QUARTERLY ACTIVITIES REPORT

Quarter ending 31 December 2015

ASX RELEASE 27 January 2016

HIGHLIGHTS

- **Estrella to acquire UK based Data Laboratories Limited (Data Labs).**
- **Data Labs signs US based consultancy as channel partner and signs top 10 global law firm as client**
- **Proposed capital raising**
- **Estrella discontinues Chile copper project and Estrella Chile SpA to be deregistered.**

Estrella Resources Limited (ASX: ESR) **(Estrella** or **Company)** is pleased to provide its Activities Report for the quarter ended 31 December 2015.

Proposed Acquisition of Data Laboratories Limited

On 12 November 2015 the Company announced a proposal to acquire UK based Data Laboratories Ltd (Data Labs). Data Labs has built and developed its first software product, "Talent Lab", which is next generation people analytics software delivered via the cloud, which enables the transformation of human capital data into actionable insights through cutting-edge data visualisation.

According to leading information technology research and advisory firm Gartner, Human Capital Management products are expected to reach USD10 billion in revenue this year with talent management alone expected to reach revenue of USD4.5 billion.

The Talent Lab Software-as-a-Service (**SaaS**) platform aggregates and cleans data from multiple data sources, before being transformed into compelling, easy-to-understand visual modules which can be manipulated and queried in real time without the need for analysts, spreadsheets and PowerPoint slides. Talent Lab provides leaders with insights allowing them to make pivotal business decisions that create value in the organisation.

Data Labs Business Development

Channel Partner

During the quarter Data Labs signed an agreement with Framework LLC which will become a channel partner for the Talent Lab people analytics software solution.

Based in Stamford, CT and Seattle, WA (USA), Framework is a respected and innovative management consultancy with clients including global leaders such as Heinz, KKR, Symantec and Coca Cola. Framework helps companies establish sustainable strategic advantage and integrates traditional management priorities with insights into key factors correlated with company value. Helping to uncover such insights is a core function of Talent Lab human capital visualisation.

Clients

During the quarter Data Labs signed a top 10 global law firm as a paying customer for flagship people analytics software solution Talent Lab.

The London headquartered firm, specialising in legal and taxation matters, operates in 59 countries with approximately 6,000 staff.

The client win marks an early milestone for Data Labs as it commences building revenue through the sale of the Talent Lab product.

A number of high profile global companies are evaluating the Talent Labs software and the Company has built a strong pipeline of prospects.

Proposed Capital Raising

As part of the acquisition and development of Data Labs the Company proposes to raise up to $4 million through the offer of 160,000,000 shares at 2.5 cents per share.

The Company has scheduled a shareholder meeting on 15 February 2016 to seek shareholder approval for the Data Labs acquisition and the proposed issue of shares under the capital raising.

The funds to be raised will be applied to further software development, sales and marketing and general working capital. Full details of the use of funds are outlined in a prospectus to be issued in early February 2016.

Key Terms of the Data Labs Acquisition

Key terms of the Data Labs acquisition are as follows:

Under the terms of the Share Sale agreement, Estrella will acquire all of the issued share capital of Data Labs for a total of 275,000,000 fully paid ordinary shares in Estrella. The consideration Shares will be subject to escrow as required by the ASX Listing Rules.

In addition, Estrella will agree to issue Performance Rights to Mr Sam Jones, the proposed Managing Director post completion of the transaction, that are each convertible into a fully paid ordinary share in the Company upon achieving the milestones outlined below:

Class A: 37,500,000 Performance Rights upon achieving at least $5,000,000 of gross revenue from the Data Labs intellectual property for the period from completion of the Transaction (**Completion**) to 30 June 2017

Class B: 37,500,000 Performance Rights upon achieving either: (i) at least $10,000,000 of gross revenue from the Data Labs intellectual property for the period from 1 July 2017 to 30 June 2018; or (ii) at least $15,000,000 of gross revenue from the Data Labs intellectual property for the period from Completion to 30 June 2018

Class C: 37,500,000 Performance Rights upon achieving either: (i) at least $20,000,000 of gross revenue from the Data Labs intellectual property for the period from 1 July 2018 to 30 June 2019; or (ii) at least

$35,000,000 of gross revenue from the Data Labs intellectual property for the period from Completion to 30 June 2019

Class D: 37,500,000 Performance Rights upon achieving either: (i) at least $30,000,000 of gross revenue from the Data Labs intellectual property for the period from 1 July 2019 to 30 June 2020; or (ii) at least $65,000,000 of gross revenue from the Data Labs intellectual property for the period from Completion to 30 June 2020

Estrella will also issue 40,000,000 options to certain advisers to the Transaction, exercisable at $0.03 on or before 30 June 2020.

Estrella proposes to change its name to Data Labs Limited.

During the quarter Estrella advanced Data Labs $500,000 to enable it to continue to develop the business. In the event that the acquisition is not completed this will be convertible into shares in Data Laboratories Limited at the same price as its next capital raising.

Chile Copper Project

The Company has discontinued exploration on its Chile copper project and is taking steps to deregister or liquidate its subsidiary, Estrella Chile SpA.

Estrella's Tenement holdings in Chile

100% Owned by Estrella Resources Limited		
Description	**Tenement Size (hectares)**	**Tenement Size (km^2)**
Mercurio (100% owned by Estrella)	2,700	27.00
Saturno (100% owned by Estrella)	3,450	34.5
Total tenement holdings in Chile	**15,596**	**155.96**

About Estrella Resources

Estrella Resources Limited is an ASX listed exploration company.

The Company is seeking shareholder approval on 15 February 2016 to acquire Data Laboratories Limited, a UK based company. Data Labs first product is Talent Lab – next generation people analytics software, delivered via the cloud, that enables the transformation of human capital data into actionable insights and financial benefit.

Directors and Management

Executive Director:
- Guy Robertson

Independent Non-Executive Directors:
- Ray Shorrocks

- Howard Digby

Company Secretary
-Guy Robertson

ESTRELLA RESOURCES LIMITED
ACN 151 155 207
ASX CODE: ESR

ORDINARY FULLY PAID SHARES:
155,249,959

UNLISTED OPTIONS:
40,537,857