

Chile's star in copper-gold

ESTRELLA RESOURCES LIMITED

ACN 151 155 207

AUSTRALIAN REGISTERED OFFICE:

Level 11 22 Market Street
Sydney NSW 2000 Australia

Email: jb@estrellaresources.com.au

CHILE OFFICE:
Santa Beatriz 294
Providencia, Santiago, Chile

ASX CODE: ESR

For further information please contact:

Dr. Jason Berton MAusIMM
Managing Director

Contact Details:

Email: JB@estrellaresources.com.au

ASX ANNOUNCEMENT

15 June 2015

Estrella and SQM agree to restructure Option terms.

HIGHLIGHTS

- ✓ Estrella and SQM agree to restructure option terms for key Chile copper projects.
- ✓ Estrella increases to 90% from 51% metallic rights.
- ✓ Deferral of option fees.
- ✓ Third party interest in Estrella's copper projects.

1. Introduction

Estrella Resources Limited (**ASX:ESR**) (**Estrella** or **the Company**) is pleased to announce that it has agreed with SQM de Chile S.A (**SQM**) to defer option fees and minimum exploration expenditure for Estrella's copper projects until 28 February 2016, increasing Estrella's 90% interest in all metal discoveries .

SQM will maintain 10% equity in each project plus a 2% net smelter return (NSR).

Estrella's Project's lie immediately adjacent to Antofagasta PLCs' (LON: ANTO) Antucoya copper mine (USD 1.9B Capex).

Estrella's Managing Director, Dr. Jason Berton said

"The new agreement between Estrella and SQM is a clear indication of the quality of the exploration ground and the respect both parties have for the current difficult market conditions. Estrella's current Rights Issue and recent Placement which will combine to raising over \$500,000 for the company is a signal of value in these assets in tough exploration market times".

Table 1: Summary of key changes to Estrella's projects under option agreements with SQM.

Project	New Agreement		
	ESR New Deal	SQM participation	SQM non-participation
Ivannia 1,000 ha	90%	10% +2%NSR	royalty
Dania 1,476 ha	90%	10%+2%NSR	royalty
Colupo 1,700 ha	90%	10%+2%NSR	royalty
Antucoya West 5,270 ha	100%	0%	royalty



Figure 1: Estrella's Project's lie within a well-established mining district in northern Chile; close to infrastructure and close to the Chilean coastline.

2. Prospectivity of Estrella's Projects

The new agreed terms will enable Estrella to consolidate all its highly prospective copper projects into a single project area to which Estrella holds the minimum of 90% rights to all metallic discoveries. The advantages are a clearer, simpler exploration tenement package that will be more attractive to third party participants. The significant copper intersects from historical drilling from both Estrella and SQM are summarised in Figure 2 to highlight the copper prospectivity along the Buey Muerto Fault Zone (BMZ).

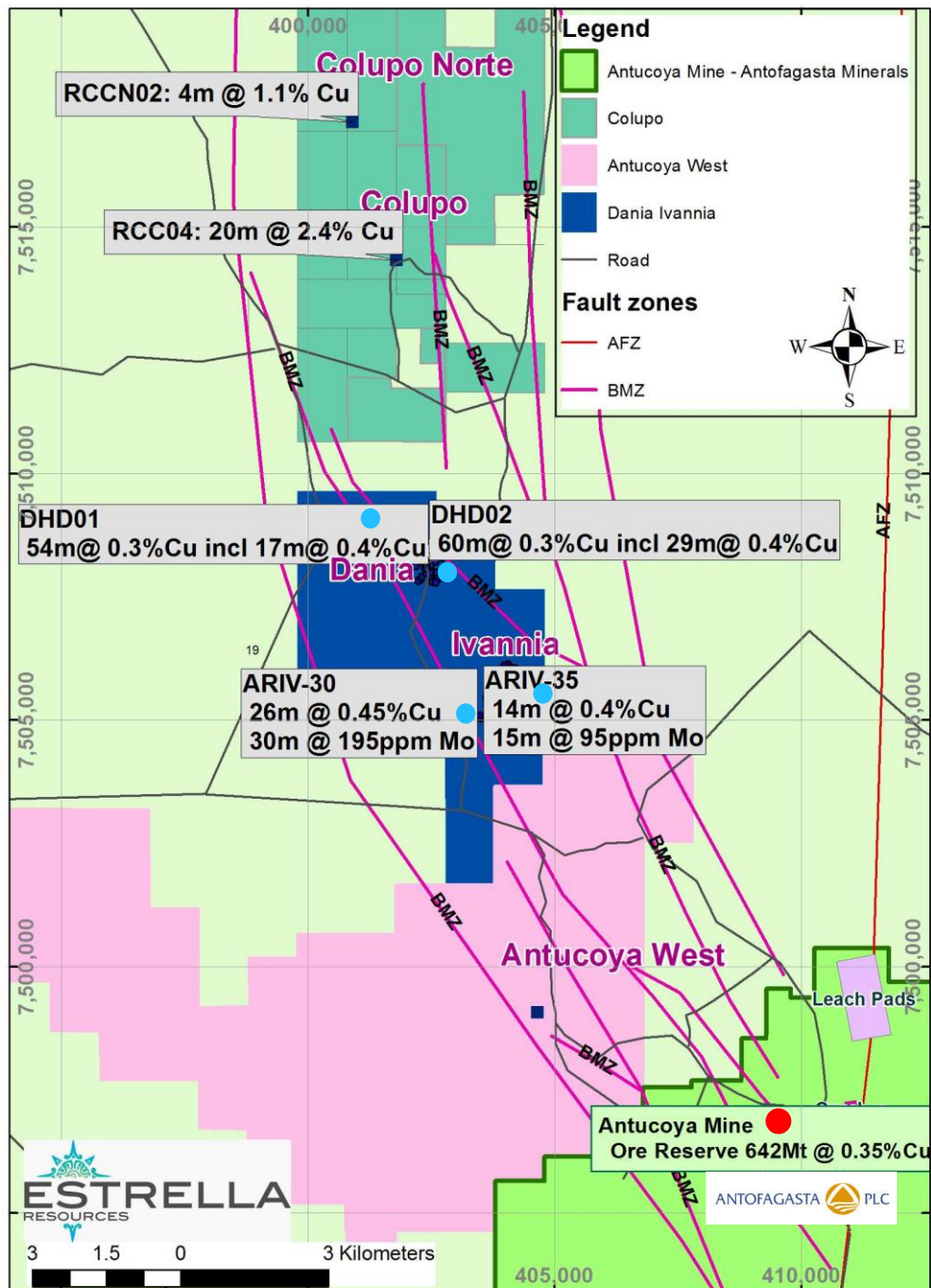


Figure 2: Summary of historical drill hole intercepts across Estrella's projects in northern Chile. Note that the copper mineralisation extends along the Buey Muerto Fault zone (BMZ) for more than 15km (including Antofagasta PLC (LON: ANTO) Antucoya mine).

3. Terms

SQM and Estrella have agreed to new terms and conditions that postpone the Dania-Ivannia project option fee payment and minimum exploration expenditures (for all projects) in 2015 to 29 February 2016. The option fee payments and minimum exploration expenses due in 2016 have been rescheduled to 2017 and 2018 respectively. The total option fee amount to be paid to SQM on or before 29 February 2016 has been reduced to USD \$300,000.

Non-metallic minerals such as nitrates, iodine and lithium are not part of the transaction and SQM will maintain at all times a 100% interest in these non-metallic minerals.

The new terms and conditions form part of a letter agreement that has been signed by both parties. Formal, binding agreements are currently being finalised.

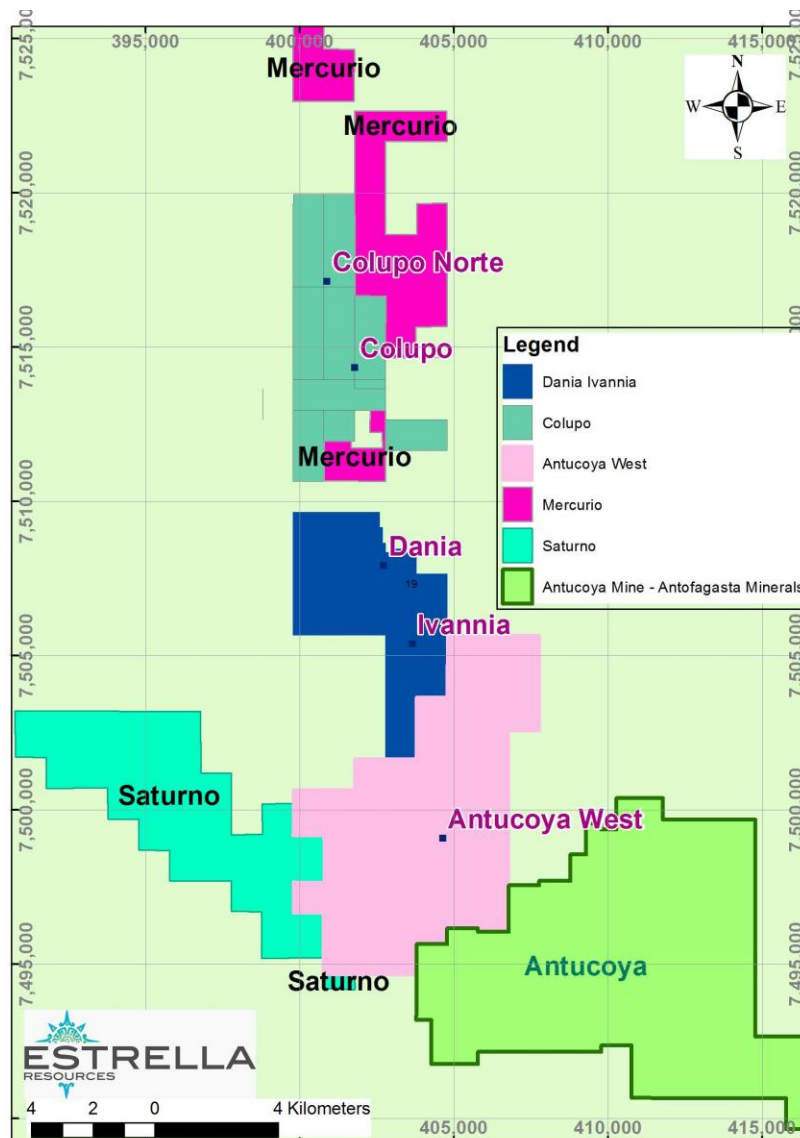


Figure 2: Estrella's Projects comprise 100% Estrella owned tenements (Saturno 3,450 ha and Mercurio 2,700 ha) and projects held under Option Agreement with SQM (Antucoya West, Ivannia, Dania and Colupo). Note the Antucoya Mine is not Estrella owned and is 100% owned by Antofagasta PLC.

Competent Person's Statement

Exploration information in this announcement is based upon and fairly represents, information, supporting documentation and work undertaken by Dr. Jason Berton, the Managing Director and a full-time employee of Estrella Resources Limited whom is a Member of the Australasian Institute of Metallurgy and Mining (AusIMM). Dr Berton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Dr Berton consents to the inclusion in this presentation of the statements based on his information and context in which they appear. Estrella is not aware of any new information or data that materially affects the the projects that has not previously been released to the market.

About Estrella Resources

Estrella Resources Limited is an ASX listed, Chilean focused copper-gold exploration company. Estrella has a number of exploration projects in Chile. With a highly experienced board, a strong operational and management team and a sole focus on Chilean copper and gold projects, the Company is well positioned to develop its projects and add value for shareholders.

Directors and Management

Directors
Dr Jason Berton – Managing Director

Julian Bavin – Non-executive
Guy Robertson – Non-executive

Company Secretary
-Heath Roberts

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