17 November 2016

ASX ANNOUNCEMENT

FOLLOW-UP ROCK CHIP SAMPLING PROGRESS
MT EDWARDS LITHIUM PROJECT

Estrella Resources Limited (ASX:ESR) (Estrella or the Company), is pleased to announce the completion of a second phase of rock chip sampling by Mt Edwards Lithium Pty Ltd on the Mt Edwards Lithium Project (MELP). Estrella will hold 75% of the lithium rights to a group of tenements held by Apollo Phoenix Resources Limited (which holds the remaining 25% of the lithium rights) upon completion of the MELP acquisition (refer to ASX release by ESR 7th November 2016).

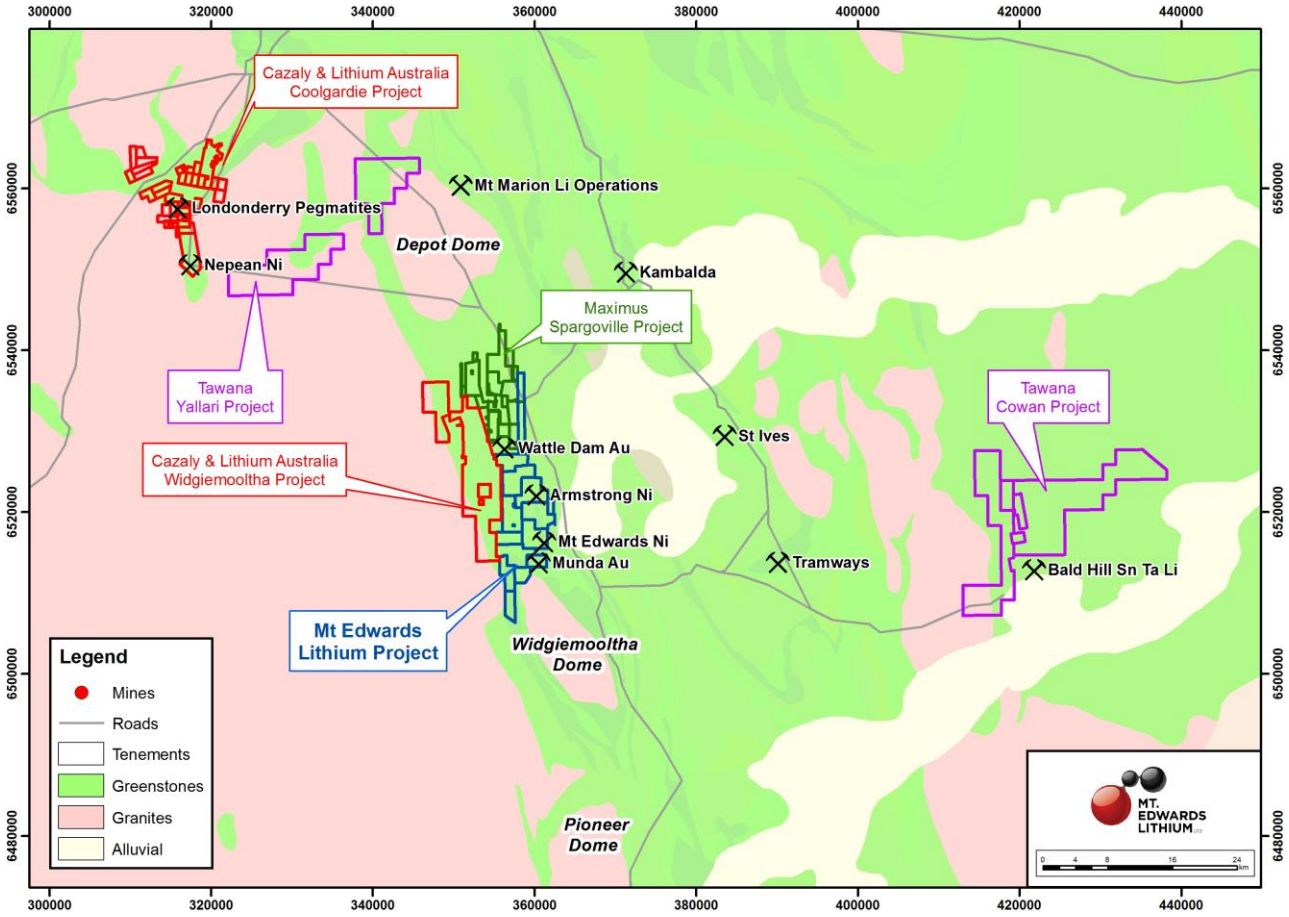

Figure 1. Location of the MELP in relation to other significant LCT pegmatite projects in the region

PHASE II ROCK CHIP SAMPLES

Following the successful completion of Phase I rock chip sampling, Mt Edwards Lithium Pty Ltd collected a further 25 samples during Phase II. Phase II adopted a more systematic and regional approach to Phase I, sampling some of the harder to access pegmatites, rather than only those easily accessed by roads. However many pegmatite occurrences were still unable to be accessed during the time available for the program.

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This leaves an estimated 40% of the known outcropping pegmatite occurrences on the MELP untested for lithium. This knowledge gap will be addressed during future phases of work, and may represent significant exploration upside for the project. Results are expected to be collated and released shortly.

Table 1. Rock chip sampling details

Sample_ID	Zone	East	North	RL	B_ppm	Li_ppm	Nb_ppm	Ta_ppm	Li2O_ppm	Comments
36739	51J	360580	6513865	377.3305	<20	1020	140	20	2196	Phase I
36740	51J	360533	6513867	374.8501	<20	1230	70	10	2648	Phase I
36741	51J	360513	6513863	374.7665	<20	75	70	10	161	Phase I
36742	51J	359779	6514410	373.7617	<20	15	<10	<10	32	Phase I
36743	51J	359727	6514722	368.8717	<20	280	120	15	603	Phase I
36744	51J	360668	6514689	369.6758	<20	60	65	20	129	Phase I
36748	51J	358261	6514378	361.5311	<20	<10	30	15	11	Phase I
36749	51J	358116	6514264	362.3623	<20	15	25	25	32	Phase I
36750	51J	357981	6514448	359.5829	<20	120	85	10	258	Phase I
36751	51J	357933	6514680	354.8893	<20	70	125	35	151	Phase I
36752	51J	357915	6514683	354.3996	<20	475	75	10	1023	Phase I
36753	51J	357519	6514674	347.1887	<20	25	15	<10	54	Phase I
36754	51J	357519	6514674	347.1887	<20	20	<10	<10	43	Phase I
36755	51J	357548.2	6514855	347.2026	<20	360	60	15	775	Phase I
36757	51J	356050	6516818	361.8765	<20	25	30	<10	54	Phase I
36758	51J	356050	6516818	361.8765	<20	<10	<10	<10	11	Phase I
36759	51J	355682	6516990	364.0088	125	<10	<10	<10	11	Phase I
36760	51J	360318	6516518	363.6057	25	155	60	105	334	Phase I
Munda Grab Sample (Bulk)	51J	360564.5	6513714	380					33680	Phase I
Munda Grab Sample (Pink)	51J	360562.9	6513717	380					20490	Phase I
MEL0002	51J	360782	6514133	363.2725	Results Pending					Phase II
MEL0003	51J	360851	6514540	363.2443	Results Pending					Phase II
MEL0004	51J	360798	6514517	364.1181	Results Pending					Phase II
MEL0005	51J	359468	6514494	372.4431	Results Pending					Phase II
MEL0006	51J	359540	6514474	374.0265	Results Pending					Phase II
MEL0007	51J	358636	6513648	363.028	Results Pending					Phase II
MEL0008	51J	358653	6513542	365.4653	Results Pending					Phase II
MEL0009	51J	358574	6513774	359.7336	Results Pending					Phase II
MEL0010	51J	358563	6513799	359.5058	Results Pending					Phase II
MEL0011	51J	357969	6513671	354.1269	Results Pending					Phase II
MEL0012	51J	358443	6510874	324.4362	Results Pending					Phase II
MEL0013	51J	358071	6511048	332.9713	Results Pending					Phase II
MEL0014	51J	357603	6514828	347.2584	Results Pending					Phase II
MEL0015	51J	360698	6516302	367.1941	Results Pending					Phase II
MEL0016	51J	360751	6516030	369.3803	Results Pending					Phase II
MEL0017	51J	360732	6516110	368.7843	Results Pending					Phase II
MEL0018	51J	360758	6516143	368.5767	Results Pending					Phase II
MEL0019	51J	358861	6518600	357.738	Results Pending					Phase II
MEL0020	51J	358854	6518375	359.3091	Results Pending					Phase II
MEL0021	51J	358910	6518100	362.6401	Results Pending					Phase II
MEL0022	51J	356549	6517587	370.365	Results Pending					Phase II
MEL0023	51J	361046	6519744	378.4466	Results Pending					Phase II
MEL0024	51J	360946	6519692	368.7632	Results Pending					Phase II
MEL0025	51J	361088	6519971	373.3305	Results Pending					Phase II

Highly anomalous result requiring follow-up drill testing

Mt Edwards Lithium Pty Ltd has become aware of three samples from Phase 1 (namely sample ID's 36745, 36746 and 36747) which have been inadvertently taken from outside the area that Mt Edwards Lithium Pty Ltd has lithium exploration rights, as such the three outlying samples have been passed over to the relevant owner.

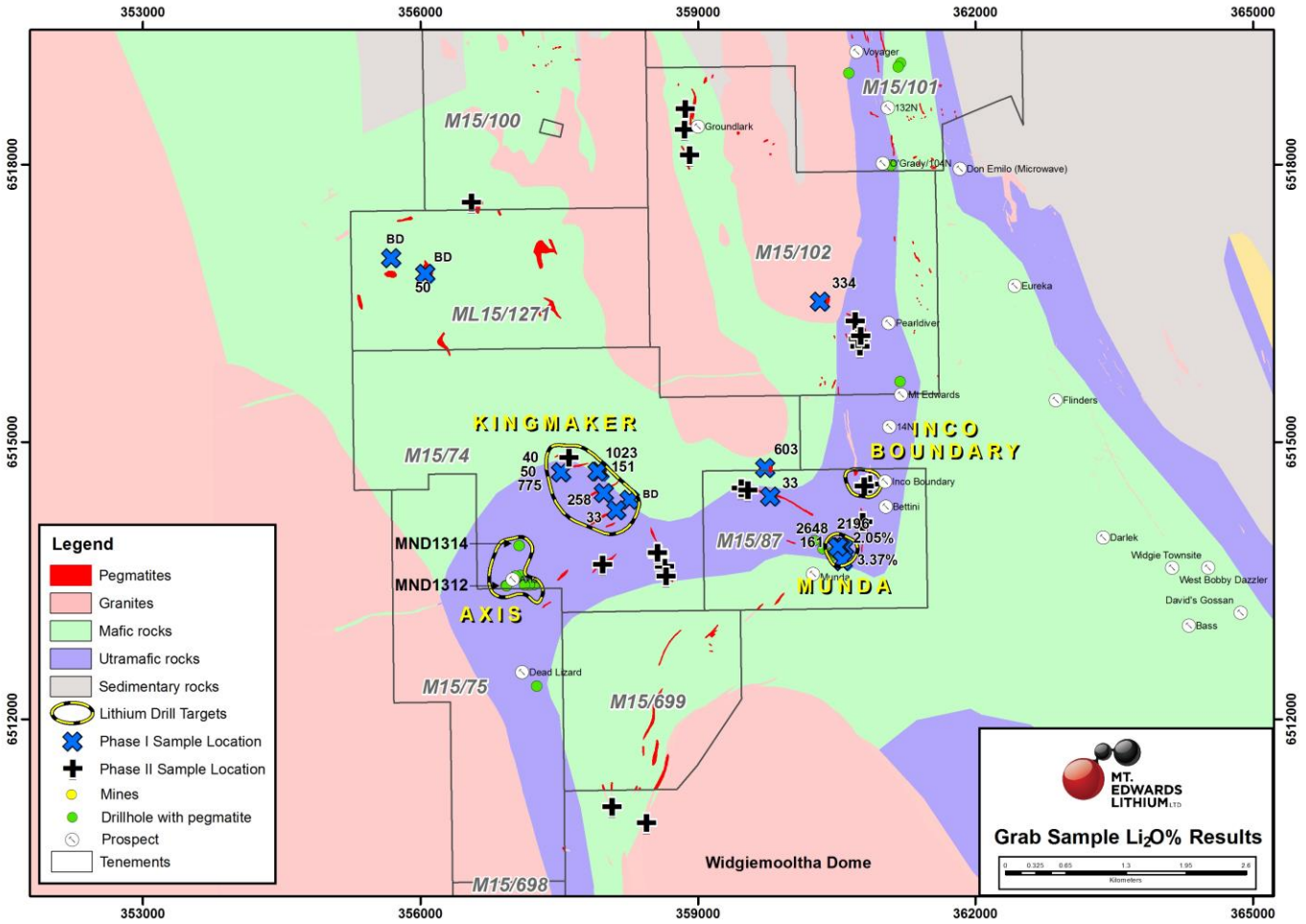

Figure 2. Map showing sample locations from Phase I and Phase II sampling. Li_2O results from Phase I are also shown. Results are in ppm unless stated otherwise. BD means Below Detection.



Figure 3. Example of a Phase II pegmatite rock chip sample location

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ABOUT THE MELP

The MELP consists of 16 tenements covering over 127km^2 on the highly prospective Widgiemooltha Dome. It is located centrally within what is emerging as a highly endowed and globally significant lithium province.

The MELP location in relation to the other significant LCT pegmatite projects in the province is as follows:

- 2km east of the recent Goldfields Lithium Alliance (GLIA) Widgiemooltha project acquisition
- 2km south of Maximus Resources' recent "high grade lithium discovery" at Spargoville
- 40km south of the Mt Marion Lithium project
- 40km SSE of the Londonderry Pegmatites and Lithium Australia's Lithium Hill project
- 60km west of the Bald Hill Sn-Ta-Li project and Tawana Resources' Cowan project
- 30km north of Pioneer Resources Limited Pioneer Dome Lithium project

Table 2. Tenement Schedule

Schedule of Mining and Exploration Tenements						
Country	**State/Region**	**Project**	**Tenement ID**	**Area Km2**	**Grant Date**	**Interest %**
Australia	WA	Mt Edwards Lithium Project	M15/698	4.2	22/12/1994	75
Australia	WA	Mt Edwards Lithium Project	M15/75	5.7	10/11/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/699	3.4	23/12/1994	75
Australia	WA	Mt Edwards Lithium Project	M15/87	3.6	26/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/74	9.3	10/11/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/101	9.6	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/99	9.8	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/653	10	28/01/1993	75
Australia	WA	Mt Edwards Lithium Project	M15/97	6.8	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/96	8.4	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/102	9.3	4/01/1985	75
Australia	WA	Mt Edwards Lithium Project	M15/100	9.6	23/07/1984	75
Australia	WA	Mt Edwards Lithium Project	M15/1271	4.8	2/07/2007	75
Australia	WA	Mt Edwards Lithium Project	E15/1505	2	5/10/2016	75
Australia	WA	Mt Edwards Lithium Project	E15/1507	15	Application	75
Australia	WA	Mt Edwards Lithium Project	E15/1562	16	Application	75

For more information, please contact:

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Competent Person Statement

The information in this announcement that relates 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 that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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.

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.	• The samples reported in this document are rock chip grab samples collected at surface from outcropping pegmatite occurrences. • This involved taking a random grab sample of approximately 3kg using a geological hammer and numbered calico bag. • These rock chip samples should not be considered to be representative samples of the pegmatite occurrences. • Drill testing is required to collect representative sample data through the pegmatites • Samples were analysed by an industry standard crush and grind prep, a 4 acid digest, and ICP-MS or ICP-OES finish depending on the element being analysed
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• No measures have been taken to ensure sample representivity at this stage as the project is in the very early stages of assessment.
	• Aspects of the determination of mineralisation that are material to the Public Report.	• No determinations were made in this regard. Pegmatite occurrences were sampled and assayed regardless of determination with regard to mineralisation.
	• 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	• Rock chip samples were collected using a geological hammer and a calico bag to achieve a random grab sample. • These samples are not considered to be representative of the pegmatites

Criteria	JORC Code explanation	Commentary
	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	
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.).	• Not applicable, no drill results are being reported
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 of fine/coarse material.	• Not applicable, no drill results are being reported
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level	• A log was collected for each sample, which included sample location, sample type, date sampled, and sample condition.

Criteria	JORC Code explanation	Commentary
	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.	
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. • 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.	• Not applicable, no drill results are being reported • Not applicable, no drill results are being reported • Sample condition field to record moisture and sample recovery is included in the sampling log sheet and populates the assay table of the database. • Sample preparation is considered to be appropriate for rock chip sampling as per industry standard practices. • No quality control procedures have been undertaken other than the laboratory's own internal QAQC check and procedures. • Sample sizes may not be appropriate to the grain size of the material being sampled. Grain sizes of the pegmatites varied from 4mm to 25mm.

Criteria	JORC Code explanation	Commentary
	• 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.	• No QAQC procedures have been put in place for the MELP given the very early stage of assessment. • No geophysical methods or hand-held XRF units have been used for determination of grades in this announcement.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	• Not applicable as no intersection are being reported
	• The use of twinned holes.	• Not applicable, no drill results are being reported
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• Drill hole data were sourced from digital sources and original hard-copy sampling and assay records, and imported into a central electronic database. Datashed software is used to validate and manage the data.
	• Discuss any adjustment to assay data.	• Li_2O was calculated as Li x 2.153.
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.	• Rock chip sample locations were recorded by handheld GPS.

	• Specification of the grid system used.	• Original surveying was undertaken in MGA94 zone 51
	• Quality and adequacy of topographic control.	• Topographic control is considered more than adequate for the results being reported
Data spacing and distribution	• Data spacing for reporting of Exploration Results.	• These are random rock chip sampled with no regular data spacing
	• 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.	• Not applicable
	• Whether sample compositing has been applied	• Not applicable
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.	• Not applicable
Sample security	• The measures taken to ensure sample security.	• Samples were submitted to the SGS Kalgoorlie laboratory by Apollo Phoenix Resources. Sample security was ensured up to this point as the samples were always in the presence of Apollo staff.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews have been undertaken on the samples being reported due to the small number of samples in the dataset.

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.	• Apollo Phoenix Resources and Mt Edwards Lithium hold a combined 100% interest the lithium 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 east by metasediments and to the west by granites. • The mineralisation at MELP consists of pegmatite swarms in greenstone belts at some distance from their parent granites. • The lithium baring minerals identified to date are spodumene and accessory lepidolite. • Depth of complete oxidation varies from 10 to 80 metres below the natural surface but is typically around 40 metres.

Criteria	JORC Code explanation	Commentary

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:
	  ○ easting and northing of the drill hole collar
	  ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
	  ○ dip and azimuth of the hole
	  ○ down hole length and interception depth
	  ○ 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.
		• No drill results are reported in this announcement
		• 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. • 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.	• Not applicable for rock chip sampling
	• The assumptions used for any reporting of metal equivalent values	• No metal equivalents are used

Criteria	JORC Code explanation	Commentary
	should be clearly stated.	
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').	• No applicable for random rock chip grab samples
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.	• This is not a large enough dataset to ensure balanced reporting
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.	• Pegmatite occurrences were identified from historic detailed geological mapping and then confirmed by ground checking • Geological observations are included in the report. All core drilled at MELP is available for review and is stored at the Fisher mine offices in Kambalda.

Criteria	JORC Code explanation	Commentary
		• Metallurgical test work is out of the scope of this report. • Multi-element assay suites have been analysed for all but two samples
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.	• Further field confirmation and rock chip sampling is planned followed by drill testing of the most anomalous pegmatites. • The presence of possible extensions cannot be determined at this stage.