Estrella Resources Limited

ABN 39 151 155 207

ASX Code: ESR

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QUARTERLY ACTIVITIES REPORT

Quarter ending 31 March 2017

ASX RELEASE 27 April 2017

HIGHLIGHTS

- **Maiden MELP drill program successfully completed**
- **Significant intersections returned from Atomic Three, Inco Boundary, and Munda West**
- **Historic drill core relocated from Beta Hunt to 132N**
- **Planning of follow-up exploration programs underway**

Estrella Resources Limited (ASX: ESR) **(Estrella** or **Company)** is pleased to provide its Activities Report for the quarter ended 31 March 2017.

ATOMIC THREE DRILLING

Drilling at Atomic Three returned encouraging assay results, confirming the presence of a lithium bearing pegmatite body, which was named Alpha Pegmatite. MERC0002 intersected 6m at 0.58% Li_2O, including 1m at 2.48% Li_2O, with spodumene observed in the drill cuttings. MERC0001 returned weakly anomalous values on the hanging wall contact of the pegmatite. The pegmatite was highly weathered in MERC0001 and this may represent a leached zone.

Alpha Pegmatite is approximately 280m long, strikes at 350 degrees' azimuth, and is between 2 and 10m wide in surface expression. The Company has completed an extra six holes in the area, testing the pegmatite over a strike length of approximately 240m and to a depth of approximately 75m. This drilling aimed to determine if there was a thicker and/or higher grade zone of the pegmatite developing at depth somewhere along its strike length. Refer to Table 1 for a summary of results.

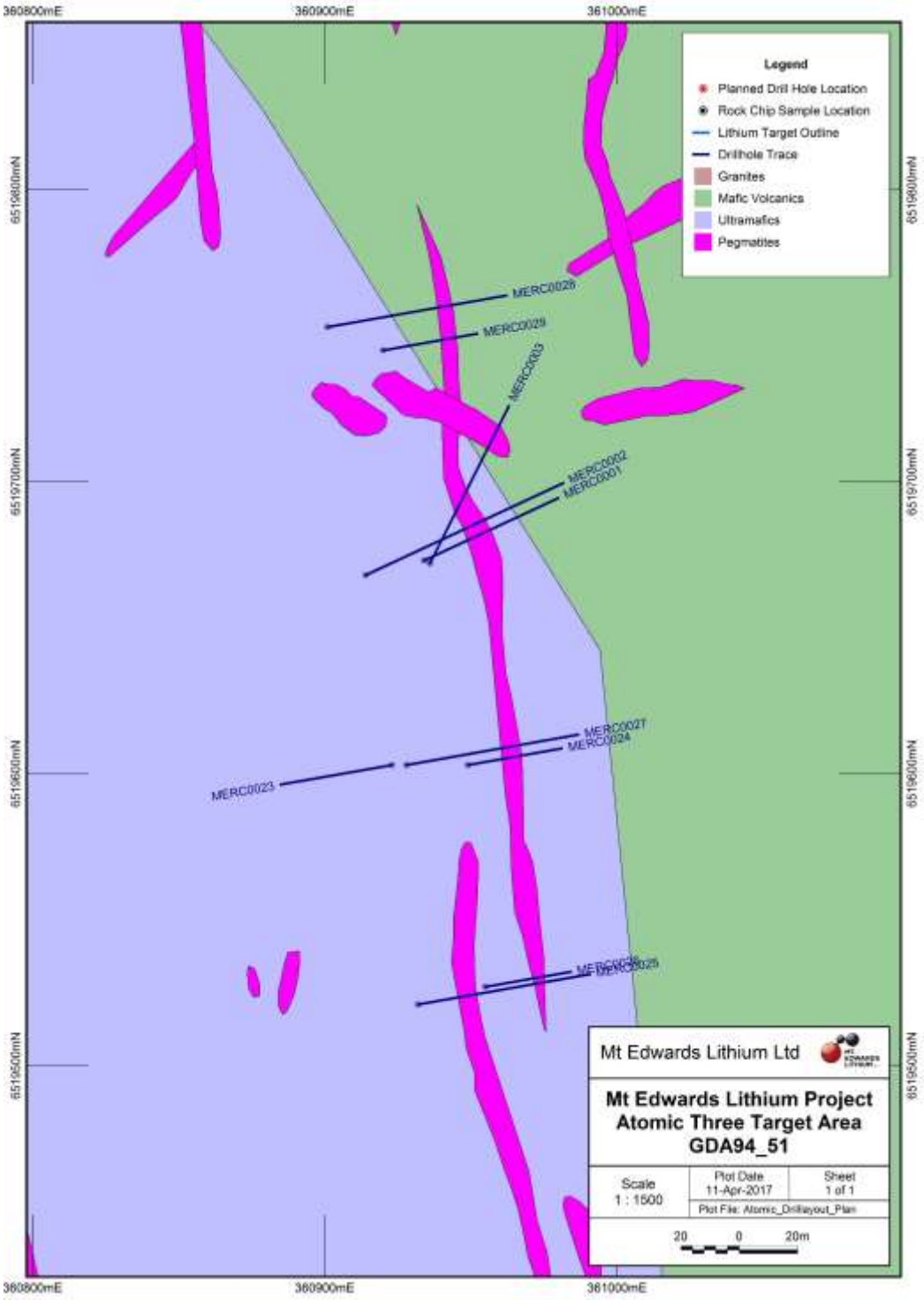

Figure 1. Plan view showing the locations of the holes drilled so far at Atomic Three.

OTHER DRILL TARGETS

First pass drill programs have now been completed at Inco Boundary, Munda North, Kingmaker and Munda West. Most of the holes have intersected pegmatites with varying but generally low levels of spodumene. Inco Boundary was the standout, producing 1m at 1.29% Li_2O within a 7m wide zone of anomalous grades, starting at surface.

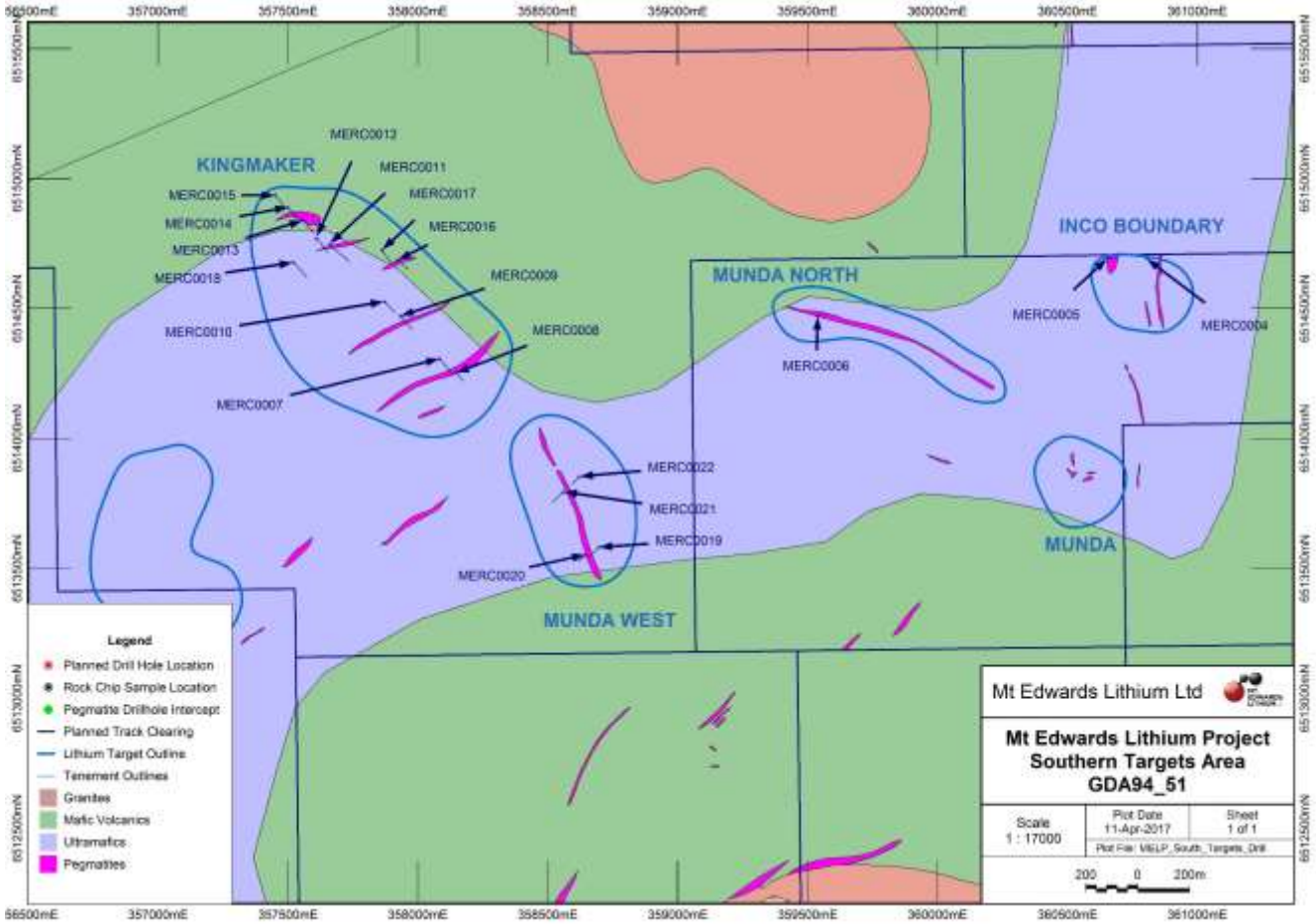

Figure 2. Map of the southern targets area showing completed drillhole traces. Call out labels show collar loactions and hole IDs. Refer to Table 1 for significant results.

INCO BOUNDARY

Two holes were drilled at Inco Boundary. Both holes intersected significant widths of pegmatite, which are interpreted to represent a swarm of flat dipping sheet like pegmatites. This is based on the relationship between outcrop exposures and drillhole intercepts. This interpretation varies significantly from the sub vertical geometries hypothesized before drilling.

MERC0005 was drilled immediately beneath a highly prospective pegmatite, directly along strike from Mincor's recent high grade rock chips collected at surface. The hole returned a highly anomalous result of 7m at 0.38% Li_2O, including 1m at 1.29% Li_2O, starting from surface. This result will be followed up with step-out drilling during the next phase of exploration on the MELP.

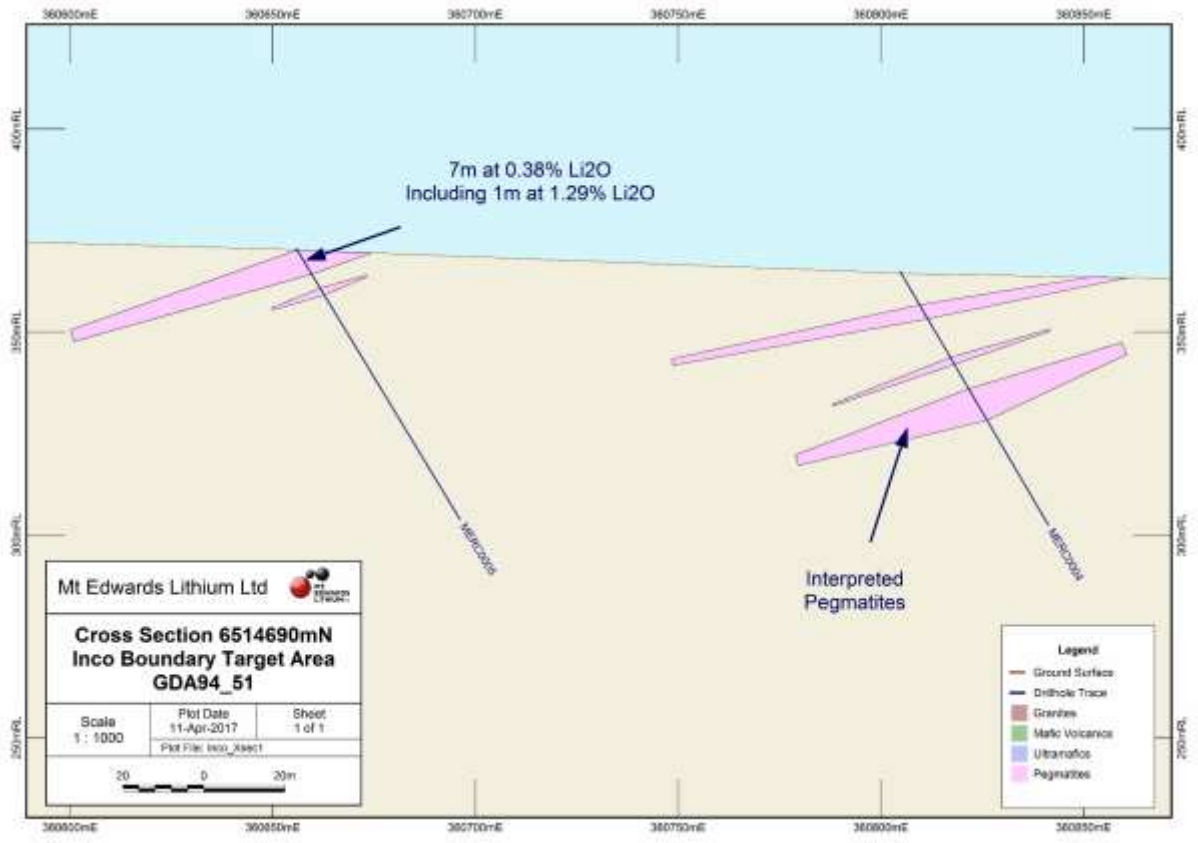

Figure 3. Cross section of Inco Boundary showing interpreted pegmatites and significant intercepts

Table 1. Drill results summary table

Prospect	Hole ID	Length	Collar Location GDA94			Dip	Azimuth	From	To	Li2O Grade	Cs Grade	Ta Grade	Width	Intersection Description
			East	North	RL			m	m	%	ppm	ppm	m	
Atomic Three	MERC0001	102	360934	6519673	368	-60	65						0	NSI
Atomic Three	MERC0002	150	360914	6519668	367	-60	65	72	77	0.65	189.00	54.00	5	
	Including							74	75	2.48	410.00	110.00	1	
Atomic Three	MERC0003	114	360936	6519672	369	-60	20	33	35	0.29	139.00	87.00	2	
Inco Boundary	MERC0004	72	360805	6514692	364	-60	90						0	NSI
Inco Boundary	MERC0005	78	360656	6514692	370	-60	90	0	7	0.38	142.00	29.00	7	
Munda North	MERC0006	78	359538	6514471	374	-60	75	8	9	0.10	52.00	20.00	1	
Kingmaker	MERC0007	174	358083	6514306	364	-60	135	153	154	0.15	83.00	125.00	1	
Kingmaker	MERC0008	96	358146	6514253	362	-60	135						0	NSI
Kingmaker	MERC0009	150	357934	6514470	358	-60	135						0	NSI
Kingmaker	MERC0010	126	357872	6514526	356	-60	135						0	Not Sampled
Kingmaker	MERC0011	198	357661	6514746	349	-60	135	116	120	0.11	111.00	15.00	4	
								132	136	0.11	51.00	BD	4	
Kingmaker	MERC0012	150	357609	6514769	350	-60	135						0	NSI
Kingmaker	MERC0013	130	357559	6514839	350	-60	135	44	48	0.27	118.00	10.00	4	
Kingmaker	MERC0014	120	357500	6514888	350	-60	135						0	NSI
Kingmaker	MERC0015	140	357451	6514936	350	-60	135						0	Not Sampled
Kingmaker	MERC0016	100	357923	6514685	350	-60	135						0	NSI
Kingmaker	MERC0017	140	357863	6514723	350	-60	135	80	81	0.12	533	35	1	
								83	84	0.13	99	20	1	
Kingmaker	MERC0018	156	357521	6514677	350	-60	135						0	NSI
Munda West	MERC0019	114	358697	6513582	350	-60	225	44	48	0.11	35	15	4	
Munda West	MERC0020	78	358646	6513552	350	-60	225	4	8	0.15	35	15	4	
Munda West	MERC0021	120	358560	6513794	350	-60	225						0	NSI
Munda West	MERC0022	84	358622	6513853	350	-60	225						0	Not Sampled
Atomic Three	MERC0023	78	360923	6519603	370	-60	260	24	25	0.41	208	50	1	
Atomic Three	MERC0024	66	360949	6519603	371	-60	80						0	Not Sampled
Atomic Three	MERC0025	120	360932	6519521	370	-60	80	0	1	0.14	58	50	1	
								54	55	0.42	245	70	1	
								70	73	0.15	116	37	3	
								77	79	0.13	101	15	2	
Atomic Three	MERC0026	60	360955	6519527	371	-60	80	13	14	0.62	136	55	1	
Atomic Three	MERC0027	120	360928	6519603	370	-60	80	47	49	1.57	144	55	2	
Atomic Three	MERC0028	125	360901	6519753	363	-60	80						0	NSI
Atomic Three	MERC0029	84	360920	6519745	364	-60	80						0	NSI

FOLLOW-UP WORK PROGRAMS

ATOMIC THREE

Follow-up work will include systematic rock chip sampling over the entire Atomic Three target area to test all the remaining outcropping pegmatites for lithium and associated elements. Detailed geological mapping will be undertaken at the same time as the rock chip sampling to ensure that no outcropping pegmatite bodies are overlooked. This will determine which pegmatites in the Atomic Three swarm are the most prospective and therefore most likely to host economic lithium mineralisation.

Soil sampling will be conducted along strike to the north and south of Atomic Three where there are less outcropping pegmatites. This will determine if there are blind pegmatites in these areas, which do not outcrop.

The Company has also identified several pegmatite intersections over 10m wide in historic drilling, four of which are located along strike to the north and south of Alpha Pegmatite. These include diamond holes WD4133, which intersected 78.8m of pegmatite from 56.7m downhole and WD5301, which intersected 37.7m of pegmatite from 132.6m downhole. Both holes were drilled at the 132N nickel deposit targeting nickel, approximately 450m along strike to the south of Alpha Pegmatite. The core for these holes is yet to be located, but the Company is applying resources to locate the core for sampling. If the historical core cannot be located the Company intends to drill the immediate area of the larger pegmatite intersections as they represent compelling targets considering the high-grade lithium intersected by the recent drilling.

Numerous pegmatite intersections less than 10m wide also occur in the area. Most of these are in historic percussion holes, but the Company will work through them in the coming months to see if any can be recovered and sampled.

Table 2. Location of pegmatite drillhole intersections over 10m thick in the Atomic Three area.

Hole_ID	Hole_Type	mFrom	mTo	MGA_East	MGA_North	DTM_RL	Width
WD4133	DDH	56.7	135.5	361192	6519096	291	78.8
WD5301	DDH	132.6	170.3	361165	6519055	242	37.7
WID1364	RC	4.0	16.0	360633	6518985	350	12.0
WID1527	DDH	333.6	348.2	361088	6517994	59	14.6
WID1628	RC	15.0	25.5	360902	6520213	336	10.5
WID1629	RC	18.0	33.0	360894	6520213	332	15.0

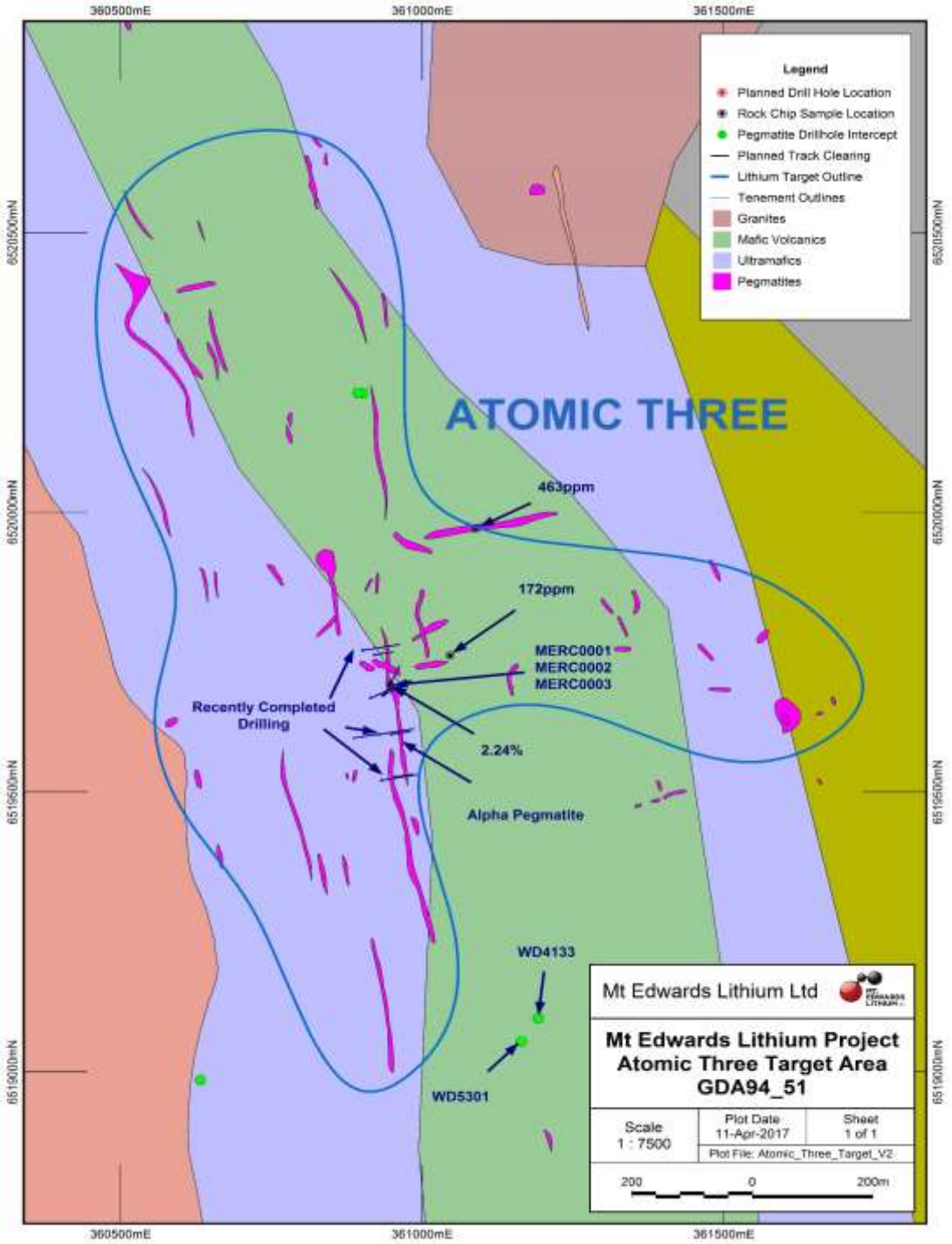

Figure 4. Map of the Atomic Three prospect showing the 2.24% Li_2O result that was the target of the first drillholes and the dense cluster of unsampled pegmatites.

INCO BOUNDARY

The highly anomalous near surface drill intercept in MERC0005 will be tested by step-out drilling. This will determine the grade distribution within the pegmatite and its geometry in 3D space. The current interpretation is that the pegmatite is flat dipping, and at least 7m think, which would be a favourable geometry for mining if economic concentrations of lithium were discovered.

CHILE COPPER PROJECT

There has been no activities undertaken on the Chilean mineral assets over the quarter and the Company intends on relinquishing its interests.

CORPORATE

CAPITAL

The Company's cash balance as at 31 March 2017 was A$1.14M after raising $402,000 through the exercise of 16,750,000 options exercisable at $0.024.

Fully Paid Ordinary Shares	361,083,292
Unlisted options exercisable	$0.024 on or before 31 March 2020 – 8,250,000
	$0.044 on or before 31 May 2018 – 5,000,000
	$0.40 on or before 13 November 2019 – 1,375,000
	$0.80 on or before 9 May 2017 – 375,000
	$0.80 on or before 3 October 2018 – 118,750
	$1.40 on or before 21 November 2019 – 750,000

The Company announced the appointment of Mr. John Kingswood as a Director on the 6 January 2017 after the successful completion of the acquisition of the MELP. Mr. Kingswood is currently a director of Apollo Phoenix Resources Pty Ltd (a private Western Australian based nickel and gold exploration and development company), Nimbus Mines Pty Ltd (a private Western Australian based resource investment group).

Mr. Christopher Daws joined the Company as Chief Executive Officer on 2nd January 2017. Mr. Daws has strong experience in managing junior resource Company's having previously been involved with Niagara Mining (Poseidon), US Nickel and KMC Limited. Mr. Daws is a Director and founder of Apollo Phoenix Resources Pty Ltd and a Director of Nimbus Mines Pty Ltd.

Mr Steve Brockhurst was appointed Company Secretary with effect from 5 January 2017. Mr. Brockhurst is a Director of Mining Corporate Pty Ltd and has 15 years' experience in the finance and corporate advisory industry. His experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements. Mr. Brockhurst has served on the Board and acted as Company Secretary for numerous ASX listed and private companies.

Mr. Guy Robertson resigned as a Director and Company Secretary of the Company with effect on the 5 January 2017, the Company would like to thank Mr. Robertson for his services.

ABOUT ESTRELLA RESOURCES.

Estrella Resources is a metals exploration company based in Perth, Western Australia. The Company holds Lithium exploration and mining rights agreements with Apollo Phoenix Resources which cover 129km2 of mineral tenements in an emerging world Class LCT pegmatite province. The Company's major project, the Mt Edwards Lithium Project (MELP), is situated 40km south of the Mt Marion Lithium mine which is currently in production (Ganfeng, Mineral Resources and Neometals). The Company is actively looking to increase its asset base and activities.

Competent Person Statement

The information in this announcement relating to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Luke Marshall, who is a consultant to Apollo Phoenix Resources and Mt Edwards Lithium, and a member of The Australasian Institute of Geoscientists. Mr Marshall has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Marshall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FURTHER INFORMATION CONTACT

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Appendix 1 – Estrella Resources Limited – Tenement Information as Required by Listing Rule 5.3.3.

Country	Location	Project	Tenement	Change in Holding (%)	Current Interest (%)
Australia	WA	Mt Edwards Lithium Project	M15/698	75	75
Australia	WA	Mt Edwards Lithium Project	M15/75	75	75
Australia	WA	Mt Edwards Lithium Project	M15/699	75	75
Australia	WA	Mt Edwards Lithium Project	M15/87	75	75
Australia	WA	Mt Edwards Lithium Project	M15/74	75	75
Australia	WA	Mt Edwards Lithium Project	M15/101	75	75
Australia	WA	Mt Edwards Lithium Project	M15/99	75	75
Australia	WA	Mt Edwards Lithium Project	M15/653	75	75
Australia	WA	Mt Edwards Lithium Project	M15/97	75	75
Australia	WA	Mt Edwards Lithium Project	M15/96	75	75
Australia	WA	Mt Edwards Lithium Project	M15/102	75	75
Australia	WA	Mt Edwards Lithium Project	M15/100	75	75
Australia	WA	Mt Edwards Lithium Project	M15/1271	75	75
Australia	WA	Mt Edwards Lithium Project	E15/1505	75	75
Australia	WA	Mt Edwards Lithium Project	E15/1507	N/A	Application
Australia	WA	Mt Edwards Lithium Project	E15/1562	N/A	Application
Chile		Mercurio		-	100
Chile		Saturno		-	100

Note – Estrella Resources Limited owns 75% in the lithium rights of the tenements noted Mt Edwards Lithium Project. All tenements are held by Apollo Phoenix Resources Pty Ltd and are in Western Australia.

APPENDIX 3 JORC TABLE 1 - JORC Code, 2012 Edition – Table 1 MELP

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	• MELP has been drilled by percussion, diamond drilling and RC drilling. Accurate drilling data exists for 8062 drill holes for 554,350 metres in the area. This does not include blast holes or grade control holes from Ni and Au mining. • The holes have been drilled on irregular spacing, as tight as 15m by 20m in areas of Ni and/or Au mineralisation, and broadening to kilometre plus spacing in unmineralised areas. • Diamond holes are not reported in this announcement. • For 1m composites or splits, RC samples are collected by a cyclone and split by a cone splitter at the rig. • For 4m RC composites samples are collected using a sample spear.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Standards, blanks, and duplicates are inserted into the sampling stream on regular intervals to monitor laboratory precision. • RC sampling representivity is ensured by the collection of a 1m composite by cone splitter.
	• Aspects of the determination of mineralisation that are material to the Public Report.	• Sample lengths for RC are either 1m or 4m, depending on the presence and strength. of mineralisation. Anomalous 4m composites will be re sampled by taking the 1m split samples. • Mineralised intervals are determined by visual inspection and logging prior to any sampling. Laboratory assays are then compared to the visual estimates and logging to determine if any adjustments are required.

	• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	• Mineralisation is identified as course grained pegmatite hosted in a mafic-ultramafic package. • Representative samples from RC drilling were collected and sent to SGS Oretest laboratory in Kalgoorlie. Samples were send to Perth, crushed and pulverised in entirety, and a 50g pulp taken for analysis. • Analysis was performed by 4 acid digest and a combination of ICP-MS and ICP-OES multi element analysis techniques. • Minor Rb and Cs occur in the mineralisation.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	• The data used is comprised of RC drilling samples (373). • RC drilling was 5 3/4-inch diameter.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain	• Sample recoveries and weights have not been recorded. • No relationship could be established between sample recovery and reported grade.

	of fine/coarse material.	
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged.	• Detailed drill hole logs are available for the drilling. • Separate sample logging sheets were kept including samples numbers for duplicates, standards and blanks taken for QA/QC purposes. • The logging is of a detailed nature, and of sufficient detail to support the results. • The total length of drill intersections used in this announcement is 3305m.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	• RC samples were either spear sampled for 4m composites or cone split for 1m composites. • Sample preparation is appropriate for the RC drilling as per industry standard practices. • Quality control procedures included the inclusion of standard samples, field duplicates, and blank samples into the sampling stream for laboratory analysis. 33 QAQC samples have been analysed for this announcement. No bias or major analytical errors have been found. • Host rock is felsic pegmatite. Samples of RC drilling produce appropriate size samples to be representative for the style of mineralisation and rock type encountered.

	• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	

Quality of assay data and laboratory tests	• For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Quality control procedures included the inclusion of standard samples, field duplicates, and blank samples into the sampling stream for laboratory analysis. • One standard or blank was inserted into the sample stream every 20 samples. These were offset through the sampling stream and placed in areas of interest. • Overall, standards used reported values within 2 standard deviations of the expected values. • No geophysical methods or hand-held XRF units have been used for this announcement.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	• Intersections reported have been checked back to original logs and assay data.
	• The use of twinned holes.	• No twin holes were drilled.
	• Documentation of primary data, data entry procedures, data	• Drill hole data were sourced field logs, and imported into a central

	verification, data storage (physical and electronic) protocols.	electronic database. Datashed software was used to validate and manage the data.
	• Discuss any adjustment to assay data.	• No adjustments were made to the assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	• Field checking confirmed the presence of the drillhole collars on the ground, which were pegged and logged by handheld GPS. • No other survey confirmation has taken place.
	• Specification of the grid system used.	• Original surveying was undertaken in MGA94 zone 51 by handheld GPS.
	• Quality and adequacy of topographic control.	• Topographic control is considered more than adequate for the current announcement.
Data spacing and distribution	• Data spacing for reporting of Exploration Results.	• The holes are approximately 60m apart in cross section and varying distances apart along strike.
	• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	• N/A, no Mineral Resource or Ore Reserve is being reported.
	• Whether sample compositing has been applied	• No compositing has been applied. Intercepts are quoted as length weighted intervals.

Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The drill line and drill hole orientation is oriented as close as practicable to perpendicular to the orientation of the general mineralised orientation. • Most of the drilling intersects the mineralisation at close to 90 degrees ensuring intersections are representative of true widths.
Sample security	• The measures taken to ensure sample security.	• Sample security was ensured as Company staff were in possession of them from the time of sampling to delivery to the laboratory. • A thorough process of logging, recording, sample storage and dispatch to labs was followed.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Sample data reviews have included an inspection and investigation of all available paper and digital geological logs to ensure correct entry into the drill hole database. • Visualisation of drilling data in three dimensional software (Micromine and Surpac) and QA/QC sampling review using Maxwell Geoservices QAQCR Software was undertaken. Although these reviews are not definitive, they provide confidence in the general reliability of the data.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Estrella Resources Limited holds a 75% interest the lithium metal rights to the project. • There are no known impediments to operate in the area.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Exploration has been undertaken by previous holders, but predominantly Western Mining Corporation (WMC) during the 1980s and Titan Resources from 2001. Consolidated Minerals took over Titan in 2006. No mining for Li has been undertaken on the project.
Geology	• Deposit type, geological setting and style of mineralisation.	• The geology at MELP consists of a mafic-ultramafic belt bound to the west by metasediments and to the east by granites • The mineralisation at MELP consists of structurally controlled pegmatite bodies located in a mafic-ultramafic package, at some distance from their parent granite. The parent granite is yet to be identified at the MELP. • The geometry and size of the pegmatites is yet to be determined

		• Depth of complete oxidation varies from 10 to 80 metres below the natural surface but is typically around 40 metres. Pegmatites tend to be relatively fresh at surface compared to their host lithologies. In the holes being reported, the pegmatites are highly weathered and leached to approximately 40m below surface.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• See Appendix 2- Drilling Information • No information is excluded
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	• Drill hole summary results are included in this release. The results reported include all intersections included in the announcement • A nominal cut-off of 0.1% Li_2O was used to define the drill

	• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	intersections composites. A 5m maximum internal dilution was used. • Tables the report contains all weighted composites included in the announcement. Higher grade intersections within the composites are included in the table.
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No metal equivalents are used in this announcement
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• The drill line and drill hole orientation is oriented as close to 90 degrees to the orientation of the anticipated mineralised orientation as practicable. This is not always found to be correct after drilling is completed. • The drilling intersects the stratigraphy at approximately 80 to 90 degrees.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Appropriate maps and tables are included in the body of the report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All drill intercepts are tabulated in the body of the announcement. • All drill hole collars are tabulated in the body of the announcement

Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Mineral resources were estimated from drill hole assay data, with geological logging used to aid interpretation of mineralised contact positions. • Geological observations are included in the report. All RC samples drilled at MELP are available for review and are stored at the drill sites. • Metallurgical test work is out of the scope of this report. • Multi-element assay suites have been analysed and nothing has been identified as a potentially deleterious element. • Bulk density measurements have not been taken
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Follow-up drilling is planned for the near future. • Drill spacing is currently not considered adequate to undertake economic evaluations on the project. Infill drilling would be required if economic evaluations were to be undertaken.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Estrella Resources Limited

ABN	**Quarter ended ("current quarter")**
39 151 155 207	31 March 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(518)	(541)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(227)	(461)
1.3	Dividends received (see note 3)		
1.4	Interest received	7	17
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(738)**	**(985)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other – Acquisition of subsidiary		2
2.6	**Net cash from / (used in) investing activities**	**-**	**2**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares		760
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options	402	402
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(37)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**402**	**1,125**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,480	1,002
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(738)	(985)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	2
4.4	Net cash from / (used in) financing activities (item 3.10 above)	402	1,125
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**1,144**	**1,144**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,144	1,480
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,144**	**1,480**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	69
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors including non-executive and executive director's fees and superannuation for the period.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	(400)
9.2	Development	
9.3	Production	
9.4	Staff costs	
9.5	Administration and corporate costs	(200)
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**(600)**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: .....27 April 2017.....
(Director/Company Secretary)

Print name: .....Stephen Brockhurst.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.