23 June 2017

ASX ANNOUNCEMENT

NEW OUTCROPPING HIGH-GRADE LITHIUM DISCOVERED AT ATOMIC THREE

HIGHLIGHTS

- **Results of a third phase of rock chip sampling at Atomic three has identified at least four new high-grade lithium occurrences**
- **The new occurrences "Bravo Cluster" and "Charlie Pegmatite" will be follow-up sampled and mapped in detail before drill testing as soon as possible**
- **Rock chip sampling and soil sampling ongoing at Atomic Three to identify other lithium occurrences**
- **POW approval granted for the drilling of two twin holes of pegmatite intersections near 132N**



Figure 1. Photo of the outcrop at sample site AP00414, Charlie Pegmatite, which returned 2.26% Li_2O.

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to inform shareholders that recent rock chip sampling has identified four new high-grade lithium bearing pegmatites at Atomic Three. The sampling is part of systematic and ongoing mapping, rock chip sampling, and soil sampling programs.

ONGOING WORK AT ATOMIC THREE

A systematic rock chip sampling program over the Atomic Three target area to test all the remaining outcropping pegmatites for lithium and associated elements has been completed. The program has shown that several of the mapped pegmatites in the area host high grade lithium mineralisation. It has also identified new high-grade lithium bearing pegmatites not picked up by previous mapping. These new targets, "Bravo Cluster" and "Charlie Pegmatite" represent high priority targets for drill testing in the upcoming RC drill program.

Soil sampling is underway along strike to the north and south of Atomic Three where there are less outcropping pegmatites. This will determine if there are blind lithium bearing pegmatites in these areas, which do not outcrop.

As discussed in previous announcements, diamond holes WD4133, which intersected 78.8m of pegmatite from 56.7m downhole and WD5301, which intersected 37.7m of pegmatite from 132.6m downhole will be twinned with RC holes in the upcoming drill program.

BRAVO CLUSTER

The Bravo Cluster is located approximately 600m NNW of the 132N nickel mine, or 250m SW of the Alpha Pegmatite targeted by the first phase of drilling on the MELP. Six rock chip samples have been collected at Bravo Cluster, five of which returned over 0.15% Li_2O. Three samples returned over 1.5% Li_2O, with a peak value of 1.68% Li_2O. Two of the samples were collected from pegmatites not picked up by existing mapping.

Detailed mapping and follow-up sampling is underway on the prospect. This will determine the surface extent of the pegmatite swarm and locate the best positions to target drillholes, which will be incorporated into the upcoming drill program.

CHARLIE PEGMATITE

The Charlie Pegmatite is located approximately 200m E of the Bravo Cluster. A single rock chip sample was collected from a previously unmapped pegmatite, returning 2.26% Li_2O.

Detailed mapping and follow-up sampling is underway on the prospect. This will determine the surface extent of the pegmatite, determine if there are any other prospective pegmatites in the area, and locate the best positions to target drillholes which will be incorporated into the upcoming drill program.



Figure 2. Photo of a hand specimen collected at Charlie Pegmatite during follow-up sampling. The sample is approximately 10cm across.

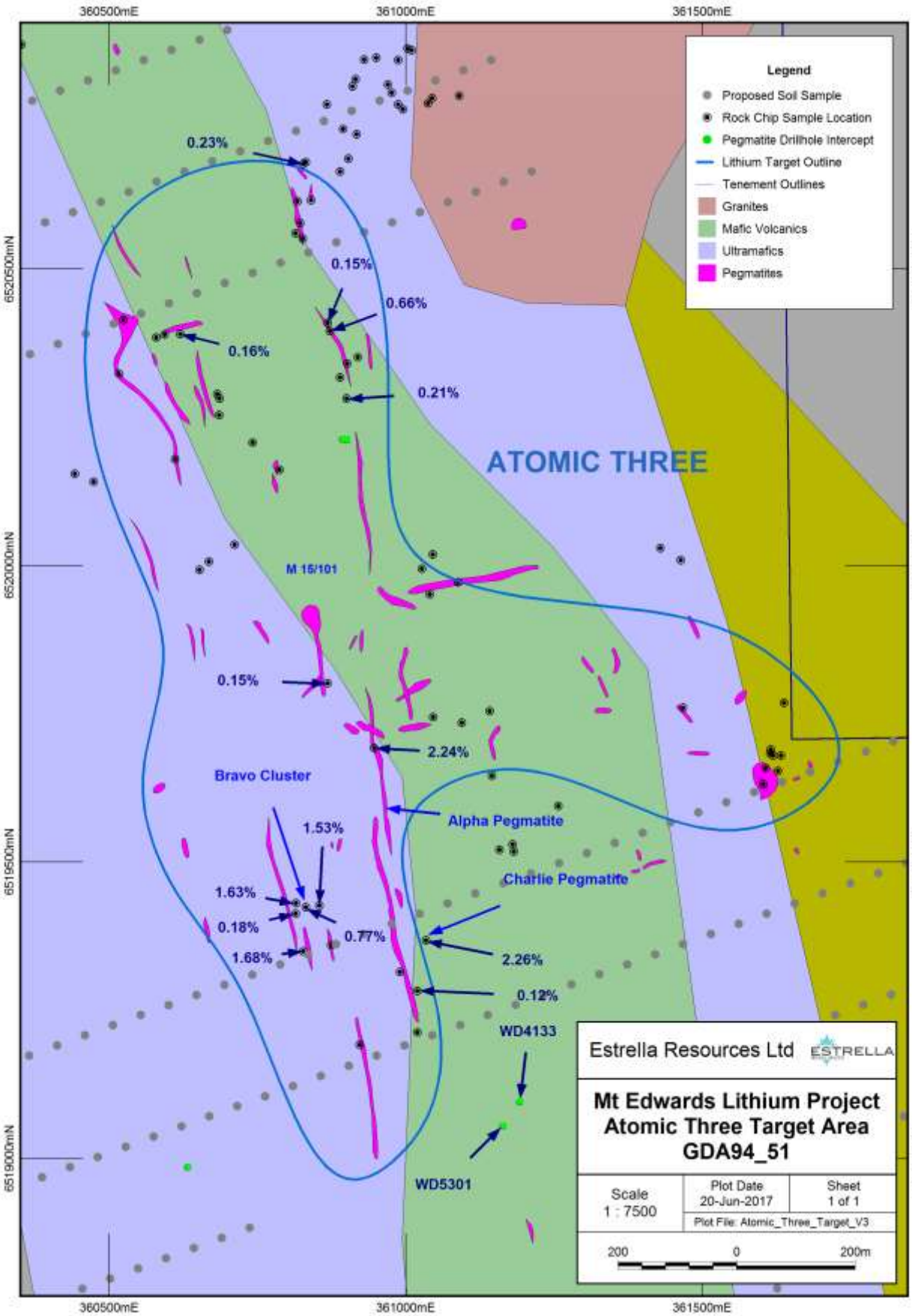


Figure 2. Map of the Atomic Three prospect showing all of the rock chips sampled to date, labelled with % Li_2O for anomalous results above 0.1% Li_2O. Note the very high grades returned from the Bravo Cluster and the Charlie Pegmatite, which will be mapped in detail, follow-up sampled, and targetted for drilling.

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
- 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

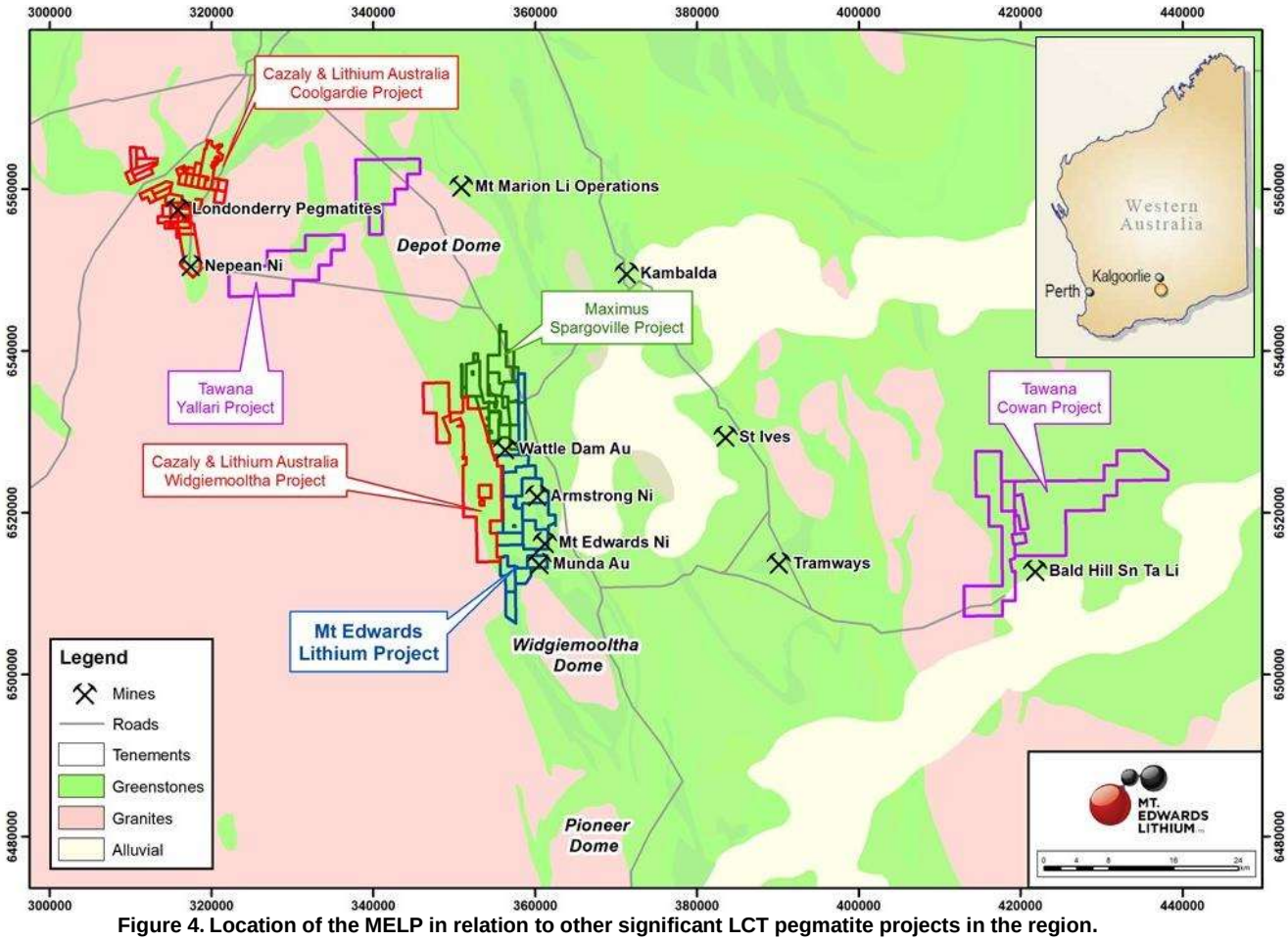


Figure 4. Location of the MELP in relation to other significant LCT pegmatite projects in the region.

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

Table 2. Recent rock chip sampling details.

Sample_ID	Zone	East	North	RL	Li_ppm	Cs_ppm	Ta_ppm	Rb_ppm	Li2O_ppm	Comments
AP00357	51J	360742	6520207	377	60	72	30	640	129	Phase III
AP00358	51J	360867	6520777	362	15	62	<10	368	32	Phase III
AP00359	51J	360910	6520808	360	75	24	<10	410	161	Phase III
AP00360	51J	360915	6520820	360	160	12	<10	31	344	Phase III
AP00361	51J	360930	6520853	360	35	10	<10	26	75	Phase III
AP00362	51J	360950	6520856	360	20	24	<10	215	43	Phase III
AP00363	51J	360987	6520852	360	65	8	10	77	140	Phase III
AP00364	51J	360917	6520727	360	20	13	<10	16	43	Phase III
AP00365	51J	360987	6520777	360	100	47	<10	630	215	Phase III
AP00366	51J	360976	6520797	360	95	23	<10	204	205	Phase III
AP00367	51J	361003	6520872	360	55	21	<10	268	118	Phase III
AP00368	51J	361010	6520869	360	145	47	10	397	312	Phase III
AP00369	51J	360894	6520736	360	55	28	<10	147	118	Phase III
AP00370	51J	360903	6520686	360	45	156	10	487	97	Phase III
AP00371	51J	360889	6520664	360	165	118	50	707	355	Phase III
AP00372	51J	360831	6520680	360	225	252	45	1770	484	Phase III
AP00373	51J	360827	6520677	360	1110	225	50	2030	2390	Phase III
AP00374	51J	360970	6520811	360	120	41	<10	531	258	Phase III
AP00375	51J	360995	6520769	360	110	33	<10	377	237	Phase III
AP00376	51J	361037	6520779	360	140	43	<10	571	301	Phase III
AP00377	51J	361044	6520788	360	140	48	<10	632	301	Phase III
AP00378	51J	361090	6520792	360	55	33	<10	506	118	Phase III
AP00379	51J	360524	6520414	360	105	122	10	769	226	Phase III
AP00380	51J	360579	6520384	360	130	94	15	908	280	Phase III
AP00381	51J	360620	6520390	360	735	176	20	1050	1582	Phase III
AP00382	51J	360593	6520389	360	390	162	20	1230	840	Phase III
AP00383	51J	360682	6520289	360	105	72	20	816	226	Phase III

Sample_ID	Zone	East	North	RL	Li_ppm	Cs_ppm	Ta_ppm	Rb_ppm	Li2O_ppm	Comments
AP00384	51J	360686	6520281	360	105	78	15	979	226	Phase III
AP00385	51J	360685	6520253	360	55	41	10	422	118	Phase III
AP00386	51J	360611	6520179	360	20	42	10	504	43	Phase III
AP00387	51J	360516	6520323	360	<10	1	<10	6	11	Phase III
AP00388	51J	360652	6519992	360	100	57	10	1160	215	Phase III
AP00389	51J	360668	6520006	360	115	58	35	1160	248	Phase III
AP00390	51J	361637	6519768	360	<10	219	90	1710	11	Phase III
AP00391	51J	361632	6519679	360	<10	108	30	1830	11	Phase III
AP00392	51J	361615	6519689	360	<10	48	85	881	11	Phase III
AP00393	51J	361619	6519679	360	<10	89	35	1570	11	Phase III
AP00394	51J	361614	6519683	360	10	118	75	1640	22	Phase III
AP00395	51J	361045	6520018	360	130	114	140	1580	280	Phase III
AP00396	51J	361027	6519994	360	80	104	125	962	172	Phase III
AP00397	51J	361040	6519951	360	170	129	60	971	366	Phase III
AP00398	51J	361094	6519734	360	70	156	45	1580	151	Phase III
AP00399	51J	361141	6519754	360	160	150	200	1450	344	Phase III
AP00400	51J	360868	6519801	360	700	164	15	1600	1507	Phase III
AP00401	51J	360711	6520035	360	160	39	20	1060	344	Phase III
AP00402	51J	360787	6520161	360	150	60	15	792	323	Phase III
AP00403	51J	361145	6519645	360	210	253	135	2060	452	Phase III
AP00404	51J	361257	6519594	360	230	76	65	875	495	Phase III
AP00405	51J	360814	6519412	360	845	149	35	1440	1819	Phase III
AP00406	51J	360854	6519426	360	7110	59	15	679	15308	Phase III
AP00407	51J	360827	6519349	360	7820	125	25	518	16836	Phase III
AP00408	51J	360874	6519359	360	90	13	55	16	194	Phase III
AP00409	51J	360815	6519430	360	7560	113	50	1220	16277	Phase III
AP00410	51J	360922	6519191	360	25	26	25	707	54	Phase III
AP00411	51J	361019	6519212	360	80	14	35	173	172	Phase III
AP00412	51J	361019	6519282	360	580	35	35	233	1249	Phase III
AP00413	51J	360990	6519314	360	110	70	35	1340	237	Phase III
AP00414	51J	361034	6519367	360	10500	50	40	409	22607	Phase III
AP00415	51J	361627	6519653	360	20	12	<10	30	43	Phase III
AP00416	51J	361606	6519658	360	20	133	20	1430	43	Phase III
AP00417	51J	361602	6519631	360	15	161	70	924	32	Phase III
AP00418	51J	361467	6519760	360	15	5	<10	3	32	Phase III
AP00420	51J	360814	6520560	360	140	169	25	1270	301	Phase III
AP00421	51J	360826	6520551	357	165	212	45	1450	355	Phase III
AP00422	51J	360822	6520577	361	110	159	170	1200	237	Phase III
AP00423	51J	360817	6520614	361	150	211	40	2050	323	Phase III
AP00424	51J	360840	6520616	357	75	103	35	651	161	Phase III
AP00425	51J	360868	6520409	361	695	128	25	1830	1496	Phase III
AP00426	51J	360872	6520395	362	3050	243	25	836	6567	Phase III
AP00427	51J	360919	6520351	358	45	97	155	607	97	Phase III
AP00428	51J	360901	6520340	360	200	94	85	725	431	Phase III
AP00429	51J	360889	6520317	362	95	139	15	724	205	Phase III

Sample_ID	Zone	East	North	RL	Li_ppm	Cs_ppm	Ta_ppm	Rb_ppm	Li2O_ppm	Comments
AP00430	51J	360900	6520281	359	995	213	20	895	2142	Phase III
AP00431	51J	360474	6520141	358	130	107	25	823	280	Phase III
AP00432	51J	360442	6520154	358	45	5	<10	52	97	Phase III
AP00433	51J	361463	6520009	340	125	291	130	803	269	Phase III
AP00434	51J	361429	6520029	340	40	133	70	943	86	Phase III
AP00435	51J	361955	6520256	322	15	10	<10	51	32	Phase III
AP00436	51J	360831	6519423	366	3590	136	80	368	7729	Phase III
AP00437	51J	361180	6519529	369	40	8	<10	10	86	Phase III
AP00438	51J	361182	6519517	368	50	132	55	1470	108	Phase III
AP00439	51J	361158	6519520	370	15	2	<10	9	32	Phase III

Highly anomalous result requiring follow-up

Competent Person Statement

The information in this announcement relating 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 Estrella Resources, and a member of The Australasian Institute of Geoscientists. Mr Marshall has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity 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.

FURTHER INFORMATION CONTACT
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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

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.	sampled and sample condition.
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. • No measures have been taken in this regard as these are preliminary rock chip samples. • 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, 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.	• 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, no mineral resource or ore reserve is being reported.
	• Whether sample compositing has been applied	• Not applicable for random rock chips.
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, these are spot samples. • Not applicable, no drilling is being reported.
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 (25%) and Estrella Resources (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.

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').	• Not 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 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.