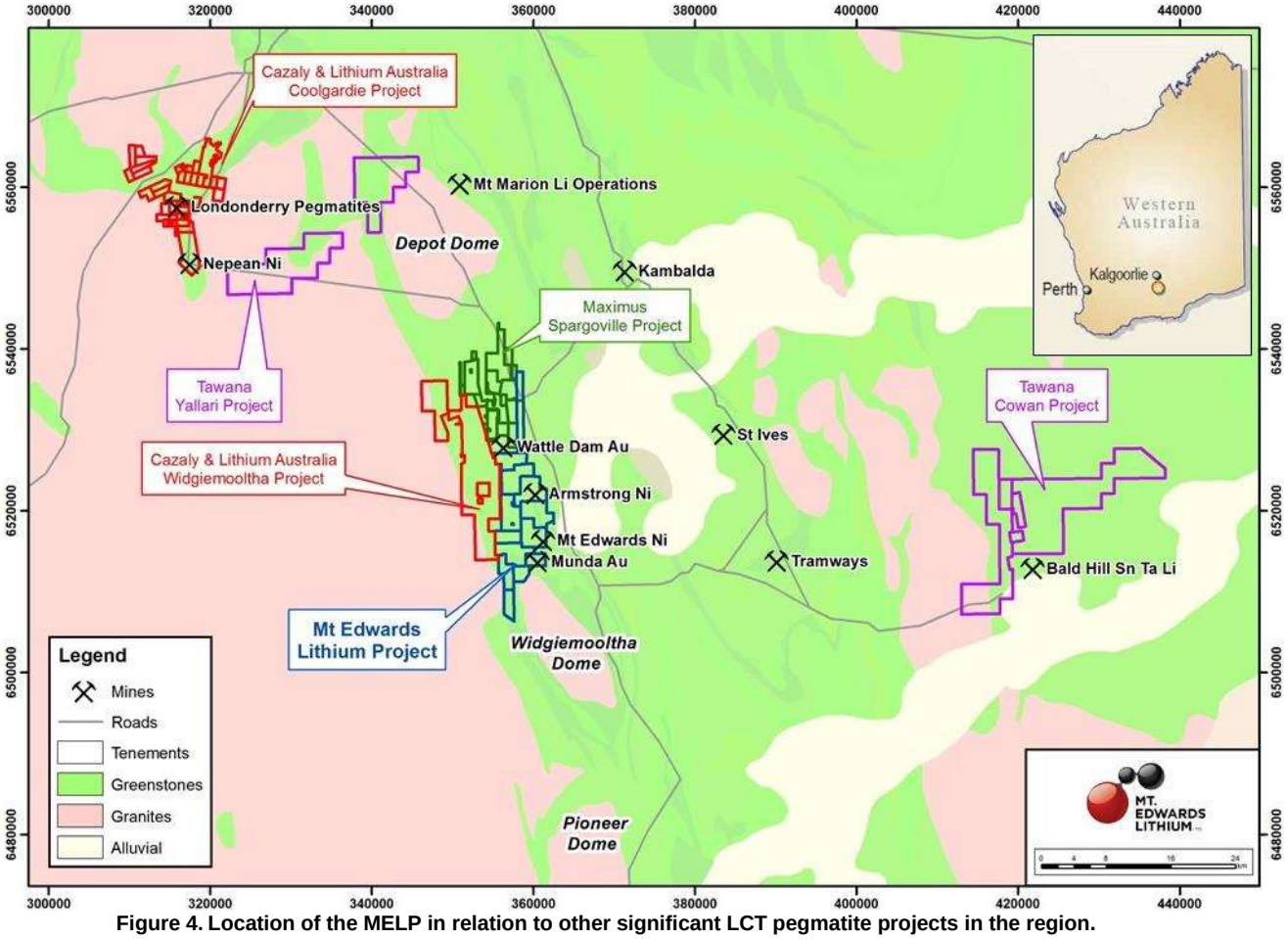

Figure 4. Location of the MELP in relation to other significant LCT pegmatite projects in the region.

Table 1. Tenement Schedule

Schedule of Mining and Exploration Tenements						
Country	**State/Region**	**Project**	**Tenement ID**	**Area Km2**	**Grant Date**	**Interest %**
Australia	WA	Mt Edwards Lithium Project	M15/698	4.2	22/12/1994	75
Australia	WA	Mt Edwards Lithium Project	M15/75	5.7	10/11/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/699	3.4	23/12/1994	75
Australia	WA	Mt Edwards Lithium Project	M15/87	3.6	26/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/74	9.3	10/11/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/101	9.6	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/99	9.8	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/653	10	28/01/1993	75
Australia	WA	Mt Edwards Lithium Project	M15/97	6.8	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/96	8.4	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/102	9.3	4/01/1985	75
Australia	WA	Mt Edwards Lithium Project	M15/100	9.6	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/1271	4.8	2/07/2007	75
Australia	WA	Mt Edwards Lithium Project	E15/1505	2	5/10/2016	75
Australia	WA	Mt Edwards Lithium Project	E15/1507	15	Application	75
Australia	WA	Mt Edwards Lithium Project	E15/1562	16	Application	75

Table 2. Rock chip sampling details of the two most recent phases of sampling.

Sample_ID	Zone	East	North	RL	Li_ppm	Cs_ppm	Ta_ppm	Rb_ppm	Li2O_ppm	Comments
AP00440	51J	361352	6519509	356	60	118	105	902	129	Phase IV
AP00441	51J	361434	6519496	353	30	35	50	316	65	Phase IV
AP00442	51J	361405	6519493	355	35	81	70	923	75	Phase IV
AP00443	51J	361396	6519485	356	25	93	45	1070	54	Phase IV
AP00445	51J	360388	6520844	354	235	65.5	35	636	506	Phase IV
AP00446	51J	360339	6520922	352	25	117	50	1090	54	Phase IV
AP00447	51J	360515	6520872	357	120	76.2	15	571	258	Phase IV
AP00448	51J	360456	6520876	356	55	116	15	545	118	Phase IV
AP00449	51J	360946	6519037	368	50	71.6	50	462	108	Phase IV
AP00450	51J	360921	6519461	369	11600	33.8	140	85.1	24975	Phase IV
AP00451	51J	360918	6519473	368	15600	176	145	849	33587	Phase IV
AP00452	51J	360924	6519437	369	10800	109	25	647	23252	Phase IV
AP00453	51J	360957	6519438	371	2800	134	15	1540	6028	Phase IV
AP00454	51J	360966	6519423	371	15300	25.7	25	163	32941	Phase IV
AP00455	51J	360977	6519473	371	120	75.4	65	1070	258	Phase IV
AP00456	51J	360989	6519452	372	330	98.5	35	962	710	Phase IV
AP00457	51J	360996	6519382	373	6540	67.2	40	633	14081	Phase IV
AP00458	51J	361021	6519371	375	14600	33	75	182	31434	Phase IV
AP00459	51J	361061	6519356	378	5700	126	80	1210	12272	Phase IV
AP00460	51J	360812	6519414	378	8820	109	35	822	18989	Phase V
AP00461	51J	360887	6519507	378	15800	36.2	35	109	34017	Phase V

Highly anomalous result requiring follow-up

Competent Person Statement

The information in this announcement relating to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Luke Marshall, who is a consultant to Apollo Phoenix Resources and Estrella Resources, and a member of The Australasian Institute of Geoscientists. Mr Marshall has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity 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 Resource and Ore Reserves". Mr Marshall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FURTHER INFORMATION CONTACT
Christopher J. Daws
Chief Executive Officer
Estrella Resources Limited
info@estrella.com.au

APPENDIX 3 JORC TABLE 1 - JORC CODE, 2012 EDITION – TABLE 1 MELP

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	• The samples reported in this document are rock chip grab samples collected at surface from outcropping pegmatite occurrences. • This involved taking a random grab sample of approximately 3kg using a geological hammer and numbered calico bag. • These rock chip samples should not be considered to be representative samples of the pegmatite occurrences. • Drill testing is required to collect representative sample data through the pegmatites. • Samples were analysed by an industry standard crush and grind prep, a 4-acid digest and ICP-MS or ICP-OES finish depending on the element being analysed.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• No measures have been taken to ensure sample representivity at this stage as the project is in the very initial stages of assessment.
	• Aspects of the determination of mineralisation that are material to the Public Report.	• No determinations were made in this regard. Pegmatite occurrences were sampled and assayed regardless of determination regarding mineralisation.
	• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to	• Rock chip samples were collected using a geological hammer and a calico bag to achieve a random grab sample. • These samples are not considered to be representative of the pegmatites.

Criteria	JORC Code explanation	Commentary
	produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	• Not applicable, no drill results are being reported.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Not applicable, no drill results are being reported.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level	• A log was collected for each sample which included sample location, sample type, date

Criteria	JORC Code explanation	Commentary
	of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged.	sampled and sample condition.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	• Not applicable, no drill results are being reported. • Not applicable, no drill results are being reported. • Sample condition field to record moisture and sample recovery is included in the sampling log sheet and populates the assay table of the database. • Sample preparation is considered to be appropriate for rock chip sampling as per industry standard practices. • No quality control procedures have been undertaken other than the laboratory's own internal QAQC check and procedures. • No measures have been taken in this regard as these are preliminary rock chip samples. • Sample sizes may not be appropriate to the grain size of the material being sampled. Grain sizes of the pegmatites varied from 4mm to over 20cm.

Criteria	JORC Code explanation	Commentary
	• Whether sample sizes are appropriate to the grain size of the material being sampled.	

Quality of assay data and laboratory tests	• For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• No QAQC procedures have been put in place for the MELP given the very early stage of assessment. • No geophysical methods or hand-held XRF units have been used for determination of grades in this announcement.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	• Not applicable, no intersections are being reported.
	• The use of twinned holes.	• Not applicable, no drill results are being reported.
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• Drill hole data were sourced from digital sources and original hard-copy sampling and assay records, and imported into a central electronic database. Datashed software is used to validate and manage the data.
	• Discuss any adjustment to assay data.	• Li_2O was calculated as Li x 2.153.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	• Rock chip sample locations were recorded by handheld GPS.

	• Specification of the grid system used.	• Original surveying was undertaken in MGA94 zone 51.
	• Quality and adequacy of topographic control.	• Topographic control is considered more than adequate for the results being reported.
Data spacing and distribution	• Data spacing for reporting of Exploration Results.	• These are random rock chip sampled with no regular data spacing.
	• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	• Not applicable, no mineral resource or ore reserve is being reported.
	• Whether sample compositing has been applied	• Not applicable for random rock chips.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Not applicable, these are spot samples. • Not applicable, no drilling is being reported.
Sample security	• The measures taken to ensure sample security.	• Samples were submitted to the SGS Kalgoorlie laboratory by Estrella Resources. Sample security was ensured up to this point as the samples were always in the presence of Estrella Resources' staff.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews have been undertaken on the samples being reported due to the small number of samples in the dataset.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Apollo Phoenix Resources (25%) and Estrella Resources (75%) hold a combined 100% interest the lithium rights to the project. • There are no known impediments to operate in the area.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Exploration has been undertaken by previous holders, but predominantly Western Mining Corporation (WMC) during the 1980s and Titan Resources from 2001. Consolidated Minerals took over Titan in 2006. No mining for Li has been undertaken on the project.
Geology	• Deposit type, geological setting and style of mineralisation.	• The geology at MELP consists of a mafic-ultramafic belt bound to the east by metasediments and to the west by granites. • The mineralisation at MELP consists of pegmatite swarms in greenstone belts at some distance from their parent granites. • The lithium baring minerals identified to date are spodumene, accessory lepidolite and possibly zinnwaldite. • Depth of complete oxidation varies from 10 to 80 metres below the natural surface but is typically around 40 metres.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:
	  ○ easting and northing of the drill hole collar
	  ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
	  ○ dip and azimuth of the hole
	  ○ down hole length and interception depth
	  ○ hole length.
	• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.
		• No drill results are reported in this announcement.
		• No information is excluded.

Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	• Not applicable for rock chip sampling.
	• The assumptions used for any reporting of metal equivalent values	• No metal equivalents are used.

Criteria	JORC Code explanation	Commentary
	should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• Not applicable for random rock chip grab samples.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Appropriate maps and tables are included in the body of the Report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• This is not a large enough dataset to ensure balanced reporting.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Pegmatite occurrences were identified from historic detailed geological mapping and then confirmed by ground checking. • Geological observations are included in the report. All core drilled at MELP is available for review and is stored at the 132N mine site adjacent to the Atomic Three target area.

Criteria	JORC Code explanation	Commentary
		• Metallurgical test work is out of the scope of this report. • Multi-element assay suites have been analysed for all samples.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Further field confirmation and further rock chip sampling is planned, followed by drill testing of the most anomalous pegmatites. • The presence of possible extensions cannot be determined at this stage.