QUARTERLY ACTIVITIES REPORT

Quarter ending 31 March 2014

ASX RELEASE 30 April 2014

HIGHLIGHTS

- **Assay results from initial Diamond Drilling Program at Dania identifies near surface copper oxide to compliment Colupo.**
- **Diamond Drilling at Colupo completed and assay results received.**
- **Secured 100% owned tenement areas adjacent to Project Altair.**
- **Successful Capital Raising of A$1.25M in April 2014.**
- **SPP announced to raise up to A$2M during May 2014.**

Estrella Resources Limited (ASX: ESR) **(Estrella** or **Company)** is pleased to provide its Exploration Activities and Cashflow Reports for the quarter ending 31 March 2014.

1. INTRODUCTION

Estrella's exploration activity for the Quarter was focussed solely on the Altair Project (Estrella's flagship project) with Diamond Drilling programs completed at both the Colupo Prospect and the Dania Prospect. Estrella's Board proceeded to consolidate the tenement holding in compliance with the Option Agreements held with SQM at Project Altair and in addition, the company relinquished all other projects deterring from the core focus of the Company.

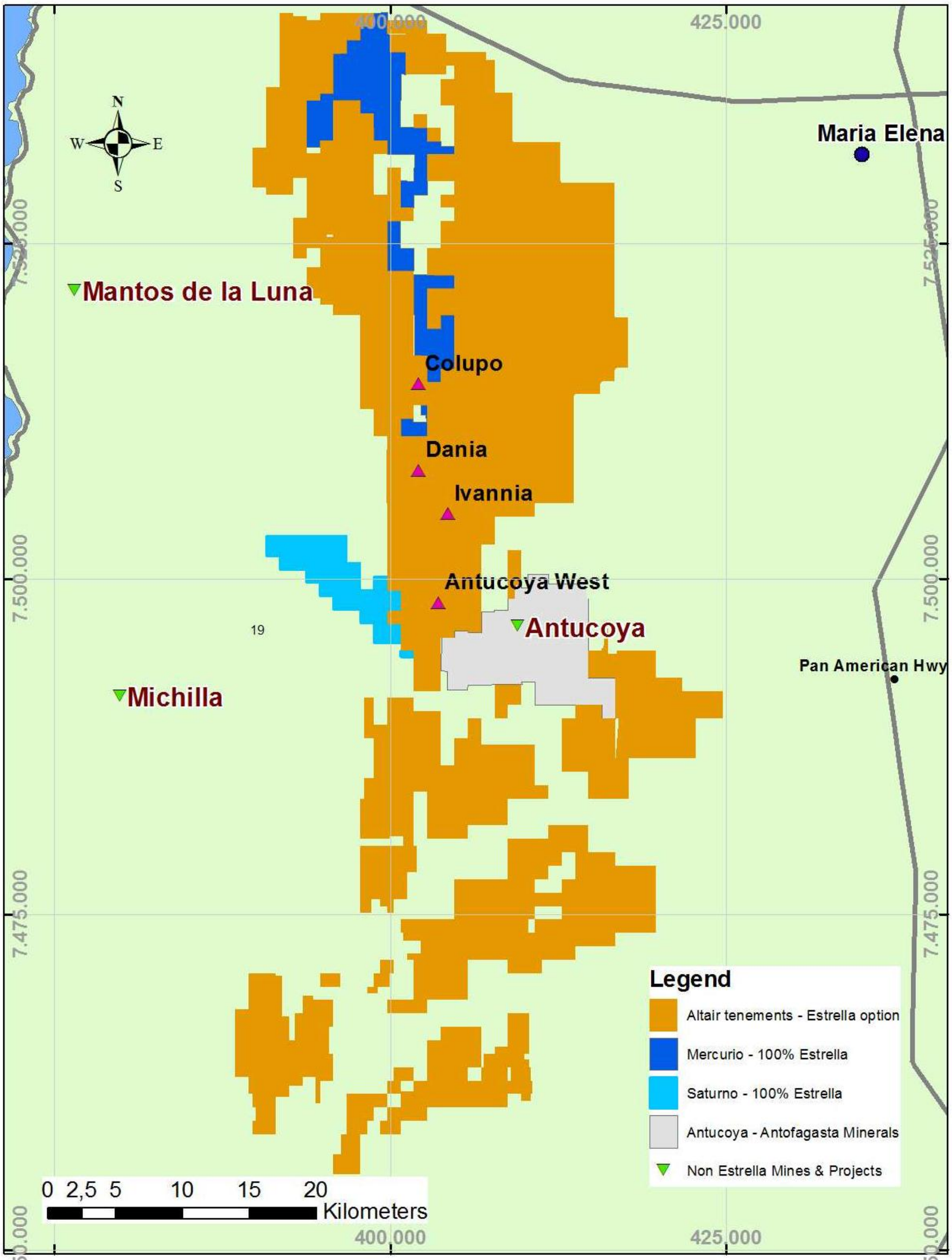

Figure 1: Estrella's tenement holdings in Chile- Project Altair, Mercurio and Saturno.

Table 1: Mines and project developments nearby to Project Altair (All not owned by Estrella)

Nearby Deposits * (All not owned by Estrella)	Ore Reserve	Mineral Resource	Mineralisation style	Proximity to Altair
Michilla	N/A	Measured: 26.7Mt @ 1.61%	Manto & Breccias	17 km west of Saturno
		Indicated: 24.7Mt @ 1.45%		
		Inferred: 15.8Mt @ 1.67%		
Antucoya	Proven: 215Mt @ 0.38%	Measured:278 Mt @ 0.34%	Porphyry	Surrounded by Altair
	Probable: 427Mt @ 0.34%	Indicated:737 Mt @ 0.30%		
		Inferred:91 Mt @ 0.28%		
Los Mantos Blancos	Proven: 26.3 Mt @ 0.83%, 8.3 Mt @ 0.54%, 2.1Mt @ 0.18%	Measured:47.8 Mt @ 0.75%, 14.1Mt @ 0.47%	Rhyolite dome	40 km south of Altair
	Probable: 19.7 Mt @ 0.80%, 16.3 Mt @ 0.33%, 49.6Mt @ 0.23%	Indicated: 68.1 Mt @ 0.56%, 10.5 Mt @ 0.43%, 8.3 Mt @ 0.20%		
		Inferred: 30.5 Mt @ 0.55%, 5.2Mt @ 0.49%		

Disclaimer: This table and information contained therein relates to nearby deposits of Project Altair, none of which are owned by Estrella. The information is obtained from publicly available information. All deposits have been published in compliance with the 2004 JORC Code. Estrella makes no comparison between its projects and these named deposits other than to demonstrate their locality. There is no guarantee that Estrella's projects will realise similar results.

2. THE ALTAIR PROJECT

2.1. Colupo Prospect Drilling

Prior to the March 2014 Quarter, on 23 December 2013 Estrella announced to the ASX the commencement of Diamond Drilling at the Colupo Prospect within the Altair Project. A total of four diamond holes were drilled from December 2013 through to February 2014 to follow up on the successful intercepts from the RC campaign during September/October 2013.

Diamond holes DHC-01 and DHC-02B compare closely with Estrella's historical RC drill holes that lie within the same section line (**Figure 2**). The observed mineralisation widths are greater in DHC-02 and DHC-02B and are up to 21 meters in true width and the copper grades are similar, except higher gold and silver values are present in DHC-02.

DHC-02 was a failed hole as the rig became stuck at 128 metres of drilling down hole due to fractured ground conditions. The hole was abandoned and DHC02B was drilled 5 metres away to reach the target depth of 190 metres.

DHC-03 was drilled to the southeast (145^{o}) to test structural continuity in the east and northeast sector of the currently known extents of mineralisation. DHC-03 demonstrated significant width of mineralisation and continuity of copper grade, along with significant gold and silver values.

Table 2: Colupo Diamond hole Assay results reported to the ASX on 18 March 2014:

Hole_ID	Coordinates (PSAD56)		RL	EOH	Dip	Azimuth	From	To	Interval	Copper	Gold	Silver	Core loss	True width
	East	North					(m)	(m)	(m)	%Cu	g/t Au	g/t Ag	%	m
DHC-01	402033	7514550	1920	215	-70	180	**34**	**51**	**17**	**0.3**			**15**	**11**
						including	*38*	*41*	*3*	*0.14*			***26***	
							44	*51*	*7*	*0.6*			***12***	
							45	*48*			*0.1*			
							58	64	6	0.2			**40**	
							71	74	3	0.4			**23**	
							119	**130**	**11**	**0.5**			**56**	**7**
						including	*122*	*128*	*6*		*0.1*			
							127	*128*	*1*	*2.8*				
							178	**200**	**22**	**0.6**			**52**	**14**
						including	*178*	*189*	*11*	*0.7*				
							183	*195*	*13*		*0.2*			
							194	*196*	*2*	*1.7*				
DHC-02	402079	7514553	1920	128	-70	180	**53**	**58**	**5**	**0.6**			8	**3**
						including	*57*	*58*	*1*	*1.5*				
							56	*58*	*2*		*0.1*	*10*		
							96	**128**	**32**	**0.5**			8	**21**
						including	*96*	*108*	*12*	*0.8*				
							97	*108*	*11*			*8*		
							98	*101*	*3*		*0.2*			
						including	*118*	*128*	*10*		*0.1*			
DHC-02B	402084	7514553	1920	188	-70	180	**132**	**135**	**3**	**0.7**			**0**	
DHC-03	402067	7514595	1920	160	-70	145	**71**	**95**	**24**	**0.6**			**7**	**15**
						including	*78*	*83*	*5*	*1.3*	*0.1*			
							80	*87*	*7*			*16*		
							78	*94*	*16*		*0.1*			

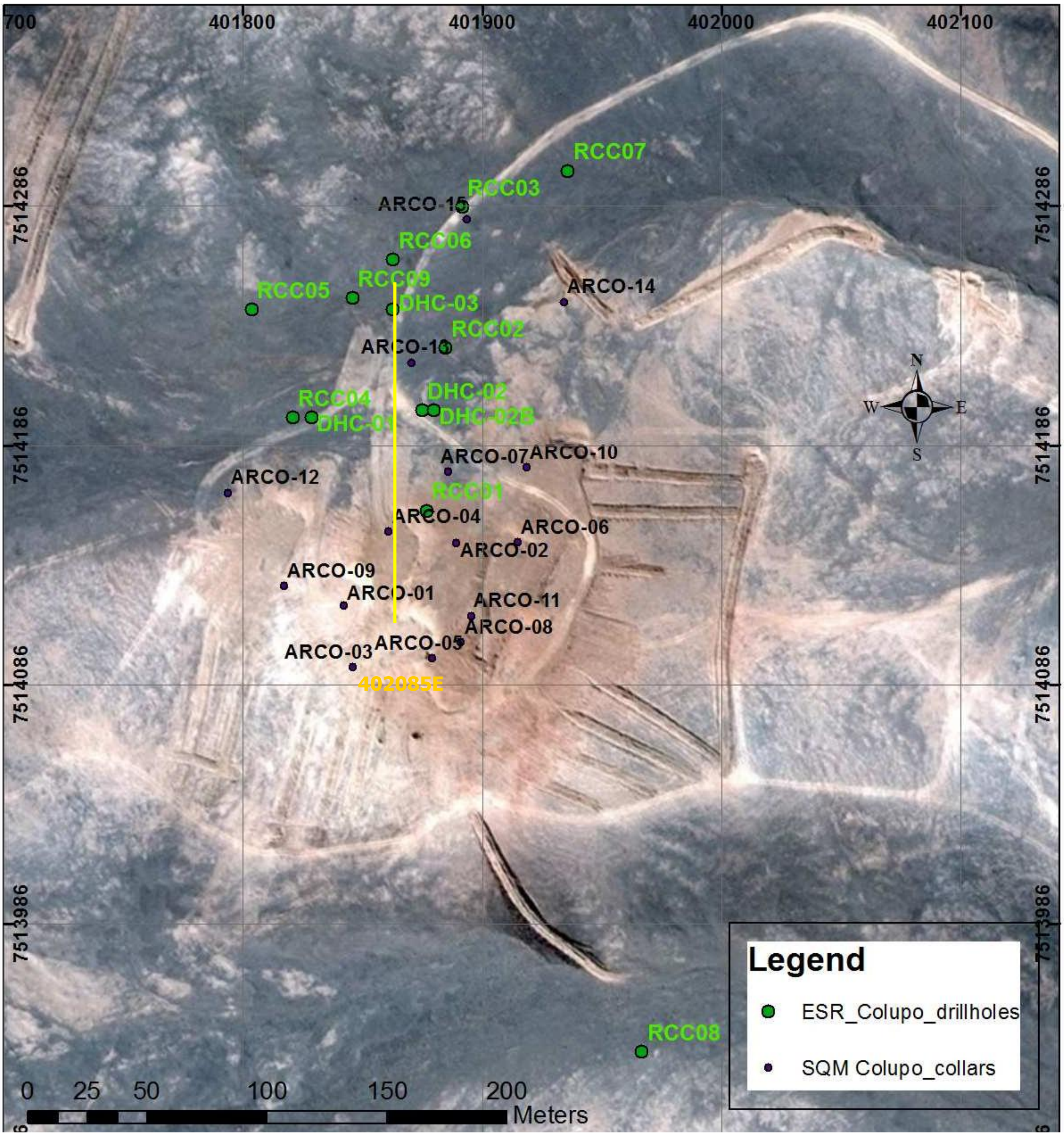

Figure 2: Drill plan layout for all Estrella's and SQM's drill holes at Colupo Prospect. The yellow section line is shown in profile in Figure 3.

Figure 3: Colupo - Section 402085E displays DHC-02 and DHC-02B drill hole traces (blue) and mineralised intercepts from historical drill holes. The light grey shells represent breccias and the light green shells represent the 0.2% Cu cut-off mineralisation shells.

The results from the Colupo Diamond Drilling program confirm:

- Structural continuity and true widths up to 21 metres.
- Visual confirmation of mineralisation host within matrix of quartz-tourmaline breccia system and volcanic clasts.
- Technical complications due to challenging ground conditions resulted in poor core recovery and assay results considered not representative of mineralisation intersections for DHC-01.

The known extents of mineralisation at Colupo remain open and will be tested with further with a Rotary Air Blast (**RAB**) drilling program scheduled to commence in May 2014. The purpose of the RAB program is to drill 50-100 shallow holes to 10-15 metres depth stepping out from the current known mineralisation extents. This will enable sufficient penetration of the shallow caliche cover unit (up to 5 metres thick) to trace the near-surface extents of the mineralised breccia system. This is a relatively inexpensive way to identify further mineralisation before commencing a Reverse Circulation (**RC**) drilling program.

2.2. Dania Prospect Drilling

On the 20th February 2014 Estrella announced to the ASX that a Diamond Drilling program was commencing at the Dania Prospect. Estrella drilled two diamond core holes at Dania between February and March 2014.

The combination of Estrella's current drilling and historical RC drilling by SQM at the Dania Prospect has identified near surface oxide copper within several repeated intrusive stocks in a northwest trend over 500 metres in length across a width of 450 metres steeply dipping to beyond 200 metres depth. The system remains open in all directions except to the east where the contact with the unmineralised andesite unit has been established at surface and 298.4 metres down hole in DHD-01.

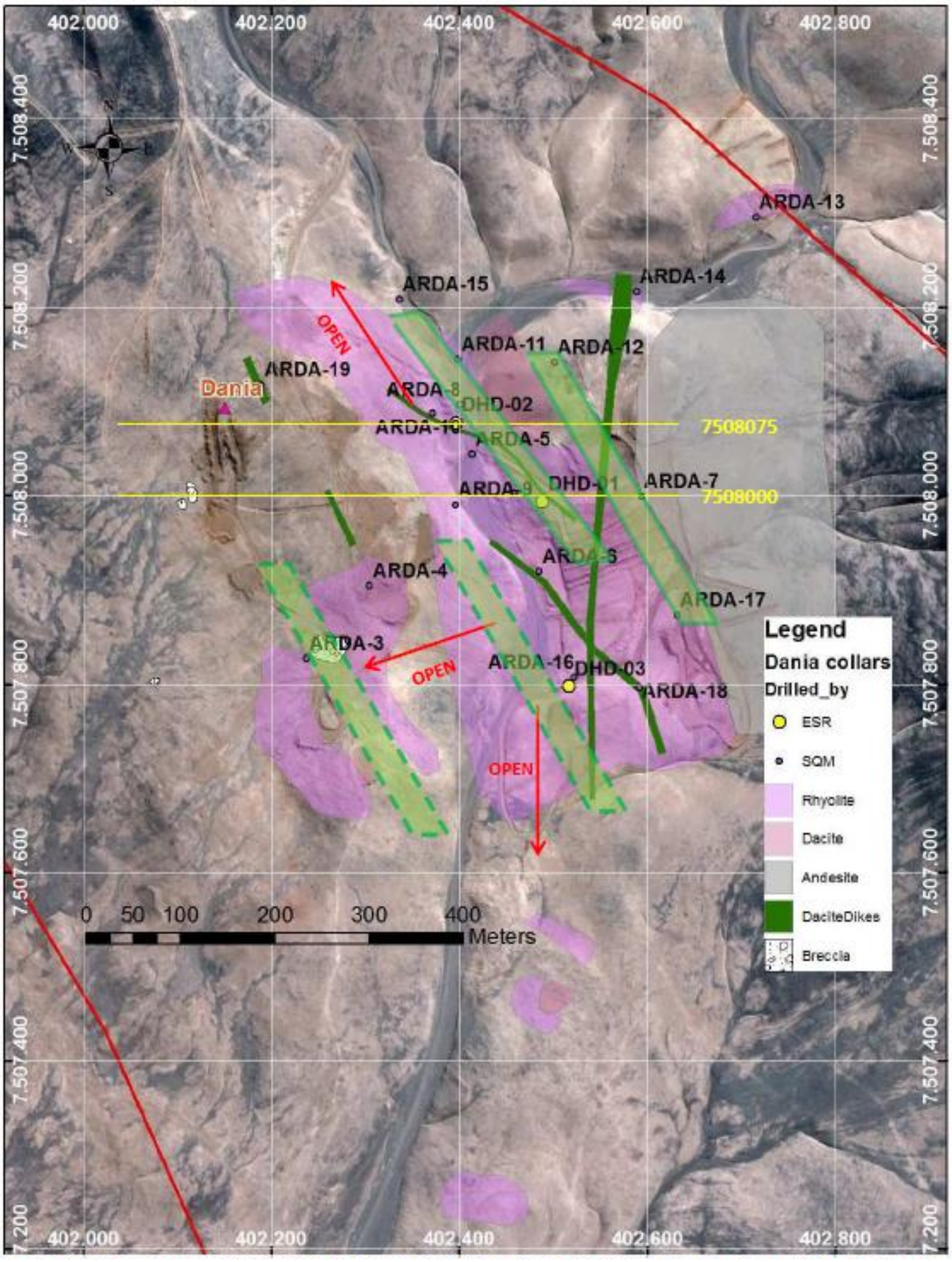

Figure 4: Surface drill plan layout for Dania including SQM's historical RC collars and Estrella's diamond core collars. The green polygons indicate the known mineralisation trends.

The assay results for DHD-01 and DHD-02 are presented in Table 3 and Table 4. Both drill holes had long mineralisation intercepts grading 0.2% to 0.4% Cu. Geological observations of the drill core confirm mineralisation is due to:

i. Multiple porphyritic stock emplacement along the Buey Muerto Fault zone (**BMZ**);
ii. Oxidation, leaching, and secondary enrichment of copper.

The upper mineralised intercepts in holes DHD-01 and DHD-02 (Figure 5 and Figure 6) are likely to link, however the lower intercept in DHD-01 was not intercepted by DHD-02. The northerly extent of the lower mineralised intercept in DHD-01 remains open as DHD-02 did not intercept the Jurassic aged andesite unit to the east.

Table 3: Significant Assay Results from diamond core hole DHD-02

Hole ID	Coordinates (PSAD56)		RL	EOH	Dip	Azimuth	From	To	Interval	Copper
	East	North					(m)	(m)	(m)	%Cu
	Diamond core									
DHD-02	402600	7508430	1580	289	-65	80	**10**	**70**	**60**	**0.3**
					including		*36*	*65*	*29*	*0.4*
							87	89	2	0.4
							97	99	2	0.1
							118	122	4	0.2
							127	130	3	0.2
							177	178	1	0.7
							211	212	1	0.1

Table 4: Significant Assay Results from diamond core hole DHD-01

Hole_ID	Coordinates (PSAD56)		RL	EOH	Dip	Azimuth	From	To	Interval	Copper	Comments
	East	North					(m)	(m)	(m)	%Cu	
DHD01	402692	7508346	1580	316.2	-75	55	2	298	**271**	0.14	excludes 27.5 metres of dyke
					including		2	56	**54**	**0.3**	CuOx from 2 m below surface
					including		10	27	17	0.4	
							72	75	4	0.2	
							118	122	4	0.1	
							161	171	10	0.13	
							180	183	4	0.13	
							192	194	3	0.2	
							200	212	13	0.2	
							Unmineralised dyke				
							220	233	14	0.2	
							Unmineralised dyke				
							256	271	16	0.3	exit rhyolite at 299 m into eastern andesitic contact
							274	298	25	0.14	

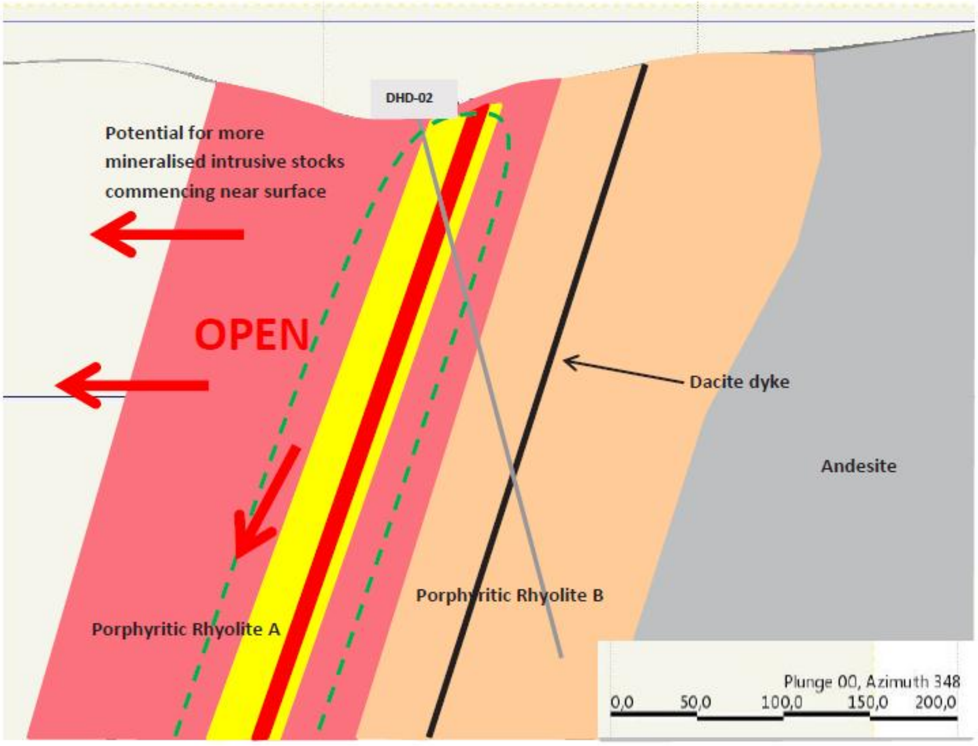

Figure 5: Dania cross-section 7,508,075N for DHD-02 intersects a mineralised intrusive stock near-surface. CuOx mineralisation was intersected for 60 metres at 0.3% (yellow zone) including 29 metres at 0.4% (red zone).

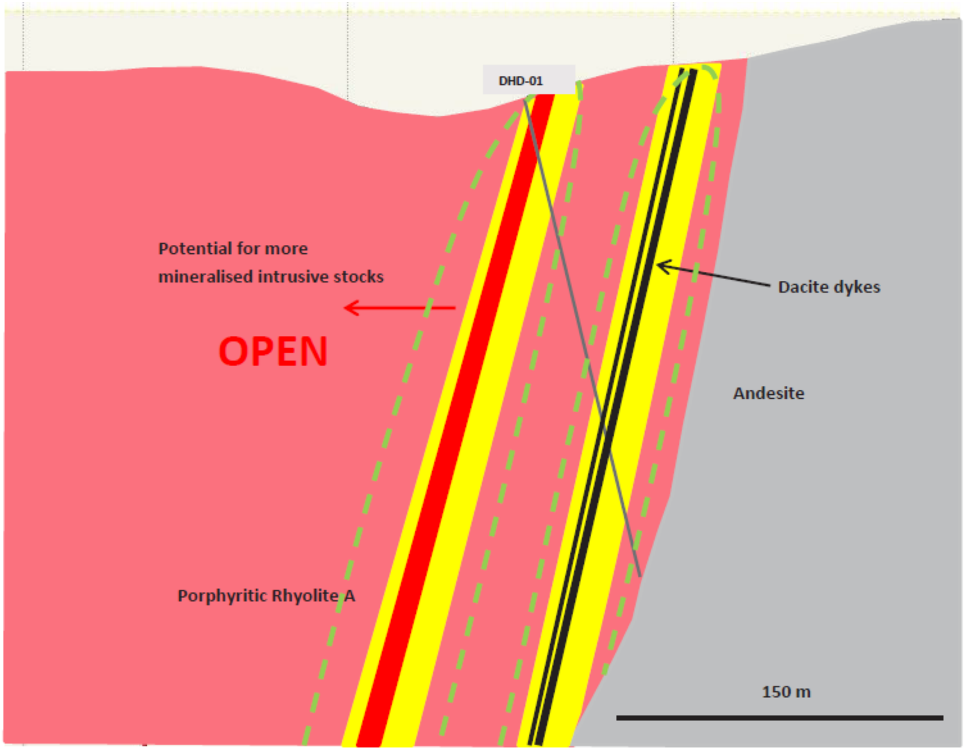

Figure 6: Dania cross section 7,508,000N for DHD-01, shows two mineralised porphyritic stocks intruded along faults of the BMZ. The western stock likely links to the stock intersected by DHD-02. Each stock has the potential for higher grade hypogene zones at depth, also there is potential for mineralised repetitions to the west.

2.3. Antucoya West Prospect

Estrella's exploration team has been mapping the surface geology at the Antucoya West prospect during the March 2014 Quarter. The focus of the mapping has been the surface area across the dipole anomaly in the Vector Induced Polarisation (VIP) image (see Figure 7) and the eastern border next to the Antucoya project (owned by Antofagasta Minerals PLC).

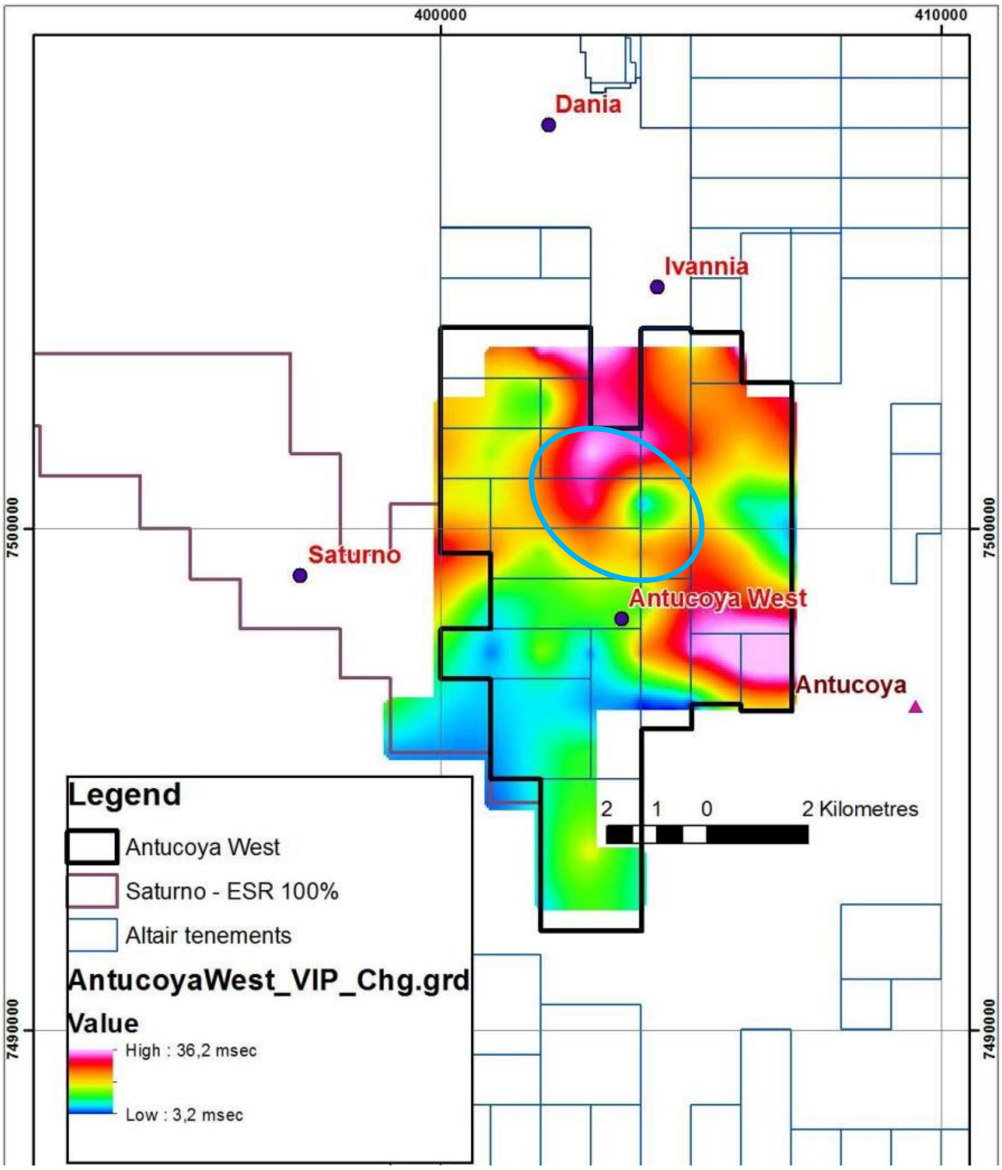

Figure 7: Vector IP surface results for Antucoya West. The blue circle indicates the dipole area of interest.

Estrella's exploration mapping at Antucoya West has identified numerous outcrops with clear copper oxide mineralisation, sericitic and silicic alteration, hydrothermal breccias and 'crackle' zones, which are all encouraging signs of porphyry style mineralisation beneath.

Estrella is currently planning its maiden exploration drilling program at Antucoya West, which is to commence in May 2014.

2. TENEMENT HOLDINGS

Pursuant to ASX Listing Rule 5.3.3, the Company provides the following information:

2.1 The Altair Project-100% ESR Owned- subject to Option Agreements with SQM (providing SQM with either a 49% clawback right or royalty payments per discovery)

Estrella announced to the ASX on the 25th March 2014, the consolidation of the tenements within Project Altair on the as part of Estrella's strategy to focus and prioritise exploration and development on the most prospective and advanced areas within the Altair Project and in compliance with the Option Agreements held with SQM, Estrella relinquished certain parts of Project Altair back to SQM.

The Altair Project located in Region II of northern Chile, 90 km north northeast of Antofagasta now covers an area of 1,232.33 km^2 (inclusive of both "Mercurio and Saturno" Prospects a total of 108 km^2 of 100% Estrella owned tenement) at the end of the March 2014 Quarter.

2.2 Mercurio Prospect (100% ESR Owned)

Estrella announced to the ASX on the 25th March 2014 that it has become the prime applicant for an additional 74.17 km^2 (7,417 hectares) situated immediately to the north of the Colupo Prospect. This additional tenement titled "Mercurio" is of strategic benefit to Estrella given its location in proximity to the Colupo Prospect coupled with recent announcements regarding the prospectivity and mineralisation trends observed at the Colupo Prospect. (**See Figure 1**)

2.3 Estrella's Tenement holdings in Chile

Description	Tenement Size (hectares)	Tenement Size (km^2)
Option Agreements held with SQM		
Option Agreement One	109,890	1,098.90
Option Agreement Two (Ivannia and Dania)	2,476	24.76
100% Owned by Estrella Resources Limited		
Mercurio (100% owned by Estrella)	7,417	74.17
Saturno (100% owned by Estrella)	3,450	34.5
Total tenement holdings in Chile	**123,233**	**1,232.33**

2.4 Other Projects- All now relinquished

The Venus Project, Jupiter Project, Luna/Inca Project

There was no exploration activity on the Venus, Jupiter or Luna/Inca projects during the quarter.

As announced to the ASX on the 25th March 2014 the each of Venus, Jupiter and Luna/Inca Projects have been relinquished from Estrella's portfolio of tenements in Chile. The Company is committed to focus solely on the Altair Project and these areas were not considered prospective enough to deter focus away from the Company's core priorities. There were nil costs incurred by the Company in respect of the relinquished tenements.

3. CORPORATE

3.1 Board Succession Planning

During the March 2014 quarter, Mr Robert Thomson was appointed to the Board as an independent non-executive director. Mr Thomson is a Sydney based mining engineer with extensive onsite mining experience as well as significant corporate and board experience.

Subsequent to the March 2014 Quarter the Board continued its succession planning program with Mr Simon Kidston announcing his resignation as a Director in order to pursue other business interests. Mr Kidston was instrumental in the establishment of Estrella and worked tirelessly since inception to position the Company where it is today. The Company's Chairman, Mr Gavin Solomon has also announced his intention to stand down as a Director from 30 June 2014 to pursue other business interests. Gavin has also worked tirelessly for the betterment of the Company and was instrumental in delivering the option agreements for Project Altair with SQM. The Board is now in the process of identifying a successor as Chairman of the Company.

3.2 Half Year Review

On 12 March 2014 the Company released its statutory accounts for the 6 month period to 31 December 2013. This was the second Half Year Review completed by the Company since its listing on the ASX in May 2012.

3.3 Capital Raising

Subsequent to the end of the March 2014 Quarter, Estrella undertook its second capital raising since listing on the ASX. The capital raising consists of a placement to new and existing institutional and sophisticated investors to raise a total of A$1.25M at A$0.11 per share through the issue of 11,132,271 new ordinary shares in the Company together with the announcement of a Share Purchase Plan to raise up to a maximum of A$2,000,000 during May 2014.

4. FINANCIAL POSITION

The Company had A$1.061 million in cash at 31 March 2014.

Disclaimer: References are made in this quarterly report to historical drilling results by SQM and to drilling results from Estrella's own drilling, all of which have previously been released to the ASX. The Company is not aware of any new information or data that materially affects either of the drilling results from SQM or Estrella.

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.

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

Non-Executive Chairman:
-Gavin Solomon

Managing Director
-Dr. Jason Berton

Non-Executive Directors:
-Julian Bavin
-Robert Thomson

Company Secretary
-Justin Clyne

ESTRELLA RESOURCES LIMITED
ACN 151 155 207

ASX CODE: ESR

ORDINARY FULLY PAID SHARES:
107,733,271

UNLISTED OPTIONS:
12,380,000

APPENDIX 5B

Mining 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, 1/05/2013

Name of entity	
Estrella Resources Limited	
ABN	Quarter Ended ("**Current Quarter**")
39 151 155 207	31 March 2014

Consolidated statement of cash flows			Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(618)	(1,480)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(259)	(841)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		9	39
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
Net operating cash flows			(868)	(2,282)
Cash flows related to investing activities				
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other- Project Option Fees		-	-
	Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)		(868)	(2,282)

1.13	Total operating and investing cash flows (brought forward)	(868)	(2,282)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	950
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital raising costs	-	(81)
	Net financing cash flows	-	869
Net increase (decrease) in cash held		(868)	(1413)
1.20	Cash at beginning of quarter/year to date	1,966	2,487
1.21	Exchange rate adjustments to item 1.2	(37)	(13)
1.22	Cash at end of quarter	1,061	1,061

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	122
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors including Managing Directors fees/salary for the quarter: $122.441

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position

		Amount Available $A,000	Amount used $A,000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	450
4.2	Development	-
4.3	Production	-
4.4	Administration	250
	Total	700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	218	753
5.2	Deposits at call	843	1,213
5.3	Commercial Bills		-
5.4	Other: Term Deposit		
Total: cash at end of quarter (item 1.22)		1,061	1,966

Changes in interests in mining tenements

		Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Luna/Inca	The tenement was relinquished	100%	0%
		Venus	The tenement was relinquished	100%	0%
		Jupiter	The tenement was relinquished	100%	0%
6.2	Interests in mining tenements acquired or increased	Mercurio	Primary Applicant	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total Number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	96,601,000	60,662,500		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**			*Exercise price*	*Expiry date*
	Unlisted	3,600,000	-	25 cents	12-Sep-14
	Unlisted	1,000,000	-	25 cents	25-Oct-14
	Unlisted	505,000	-	20 cents	19-Dec-16
	Unlisted	600,000	-	20 cents	25-Oct-16
	Unlisted	1,500,000	-	20 cents	9-May-17
	Unlisted	475,000	-	20 cents	3-Oct-18
	Unlisted	450,000	-	35 cents	18-Apr-16
	Unlisted	3,000,000	-	35 cents	21-Nov-18
	Unlisted	500,000	-	35 cents	18-Dec-16
	Unlisted	750,000	-	35 cents	7-Mar-17
7.8	Issued during quarter	500,000	-	35 cents	18-Dec-16
		750,000	-	35 cents	7-Mar-17
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
2. This statement does give a true and fair view of the matters disclosed.

Sign here: Justin Clyne. Date: 30 April 2014

Print name: Justin Clyne - Company Secretary

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4. 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.

5. **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.