

ASX CODE: ESR

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ASX ANNOUNCEMENT

10 October 2013

Drilling at Colupo continues to intercept visible mineralisation

HIGHLIGHTS

- ✓ First four drill holes completed to date at Colupo Prospect within Altair Project
- ✓ Each hole has intersected multiple mineralised breccias
- ✓ Mineralisation extends laterally near surface and vertically to at least 150 metres depth
- ✓ Breccia IOCG and Strata-bound systems confirmed at Colupo.
- ✓ Strong visual copper mineralisation observed

1. Introduction

Estrella Resources Limited (ASX: ESR) (**Estrella** or the **Company**) is pleased to report that the first four Reverse Circulation (**RC**) holes have now been completed at Colupo Prospect within the Altair Project. Encouragingly, each of the four holes has intersected multiple mineralised IOCG Breccias. Mineralisation has been observed visually and initial samples have been sent to ALS Laboratories for assaying.

The holes have been drilled to a vertical depth of no more than 208 m. All the breccias intersected by the drill holes appear to be steeply dipping and can be projected to the surface where there is a likely association with breccias and strong limonitic alteration mapped in historical trenches. In addition, hole RCC-03 has identified 'Strata-bound' or 'Manto' style mineralisation beneath the oxide zone. This Manto adds a potentially significant new dimension to the resource potential at Colupo.

Figure 1: Estrella MD (Dr. Jason Berton) and non-executive Director (Mr. Julian Bavin) inspecting chip samples at Colupo (Oct 2013)



Figure 2: Mr Julian Bavin (ESR Director) and Mr Camilo Raggo (Geologist) observing excavated mineralised quartz-tourmaline breccias at Colupo (Oct 2013)



2. Colupo Drilling

Of the multiple breccias intersected in each hole, at least one breccia is expected to return high grade copper mineralisation over a 12 to 21 metres down hole intervals. Drilling has yet to reach the sulphide mineralisation below the zones of supergene enrichment and oxidation as these profiles continue deeper than expected. The copper minerals visually observed in drill holes include Atacamite, Chrysocolla, Cuprite and Chalcocite.

Estrella's visual assessment of the mineralisation and alteration minerals in rock chips, it is expected that assay results will be consistent with SQM's historical drilling results. Furthermore, Estrella expects:

- Assays to confirm copper mineralisation continues within the breccia structures to at least 150m vertical depth (an increase of 80m from historical drilling);
- Mineralisation remains open at depth;
- Copper mineralisation extends further to the north as identified in hole RCC-03 which intercepted two previously unidentified breccias;
- Copper mineralisation extends to the west in at least two mineralised breccias, whereas previously only one was considered; and
- At least two mineralisation styles exist at Colupo:
 - IOCG mineralised breccias; and
 - Manto or 'Strata-bound' type deposit.

The multi-mineralisation system at Colupo appears consistent with nearby operating mines (not owned by Estrella) such as:

- Michilla mine which has a Mineral Resource of 66.7 Mt @ 1.57% Cu; and
- Mantos de la Luna mine which has a Measured Mineral Resource of 40.5Mt @ 1.39% Cu (Mineria Chilena, 2001).

Samples from all four completed drill holes were dispatched to ALS Laboratories on 7 October 2013 with results expected within a month.

Given the positive indications to date, Estrella has determined to expand the initial drilling program to better test the immediate footprint of the mineralisation. A follow up drilling program is expected in November 2013 once assays results and geophysical data have been interpreted.

3. Further Geophysics at Colupo

Estrella's geologists have observed that the alteration related to mineralisation contains a moderate magnetic signature. Targeting this magnetic intensity over the local area is likely to assist ongoing exploration drilling at Colupo. Magnetic susceptibility readings are being taken for each metre drilled and will be used in conjunction with a closely spaced ground magnetic survey (50 m line spacing) which is currently underway.

4. Exploration geophysical surveys at Antucoya West and Saturno

The vector IP program is continuing at the Antucoya West Prospect within the Altair Project after which the field crew will move onto the adjoining Saturno Prospect. Results from the vector IP program at Antucoya West are expected at the end of October 2013.

Commentary

Commenting on the exploration progress from Chile, Estrella's Managing Director, Dr. Jason Berton, said:

"The initial drilling at Colupo has exceeded our expectations in terms of observed mineralisation and identification of new mineralised breccias. The manto intercept confirms Colupo's potential as a multi-mineralisation system not dissimilar to the nearby operating mines at Michilla and Mantos de la Luna.

Most of the mineralisation is structurally controlled and is best extended by stepping out from known areas of mineralisation. As the same time, testing the geophysical anomalies will assist in unravelling the footprint of the mineralisation style throughout the region.

We look forward to the results of the current drilling campaign and plan on following on up with further drilling immediately thereafter."

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

Dr. Jason Berton
Managing Director

Gavin Solomon
Non-Executive Chairman

Julian Bavin
Non-Executive Director

Simon Kidston
Non-Executive Director

Juan Pablo Vargas de la Vega
General Manager - Chile

Justin Clyne
Company Secretary

ESTRELLA RESOURCES LIMITED
ACN 151 155 207

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ORDINARY FULLY PAID SHARES:
96,601,000

UNLISTED OPTIONS:
8,130,000