

Estrella Resources Limited (ASX: ESR)

SPECULATIVE BUY

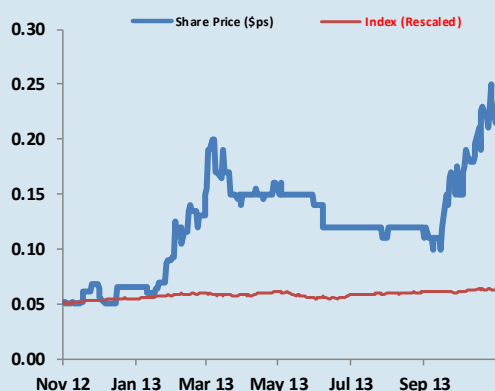
VALUATION: A\$0.50

SHARE PRICE: A\$0.22

COMPANY DATA

Share Price (AUD/sh)	0.22
12m Target Price (AUD/sh)	0.50
Issued Capital (M)	96.6
Market Capitalisation (AUDm)	20.8
Year High - Low (AUD/sh)	0.25 - 0.05
Cash (AUDm)	2.5
Debt (AUDm)	0.0
Gearing ND/(ND+E)	0.0%

ESR vs ASX 200 INDEX



SHAREHOLDERS

Institutional	54.0%
Board and Management	18.0%
Retail	28.0%

BOARD

Gavin Solomon	Non-Executive Chairman
Jason Berton	Managing Director
Julian Bavin	Non-Executive Director
Simon Kidston	Non-Executive Director

Early drilling results shows high grade potential at Colupo

SUMMARY OPINION

Estrella announced the assay results of the initial 4 drill holes at Colupo. The results are pleasing and mostly exceeding expectations. The intersection of mineralised breccias at depth proved the continuity of previous shallow high grade intersections from previous SQM drilling (2010-2011). Encouragingly, the grades and width of these intersections remained consistent with SQM's results.

The identification of new breccias at Colupo within the immediate area, including the thick and high grade hits in Hole RCC04 is highly positive. The drilling results thus far suggest that mineralisation at Colupo is defined by a series of "stacked" and steeply dipping breccias which potentially interplays with a Manto system. Geologically the Colupo system closely resembles nearby Mantos De La Luna and Michilla deposits. As such, any exploration target at Colupo is likely to be similar in scale to these deposits. Importantly, both of Mantos de la Luna and Michilla started as high grade, open cut operations. In Chile, open cut grades of >1% Cu are considered to be very high.

It is still early days for Colupo but with results such as **20m @ 2.4% Cu (including 6m @ 6.6% Cu, 0.5g/t Au & 27.1g/t Ag)** from near surface, Colupo has the genuine potential to evolve into a significant deposit. All current drilling activities have been limited to a 3 hectare area. This is a small proportion of the total Colupo exploration area of 2,650 hectares. We expect the next drilling program to substantially step out from the current area and provide a clearer picture on the scale of Colupo. We maintain our **Speculative BUY** recommendation on the Company.

HIGHLIGHTS

- High Grade assay results received from the initial 4 holes at Colupo.
- Mineralisation starts at or near surface and extends to at least 150m vertical depth.
- Mineralisation remains open to the north, east, west.

- Mineralisation also remains open at depth.
- Key drilling results include:
 - **Hole RCC04 - 20m @ 2.4% Cu from 12 m including**
 - **6m @ 6.6% Cu, 0.5 g/t Au & 27.1 g/t Ag**
 - **Hole RCC04 - 16m @ 1.5% Cu from 131m including;**
 - **6m @ 1.6% Cu, 0.2 g/t Au & 7.5 g/t Ag**
 - **6m @ 2.2%Cu, 0.2 g/t Au & 11.8 g/t Ag**
 - **Hole RCC02 - 20m @0.9% Cu from 144m including**
 - **3m @ 3.4% Cu**
- Discovery of a potential new Manto system in the north east.
- Holes designed to intersect at depth extensions of the historical SQM holes have been successful. Copper zones were intersected at the expected depth, width and grade.
- Current drilling limited to a 300m x 100m foot print.
- Multiple new breccias have been identified and mineralisation has been extended from 70m depth to 150m depth.
- The mineralised breccias averages between m3-20m in width and 0.5% - 2.4% Cu in grade.
- Good gold and silver grades were also found in high grade zones of the mineralisation.
- Assays from the additional 5 holes already drilled expected to be released in late November 2013.
- A follow up diamond and RC drilling program is expected to commence in December 2013.

Figure 1: Copper mineralised shells for Colupo. Transparent green denotes 0.2% Cu shell, solid yellow denotes 0.4% Cu shell. The mineralised system extends to 150m depth and remains open at greater depths

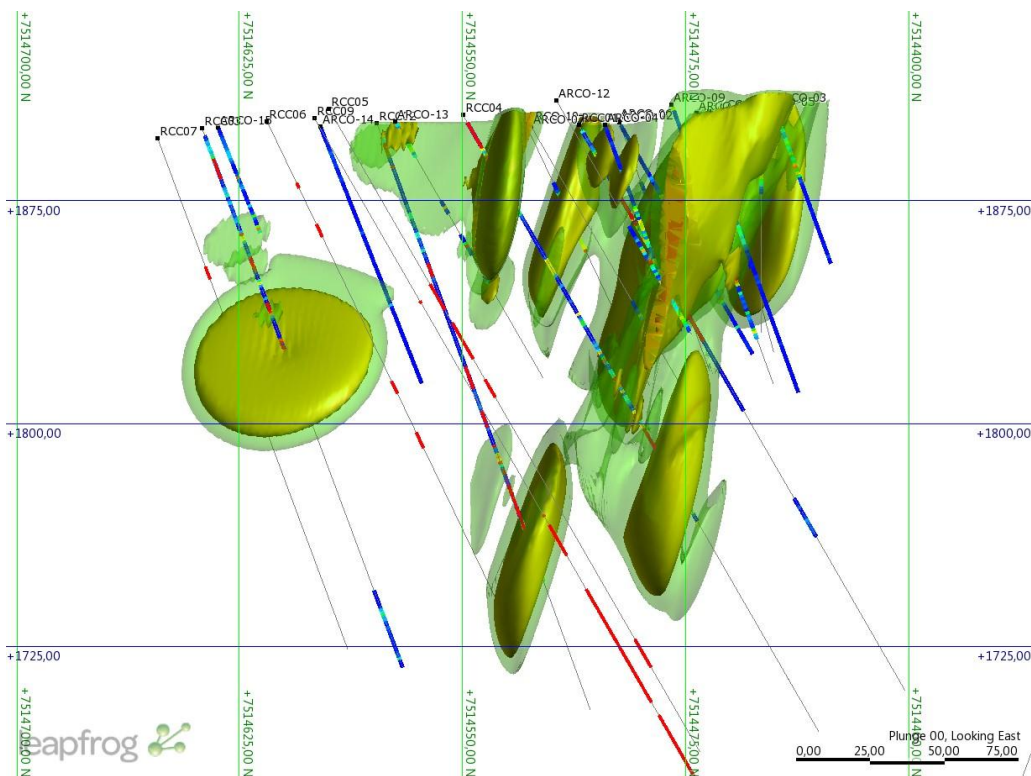


Figure 2: Section 402035E hole RCC04 at Colupo with drill holes, average grade intervals and >0.5% Cu (red) and >0.2% Cu (purple) copper mineralisation shells including projected mineralised shell intersections for hole RCC09, based upon breccia and mineralisation observed in geological logs (assay results pending) (Datum PSAD1956 zone 19s).

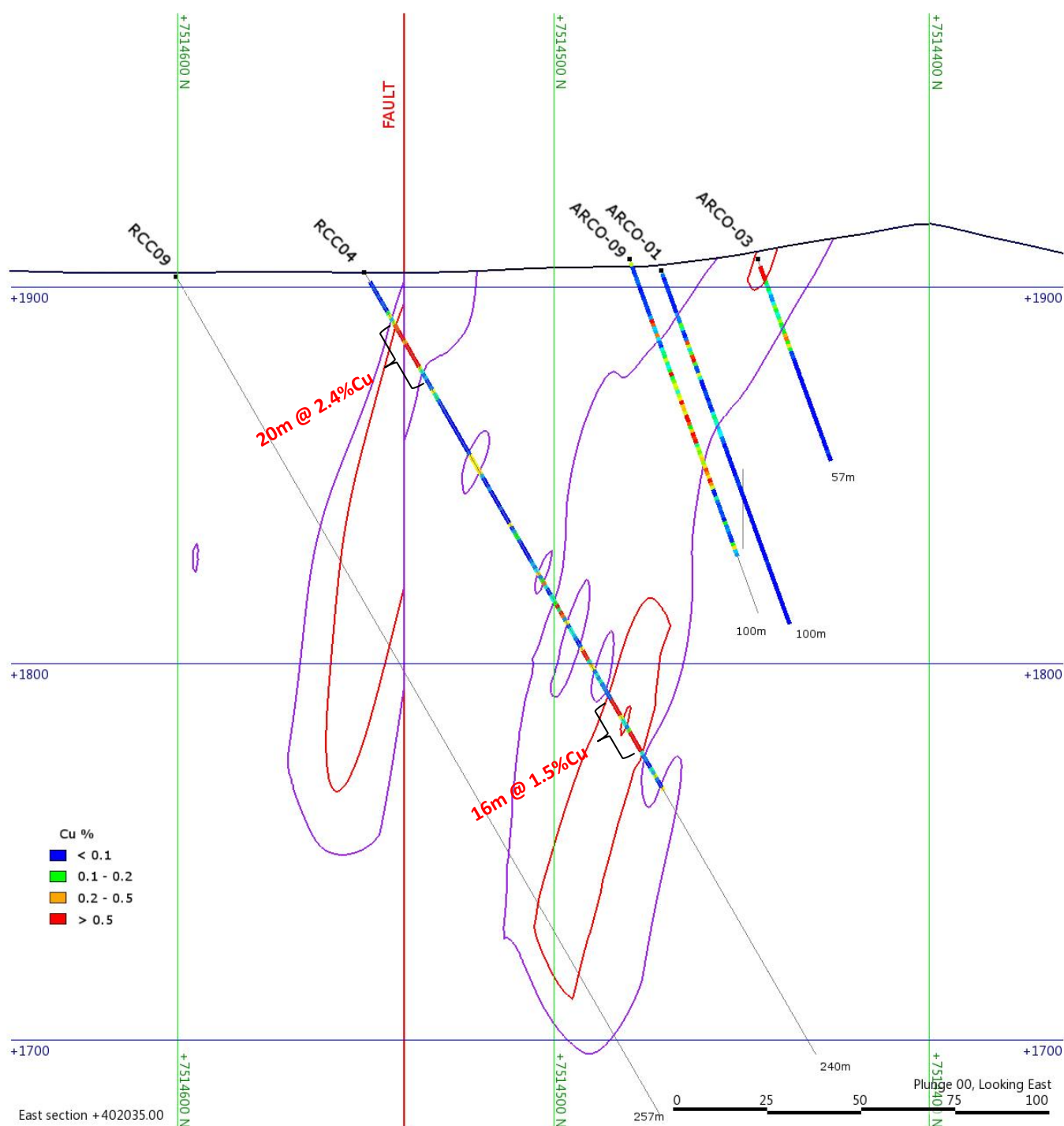
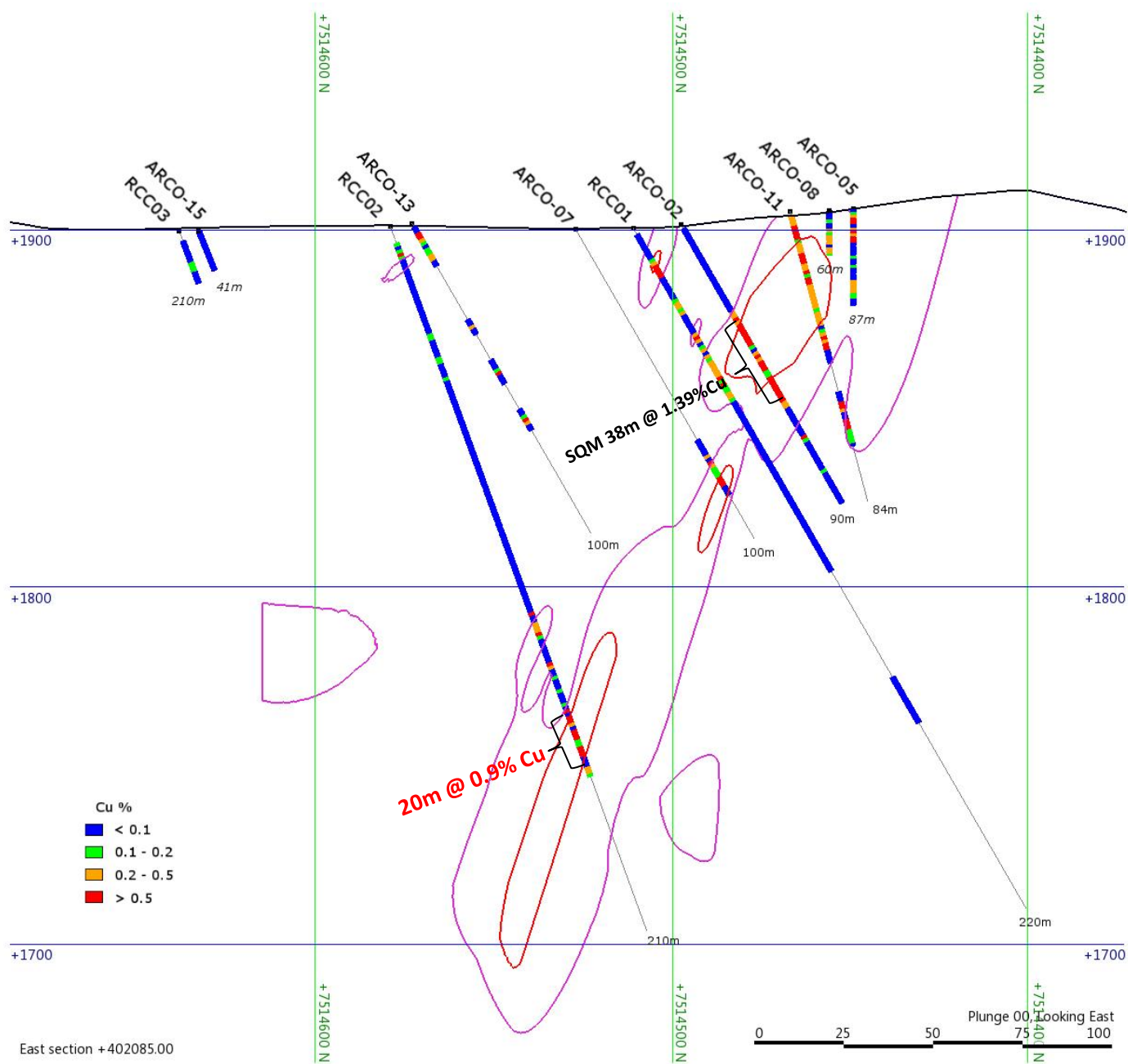


Figure 3: Section 402085E showing drill holes, with average grade intervals (Datum PSAD1956 zone 19s).



DISCLAIMER AND DISCLOSURE OF INTEREST

This document (Report) is issued by Helmsec Global Securities Limited (Helmsec) an authorised representative of Helmsec Global Capital Limited (HGCL), Australian Financial Services Licence No. 334838. This Report is intended solely for the use by wholesale/institutional clients within the meaning of section 761G of the Corporations Act 2001 (Cth) (Act), sophisticated investors pursuant to Section 708(8) of the Act, professional investors pursuant to Section 708(11) of the Act and/or otherwise persons to whom a disclosure document is not otherwise required to be given under Chapter 6D of the Act.

To the extent that any recommendations or statements of opinion made by Helmsec in this Report constitute financial product advice, they constitute general financial product advice only and do not constitute personal financial product advice in any manner whatsoever. Accordingly, any such recommendations or statements do not take into account the investment objectives, financial situation, taxation requirements and/or the particular needs of any recipient. Before subscribing for securities in the Company named in the Report (the Company), you should consider, with the assistance of your independent financial and legal advisers, whether the potential investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

Any recommendations or statements of opinion contained in this Report are based on assumptions made by Helmsec. These assumptions may or may not eventuate and accordingly, any such recommendations or statements of opinion may prove to be incorrect. This Report has been distributed in confidence and may not be reproduced or disclosed to any other person without the prior written consent of Helmsec.

The information contained in this Report has been prepared by Helmsec with due care but no representation or warranty whatsoever is made, express or implied, in relation to the accuracy and/or completeness of this information. This Report is based on information obtained from sources believed to be reliable and Helmsec has made every effort to ensure the information in this Report is accurate however Helmsec does not make any representation and/or warranty that any information in this report is accurate, reliable, complete and/or up to date. Except for any liability which cannot be excluded, Helmsec disclaims all liability for any error or inaccuracy in, or omission from the information contained in this Report or any loss or damage suffered, directly or indirectly by the reader or any other person as a consequence of relying upon the information.

Helmsec, HGCL and their Directors, employees, agents and consultants accept no obligation or liability whatsoever to correct and/or update any information and/or opinions in this Report. Opinions expressed are subject to change without notice and only accurately reflect the opinions of Helmsec at the time of writing this Report. Helmsec, HGCL and its Directors, employees, agents and consultants accept no liability whatsoever for any direct, indirect, consequential and/or other loss arising from any use of this Report and/or further communication in relation to this Report. The historical information in this Report is, or is based upon, information that has been released to the general market.

HGCL has previously received professional fees from the Company. In the event that the Company seeks to raise equity, HGCL will seek to assist in that process. If so appointed, HGCL and Helmsec are likely to earn fees from undertaking that role. Two Helmsec Directors are also Non-Executive Directors of the Company. Each recipient of this Report acknowledges that Helmsec, HGCL their Directors, employees, authorised representatives, consultants, associates, related entities and/or family members may have interests in the securities of the Company. If you require further information in relation to the parties referred to above and their interest(s) in the Company please contact Helmsec.