18 November 2016

ASX ANNOUNCEMENT

SIGNIFICANT PEGMATITE DRILL CORE LOCATED MT EDWARDS LITHIUM PROJECT

HIGHLIGHTS

- **Several significant pegmatite drill core intersections, some in excess of 60m wide, were identified and logged in the St Ives core yard, Kambalda WA**
- **Drill core was from historic diamond drilling in areas where no obvious pegmatite outcrops are present and could potentially represent blind "feeder" pegmatite occurrences**
- **Multiple high ranked target areas are now evident in the drillhole data and surface sampling results which are still under review**
- **Drill planning and POW preparation underway to test the highest ranked targets**



Figure 1. Drill core from hole MND1314, which intersected over 60m of continuous pegmatite in one interval (in photo), over 100m of combined pegmatite intersections over its length, and ended in pegmatite at 288m downhole

Estrella Resources Limited (ASX:ESR) (Estrella or the Company), is pleased to announce the identification of multiple thick diamond drill intersections of pegmatite located 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 ESR ASX release 7th November 2016].

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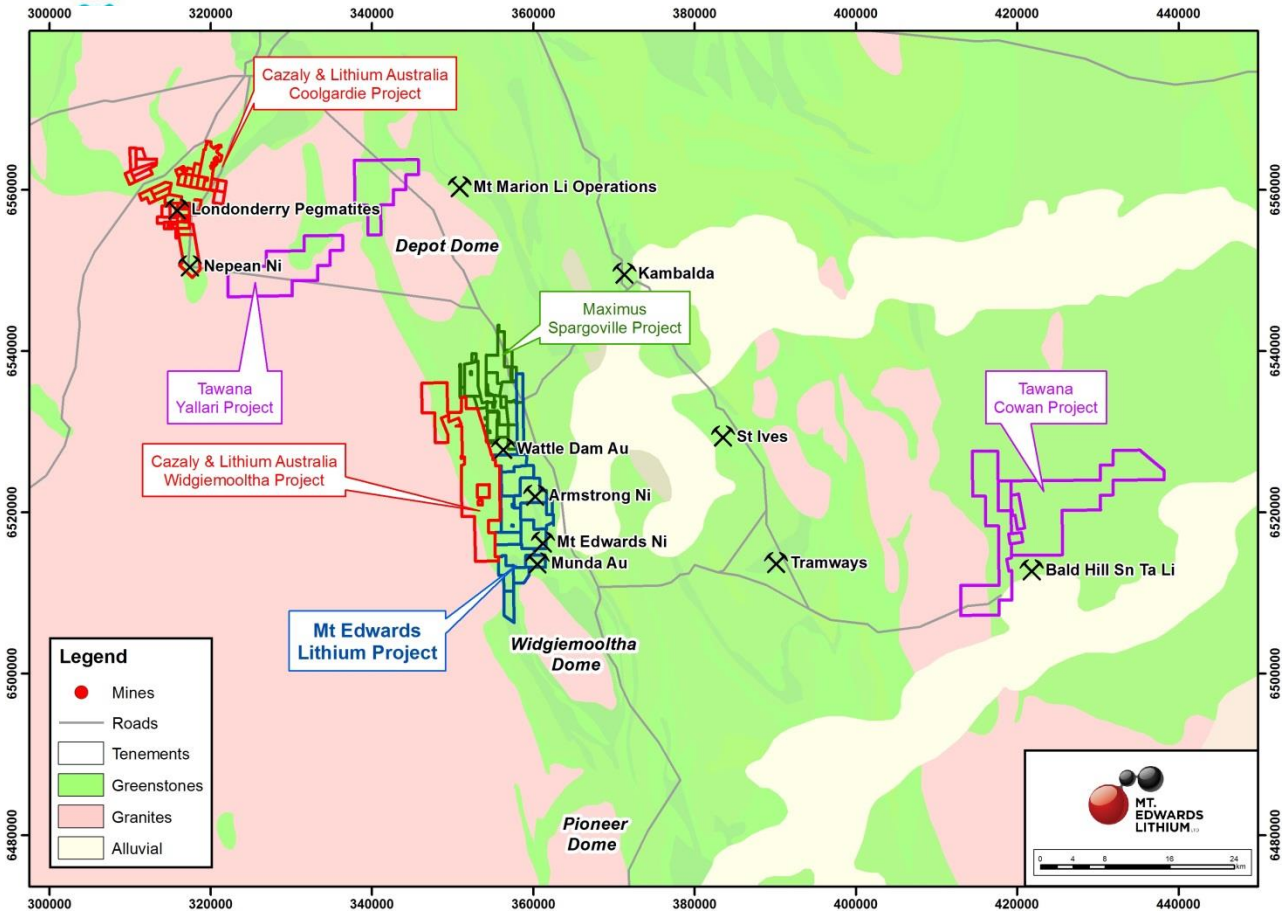


Figure 2. Location of the MELP in relation to other significant LCT pegmatite projects in the region

DRILL INTERSECTIONS

The Company will inherit an extensive database as part of the MELP acquisition, which includes all of the surface sampling and drilling completed by various companies going back as far as 1967. Interrogation of the database by Mt Edwards Lithium has resulted in the identification of numerous diamond holes with significant pegmatite intersections. Previous work over the MELP area focused almost exclusively on nickel and gold exploration and development with no known lithium exploration undertaken by earlier explorers. Interestingly the pegmatite intersections are “blind” and not exposed at surface in the near area and could potentially represent “feeder” pegmatites given their current thickness and noting that a number of the holes have finished in pegmatite at the end of hole (EOH).

Three of these holes (MND1314, MND1312 at Axis prospect and WID1045 at Larkinville prospect) have thus far been visually located by Mt Edwards Lithium Pty Ltd in the St Ives core yard. The pegmatite intersections have been retrieved, marked up and prepared for sampling. A fourth hole, WD4133, was drilled at 132N and intersected 78.79m of pegmatite from 56.69m downhole. The core for this hole is yet to be located by Mt Edwards Lithium.

The pegmatite intersections located and logged were as follows:

Table 2. Pegmatite intersections located for sampling in the St Ives coreyard.

Hole_ID	Prospect	MGA_East	MGA_North	RL	Dip	Azimuth	From	To	Width
MND1314	Axis	357065	6513876	347	-88	041	121.60	182.00	60.40
MND1314	Axis						198.25	207.8	9.55
MND1314	Axis						208.65	210.35	1.7
MND1314	Axis						211.8	213.9	2.1
MND1314	Axis						216.8	225.85	9.05
MND1314	Axis						228.3	229.3	1.0
MND1314	Axis						236	236.5	0.5
MND1314	Axis						246.6	248.2	1.6
MND1314	Axis						248.95	258.65	9.7
MND1314	Axis						275.35	288	12.65
MND1312	Axis	356932	6513441	344	-87	139	88.65	102.35	13.69
MND1312	Axis						106.5	120.75	14.25
MND1312	Axis						128.00	159.95	31.95
MND1312	Axis						176.6	179	2.4
MND1312	Axis						179.9	182.8	2.9
MND1312	Axis						195.35	196.1	0.75
MND1312	Axis						196.7	198.6	1.9
MND1312	Axis						201.40	229.50	28.10
MND1312	Axis						231.40	265.00	33.60
WID1045	Larkinville	357560	6520577	355	-45	204	6.6	17.5	10.9



Figure 3. Close-up photos of pegmatite core from hole MND1314 on the left and MND1312 on the right

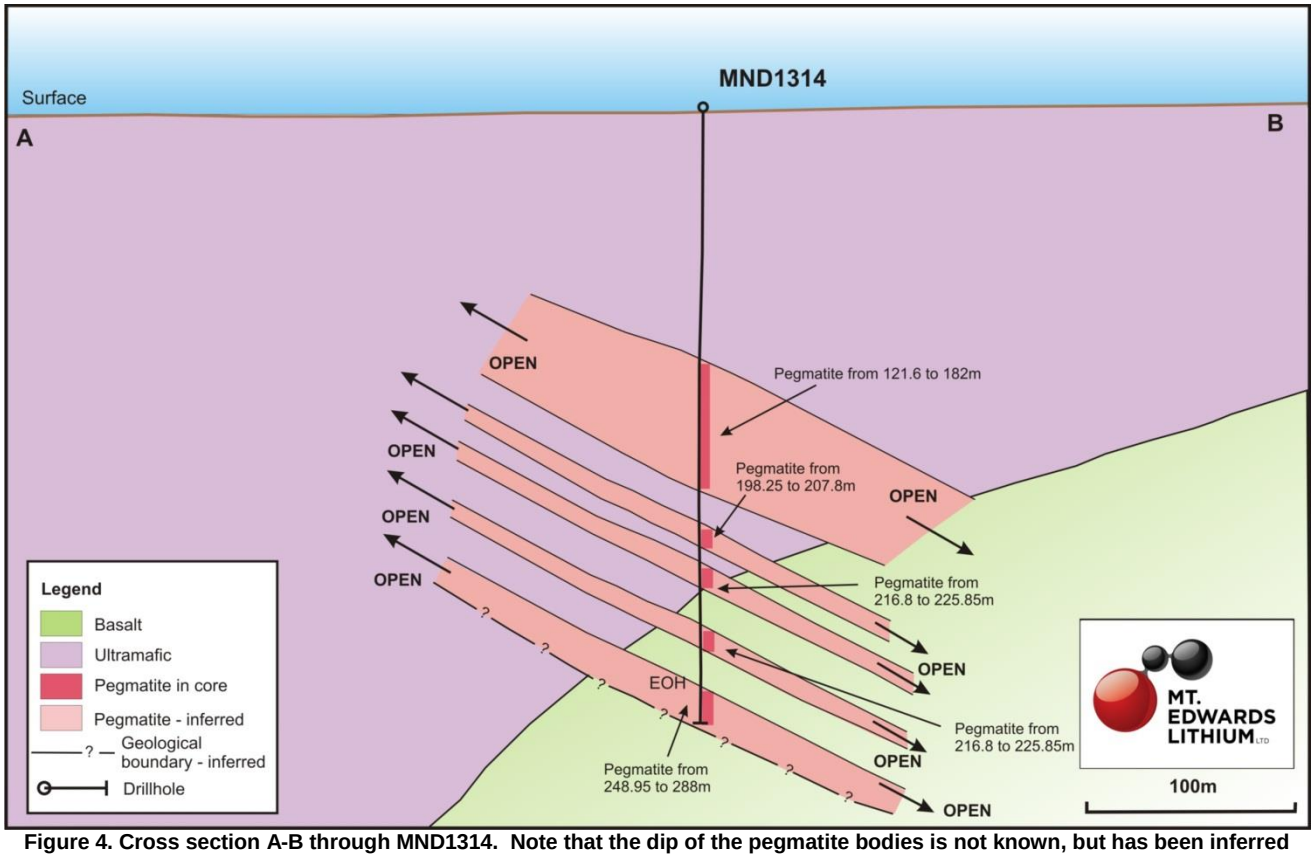


Figure 4. Cross section A-B through MND1314. Note that the dip of the pegmatite bodies is not known, but has been inferred from other pegmatites located nearby at Munda.

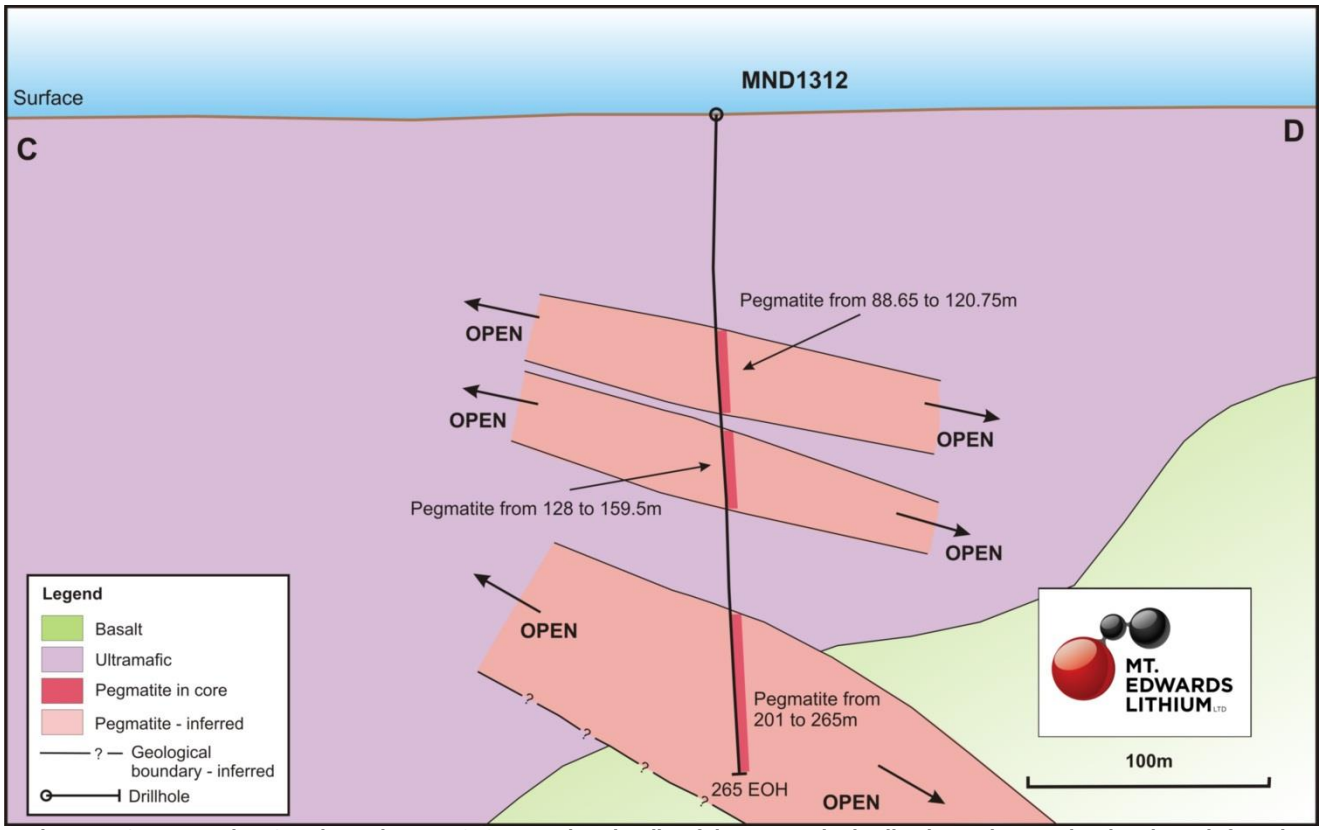


Figure 5. Cross section C-D through MND1312. Note that the dip of the pegmatite bodies is not known, but has been inferred from other pegmatites located nearby at Munda.

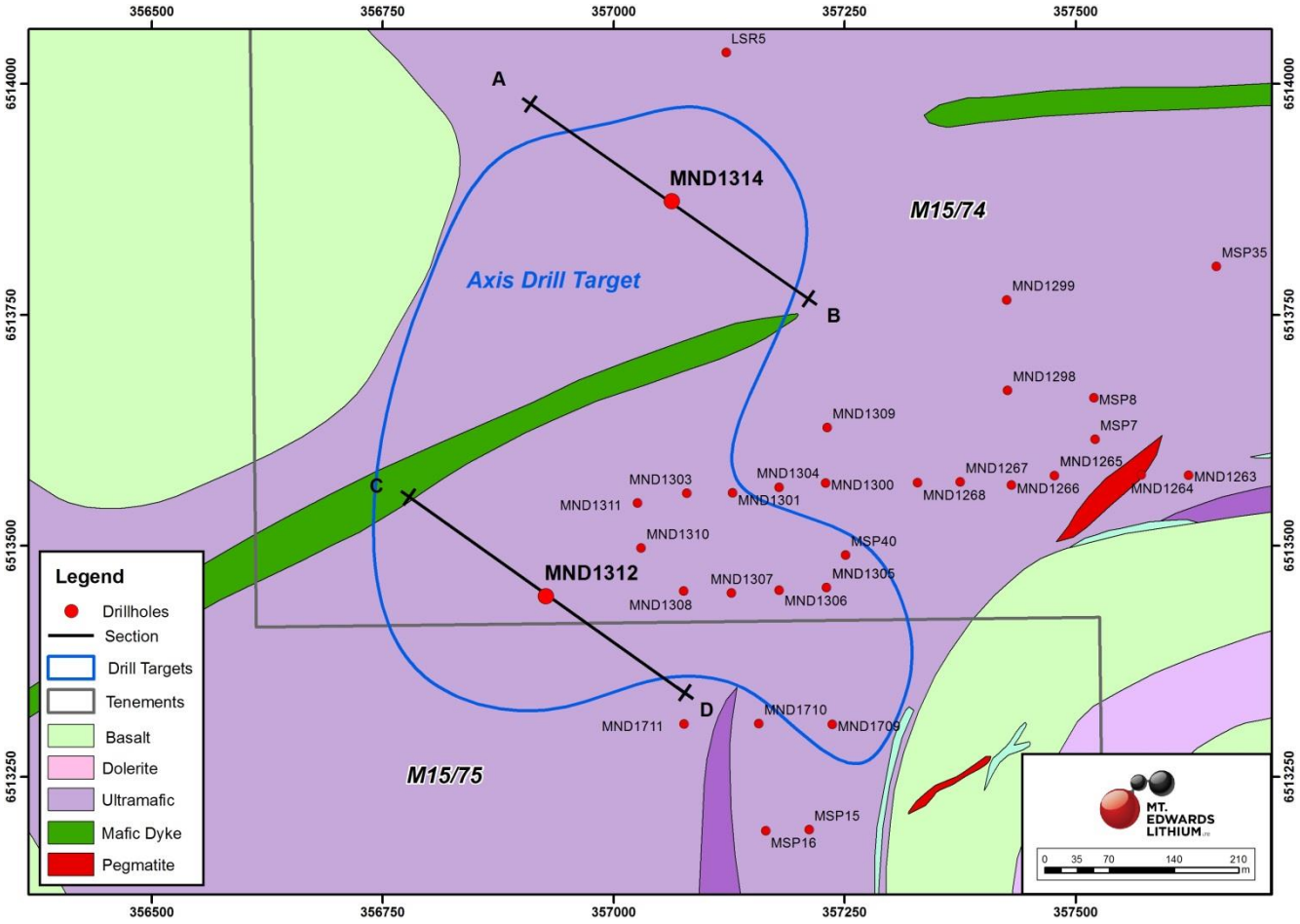


Figure 6. Plan view of the Axis drill target, showing the location of the two cross sections shown in Figures 3 and 4. Note that most of the holes drilled between the two cross sections intersected significant intervals of pegmatite, but are RAB/AC holes and too shallow to intersect the thick pegmatites intersected by MND1312 and MND1314.

These holes were drilled by WMC targeting nickel, so the pegmatite intersections were of no interest at the time and have not previously been assayed for Lithium or any associated Lithium indicator minerals. As a result of the core not being cut or sampled previously, it now allows the Company to obtain an industry standard ½ core representative sample of the pegmatites. The core will be cut, sampled and submitted to the laboratory as soon as practicable.

DRILL PLANNING

Preparations are well underway for a maiden drill program aimed at identifying ore grade Lithium occurrences within the MELP. Drilling will first target beneath the highest grade lithium rock chip samples from Phase I and Phase II. Drilling will also target pegmatite intersections in holes MND1312 and MND1314 if the sampling of them returns significant results.

Approximately 4000m of RC drilling is planned for the maiden program.

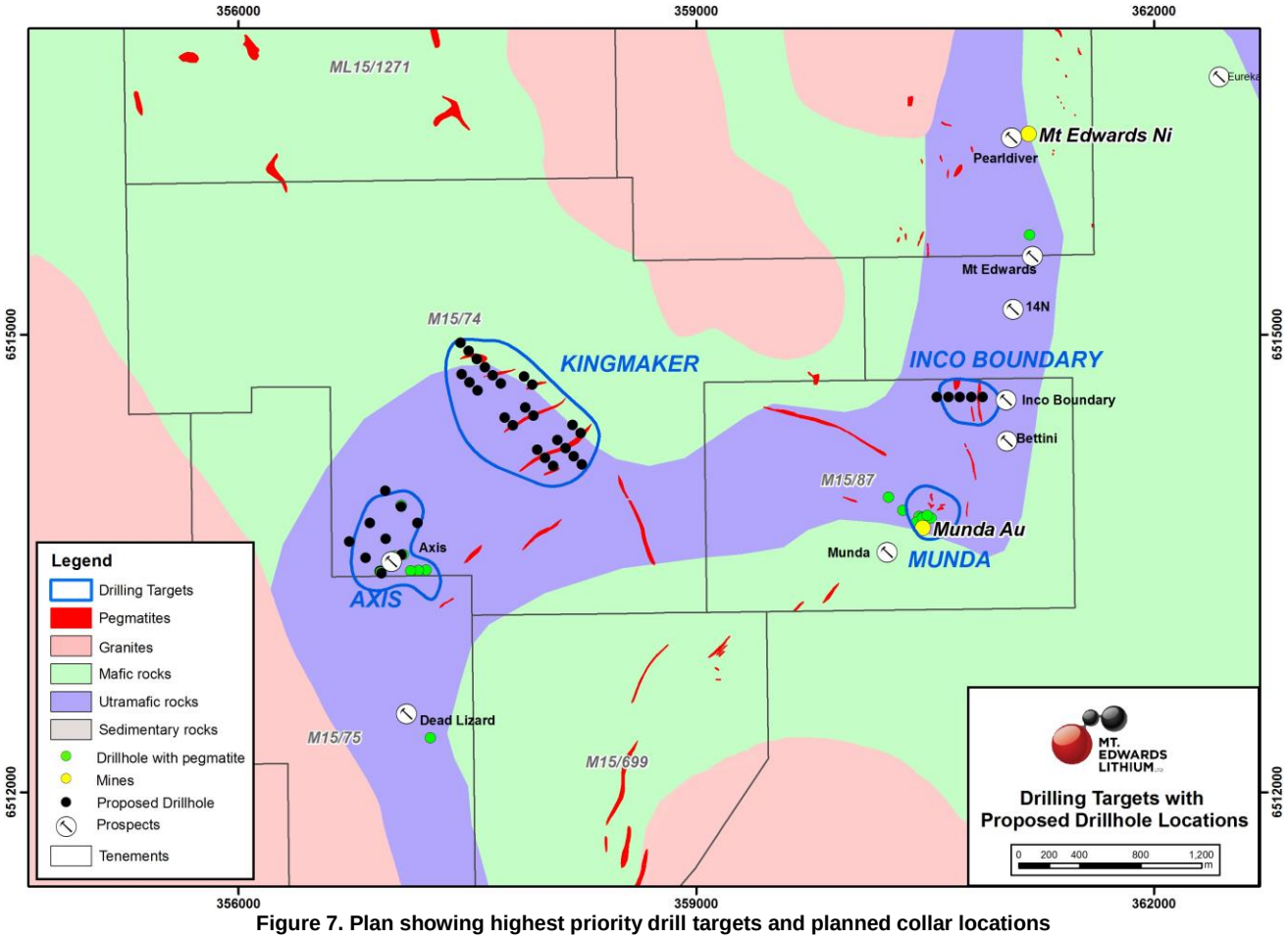


Figure 7. Plan showing highest priority drill targets and planned collar locations

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 1. 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 is 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.	• No sampling results are reported in this announcement. • The drill core referred to is all of NQ size and is yet to be sampled and assayed.
	• 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.
	• 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 produce a 30 g charge for fire assay'). In other cases more explanation may be required, such	• No samples are reported in this announcement.

Criteria	JORC Code explanation	Commentary
	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 of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical	• A log was collected for pegmatite core interval which included sample location, sample type, date sampled, hole name, hole depth and sample condition. • The logging is qualitative in nature.

Criteria	JORC Code explanation	Commentary
	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.	• 248.69m of pegmatite intersection have been logged for sampling.
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. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Not applicable, no drill results are being reported. • Not applicable, no drill results are being reported. • No sample results are being reported. • No sample results are being reported. • No sample results are being reported. • No sample results are being reported.

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 intersections 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.	• Accuracy of drill hole collars has not been verified as they are historic holes. • Evidence of drilling activity has been observed at the collar locations in the field, but the actual collars have not been surveyed.
	• Specification of the grid system used.	• 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.	• Data spacing is relatively irregular given the early stage of assessment.
	• 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, no mineral resource is being reported.
	• Whether sample compositing has been applied	• Not applicable, no sampling results are being reported.
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, no sampling results are being reported. • The geometry of the pegmatites and the angle of the drillholes to them is unknown.
Sample security	• The measures taken to ensure sample security.	• Not applicable, no sampling results are being reported.
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 (25%) and Mt Edwards Lithium (75%) 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.
		• Collar location details and hole depths are included in Table II of announcement; all holes are located at surface.
		• WID1045 is 209.5m long.
		• MND1312 is 265m long.
		• MND1314 is 288m long.

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, no results are being reported.
	• 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').	• Not applicable as no results are being reported. • The geometry of the pegmatites in relation to the drillholes is unknown at this stage.
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 either the Fisher mine offices or the St Ives core yard in Kambalda.

Criteria	JORC Code explanation	Commentary
		• Metallurgical test work is out of the scope of this report. • Not applicable as no results are being reported.
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, drill cutting and sampling and rock chip sampling are planned, followed by drill testing of the most anomalous pegmatites. • The presence of possible extensions cannot be determined at this stage.