

ASX CODE: ESR

For further information please contact:

Dr. Jason Berton MAusIMM
Managing Director
Email: jb@estrellaresources.com.au

ASX ANNOUNCEMENT

30 April 2015

Rights Issue Prospectus

On 1 April 2015 Estrella announced a proposed capital raising of \$700,000 which includes a 3:5 Non-Renounceable Rights Issue at a price of \$0.007 per share, to raise approximately \$576,624 (the Rights Issue).

Attached is a copy of the Rights Issue Prospectus lodged with the ASIC. This document will be forwarded to Eligible Shareholders in accordance with the timetable contained in the Prospectus.

Yours Sincerely



Heath Roberts
Company Secretary

About Estrella Resources

Estrella Resources Limited is an ASX listed, Chilean focused copper-gold exploration company. Estrella has a number of exploration prospects 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

Managing Director -
Dr Jason Berton

Independent Non-
Executive Director:
-Julian Bavin

Non-Executive Director
- Mr Guy Robertson

Company Secretary
-Heath Roberts

ESTRELLA RESOURCES
LIMITED
ACN 151 155 207

ASX CODE: ESR

ASX ANNOUNCEMENT

Prospectus

ESTRELLA RESOURCES LIMITED

ACN 151 155 207

For:

- a non-renounceable pro rata offer to Eligible Shareholders of three New Shares for every five Existing Shares at an issue price of \$0.007 per New Share to raise up to approximately \$576,624 before issue costs (**Offer**); and
- an offer of Shortfall Securities on terms set out in section 8.6 (**Shortfall Offer**).

The Offer is partially and conditionally underwritten by Patersons Securities Limited. See section 8.5 for details.

ASX Code: ESR

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 29 April 2015 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares offered under this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of offer on the company and the rights attaching to the securities offered. 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 contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus at any time prior to the Closing Date on the Company's website at www.estrellaresources.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.5 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 8.15 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in section 12.

Enquiries

If you have any questions please call the Company Secretary on +61 2 419 473 925 or Boardroom Pty Limited (Share Registry) on +61 2 9290 9600 at any time between 8.00am and 5.00pm (AEST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

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Corporate Directory

Directors

Dr Jason Berton (Executive Director)
Mr Julian Bavin (Non Exec. Director)
Mr Guy Robertson (Non Exec. Director)

Company Secretary

Mr Heath Roberts

Auditor*

Grant Thornton Audit Pty Ltd
Tel: +61 2 8297 2400
Fax: +61 2 9299 4445

Lead Manager & Underwriter

Patersons Securities Limited
Level 48, Australia Square
264 George Street
Sydney NSW 2000

Website

www.estrellaresources.com.au

Registered and Business Office

CBC Partners Pty Ltd
Level 11, 22 Market Street
Sydney NSW 2000
Tel: +61 2 8263 1000
Fax: +61 2 9262 2911
Email: info@estrellaresources.com

Share Registry

Boardroom Pty Limited
Tel: +61 2 9290 9600
Fax: +61 2 9279 0664

Solicitors to the Offer

Kings Park Corporate Lawyers
Level 2, 45 Richardson Street
West Perth WA 6005

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus

1 TIMETABLE TO THE OFFER

| | |
|---|----------------|
| Lodgement of the Prospectus with ASIC and ASX | 29 April 2015 |
| Ex-date | 4 May 2015 |
| Record date to determine Entitlement (Record Date) | 6 May 2015 |
| Prospectus with Entitlement and Acceptance Form dispatched | 8 May 2015 |
| Offer opens for receipt of Applications | 8 May 2015 |
| Closing date for acceptances (Closing Date) | 19 May 2015 |
| Deferred settlement trading | 20 May 2015 |
| Notify ASX of Shortfall | 22 May 2015 |
| Issue of New Shares | 26 May 2015 |
| Dispatch of shareholding statements | 26 May 2015 |
| Normal trading of New Shares expected to commence | 27 May 2015 |
| Last date to issue Shortfall Securities (see section 8.6) | 19 August 2015 |

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

| | |
|--|-------------|
| Shares currently on issue ¹ | 137,291,527 |
| Options currently on issue | 17,151,427 |
| New Shares offered under this Prospectus at \$0.007 per New Share ¹ | 82,374,916 |
| Director Options to be issued exercisable at \$0.011 on or before 31 May 2018 (subject to Shareholder approval) | 7,000,000 |
| Consultant/Advisors Options to be issued exercisable at \$0.011 on or before 31 May 2018 (subject to Shareholder approval) | 13,000,000 |
| Maximum amount raised under this Prospectus (before costs) ¹ | \$576,624 |

Notes:

- 1 This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.

Dear Shareholder,

On behalf of Estrella, we are pleased to invite you to participate in the three for five non-renounceable pro-rata entitlement offer at an issue price of \$0.007 per New Share to raise up to approximately \$576,624 (before costs). Together with recent placement the Company expects to raise up to approximately \$700,000.

Estrella is actively exploring for copper and gold at its projects in northern Chile. In late 2014 the Company was successful in removing the 'claw back rights' held by a third party to the Antucoya West project, and released a maiden JORC exploration target for the Colupo project.

With available funding the Company will look at all options to extract the best possible value for its Chile copper project in this current market and also look at other opportunities to provide significant returns to Shareholders.

The Offer is partially underwritten by Lead Manager & Underwriter Patersons Securities Limited for up to \$254,000 including the amount sub-underwritten by Black Swan Global Pty Limited for up to \$154,000. Black Swan has recently invested \$125,300 in the Company through a placement of 17,900,000 Shares at 0.7 cents per Share.

This Prospectus and personalised Entitlement and Acceptance Form should be read carefully and in their entirety before deciding whether to participate in this offer. In particular, Eligible Shareholders should consider the key risk factors outlined in section 6 of this Prospectus. These risks include risks associated with early stage exploration, market sentiment towards copper and gold (including the prevailing market price) and risks associated with operating in Chile.

Your Board invites you to consider this investment opportunity and thank you for your ongoing support for the Company.

Yours faithfully,

The Board

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

| Question | Response | Where to find more information |
|---|---|--------------------------------|
| What is the Offer? | <p>Three New Shares for every five Existing Shares held on the Record Date at an issue price of \$0.007.</p> <p>Application will be made for the New Shares to be quoted on ASX.</p> <p>The Offer will raise up to \$576,624 (before costs) if fully subscribed.</p> | Section 5.1 |
| Can I apply for Shortfall Securities? | <p>Any New Shares under the Offer that are not applied for by the Closing Date will become Shortfall Securities. The Shortfall Offer is an offer to issue Shortfall Securities and is a separate offer under this Prospectus.</p> <p>Eligible Shareholders can apply for Shortfall Securities in excess of their Entitlement by following the instructions in section 7.3. There is no guarantee that any Shortfall Securities will be issued to Eligible Shareholders under the Shortfall Offer.</p> | Section 8.6 |
| Am I an Eligible Shareholder? | <p>The Offer is only made to Eligible Shareholders, who:</p> <ul style="list-style-type: none">(a) are the registered holders of Shares as at 7pm (AEST) on the Record Date; and(b) have a registered address in Australia or New Zealand. | Section 8.4 |
| How will the proceeds of the Offer be used? | <p>In the event that only the Underwritten Amount is raised, the Company intends to use the funds raised from the Offer broadly as follows:</p> <ul style="list-style-type: none">• \$100,000 to further exploration at its Chilean projects;• \$107,281 for general working capital and to assess new opportunities; and• \$46,719 to pay the costs of the Offer. <p>In the event the Offer is fully subscribed the Company intends to use the funds raised from the Offer broadly as follows:</p> <ul style="list-style-type: none">• \$200,000 to further exploration at its Chilean | Section 5.3 |

| Question | Response | Where to find more information |
|---|--|--------------------------------|
| | <p>projects;</p> <ul style="list-style-type: none"> • \$329,905 for general working capital and to assess new opportunities; and • \$46,719 to pay the costs of the Offer. | |
| What are the key risks of a subscription under the Offer? | <p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> • The ability of the Company to continue as a going concern is dependent on the Company being able to raise additional funds as required to meet ongoing exploration commitments and for working capital. • Exploration risks - whilst the Company is of the view that exploration by the Company on its projects has yielded results that justify further drilling and exploration, the Company's concessions carry exploration risk. • As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks. <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p> | Section 6 |
| Is the Offer underwritten? | <p>The Offer is partially conditionally underwritten by Patersons Securities Limited for up to 36,285,710 New Shares or \$254,000, including the amount sub-underwritten by Black Swan for 22 million New Shares or \$154,000. Patersons is only relieved of its underwriting obligation where Shares issued under the Offer and Shortfall Offer are more than the difference between the total number of Shares offered less the underwritten number of Shares (36,285,710).</p> <p>The underwriting is conditional upon certain conditions and terminating events customarily found in underwriting agreements for issuers in the Company's circumstances, including if the closing price for Shares on ASX is less than the Issue Price under the Offer.</p> | Section 8.5 |
| Is the Offer subject to any | The Offer is not subject to any minimum subscription. | Section 8.2 |

| Question | Response | Where to find more information |
|---|---|--------------------------------|
| conditions? | | |
| What will be the effect of the Offer on control of the Company? | <p>The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Securities placed in the Shortfall Offer.</p> <p>Black Swan has agreed to sub-underwrite the Offer for 22 million New Shares or \$154,000.</p> <p>Black Swan currently has a relevant interest in 17.5 million Shares, or 13.03% in the Company. In the event no Shares are subscribed for by Eligible Shareholders, then following the Offer, Black Swan will have a relevant interest of:</p> <ul style="list-style-type: none"> • 25.05% of the Company's Shares if it takes up the full 22 million New Shares through Shortfall but does not take up its Entitlement; or • 29.78% of the Company's Share if it takes up the full 22 million New Shares through Shortfall and also takes up its Entitlement under the Offer. | Section 5.6 |
| How do I apply for New Shares and Shortfall Securities under the Offer? | Applications for New Shares and Shortfall Securities can be made by Eligible Shareholders completing the relevant sections of the personalised Entitlement and Acceptance Form and sending it to the Share Registry together with payment by cheque or BPAY in the amount of Entitlement and Shortfall Securities applied for. | Section 7.2 |
| Can I sell my Entitlements? | No, the Offer is non-renounceable meaning Entitlement may not be transferred, and any Entitlement not taken up will become Shortfall Securities. | |
| How will the Shortfall Securities be allocated? | The Underwriter has the sole and absolute discretion to place any Shortfall Securities. | Section 8.6 |
| How can I obtain further advice? | Contact the Company Secretary on +61 419 473 925 at any time during business hours until the Closing Date. Alternatively, consult your broker or other professional adviser. | |

5 PURPOSE AND EFFECT OF THE OFFER

5.1 Introduction

The Company is seeking to raise up to approximately \$576,624 before issue costs under the Offer at a price of \$0.007 per Share by offering Eligible Shareholders three New Shares for every five Existing Shares held as at the Record Date.

The Offer is underwritten for up to \$254,000 or 36,285,710 New Shares. The lead manager and underwriter is Patersons Securities Limited. Black Swan, which currently has a voting power of 13.03% in the Company, has agreed to sub-underwrite the Offer for \$154,000.

5.2 Background

The Company has recently made a placement with Black Swan of 17,900,000 Shares at \$0.007 each raising \$125,300, amounting to an interest of 13.03% in the Company.

The Directors wish to provide existing Eligible Shareholders with the opportunity to acquire Shares in proportion to their shareholding at the same price as this placement. Black Swan has agreed to sub-underwrite the Offer for up to 22 million Shares.

As a result of the Placement and Offer, the Company will have raised up to approximately \$700,000.

5.3 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

| Use of funds (approximately) ¹ | Underwritten Amount \$254,000 | Full Subscription \$576,624 |
|--|----------------------------------|--------------------------------|
| Exploration on the Company's Chilean projects | \$100,000 | \$200,000 |
| General working capital and assessment of new opportunities ² | \$107,281 | \$329,905 |
| Costs of the Offer ³ | \$46,719 | \$46,719 |
| Total use of funds | \$254,000 | \$576,624 |

Notes:

- 1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to, in the event more than the Minimum Subscription is raised and exploration results are not satisfactory, to vary the way funds are applied.
- 2 General working capital includes but is not limited to corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs. Further, general working capital

may be applied to evaluating new project opportunities that may complement the existing projects of the Company.

- 3 See section 10.6 for further details relating to the estimated expenses of the Offer, including lead management fees.

In the event that the amount raised under this Prospectus is more than the Underwritten Amount but less than the Full Subscription, it is intended that the additional amount raised will be applied broadly proportionately to the table in 5.3.

5.4 Statement of financial position

Set out in section 13 is the Consolidated Statement of Financial Position (reviewed) of the Company and the Consolidated Pro-Forma Statement of Financial Position, as at 31 December 2014 and on the basis of the following assumptions:

- (a) the Offer was effective on 31 December 2014;
- (b) no further Shares are issued (including by way of exercise of Options) other than all Shares issued under the Placement or offered under this Prospectus;
- (c) take up of the Offer:
 - (i) Underwritten Amount; and
 - (ii) Full Subscription.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the annual financial report for year ended 30 June 2014.

5.5 Effect of the Offer on the Company's securities

Assuming that no Options are exercised prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

| Shares | Underwritten Amount | | Full Subscription | |
|--|---------------------|------------|--------------------|--------------|
| | Number | % | Number | % |
| Existing Shares | 137,291,527 | 79.1 | 137,291,527 | 62.5 |
| New Shares offered under this Prospectus | 36,285,710 | 20.9 | 82,374,916 | 37.5 |
| Total Shares | 173,577,237 | 100 | 219,666,443 | 100.0 |

| Options | Number | Exercise price |
|---------------------------------------|-----------|----------------|
| Unlisted expiry date 31 December 2015 | 3,871,427 | 5 cents |
| Unlisted expiry date 18 April 2016 | 450,000 | 35 cents |

| Options | Number | Exercise price |
|--|-------------------|----------------|
| Unlisted expiry 25 October 2016 | 600,000 | 20 cents |
| Unlisted expiry 18 December 2016 | 500,000 | 35 cents |
| Unlisted expiry 19 December 2016 | 505,000 | 20 cents |
| Unlisted expiry 7 March 2017 | 750,000 | 35 cents |
| Unlisted expiry 9 May 2017 | 1,500,000 | 20 cents |
| Unlisted expiry 3 October 2018 | 475,000 | 20 cents |
| Unlisted expiry 21 November 2018 | 3,000,000 | 35 cents |
| Unlisted expiry 13 November 2019 | 5,500,000 | 10 cents |
| Total Options currently on issue | 17,151,427 | |
| Proposed issue | | |
| Director Options, expiry 31 May 2018 | 7,000,000 | 1.1 cents |
| Consultant/Advisor Options, expiry 31 May 2018 | 13,000,000 | 1.1 cents |
| Total Options after proposed issues | 37,151,427 | |

The Company also has on issue 1,866,667 Director share rights exchangeable for ordinary Shares on a one for one basis on 1 July 2015, subject to certain conditions having been met. See the Company's notice of meeting released to ASX on 17 February 2015 for further information.

5.6 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

(a) Sub-Underwriter

Black Swan has agreed to sub-underwrite the Offer for up to \$154,000 or 22 million New Shares. Black Swan currently has a relevant interest in the Company of 13.03%.

Following is a table that sets out Black Swan's relevant interest under various scenarios following the Offer:

| Level of take up from Shareholders (excluding Black Swan's Entitlement) | Number of Shares | Voting power |
|--|------------------|--------------|
| 75% take up of Entitlement | 38,493,729 | 16.2% |
| 50% take up of Entitlement | 39,900,000 | 18.30% |
| 25% take up of Entitlement | 39,900,000 | 19.4% |
| 0% take up of Entitlement | 39,900,000 | 25.05% |

Black Swan may also take up its Entitlement under the Offer. In the event that Black Swan takes up its Entitlement (being 10,740,000 New Shares) as well as 22 million New Shares through Shortfall, and assuming no other Shareholders take up their Entitlement, Black Swan will have a voting power of up to 29.78% following the Offer.

The Directors do not believe that the maximum voting power of 29.78% will affect the control of the Company. Black Swan has informed the Company that, based upon the Company's present circumstances, it currently does not intend:

- (i) to make any significant changes to the Company's existing business;
- (ii) to become involved in decisions regarding the employment of the Company's present employees and contractors, and contemplates that they will continue in the ordinary course of business, other than the appointment of Guy Robertson as a Director of the Company (which has occurred);
- (iii) for any property to be transferred between the Company and Black Swan or any of its associates;
- (iv) to change the Company's existing financial policies.

Black Swan has advised that the above statements are its current intention only, and may change as new information becomes available or circumstances change.

(b) Others

As the Offer is non-renounceable, Eligible Shareholders may not rely upon item 10 of section 611 of the Corporations Act to increase their voting power to 20% or more by taking up their Entitlement under the Offer.

(c) Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect assuming only the Underwritten Amount is raised and no further Shares are issued or options exercised:

| Holder | Holding at Record Date | | Entitlement | Holding following the Offer if no Entitlement taken up | |
|--------|------------------------|------|-------------|--|------|
| | Number | % | | Number | % |
| 1 | 10,000,000 | 7.28 | 6,000,000 | 10,000,000 | 6.28 |
| 2 | 5,000,000 | 3.64 | 3,000,000 | 5,000,000 | 3.14 |
| 3 | 2,500,000 | 1.82 | 1,500,000 | 2,500,000 | 1.57 |
| 4 | 1,000,000 | 0.73 | 600,000 | 1,000,000 | 0.63 |

6 RISK FACTORS

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

There are specific risks which relate directly to the Company's business. In addition, there are 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 New Shares.

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

6.1 Risk specific to the Offer

(a) Future funding and ability to continue as a going concern

The funds raised from the Offer will be used to fund further exploration on the Chilean projects and for limited general working capital. The Company will be required to raise further funds for future exploration and operational activities. There is a risk that further raisings may not be on terms favourable to existing Shareholders.

Furthermore, raising additional capital may be dilutive to existing Shareholders.

(b) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. Details of dilution are set out in section 5.6(c) above.

(c) Control

The Directors have taken all reasonable steps to limit the maximum increase in Black Swan's voting power under the Offer, including through appointing Patersons as Underwriter and Lead Manager, and secondly by pricing the Offer at a discount to the prevailing market price for Shares. However, the maximum voting power that Black Swan may have following the Offer, assuming it takes up its Entitlement, is 29.78%. There is a risk that Black Swan's interests may not align with other Shareholders' interests.

6.2 Company and industry risks

The risks outlined below are specific to the Company's operations and to the resource exploration industry in which the Company operates.

(a) Payments due under agreements with Sociedad Quimica y Minera de Chile S.A. (SQM) (NYSE:SQM)

The Company is, with respect to parts of its Chilean assets (known as the Altair Project), a party to two option agreements with SQM. Under those agreements the Company is required to pay option fees to SQM and undertake minimum

expenditure obligations, with the amounts determined by the number of hectares the subject of the option and the date of the payment/expenditure. Further payments are required if the Company wishes to exercise the option over parts of the project area.

Further details on the amounts to be paid and methods of calculation are set out in the Company's announcements to ASX on 6 December 2012, 18 February 2013 and 20 January 2015. With the exception of the Dania, the Company had paid the required option fees and met the minimum expenditure obligations for the period up to 31 March 2016.

Whilst the total annual to be paid to SQM and minimum exploration expenditure the project area depends upon the number of hectares the subject of the Option Agreement, the Company estimates that it will be up to approximately US\$1.369 million for the period to 31 March 2016.

Whilst the Company has an unfettered right to reduce some or all of the option fees and exploration commitments at any time by reducing part or all of the concession area within the Option Agreement area, there is a risk that in doing so the Company may relinquish areas of value and which the Company has incurred significant amounts on. In particular, in the event that only the Underwritten Amount is raised, the Company will give consideration to the divestment of areas within the Dania prospect.

(b) Exploration

The Company is an exploration company with various concessions and projects located in Chile that are in the exploration phase and with no known resources or reserves. Investors should understand that mineral exploration is a high risk activity. The Company does not provide any assurances that its exploration activities will guarantee the discovery and/or economic exploitation of a significant mineral resource

The exploration and operating costs of the Company are based on certain assumptions with respect to exploration methods and the timing of exploration activities undertaken. By their nature, these estimates and assumptions are subject to uncertainties and as such, actual costs may materially differ from the estimates and assumptions. No assurances can be provided that cost estimates and their underlying assumptions will be realised in practice which could adversely affect the Company.

(c) Future capital needs and additional funding

The Company recorded a net loss of \$2,378,578 and a net outflow from operating and activities of \$1,856,092 for the full year ending 30 June 2014. As at 31 December 2014, it had \$349,398 cash on hand.

The funds raised by the Offer will primarily be used to undertake further exploration at the Company's Chilean projects. There is a risk that these funds will not be sufficient to complete the proposed exploration and that further funding will be required.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary

according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

(d) Operations are in Chile

The Company's projects are located in Chile, which is a less developed country than Australia, and has associated political, economic, legal and social risks. There can be no assurance that its government and political systems will remain stable or that there will not be any changes to government regulations regarding foreign investment, repatriation of foreign currency, taxation or mining laws in Chile.

(e) Copper and gold and other commodity prices

As an explorer for copper and gold and potentially other minerals, any earnings of the Company are expected to be closely related to the price of copper and gold and other commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(f) Title and application risk

The Company's mining concessions are governed by the Government of Chile. The tenements pertaining to Antucoya West, Altair, Dania and Ivannia are registered in SQM's name and duly maintained by SQM. Estrella is the primary title holder of 6,700 ha of tenements (Saturno 1 to 17 and Mercurio A, B, 26 to 35), which Estrella has paid its annual fees in March 2015. Each concession is for a specific term and carries with it an annual lease payment and reporting commitments as well as other conditions requiring compliance. There is a risk that the Company could lose title to one or more of its concessions if concession conditions or annual lease commitments are not met or if SQM (as concession holder) is in breach of the terms of the concessions. Furthermore, there is a risk that any breach by SQM of the terms of the concessions may result in those concessions being lost. All tenements under Option Agreements with SQM are registered with Sernageomin (Chilean mines department) and are protected by the Chilean Mining Code.

6.3 Operating risks

The Company's operations may be affected by various factors including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in operating plant

and equipment; mechanical failures or breakdowns; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be provided that the Company will achieve commercial viability through the successful exploration and/or mining of its concession interests. Until the Company is able to extract value from its projects, the Company is likely to incur ongoing operating losses.

(a) Resource estimates

Whilst the Company has announced a JORC Code compliant exploration target for its Colupo project, the Company has not announced resource estimates. Resource estimates are expressions of judgement based on knowledge, experience and industry practice (refer to the JORC Code for further information on resource estimation). In addition, by their very nature, resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company will employ industry-standard techniques including compliance with the JORC Code to reduce the resource estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.

(b) Environmental

The exploration and operational activities of the Company are subject to Chilean laws concerning the environment. The Company is required under the laws to obtain environmental approval to commence drilling.

The Company's activities are expected to have an impact on the environment particularly if advanced exploration or mine site recommissioning or development proceeds. It is the Company's intention to continue to conduct its operations and activities to the highest standard of environmental obligation including but not limited to compliance with all environmental laws and regulations.

(c) Joint venture, acquisitions or other strategic investments

The Company may in the future become a party to joint venture agreements governing the exploration and development of its projects. There is a risk that one of the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. This may have an adverse effect on the interests and prospects of the Company.

The Company may enter into strategic investments in complementary businesses, or enter into strategic alliances or partnerships with third parties in order to enhance its business. Such arrangements involve a wide range of risks.

(d) Access risk

The Company's concession interests are governed by legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it expenditure and reporting commitments. The Company could

lose title to its interests in its concessions if expenditure and reporting commitments are not met when they arise.

Adverse weather conditions may also restrict access to land for the purpose of carrying out activities such as drilling.

(e) Uninsured loss and liability

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all potential losses or liabilities that could arise from its activities. If the Company incurs losses or liabilities that are not covered by its insurance policies, the funds available for exploration will be reduced and could create risk for the value of the Company's assets.

6.4 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) Economic risk

Changes in both Australia, Chile and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings. The Company's possible revenues and price of its securities can be affected by these factors which are beyond the control of the Company and its Directors.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Securities (see section 7.3);
- (c) allow all or part of your Entitlement to lapse (see section 7.4).

7.2 Subscribe for all or part of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for.

7.3 Subscribe for all of your Entitlement and apply for Shortfall Securities

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Securities regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.6 for details of the manner in which Shortfall Securities will be allocated.

7.4 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Securities.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying personalised Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.5 Payment methods

Cheque, bank draft or money order

The completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Estrella Resources Limited' and crossed 'Not

Negotiable' for the appropriate application money in Australian dollars calculated at \$0.007 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company at either of the following addresses by no later than 5.00 pm (AEST) on the Closing Date:

| By Post To: | By Delivery To: |
|--|--|
| Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 | Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000 |

BPAY

Alternatively, if you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5pm AEST on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5pm AEST on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

7.6 Entitlement and Acceptance Form is binding

Receipt of a completed and lodged Entitlement and Acceptance Form together with a cheque for the application monies, or by making a payment in respect of an Application by

BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

8 DETAILS OF THE OFFER

8.1 Shares offered for subscription

By this Prospectus the Company makes a non-renounceable pro rata offer to Eligible Shareholders of three New Share for every five Existing Shares held as at the Record Date at a price of \$0.007 per New Share, to raise up to approximately \$576,624 before issue costs. Fractional entitlements will be rounded up to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares are summarised in section 9.

8.2 Minimum subscription

There is no minimum subscription.

8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 7pm (AEST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

8.5 Lead Manager and Underwriter

Patersons Securities Limited has agreed to lead manage and partially and conditionally underwrite the issue of up to 36,285,710 Shortfall Securities (**Underwriting Commitment**) or \$254,000 (**Underwritten Amount**). The Underwriter will only be relieved of the Underwriting Commitment to the extent that acceptances for Entitlement and Shortfall Securities exceed the difference between the total number of New Shares offered and the Underwriting Commitment.

Patersons Securities Limited and its sub-underwriter Black Swan Global Pty Ltd will be paid a fee for managing and underwriting the Offer, details of which are set out in sections 10.3 and 10.6.

The Company will also be required to reimburse the Underwriter and sub-underwriter for all of the reasonable costs incurred in relation to the Offer.

The underwriting of the Offer is conditional upon satisfaction or waiver by the Underwriter of the certain conditions ordinarily found in an agreement of this type, including that:

- (a) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;
- (b) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (c) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where any of the following events has a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise:
 - (i) the closing price for the Company's Shares is less than the Price;
 - (ii) any of the All Ordinaries Index or Small Ordinaries Index as published by ASX is at any time after the date of this Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement;
 - (iii) an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (iv) any of the material contracts or contracts described in this Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified;
 - (v) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
 - (vi) a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

8.6 Shortfall

Any New Shares not applied for under the Offer will become Shortfall Securities. The Directors reserves the right to issue any Shortfall Securities within 3 months after the Closing Date and have appointed Patersons on an exclusive basis to allocate Shortfall Securities (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Securities by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Securities using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Securities in circumstances which do not require the offer for Shortfall Securities or this Prospectus to be registered.

It is possible that there may be no Shortfall Securities available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion to reject any application for Shortfall Securities or to issue a lesser number of Shortfall Securities than that applied for, and it is an express term of the Shortfall Offer that applicants for Shortfall Securities will be bound to accept a lesser number of Shortfall Securities allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

8.7 Offer outside Australia and New Zealand

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia and New Zealand.

8.8 Treatment of Ineligible Shareholders

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

(a) New Zealand

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(b) Elsewhere

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

8.9 Beneficial holders, nominees, trustees and custodians

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.10 Issue of New Shares and application money

New Shares will be issued only after ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 26 May 2015 and normal trading of the New Shares on ASX is expected to commence on 27 May 2015.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the New Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.11 Quotation

The Company will apply to ASX on 29 April 2015 for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

8.12 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

| | 3 month high | 3 month low | Last market sale price |
|---------------|----------------|--------------|------------------------|
| Price (cents) | 3.8 | 0.6 | 0.6 |
| Date | 7 January 2015 | 1 April 2015 | 24 April 2015 |

8.13 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.15 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.16 Enquiries

Any queries regarding the Offer should be directed to Heath Roberts, Company Secretary on +61 419 473 925.

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on +61 2 9290 9600.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

9.1 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. 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.

(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 any preference shareholders (of which there are currently none) the directors may from time to time declare and pay such dividend as they think appropriate.

(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) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act

(h) Election of directors

There must be at least 3 Directors or such greater number of Directors not exceeding 10 as the directors think fit, in office at all times at least 2 of whom must ordinarily reside in Australia. 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.

(i) 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.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the 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.

(l) 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.

(m) Listing Rules

As 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 or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9.2 Consultant/Advisors Options

The terms of the Consultant/Advisor Options are as follows:

- (a) Each Option entitles the Optionholder to be issued one (1) ordinary fully paid share in the Company (**Share**);
- (b) The Options are exercisable at any time on or prior to 5.00 pm (AEST) on the **31st May 2018** (time being of the essence) (**Option Exercise Period**) by completing an Option Exercise Form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company or to the share registry of the Company;
- (c) Each Option exercise price is equal to A\$0.011 and is subject to the re-organisation of the Company's capital as per clauses (h) and (i) below (**Option Exercise Price**).
- (d) Options are freely transferable in whole or part at any time prior to the Option Exercise Period;
- (e) Shares issued on the exercise of the Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys;
- (f) Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects and the Company will seek quotation on ASX of the Shares;
- (g) Optionholders shall be entitled to participate in all new issues of securities in the Company upon the prior exercise of Options in which case the Optionholders shall be afforded the period of at least four (4) business days prior to an inclusive of the record date (to determine entitlements to the new issue) to exercise their Options;
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will not change as a result of the pro rata issue.
- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Optionholder will be changed/varied to the extent necessary to comply with the Corporations Act and/or the ASX Listing Rules (if applicable) applying to the reconstruction of capital at the time of the reconstruction;
- (j) Optionholders shall be entitled to participate in all take-over offer(s) for the Company prior to the exercise of Options in which case the Optionholders shall be given prior notice of the record date (to determine entitlements to the take-over offer) to exercise their Options;
- (k) If there is a bonus issue to Shareholders of the Company, the number of Shares over which the Option is exercised will be increased by the number of Shares which the

holder of the Option would have received if the Option had been exercised before the record date for the bonus issue;

- (l) The Company will issue written reminder notices to the Optionholder at least fourteen (14) business days prior to the expiry of the Option Exercise Period;
- (m) Options not exercised before the expiry of the Option Exercise Period will lapse;
- (n) The Options will be recorded on the Company's register of Optionholders maintained at the Company's share registry. The register will be open for inspection by an Optionholder free of charge. Shares to be allotted on exercise of Options will be recorded on the Company's share register;
- (o) The Company will not make an application for Official Quotation of the Options on ASX;
- (p) The Optionholder, if appearing on the Company's register of Optionholders at the relevant date, will be entitled to receive and will be sent all reports and accounts required to be laid before Shareholders of the Company in general meeting and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings; and
- (q) The Optionholder has:
 - (i) no right to any dividend prior to converting into ordinary Shares;
 - (ii) no right to vote until converted into ordinary Shares;
 - (iii) no right to participate in the surplus profits or assets of the Company upon a winding up; and

the right to attend any general meeting of the Company but, not to vote or to move or second any resolution or speak in any meeting except in a resolution which directly affects any of the rights, privileges or conditions attaching to the unlisted options or the exercise and enjoyment of such rights, privileges or conditions, in the event of which each Unlisted Option shall confer on its holder one vote on a show of hands and one vote on a poll.

10 ADDITIONAL INFORMATION

10.1 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. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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 period from lodgement of the Company's annual financial report of the Company for the financial year ended 30 June 2014 to 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 of the Company for the financial year ended 30 June 2014 being the last financial report for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
- (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
- (iii) any continuous disclosure notices given by the Company after the lodgement of the financial report referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since its 2014 annual financial report:

| Date | Description of Announcement |
|------------|--|
| 27/04/2015 | Rights Issue Timetable - Update |
| 24/04/2015 | Quarterly Activities Report and 5B |
| 20/4/2015 | Optionholder Letter |
| 13/4/2015 | Substantial Shareholder Notice |
| 1/4/2015 | Capital raising, Appendix 3B, Appendix 3X and 3Z |
| 27/3/2015 | Change of Director's Interest Notice |
| 23/3/2015 | Results of Meeting |
| 23/3/2015 | Change of Director's Interest Notice |
| 16/3/2015 | Half Yearly Report and Accounts |
| 17/2/2015 | Notice of General Meeting |
| 10/2/2015 | Details of registered office address |
| 29/1/2015 | Quarterly Activities report and Appendix 5B |
| 20/1/2015 | Antucoya West Option Agreement Signed |
| 6/1/2015 | Change in substantial holding from EQT |
| 2/1/2015 | Change in substantial holding |
| 30/12/2014 | Appendix 3B |
| 30/12/2014 | Completion of Placement/Share Issue |

| Date | Description of Announcement |
|------------|--|
| 15/12/2014 | Notice of Change in Substantial Shareholder - Aetas Global Markets |
| 15/12/2014 | Capital raising and reinstatement to official quotation |
| 11/12/2014 | Request for Continuation of voluntary suspension |
| 10/12/2014 | Voluntary Suspension |
| 8/12/2014 | Voluntary Suspension |
| 4/12/2014 | Trading Halt |
| 27/11/2014 | Aetas Global Capital - Notice of Initial Substantial Holder |
| 26/11/2014 | Colupo prospect Exploration Target |
| 17/11/2014 | Appendix 3B |
| 14/11/2014 | Appendix 3B and 3Y |
| 14/11/2014 | Estrella Presentation (November 2014) |
| 13/11/2014 | 2014 AGM Results |
| 31/10/2014 | Quarterly Activities report |
| 31/10/2014 | Quarterly Cash Flow report |
| 27/10/2014 | Change of Director's Interest Notice |
| 27/10/2014 | Appendix 3B |
| 14/10/2014 | Notice of Annual General Meeting/Proxy Form |
| 14/10/2014 | Antucoya West Clawback Removal |
| 1/10/2014 | Heath Roberts Appointed as Company Secretary |

Publically available information about the Company's is available at www.asx.com.au.

10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

| Director | Current holding | | Entitlement |
|------------------|-----------------|------------------------|-------------|
| | Shares | Options | New Shares |
| Dr Jason Berton | 1,109,091 | 4,000,000 ¹ | 605,454 |
| Mr Julian Bavin | 636,364 | 1,600,000 ¹ | 381,818 |
| Mr Guy Robertson | Nil | Nil | Nil |

¹ Subject to Shareholder approval, Dr Berton and Mr Bavin will be issued 5,000,000 and 2,000,000 Options (exercisable at \$0.011 on or before 31 May 2018) respectively.

| Remuneration paid to Directors in the two years prior to the date of this Prospectus | | |
|--|-----------|-----------|
| Director | 2013/2014 | 2012/2013 |
| Dr Jason Berton ¹ | 249,955 | 243,441 |
| Mr Julian Bavin | 60,000 | 57,337 |
| Mr Guy Robertson | Nil | Nil |

¹ Inclusive of short-term benefits and superannuation.

Non-executive Directors are entitled to directors' fees of \$40,000 per annum exclusive of superannuation. Mr Berton is paid an annual salary of \$225,000, inclusive of superannuation.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors as they from time to time agree and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

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

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

10.3 Offer of Consultant/Advisor Options

By this Prospectus, the Company offers Consultant/Advisor Options to certain unrelated persons. The Consultant/Advisor Options each have an exercise price of \$0.011 and are exercisable on or before 31 May 2018, and otherwise on the terms set out in section 9.2.

The issue of Consultant/Advisor Options is conditional upon Shareholders approving the issue for the purposes of ASX Listing Rule 7.1.

The offer for Consultant/Advisor Options may only be accepted by completing and returning to the Company the personalised acceptance form which accompanies this Prospectus.

10.4 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

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

Kings Park Corporate Lawyers has acted as solicitors to the Offer. In respect of this work, the Company will pay approximately \$12,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Kings Park Corporate Lawyers have not received any fees for services to the Company in the 2 years prior to the date of this Prospectus.

Patersons Securities Limited, the underwriter will act as underwriter to the Offer. In respect of this work, the Underwriter or its nominee will be paid \$19,719. Consultants and

advisors to the issue will, subject to Shareholder approval, be issued 13,000,000 Consultant/Advisor Options with exercise price 1.1 cents expiry date 31 May 2018. The Underwriter has not received any payments or other benefits from the Company in the 2 years prior to the date of this Prospectus.

Black Swan Global Pty Limited is the sub-underwriter to the Offer and will be paid \$7,700 in respect of this work. Black Swan has not received any payments or other benefits from the Company in the 2 years prior to the date of this Prospectus.

10.5 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

| Name | Statement/Role |
|-------------------------------|-----------------|
| Kings Park Corporate Lawyers | Lawyers |
| Patersons Securities Limited | Underwriter |
| Black Swan Global Pty Limited | Sub-underwriter |
| Grant Thornton Audit Pty Ltd | Auditor |
| Boardroom Pty Limited | Share Registry |

10.6 Expenses of the Offer

Assuming Full Subscription, the total estimated expenses of the Offer are as set out below:

| Cost ¹ | (approximately) (\$) |
|-----------------------------------|----------------------|
| Fundraising expenses ² | 19,719 |
| Legal fees | 12,000 |
| ASX fees | 5,000 |
| ASIC and other expenses | 2,500 |
| Printing, postage and other | 7,500 |
| Total | 46,719 |

¹ The consultants and advisors to the Company will, subject to Shareholder approval, also be issued 13,000,000 Options which will be used in part satisfaction of underwriting fees.

² All sub-underwriting and selling fees to third parties will be paid from this fee by the Underwriter.

These expenses have or will be paid by the Company. The Company may also pay a placement fee of 6% for Shortfall Securities placed under the Shortfall Offer.

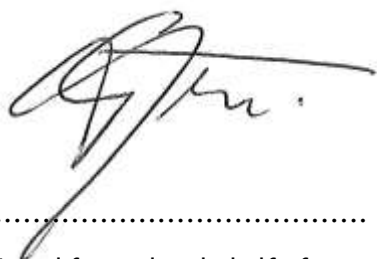
10.7 Litigation

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

11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 29 April 2015

A handwritten signature in dark ink, appearing to be 'Guy Robertson', written over a horizontal dotted line.

Signed for and on behalf of
Estrella Resources Limited by
Guy Robertson

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

| | |
|--|---|
| \$, A\$ or Dollars | Australian dollars unless otherwise stated. |
| AEST | Australian Eastern Standard Time. |
| Applicant | a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus. |
| Application | a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus. |
| ASIC | the Australian Securities & Investments Commission. |
| ASX | the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Ltd. |
| Black Swan | means Black Swan Global Pty Limited. |
| Board | the board of Directors. |
| Business Day | Monday to Friday inclusive, except any day that ASX declares is not a business day. |
| Closing Date | the date set out in section 1. |
| Company or ESR | Estrella Resources Limited (ACN 151 155 207). |
| Consultant/Advisor Options | means Options offered under this Prospectus on the terms set out in section 9.2. |
| Constitution | the constitution of the Company. |
| Corporations Act | the <i>Corporations Act 2001</i> (Cth). |
| Deeds | the indemnity, insurance and access deeds between the Company and each of the Directors. |
| Director | a director of the Company. |
| Eligible Shareholders | a Shareholder as at the Record Date with a registered address in Australia or New Zealand. |
| Entitlement and Acceptance Form | the personalised entitlement and acceptance form attached to this Prospectus. |
| Entitlement or Rights | a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus. |
| Existing Share | a Share issued as at 5pm (AEST) on the Record Date. |

| | |
|---------------------------------|--|
| Full Subscription | \$576,624. |
| Ineligible Shareholder | a Shareholder who is not an Eligible Shareholder. |
| Listing Rules | the listing rules of the ASX. |
| New Shares | Shares offered under this Prospectus. |
| Offer | the three to five non-renounceable pro rata offer made under this Prospectus to Eligible Shareholders. |
| Official List | the official list of the ASX. |
| Option | an option to purchase a Share. |
| Placement | means the placement of 17,900,000 to Black Swan on 31 March 2015 to raise \$125,000. |
| Prospectus | this Prospectus and includes the electronic prospectus. |
| Record Date | the date set out in section 1. |
| Share | a fully paid ordinary share in the Company. |
| Share Registry | Boardroom Pty Limited. |
| Shareholder | the registered holder of Shares in the Company. |
| Shortfall | will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under the Offer by the Closing Date. |
| Shortfall Offer | the offer of Shortfall Securities under this Prospectus. |
| Shortfall Securities | New Shares for which valid Applications have not been received by the Closing Date under the Offer. |
| Underwriter or Patersons | Patersons Securities Limited (ACN 008 896 311). |
| Underwriting Agreement | the underwriting agreement between the Company and the Underwriter dated 29 April 2015. |
| Underwriting Commitment | 36,285,710 New Shares. |
| Underwritten Amount | \$254,000. |
| US Person | has the meaning given to that term in Regulation S under the US Securities Act. |
| US Securities Act | the <i>United States Securities Act of 1933</i> , as amended. |

13 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 31-Dec-14 ³ \$ | Adjustments \$ | Adjusted Underwritten Amount ¹ \$ | Adjusted Full ² Subscription \$ |
|---|------------------------------|----------------------|---|---|
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 349,398 | 325,063 - 647,687 | 674,461 | 997,085 |
| Trade and other receivables | 32,038 | | 32,038 | 32,038 |
| Other current assets | 46,452 | | 46,452 | 46,452 |
| TOTAL CURRENT ASSETS | 427,888 | | 752,951 | 1,075,575 |
| NON-CURRENT ASSETS | | | | |
| Trade and other receivables | 229,140 | | 229,140 | 229,140 |
| Evaluation and exploration expenditure | 2,731,888 | | 2,731,888 | 2,731,888 |
| Property, plant and equipment | 55,265 | | 55,265 | 55,265 |
| TOTAL NON-CURRENT ASSETS | 3,016,293 | | 3,016,293 | 3,016,293 |
| TOTAL ASSETS | 3,444,181 | | 3,769,244 | 4,091,868 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 149,766 | | 149,766 | 149,766 |
| Provisions | 35,779 | | 35,779 | 35,779 |
| TOTAL CURRENT LIABILITIES | 185,545 | | 185,545 | 185,545 |
| NON CURRENT LIABILITIES | | | | |
| Provisions | 3,839 | | 3,839 | 3,839 |
| TOTAL NON-CURRENT LIABILITIES | 3,839 | | 3,839 | 3,839 |
| TOTAL LIABILITIES | 189,384 | | 189,384 | 189,384 |
| NET ASSETS | 3,254,797 | | 3,579,860 | 3,902,484 |
| EQUITY | | | | |
| Share capital | 8,968,849 | 325,063 - 647,687 | 9,293,912 | 9,616,536 |
| Reserves | 717,765 | | 717,765 | 717,765 |
| Accumulated losses | (6,431,817) | | (6,431,817) | (6,431,817) |
| TOTAL EQUITY | 3,254,797 | | 3,579,860 | 3,902,484 |

1. Includes share placement on 31 March 2015 (\$125,300) and assuming only the Underwritten Amount is subscribed (\$254,000), less cost of issue and broker fees.
2. Includes share placement on 31 March 2015 (\$125,300) and assuming rights issue is fully subscribed (\$576,624), less cost of issue and broker fees.
3. Exploration costs and operating costs for the quarter to 31 March 2015 approximating \$300,000 have not been included.



ACN: 151 155 207

RIGHTS ISSUE ENTITLEMENT AND ACCEPTANCE FORM

BoardRoom

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Tel: 1300 737 760 (within Aust)
Tel: + 61 2 9290 9600 (outside Aust)
Fax: + 61 2 9279 0664

www.boardroomlimited.com.au
enquiries@boardroomlimited.com.au

Entitlement No.

Subregister

SRN/HIN.

Number of Shares held at 7pm
(AEST) on 6 May 2015

Offer Closes: 19 May 2015 at 5:00pm (AEST)

NON-RENOUCEABLE ISSUE OF UP TO 82,374,916 NEW SHARES AT AN ISSUE PRICE OF \$0.007 EACH ON THE BASIS OF 3 NEW SHARES FOR EVERY 5 ORDINARY SHARES HELD, PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER

A Rights Acceptance

If you wish to accept your **FULL ENTITLEMENT** please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the close date with payment will constitute acceptance of the Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

| Entitlement to New Shares on the basis of Three New Share for every Five Ordinary Shares held | Price Per Share | Amount Payable for Full Acceptance, at \$0.007 per New Share |
|---|----------------------------|--|
| | \$0.007 per Share = | |

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

| Number of New Shares accepted | Price Per Share | Amount Enclosed |
|-------------------------------|----------------------------|-----------------|
| | \$0.007 per Share = | \$ |

B Apply for Shortfall Shares (if available)

If you wish to apply for additional shares to your Entitlement above please insert the number of shares in the box below and the appropriate amount payable. These additional shares will only be allotted if available.

| Number of Shortfall Shares Applied for | Price Per Share | Amount Enclosed |
|--|----------------------------|-----------------|
| | \$0.007 per Share = | \$ |

C Payment

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Estrella Resources Limited Share Registry. Payments cannot be made at any bank.

Payment Option 1 - BPAY



Biller Code: XXXX

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

- To pay via BPAY please contact your participating financial institution.
- If paying by BPAY you do not need to return the Entitlement and Acceptance Form.
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for.

Payment Option 2 – Cheque (Record cheque details below)

| DRAWER | CHEQUE NO. | BSB NO. | ACCOUNT NO. | AMOUNT \$AUD |
|--------|------------|---------|-------------|--------------|
| | | | | \$ |

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to "Estrella Resources Limited" and crossed "Not Negotiable."
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

THIS FORM CONTINUES OVERLEAF

D Contact Details

| CONTACT NAME | TELEPHONE WORK | TELEPHONE HOME | EMAIL ADDRESS |
|--------------|----------------|----------------|---------------|
| | () | () | |

By submitting this Entitlement and Acceptance Form or by using the BPAY facility to accept the Offer, I/We represent and warrant that I/we have read and understood the Prospectus to which this Entitlement and Acceptance Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Estrella Resources Limited and agree to the terms and conditions of the Offer. I/We represent and warrant that I/we have not relied on any other information provided by the Company other as set out in the Prospectus when making my/our decision to invest.

- The Offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder, and in particular is not being made to Shareholders with registered addresses outside Australia and New Zealand. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART

Multiply the number of New shares for which you are accepting by \$0.007 then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Telephone No. 02 9290 9600
Facsimile No. 02 9279 0664

If you do not deal with your Entitlement it will lapse at 5.00 pm (AEST) on 19 May 2015.

PAYMENT – AUSTRALIAN RESIDENTS

Cheque or Draft

All cheques or drafts (expressed in Australian currency) are to be made payable to “**Estrella Resources Limited**” and crossed “Not Negotiable”.

BPAY

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00 pm (AEST) on 19 May 2015.

PAYMENT – NEW ZEALAND RESIDENTS

New Zealand shareholders who are permitted to apply for shares must obtain a draft in Australian currency payable on a bank in Australia, or where the shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

NEW ZEALAND SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

INTERPRETATION

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Prospectus.

CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

| CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY | | |
|---|--|--|
| | | |
| | | |
| SIGN HERE FOR ADDRESS AMENDMENTS: | | |
| | | |

Shareholder 1 (Individual) /
Sole Director & Sole Company
Secretary

Joint Shareholder 2 (Individual) /
Director

Joint Shareholder 3 (Individual) /
Director/Company Secretary
(Delete one)

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Entitlement and Acceptance Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).