QUARTERLY ACTIVITIES REPORT

Quarter ending 30 September 2016

ASX RELEASE 31 October 2016

HIGHLIGHTS

- **Ongoing review of new opportunities**
- **Determination not to proceed with collaboration agreement in relation to an Intelligent and Extensible IOT Platform**
- **Cash balance at end of quarter $909,000**

Estrella Resources Limited (ASX: ESR) **(Estrella** or **Company)** is pleased to provide its Activities Report for the quarter ended 30 September 2016.

New Opportunities

During the quarter the Company reviewed a number of opportunities in both the resource and non-resource sectors.

The Company expects to make an announcement in this regard within the next month.

IOT Platform

The company has completed its investigation and by mutual agreement with Deakin and Unisono, has agreed not to proceed as a partner in the collaboration. While the Unisono IoT project has made pleasing progress the Board has decided to focus on resources.

During the investigation, no transfer of funds between any of the parties took place and Estrella has no expenditure obligations arising from the initially proposed collaboration.

Chile Copper Project

The Company currently retains the following tenements 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**

Contact Details:

Telephone:

Guy Robertson +61 2 9078 7671
0407 983 270

About Estrella Resources

Estrella Resources Limited is an ASX listed exploration company.

The Company is maintaining its tenements in Chile and is currently reviewing other opportunities.

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:
188,249,959

UNLISTED OPTIONS:
38,820,000

+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	30 September 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (.3.months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(10)	(10)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(83)	(83)
1.3	Dividends received (see note 3)		
1.4	Interest received		
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**	**(93)**	**(93)**

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 (.3.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 (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
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**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,002	1,002
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(93)	(93)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)		
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**909**	**909**

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	909	1,002
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)**	**909**	**1,002**

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	23
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 executive director's fees 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.

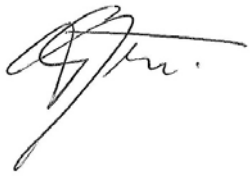
9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	
9.2	Development	
9.3	Production	
9.4	Staff costs	
9.5	Administration and corporate costs	(90)
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**(90)**

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: .....31/10/2016.....
(Director/Company secretary)

Print name: .....Guy Robertson.....

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.