

ESTRELLA RESOURCES LIMITED
ACN 151 155 207

ENTITLEMENT ISSUE PROSPECTUS – LOYALTY OPTIONS

For a non-renounceable entitlement issue of 1 Loyalty Option for every 3 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Loyalty Option to raise up to \$163,961.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Options offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

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Non-Executive Director

John Kingswood
Non-Executive Director

Stephen Brockhurst
Non-Executive Director

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Company Secretary

David McEntaggart

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Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditor*

Hall Chadwick Pty Ltd
Level 40, 2 Park Street
Sydney NSW 2000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	23 August 2018
Lodgement of Prospectus & Appendix 3B with ASX	23 August 2018
Notice sent to Optionholders	28 August 2018
Notice sent to Shareholders	29 August 2018
Ex date	30 August 2018
Record Date for determining Entitlements	31 August 2018
Prospectus despatched to Shareholders & Company announces despatch has been completed	4 September 2018
Closing Date*	14 September 2018
ASX notified of under subscriptions	17 September 2018
Despatch of holding statements	19 September 2018
Loyalty Options issued under the Offer*	19 September 2018

* The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date.

3. IMPORTANT NOTES

This Prospectus is dated 23 August 2018 and was lodged with the ASIC on that date. The ASIC, ASX and their responsible officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Options the subject of this Prospectus should be considered highly speculative.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The purpose of the Offer is to recognise the invaluable support the Company has received from its Shareholders. The Offer is an opportunity for Shareholders to participate in the development of the Company.

The Offer is being made as a non-renounceable entitlement issue of 1 Loyalty Option for every 3 Shares held by Shareholders registered at the Record Date at an issue price of \$0.001 per Loyalty Option. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 163,961,097 Loyalty Options will be issued pursuant to this Offer to raise up to approximately \$163,961. If all Loyalty Options issued under the Offer are exercised (exercisable at \$0.05 on or before 27 June 2021), the Company will receive approximately \$8,198,055.

As at the date of this Prospectus the Company has 52,993,752 Options on issue, all may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you do not wish to accept all of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Estrella Resources Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) you must take up, as a minimum, your Entitlement in full.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any application monies received for more than your final allocation of Loyalty Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.6 Underwriting

The Offer is not underwritten.

4.7 Dilutionary effect

In addition, Shareholders should note that if they do not participate in the Offer, their holdings, upon the future exercise of the Options offered under the Offer (provided no existing Options are exercised and performance rights vest), are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	70,000,000	14.23%	23,333,334	70,000,000	10.67%
Shareholder 2	25,000,000	5.08%	8,333,334	25,000,000	3.81%
Shareholder 3	10,000,000	2.03%	3,333,334	10,000,000	1.52%
Shareholder 4	5,000,000	1.02%	1,666,667	5,000,000	0.76%
Shareholder 5	1,000,000	0.20%	333,334	1,000,000	0.15%

Notes:

1. This table assumes that all Options issued under the Offer are exercised
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.8 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Loyalty Option to be issued under the Shortfall Offer shall be \$0.001 being the price at which Loyalty Options have been offered under the Offer.

The Directors reserve the right to issue Shortfall Options at their absolute discretion. Accordingly, do not apply for Shortfall Options unless instructed to do so by the Directors.

4.9 ASX listing

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

The Company notes that it will also make an application for quotation of the Options issued pursuant to the Carr Boyd Nickel Project Acquisition (as announced on 27 June 2018) and its most recent placement, (announced on 15 August 2018).

4.10 Issue

Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Options issued pursuant to the Shortfall Offer will be allotted on a progressive basis. Where the number of Options issued is less than the number applied for, or where no allotment is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Options issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Options issued under the Shortfall Offer as soon as practicable after their issue.

4.11 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.12 Enquiries

Any questions concerning the Offer should be directed to Mr David McEntaggart, Company Secretary, on +61 8 9481 0389.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to reward the loyalty of Company shareholders and will result in the raising of up to \$163,961.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Expenses of the Offer ¹	25,878	16%
2.	Working capital	138,083	84%
	Total	163,961	100%

Notes:

1. Refer to section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including technical success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Options offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by \$138,083 after deducting the estimated expenses of the Offer immediately after completion of the Offer; and
- (b) increase the number of Options on issue from 52,993,752 as at the date of this Prospectus to 216,954,849 Options.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2018 and the unaudited pro-forma balance sheet as at 30 June 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Options offered under the Prospectus are issued.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Estrella Consolidated Group (Unaudited) 30/06/2018 \$	Pro forma balance sheet (Consolidated) (Unaudited) 30/06/2018 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents ^{1, 2}	446,364	1,054,447
Trade and other receivables	26,074	26,074
TOTAL CURRENT ASSETS	472,438	1,080,521
NON-CURRENT ASSETS		
Property, Plant & Equipment	23,929	23,929
Exploration and evaluation expenditure	3,794,667	3,794,667
TOTAL NON-CURRENT ASSETS	3,818,596	3,818,596
TOTAL ASSETS	4,291,034	4,899,117
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	255,961	255,961
Provisions	16,164	16,164
TOTAL CURRENT LIABILITIES	272,125	272,125
TOTAL LIABILITIES	272,125	272,125
NET ASSETS	4,018,909	4,626,992
EQUITY		
Issued capital ¹	17,032,787	17,502,787
Reserve ²	774,854	912,937
Accumulated losses	(13,788,732)	(13,788,732)
TOTAL EQUITY	4,018,909	4,626,992

Notes

- 1 Funds raised pursuant to the offer of \$163,961 less expenses of the offer of \$25,878.
- 2 Includes subsequent event as announced on 21 August 2018 being the Placement of 20,000,000 Shares at \$0.025 with one free attaching option for every share subscribed, to raise \$500,000 (before costs).

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Options offered under the Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	491,883,292
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	491,883,292

Options

	Number
Options currently on issue ¹	52,993,752
Loyalty Options offered pursuant to the Offer ²	163,961,097
Total Options on issue after completion of the Offer	216,954,849

Notes:

- 118,752 exercisable at \$0.80 on or before 3 October 2018;
750,000 exercisable at \$1.40 on or before 21 November 2018;
1,375,000 exercisable at \$0.40 on or before 13 November 2019;
8,250,000 exercisable at \$0.024 on or before 31 March 2020;
5,500,000 exercisable at \$0.05 on or before 15 May 2021;
17,000,000 exercisable at \$0.05 on or before 27 June 2021 (restricted until 27 June 2019);
20,000,000 exercisable at \$0.05 on or before 27 June 2021.
- Exercisable at \$0.05 on or before 27 June 2021. The full terms and conditions of the Loyalty Options are set out in Section 6 and the Company is applying for Official Quotation of these Options.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 544,877,044 Shares (assuming all Options are exercised) and on completion of the Offer (assuming all Entitlements are accepted) would be 708,838,141 Shares.

5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Douglas Charles Daws	85,582,367	18.13%
Apollo Phoenix Resources Pty Ltd	70,762,009	14.99%

The Offer will have no effect on the quantity of Shares held by these substantial shareholders as only Options are being issued.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Loyalty Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 27 June 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

6.2 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being the underlying securities of the Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) **Dividends**

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share.

(c) **Future issues of securities**

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) **Transfer of Shares**

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) **Meetings and notices**

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) **Election of Directors**

There must be a minimum of 3 but not exceeding 10 Directors. At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(g) **Indemnities**

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(h) **Winding up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Shareholders:

- (i) divide the assets of the Company among the members in kind;
- (ii) for that purpose, fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- (iii) vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

(i) **Shareholder liability**

As the underlying Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(k) **Listing Rules**

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

7. RISK FACTORS

7.1 Introduction

The Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted the number of Options will increase from 52,993,752 currently on issue to 216,954,849 and this has the potential to increase the number of Shares on issue from 491,883,292 to 708,838,141 (assuming the exercise of all Options). This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict how many Options may be exercised and at that time what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.023 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Going concern

The Company's interim financial report for the half-year ended 31 December 2017 includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' paragraph included in the interim financial report, the Directors believe that the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

The following actions (either singularly or in combination) have been considered by the Board as factors that will enable the Company to continue as a going concern:

- (i) The Company has been successful in raising capital whenever it has approached the markets in the past and the directors are confident in the ability to continue to raise additional funds on a timely basis, as and when required;
- (ii) The ability of the Company to further scale back certain parts of their activities that are non-essential so as to conserve cash;
- (iii) The acquisition of the WA Nickel lithium rights and Carr Boyd Nickel Projects will make the Company more attractive to investors; and
- (iv) The directors regularly monitor the Company's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.

In the event that the Company is unable to secure sources of funding, the Company may be required to realise assets and extinguish liabilities other than in the normal course of business.

(c) **Fluctuations in Commodity Prices**

The price of nickel, cobalt, gold and other base metals and other minerals fluctuates widely and is affected by numerous factors beyond the control of the Company such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. The supply of metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

Depending on the price of nickel, cobalt, gold and other base metals and other minerals, the Company could be forced to discontinue any current or planned exploration and may lose its interest in, or may be forced to sell, some of its properties.

Declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may eventually interrupt operations until a satisfactory reassessment can be completed.

(d) **Exploration, Development, Mining and Processing Risks**

There is no assurance that nickel, cobalt, gold or other base metals will be discovered in the areas in which the Company has an interest. Even if further nickel, cobalt, gold or other base metals are discovered in those areas, there is no assurance that commercial quantities of these minerals can be recovered from the Company's permits.

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
- (viii) native title risks; and
- (ix) adverse weather conditions over a prolonged period which may adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(e) **Environmental risks and regulations**

The exploration activities undertaken by the Company to date and to be undertaken by the Company are subject to environmental laws and regulations. The Company will endeavour to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, the cost and complexity may prevent the Company from being able to develop potentially economically viable mineral deposits.

Furthermore, the existence of environmental legislation means that the Company may potentially face a liability risk relating to its activities and/or be restricted from engaging in certain exploration activities due to environmental legislation. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurance that new environment laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operation.

(f) **General Litigation risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

7.3 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Change in Regulations**

Any material changes in government policies, legislation or shifts in political attitude in Australia that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's exploration.

(e) **Title risk and native title**

The permits in which the Company will, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any permit, applications or conversions in which the Company has a current or potential interest will be granted.

Permits (or applications) in which the Company has an interest are (or, if granted, will be) subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the permits liable to forfeiture.

All of the projects in which the Company has an interest will be subject to application for permit renewal from time to time. Renewal of the term of each permit is subject to applicable legislation. If the permit is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit.

The projects in which the Company has an interest extend over areas in which legitimate common law native title rights of indigenous Australians exist. The ability of the Company to gain access to its projects and to conduct exploration, development and mining operations remains subject to native title rights and the terms of registered native title agreements. The Directors will closely monitor the potential effect of native title claims on its projects.

(f) **Ability to exploit success**

Any successful exploitation of discoveries would require obtaining the necessary production permit and the relevant government approvals as required by the relevant Government agencies. The required approvals may be issued at the discretion of the relevant authorities and might be issued subject to conditions or preconditions.

(g) **Future performance of business activities**

The value of the Company's business activities is subject to the various and unpredictable influences of the market it operates in and the economy in general. Accordingly, adverse economic and market conditions may be experienced by the Company which are outside of its control and may have an adverse effect on the Company.

(h) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(i) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus

Therefore, the Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
21/08/2018	Notice Under section 708A
21/08/2018	Appendix 3B
17/08/2018	Carr Boyd Ni Presentation
15/08/2018	Placement
13/08/2018	Trading Halt
03/08/2018	Change in substantial holder
03/08/2018	Change in substantial holder
24/07/2018	Quarterly Cashflow Report
24/07/2018	Quarterly Activities Report
19/07/2018	Proposed Loyalty Option Entitlement Issue
12/07/2018	Programme of Work Approval Scotia East
06/07/2018	Change of Director's Interest Notice
05/07/2018	Becoming a substantial holder
05/07/2018	Becoming a substantial holder
27/06/2018	Appendix 3B
27/06/2018	Completion of Carr Boyd Nickel Project Acquisition
26/06/2018	POW Approval Spargoville
22/06/2018	Securities Trading Policy
08/06/2018	Programme of Work Approval Munda Gold Mine
01/06/2018	Expiry of Options
21/05/2018	Change of Company Secretary
15/05/2018	Change of Director's Interest Notice x 3
15/05/2018	Appendix 3B
14/05/2018	ASX Waiver Decision – Listing Rule 14.7
30/04/2018	Quarterly Activities Report

30/04/2018	NMT: Completion of Lithium Rights Acquisition – Mt Edwards
30/04/2018	Quarterly Cashflow Report
30/04/2018	Completion of Sale – Mt Edwards Lithium Rights
26/04/2018	Results of Meeting
19/04/2018	Exploration Results for Carr Boyd Layered Complex
19/04/2018	Response to ASX Price and Volume Query
17/04/2018	Trading Halt
28/03/2018	Notice of General Meeting / Proxy Form
27/03/2018	High Grade Cobalt Intersected in Drilling
15/03/2018	Sale of Mt Edwards Lithium
15/03/2018	Trading Halt
30/01/2018	Quarterly Activities Report
30/01/2018	Quarterly Cashflow Report
12/01/2018	Notice Under Section 708A
12/01/2018	Appendix 3B
08/12/2017	Exploration Update on the Carr Boyd Nickel Project
28/11/2017	Results of Meeting
27/11/2017	Exploration Update on the Carr Boyd Nickel Project
02/11/2017	Drilling Update Carr Boyd Nickel Project – Amended
01/11/2017	Drilling Update Carr Boyd Nickel Project
30/10/2017	Trading Halt
27/10/2017	Quarterly Activities and Cashflow Report
25/10/2017	Notice Under section 708A
25/10/2017	Appendix 3B
23/10/2017	Notice of Annual General Meeting / Proxy Form
23/10/2017	Oversubscribed Placement to Raise \$1,360,000
19/10/2017	Sir William Wallace Drilling Update
19/10/2017	Trading Halt
16/10/2017	Carr Boyd Nickel Project Presentation
16/10/2017	Estrella to Acquire the Carr Boyd Nickel Project
16/10/2017	Response to ASX Price & Volume Query
12/10/2017	Suspension from Official Quotation
10/10/2017	Trading Halt Request
10/10/2017	Trading Halt
29/09/2017	Appendix 4G
29/09/2017	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.estrellaresources.com.au

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	0.031	13 July 2018
Lowest	0.019	21 June 2018
Last	0.023	22 August 2018

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Loyalty Option Entitlement	\$
John Kingswood	1,410,000	1,500,000	470,000	\$470
Raymond Shorrocks	714,285	1,500,000	238,095	\$238
Stephen Brockhurst	750,000	1,500,000	250,000	\$250

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$380,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

	Financial Year 2019 (\$) (Proposed) ¹	Financial Year 2018 (\$) (Actual) ¹	Financial Year 2017 (\$) (Actual) ¹
John Kingswood	40,000	40,000	19,998
Ray Shorrocks	40,000	40,000	40,000
Stephen Brockhurst	40,000	40,000	10,000

Notes:

1 Exclusive of superannuation.

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$6,250 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$212,499.58 (excluding GST and disbursements) for legal services provided to the Company.

8.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the

ASIC.

8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$25,878 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	2,228
Legal fees	6,250
Printing and distribution	10,000
Miscellaneous	4,194
Total	25,878

8.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9481 0389 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.estrellaresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Stephen Brockhurst
Director
For and on behalf of
ESTRELLA RESOURCES LTD

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Options pursuant to the Offer or a Shareholder or other party who applies for Shortfall Options pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Estrella Resources Limited (ACN 151 155 207).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Loyalty Option means an option to acquire a Share on the terms and conditions set out in section 6.1 of this Prospectus

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share, including a Loyalty Option as the context requires.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Options not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 4.8 of this Prospectus.

Shortfall Options means those Options issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.