ABN 39 155 151 207

16 October 2017

Ben Secrett
ASX Compliance Pty Ltd
Level 40, Central Park
152 - 158 St Georges Tce
Perth WA 6000

By email: Ben.Secrett@asx.com.au

Dear Ben

Estrella Resources Limited ("ESR"): Price & Volume Query Response

In response to the letter from the ASX to Estrella Resources Limited (ASX: ESR or the 'Company') and dated 10 October 2017, the Company responds below:

1. The Company was involved in confidential negotiations for a proposed material acquisition (**Proposed Acquisition**) which may or may not have contributed to the trading in its securities.

2. (a) Yes, as the negotiations were then incomplete and confidential the Company was unable to announce the Proposed Acquisition.

   (b) As the Company was unable to immediately announce the Proposed Acquisition, out of prudence it requested that ASX place its securities in a trading halt to ensure that there was no trading in its securities until an appropriate announcement could be made in relation to the Proposed Acquisition.

   (c) The Company will shortly release an announcement on the Proposed Acquisition.

3. Not applicable. However, the Company also notes that the current optimism surrounding the resources industry (and in particular companies involved in the energy metals sector) may have led to the increase in price and volume.

4. Confirmed.

5. Confirmed.

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Should you have any questions please do not hesitate to contact me.

Yours sincerely



Steve Brockhurst

Director / Company Secretary
Estrella Resources Limited

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Phone +61 8 9481 0389 Fax +61 8 9463 6103 Email info@estrellaresources.com.au

10 October 2017

Steve Brockhurst
Estrella Resources Limited
Level 11, 216 St Georges Terrace
PERTH WA 6000

By email

Dear Mr Brockhurst

ESTRELLA RESOURCES LIMITED ("ESR"): PRICE & VOLUME QUERY

We note the change in the price of ESR's securities from a low of $0.036 to an intra-day high at the time of writing of $0.042 today, Tuesday, 10 October 2017.

We also note a significant increase in the volume of ESR's securities traded today.

In light of this, ASX asks ESR to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Is ESR aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

2. If the answer to question 1 is "yes":

   a) Is ESR relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

      Please note that the recent trading in ESR's securities would suggest to ASX that such information may have ceased to be confidential and therefore ESR may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.

   b) Can an announcement be made immediately?

      Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).

   c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

3. If the answer to question 1 is "no", is there any other explanation that ESR may have for the recent trading in its securities?

4. Please confirm that ESR is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Please confirm that ESR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ESR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 2.00pm AWST, today, Tuesday, 10 October 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in ESR's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ESR's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail tradinghaltsperth@asx.com.au. It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to ESR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B.

It should be noted that ESR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in ESR's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;

- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 Trading Halts & Voluntary Suspensions.

Please contact me immediately if you have any queries or concerns about any of the above.

Yours sincerely

[sent electronically without signature]

Ben Secrett
Senior Adviser, ASX Listings Compliance