ESTRELLA RESOURCES

Chile's star in copper-gold

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ASX ANNOUNCEMENT

28 January 2014

Colupo Diamond Drilling Update plus new Colupo Norte Prospect

HIGHLIGHTS

- ✓ **Drilling now completed for two diamond holes at Colupo Prospect.**
- ✓ **Both holes intersect anticipated targeted mineralisation.**
- ✓ **Colupo Norte Prospect: New prospect identified with copper oxide minerals exposed on surface.**
- ✓ **Multispectral data processing has led Estrella to new Colupo Norte Prospect - only 3 km north-northwest of Colupo.**
- ✓ **Project Altair's neighbour announces 300 drill hole RC program at La Reina Project (4 km west of Estrella's Saturno Prospect).**

1. Introduction

Estrella Resources Limited (ASX: ESR) (**Estrella** or the **Company**) is pleased to advise it has now completed the first two holes in the diamond drilling program at its Colupo Prospect within the Altair Project.

Holes DHC-01 and DHC-02B have been completed and are currently being logged and sampled.



Figure 1. Marking up of DHC-01 at Colupo Prospect (January 2014).

2. Colupo Prospect diamond drilling progress

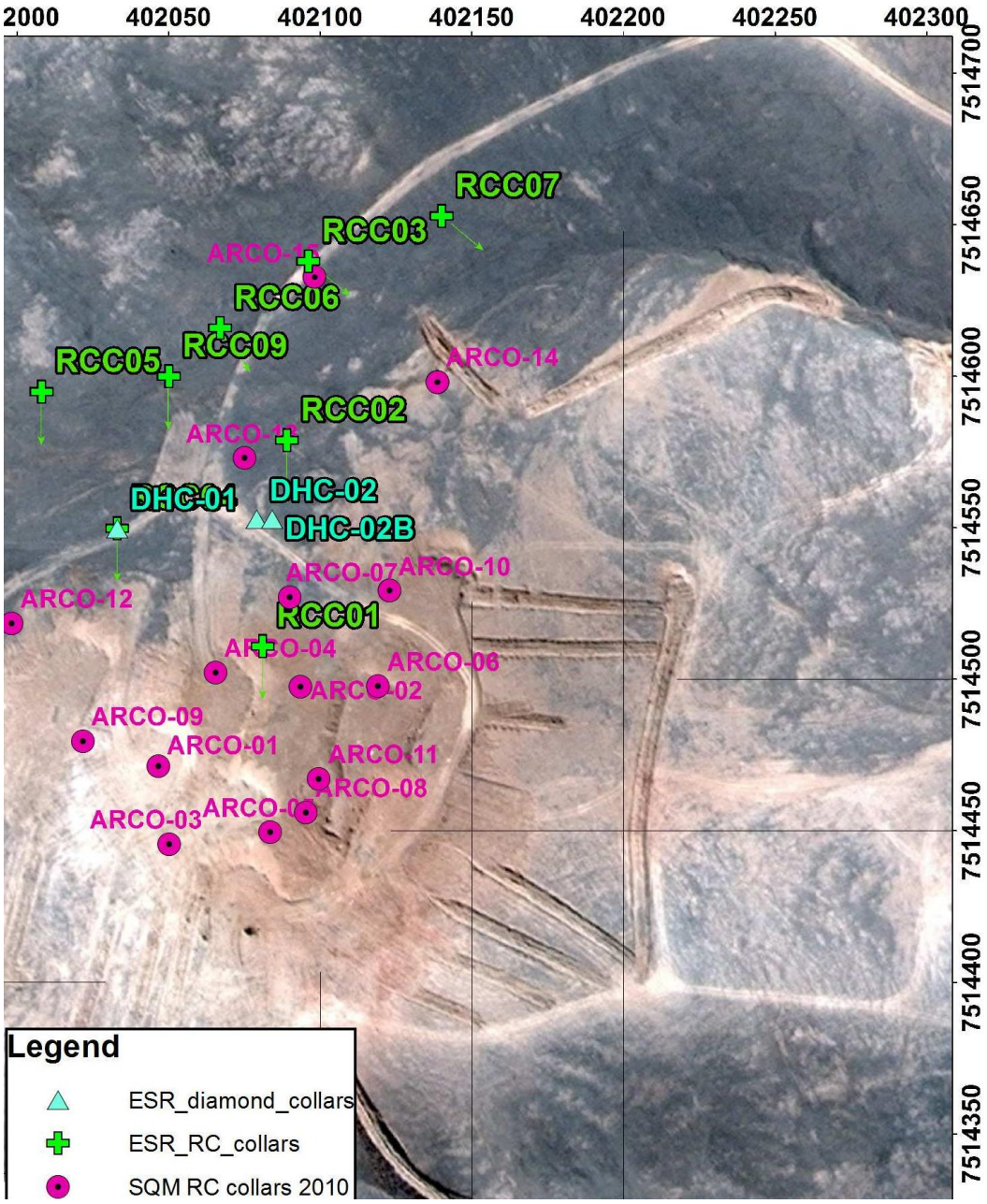


Figure 2 - Colupo Prospect drill hole collars including Estrella's Diamond and RC collars and SQM's 2010 RC collars (Map Datum PSAD56 zone 19s).

The positioning of the first 2 diamond drill holes was to determine:

- Strike and dip of the structural contacts to assist validating the current geological model;
- Geometrical nature of the multiple breccia system and subsequent mineralisation;
- Deeper extensions of multiple mineralisation zones;
- True width thicknesses of each mineralisation zone; and
- Provide a critical step to delineating an initial JORC resource at Colupo.

Tourmaline breccias with copper mineralisation (copper oxides and chalcocite) have been visually observed in both diamond drill holes (**Figure 2** and **Figure 3**) and are consistent with previous visual observations from Estrella's RC drilling campaign at Colupo conducted in Q4 2013.



Figure 3 - HQ diameter diamond core from hole DHC-01 at Colupo identifying copper mineralised breccia intercept at approximately 43 metres to 51 metres downhole (January 2014).



Figure 4 - HQ diameter diamond core from DHC-02 at Colupo identifying intercept 97 metres to 104 metres with visual extensive tourmaline filled breccia with copper mineralisation (January 2014).

Estrella encountered minor delays drilling the first two holes as firstly, drilling progress was slow in hole DHC-01 due to intensively fractured ground and diamond hole DHC-02 was abandoned at 128 metres due to mechanical rig failure totally unrelated to the geology/core. Immediately a twin hole DHC-02B was successfully drilled to completion using the repaired rig. Also delays to drilling were associated with the exploration crews being unable to access Colupo for several days as the access road was unexpectedly seconded for the 2014 Dakar car rally.

The diamond drilling program at Colupo is still in progress. Hole DHC-01 is currently being sampled, which is slower than forecast due to extensive fracturing of the core. Further progress and results of the diamond drilling program will be reported to shareholders as and when they are received. Estrella expects the first assay results from diamond core samples in March 2014.

3. Colupo Norte Prospect

Estrella's recent work with processing satellite borne multispectral data over Altair targeted spectral signatures of various alteration minerals to identify any anomalous alteration zones that may be indicative of copper mineralisation. Several areas of interest have resulted from this work, in particular there is a circa 35 km long north-south trending corridor over the Colupo Prospect that is about 4 km wide. Using this information, Estrella's exploration team has now identified copper oxide mineralisation at surface only 3 km north-northwest of the current drilling area at Colupo that Estrella has named **Colupo Norte Propsect** (**Figure 5**).

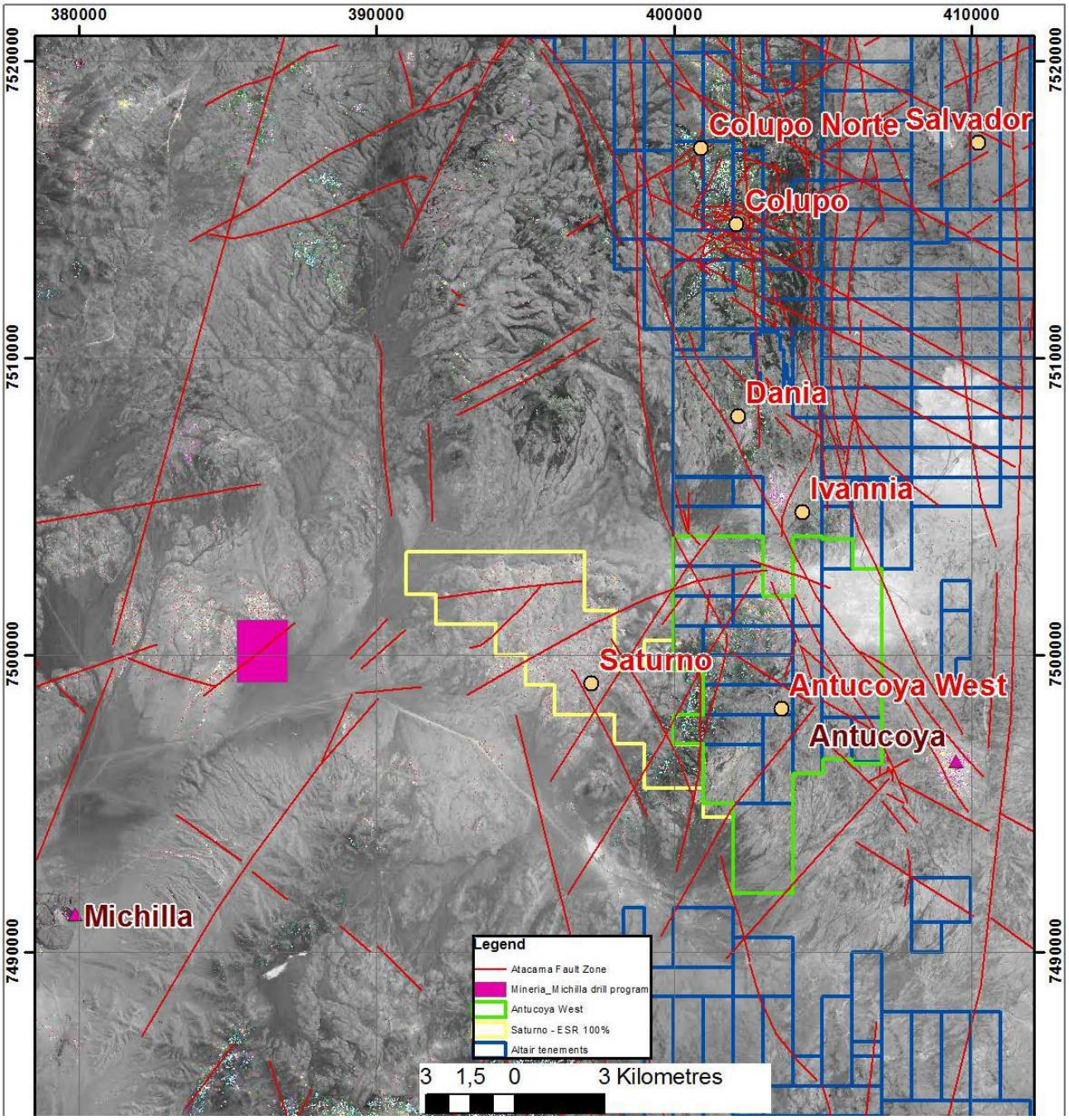


Figure 5 - Colupo Norte Prospect lies 3 km north-northwest of Colupo, identified by Estrella's multispectral image processing (base image). The pink box highlights the La Reina drilling project owned by Mineria Michilla SA (Map Datum PSAD56 zone 19s).

Currently there are 5 at surface trenches prepared by Estrella at Colupo Norte (**Figure 5**). Field observation by Estrella's geologists confirms the presence of copper oxide mineralisation at the surface (**Figure 6** and **Figure 7**). The mineralisation at Colupo Norte has similarities to the current identified exploration dataset at Colupo, that is, brecciated volcanic rocks adjacent to faulting, displaying strong limonitic and haematitic alteration at surface. Estrella is currently mapping and trenching at Colupo Norte in preparation for RC drill testing, most likely as part of the next RC drilling campaign at Colupo.



Figure 6 - Mapping trenches at Colupo Norte Prospect (January 2014).



Figure 7 - Copper oxide mineralisation with limonitic, haematitic and sericitic alteration within trenches at Colupo Norte Prospect (January 2014).

4. Mineria Michilla SA applies for 300 hole drill program permit at La Reina

Mineria Michilla SA, (the Chilean company that is wholly owned by Antofagasta Minerals PLC) owns the operating Michilla copper mine and has recently submitted for its La Reina project a 300 hole RC program proposal to Sernageomin (Chilean Mines Department) to be drilled over the next 2 years. The La Reina project lies (**Figure 5**) 4 km west of Saturno, between Michilla and Estrella's Altair Project. Drilling at La Reina further highlights the mineralisation prospectivity of the Altair Project region. Antofagasta Minerals PLC also owns the Antucoya porphyry deposit (adjoining Estrella's Project Altair) which is currently under development (US$1.9B) and due to produce its first copper cathode in April 2015 (source: Antofagasta Minerals PLC public announcements).

Commentary

Commenting on the commencement of the diamond core drill program at Colupo, Estrella's Managing Director, Dr. Jason Berton, said:

> *"The diamond coring drill program at Colupo is progressing well to achieving our aims of improving our geological understanding that will enable Estrella to define a JORC Compliant Mineral Resource at Colupo in 2014 and extend the current known limits to the mineralisation.*
>
> *Additionally our regional exploration work is beginning to bear real fruit with the identification of the new Colupo Norte Prospect from our multispectral work that could well lead to identifying several more mineralisation occurrences at surface."*

About Estrella Resources

Estrella Resources Limited is an ASX listed, Chilean focused copper-gold exploration company. Estrella has a number of exploration projects in Chile. With a highly experienced board, a strong operational and management team and a sole focus on Chilean copper and gold projects, the Company is well positioned to develop its projects and add value for shareholders.

Directors and Management

Dr. Jason Berton
Managing Director

Gavin Solomon
Non-Executive Chairman

Julian Bavin
Non-Executive Director

Simon Kidston
Non-Executive Director

Justin Clyne
Company Secretary

ESTRELLA RESOURCES LIMITED
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ASX CODE: ESR

ORDINARY FULLY PAID SHARES:
96,601,000

UNLISTED OPTIONS:
11,130,000