

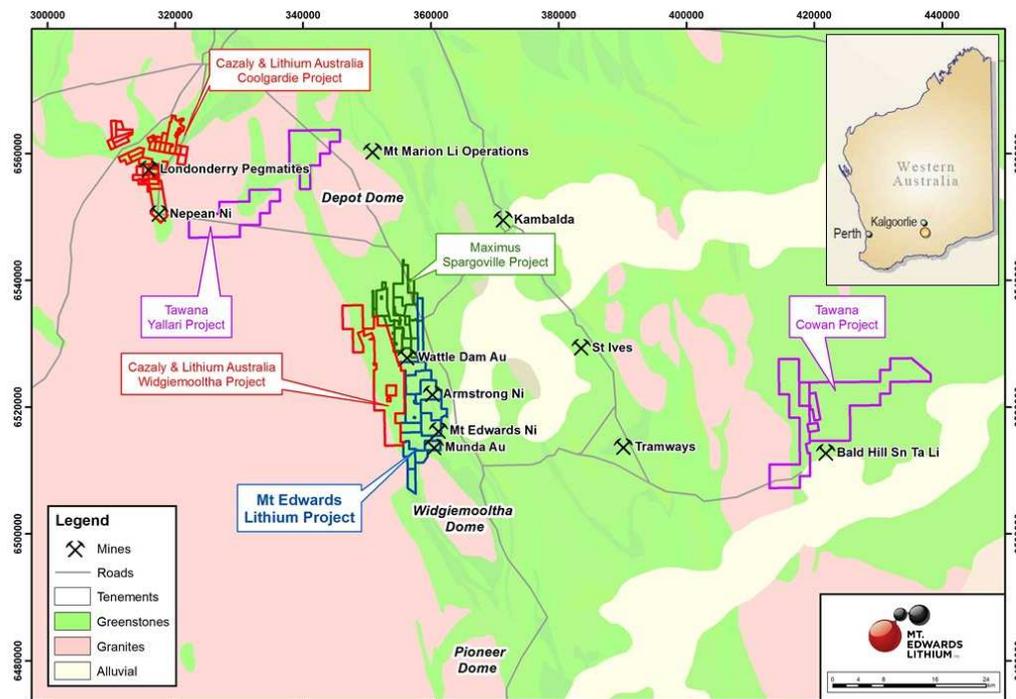
13 January 2017

**Company Announcements  
ASX Limited**

**MELP UPDATE**

**HIGHLIGHTS**

- **Axis pegmatite core intersections submitted for assay**
- **POW submitted and awaiting DMP approval**
- **Drilling contractor engaged for Company's maiden drill program**
- **Detailed site preparations and planning underway**
- **Investor interest increasing in MELP and Estrella**



**Figure 1. Location of the MELP in relation to other significant LCT pegmatite projects in the region, with inset showing location in WA**

## AXIS DRILL CORE SUBMITTED FOR ANALYSIS

The Company is pleased to announce that the historic diamond drill core from MND1213 and MND1214 have been submitted for analysis for lithium and an accompanying suite of LCT pegmatite elements. The holes were originally drilled to target nickel at the Axis Prospect, which is located approximately 3.4km west of recently discovered lithium mineralisation at the Munda Project. The drill core contains significant widths of pegmatite, not dissimilar to the initial observations made by other explorers of historic diamond drill core which led to significant lithium discoveries (see ASX release 16<sup>th</sup> November 2016 for details).

Mt Edwards Pty Ltd (now 100% owned by Estrella Resources Limited) was awaiting formal shareholder approval of its take-over and confirmation of subsequent funding by the new owners before proceeding with the analysis of the drill core. This was received on 28 December 2016.

The diamond drill core of the Axis Prospect area was obtained from the historic WMC drill core farm now operated by Goldfields Limited at Kambalda, Western Australia. The drill core was marked up, geologically logged, cut in half, and sampled on nominal 1m sample intervals.



**Picture 1. Historic Core from MND1213 being handled in preparation for assaying at SGS Orestest.**

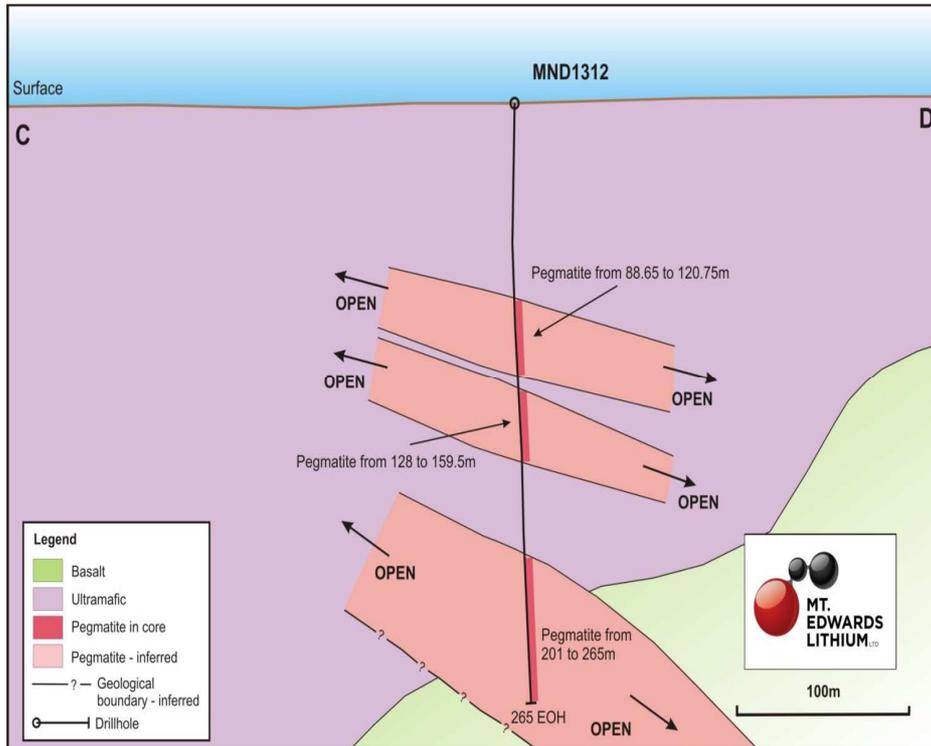


Figure 2: Historic drill hole MND1312 located at the Axis Prospect now in for assay (see ASX release 16<sup>th</sup> Nov 2016).

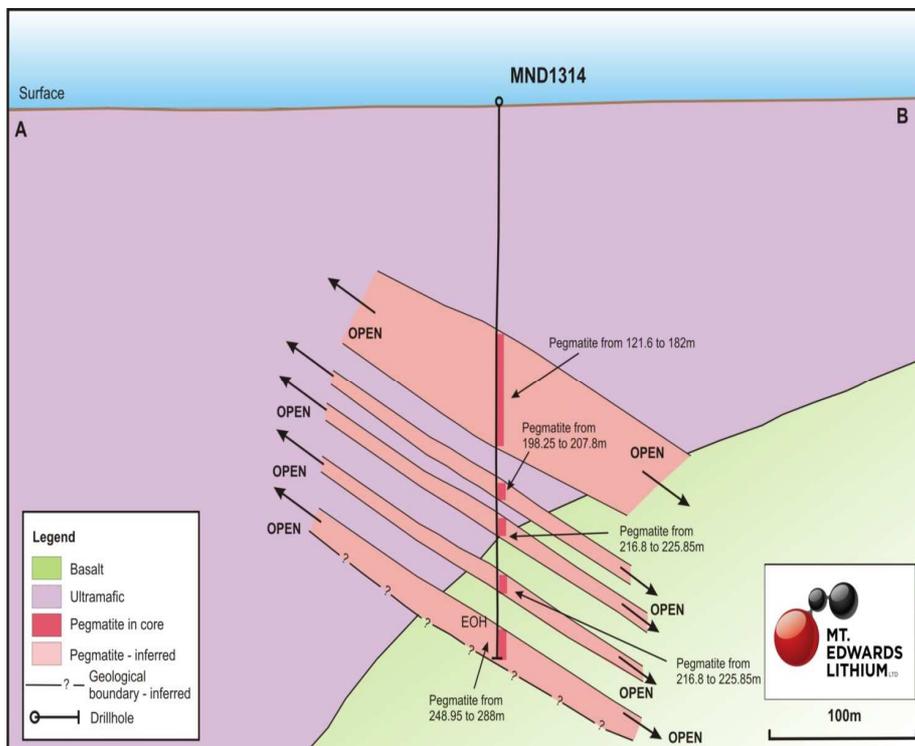


Figure 3: Historic drill hole MND1314 located at the Axis Prospect now in for assay (see ASX release 16<sup>th</sup> November 2016)

## **PROGRAMME OF WORK (POW) SUBMITTED**

The Company is pleased to inform shareholders that a POW has been submitted to the Western Australian Department of Minerals and Petroleum (DMP) for drilling programs over the highest priority lithium pegmatite targets at the Mt Edwards Lithium Project (MELP). The Project is located approximately 540km east of Perth WA and approximately 40km south of Neometals Limited Mt Marion Lithium Mine which is currently in production.

The drill targets have been identified and ranked based on historic detailed surface mapping compiled by WMC's Kambalda Nickel Operations, initial surface sampling by Apollo Phoenix Resources Pty Ltd, and several rock chip sampling programs undertaken by Mt Edwards Lithium Pty Ltd. The Company expects to receive approval to commence the drilling activities in due course and will inform shareholders when received.

## **DRILLING CONTRACTOR ENGAGED FOR MAIDEN DRILL PROGRAM**

The Company has engaged an experienced local Kalgoorlie drilling service's company to carry out a maiden RC drilling program of approximately 4,000 metres at the Mt Edwards Lithium Project (MELP). Drilling will commence as soon as practicable upon POW approval being received from the DMP. Physical site preparations for areas that require new site access to be constructed will also commence after DMP approval of the POW, although detailed site inspections and planning have already commenced. The drilling program may be varied in the field on a results driven basis, depending on observations made by the Company's geological team and incoming results from assays as they come to hand.



**Picture 2. RC Drilling Rig type to be used at MELP for maiden drill program.**

## **CORPORATE UPDATE**

The Company is pleased to advise that it has received an approach by a large offshore (+AUD\$4BIL in assets) Conglomerate to assist the Company develop its resource portfolio and explore potential business opportunities. Company representatives have recently visited the Group's headquarters in China and further discussions are continuing, information will be released to shareholders upon formalization of any material agreements. The Company continues to review projects that will create greater exposure to "new energy" minerals and add value to the Company asset portfolio.

## **FURTHER INFORMATION CONTACT**

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