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16 June 2020

ASX ANNOUNCEMENT

ESTRELLA - PROJECT UPDATE

HIGHLIGHTS

- **Expressions of Interest are sort for the outright sale of the Munda Gold Project which will be sold so that the Company can focus its efforts solely on its flagship Carr Boyd Nickel Copper Project**
- **Estrella has committed to a diamond core drilling program at the Carr Boyd Nickel-Copper Project**
- **Drilling will commence once a succesful buyer is determined and the Company can fully fund the drilling from the proceeds of the sale**
- **The Company plans to complete three 600m deep diamond core holes for 1,800m at the T5 Prospect**
- **RC drilling at T5 in 2019 intersected Ni-Cu-Co sulphides on the basal contact which is open in all directions**
- **The planned drilling will test the contact at depth below, to the north and to the south of the T5 sulphide mineralisation**
- **Holes will be surveyed with high-powered DHTEM and analysed for nickel vector geochemistry to map out the sulphides at depth, providing targets for follow up drilling**
- **Expressions of Interest are sort for the outright sale of the Munda Gold Project which will be sold so that the Company can focus its efforts solely on its flagship Carr Boyd Nickel Copper Project**

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to announce that the Company has signed a drilling contract with Topdrive Drillers Australia (TDA) to complete 3 diamond core holes at the Company's flagship Carr Boyd Ni-Cu Project which is located ~80km north-northeast of Kalgoorlie.

The holes are to be completed at the Target 5 (T5) Prospect sulphide discovery located 1.2km NNW of the Carr Boyd nickel mine (ASX: Nickel Copper Discovery at Carr Boyd Rocks- 28 May 2019; and Assay Results Confirm New Sulphide Nickel Discovery Zone at Carr Boyd Rocks- 8 July 2019).

Ni-Cu-Co bearing sulphides were intersected in both holes drilled at T5 which comprised of disseminated to matrix sulphide mineralization (refer ASX release 8 July 2019):

- **8m @ 1.11% Ni & 0.36% Cu returned from drill hole CBP042**
  - **Includes 4m @ 1.60% Ni & 0.31% Cu from matrix sulphide zone**
- **1m @ 0.61% Ni & 0.57% Cu returned from drill hole CBP043**

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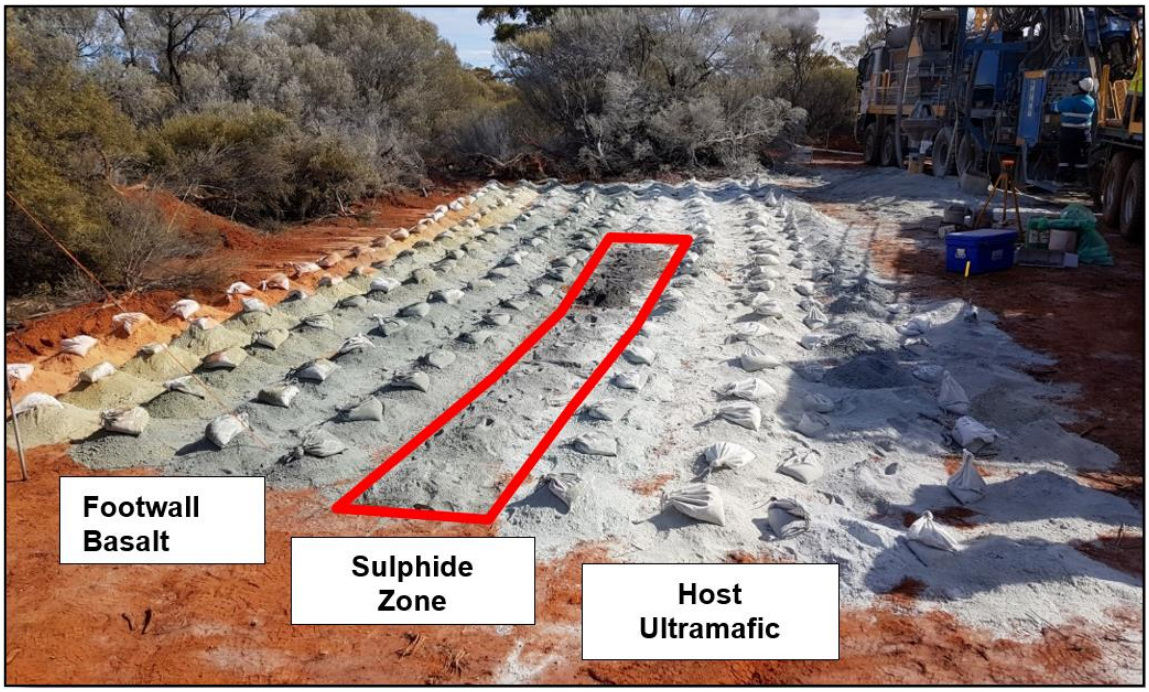


Figure 1. Sulphide mineralised samples within CBP042 at T5 . Black samples are the higher grade, sulphide rich matrix zone.

A high-powered MLTEM survey was completed in 2018-2019 identifying the T5 anomaly ~1.2km NNW of the Carr Boyd Mine. Geophysical modelling determined that the EM conductor is discrete and moderately to highly conductive. The modelled conductance is 3000 – 5000S, making the T5 EM anomaly a very high priority drill target.

RC drilling was completed in 2019 to test the T5 MLTEM anomaly (2 holes for 414m), intersecting Ni-Cu-Co sulphides on the basal contact. Estrella completed DHTEM on both RC holes confirming the in-hole source of the intersected nickel sulphides. The Company subsequently completed a FLTEM survey over the T5 area and along the contact to the north to forward model the next stage of drill targets.

The results of the FLTEM survey determined that there is a consistent main anomaly that essentially fits the MLTEM model very well where the two recent RC holes have tested. Modelling of all the data is supportive of the sulphide mineralisation opening along the length of the basal contact to the north, as well as at depth to the north & south of the T5 discovery zone below the current and historic drilling (Figure 2).

Estrella has committed to using TDA to complete deep diamond core drilling to target a zone 300m to the north and south of the current drilling as well as directly below T5 at a vertical target depth of 300-400m below surface. This drilling will test the basal contact over a greater strike length of ~700-800m (Figure 2), providing a platform for deep DHTEM geophysical testing as well as returning critical geological and geochemical vectoring data for Ni-Cu sulphides.

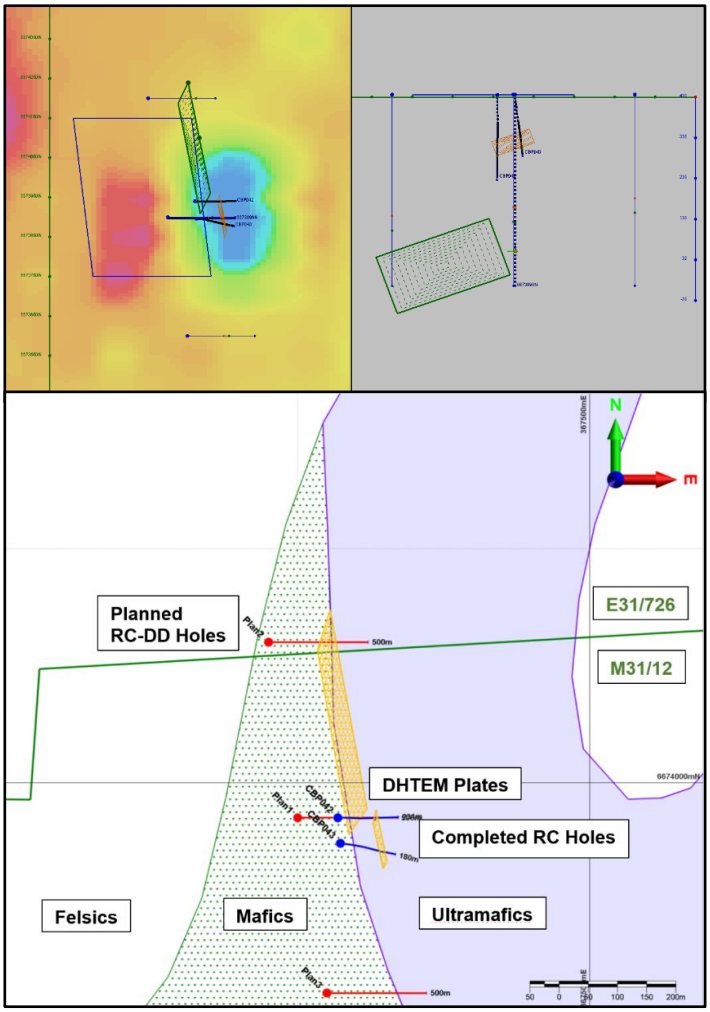


Figure 2. DHTEM & FLTEM modelling with planned drill holes designed to test the anomalies and sulphide bearing contact at depth.

Estrella's CEO Chris Daws comments "There is no doubting nickel has a strong future with demand forecasts extremely positive. *Estrella's management are excited about the planned drilling program at the T5 Prospect as it has demonstrated real potential for the Carr Boyd Project. Drilling will commence once a succesful buyer is determined for the Munda Gold Project and the Company can fully fund the drilling from the proceeds of the sale. The Company is focussed on delivering the best value for its shareholders and has decided that it needs to divest the Munda Project so that it can focus its time and money solely on its flagship Carr Boyd Project."*

Expressions of Interest are sort for the outright sale of the Munda Gold Project so that the Company can focus its efforts solely on its flagship Carr Boyd Project.

The Munda Gold Project is located approximately 34 km south-west of mining town of Kambalda, Western Australia and is conveniently situated ~4.5km west of the township of Widgiemooltha. The Project is ~3km southwest of the Widgiemooltha Gold Mine which is operated by Mincor Resources (ASX:MCR).

The Project comprises a shallow 20m deep historic opencut gold pit which was mined from 1999-2000 (Resolute Mining) and a **JORC 2012 Inferred Mineral Resource containing 46Koz at an average grade of 2.82g/t Au** (Table 1; ASX: Estrella to acquire Munda Gold and Spargoville Nickel Projects-04 September 2017).

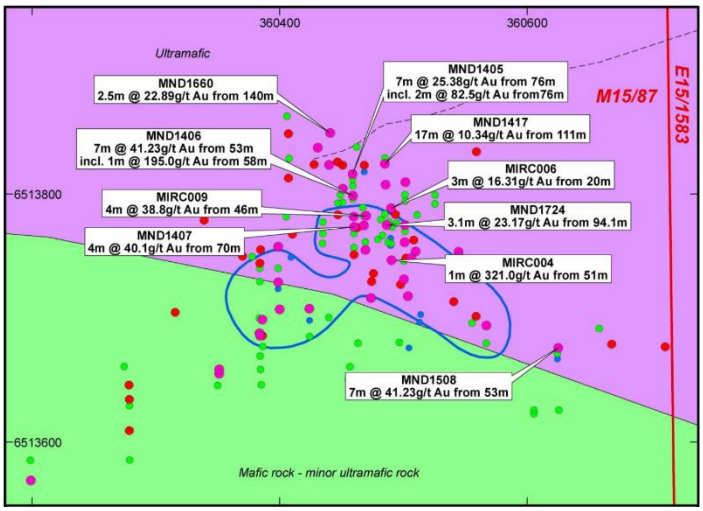
Table 1. Munda Gold Mineral Resource Estimate

Resources			Metal Grade	Contained Metal
Category	*Cut off (Au g/t)*	*Tonnage (Kt)*	*Gold (g/t)*	*Gold (oz)*
Inferred	1	511	2.82	46,337
Total	**1**	**511**	**2.82**	**46,337**

The JORC 2012 Mineral Resource Estimate (May 2016) includes multiple high-grade intersections as shown below at Table 2 and Figure 3.

Table 2 & Figure 3. Historical intersections included in the Munda Gold Mineral Resource Estimate.

Hole_ID	mFrom	mTo	Width (m)	Au_g/t
MND1406	53.0	60.0	7.0	41.23
Including	58.0	59.0	1.0	195.00
MND1407	70.0	74.0	4.0	40.10
MND1508	98.0	114.0	16.0	10.13
MND1724	94.1	97.1	3.1	23.17
MND1405	76.0	83.0	7.0	25.38
Including	76.0	78.0	2	82.5
MND1660	140.0	142.5	2.5	22.89
MND1417	111.0	128.0	17	10.34
MIRC009	46.0	50.0	4.0	38.80
MIRC006	20.0	23.0	3.0	16.31



Multiple zones were recently intersected in two holes drilled in 2019 which are outside of the current Munda pit boundary and **<u>are not included</u>** in the resource estimate **<u>providing significant resource expansion potential</u>**.

The recent drilling intersected "**Bonanza Gold Grades**" with a peak value of **1m @ 243.7g/t Au** in hole EMD002 (Figure 4). The Bonanza intersection is located within an exceptional broad high-grade zone of **16m @ 21.6g/t Au** which includes **9m @ 35.9g/t Au** (refer ASX release 8 October 2019).

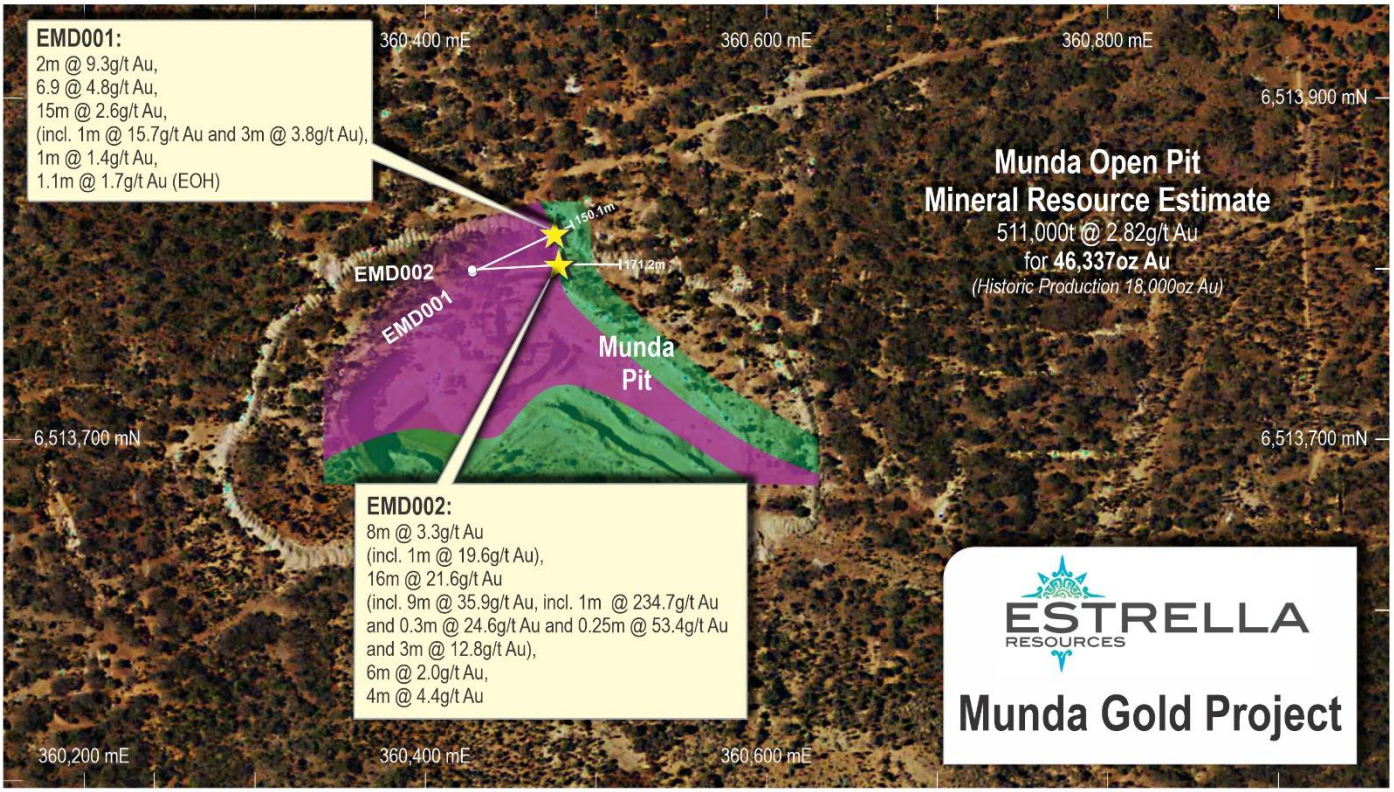
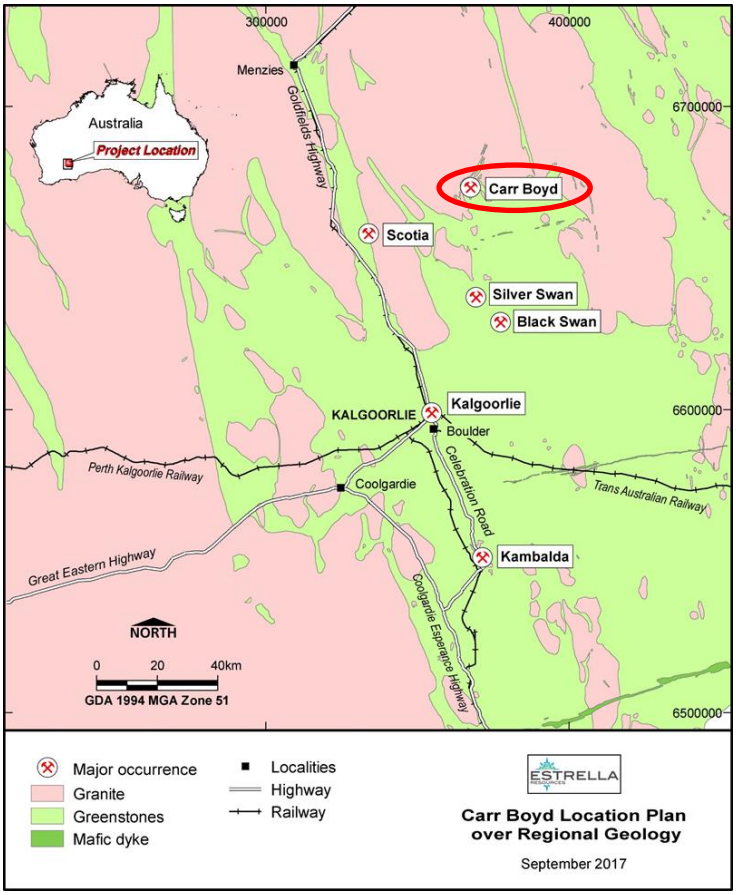


Figure 4. Location of drill holes EMD001 and EMD002 north of the Munda gold pit. Simplified geology and gold intersection are shown over an aerial photo image.

ABOUT THE CARR BOYD NICKEL PROJECT

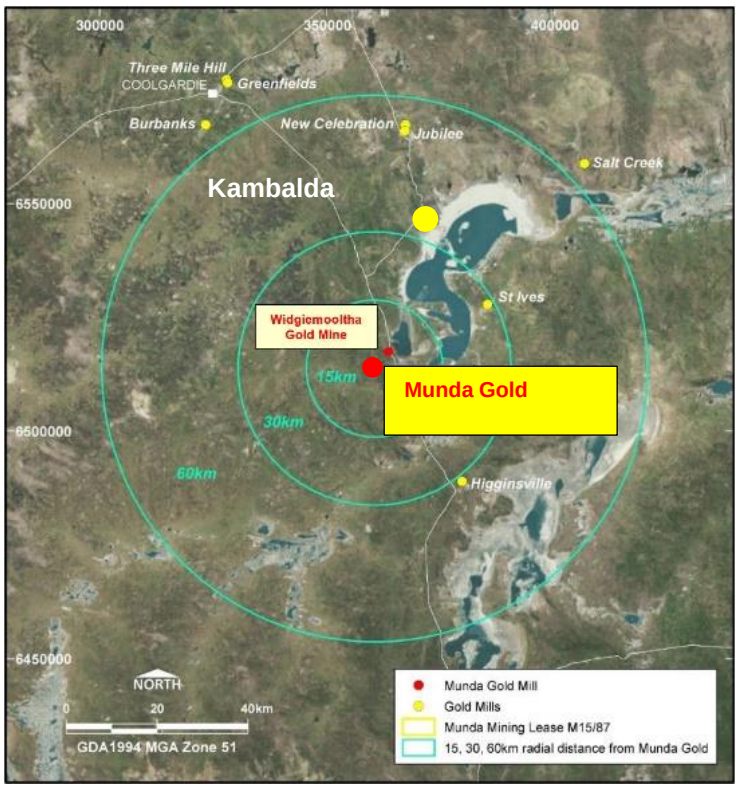


The tenure portfolio covers 259km^2 and comprises 3 Mining Licences, 6 Exploration Licences & 1 Miscellaneous Licence. The Project is centered around the Carr Boyd Layered Complex (CBLC), a 75km^2 layered mafic igneous complex, which hosts several occurrences of nickel and copper sulphides. The most significant occurrence discovered to date is at the Carr Boyd Rocks mine which had a total production of 202 Kt at 1.43% Ni and 0.46% Cu from 1973-1977, producing a 9.7% Ni concentrate.

Nickel mineralisation is confined to coarse grained, bronzite pyroxene rich rocks emplaced within the gabbroic sequence of the Complex. Three ore pipes occur containing a central zone of brecciated and stringer sulphides surrounded by broader zones of strongly disseminated sulphide mineralisation. Sulphide minerals form a matrix around brecciated xenoliths of unmineralized country rocks. The CLBC intrusion is emplaced within the surrounding Archaean Volcano-Sedimentary Greenstone Belts which are host to numerous komatiite hosted nickel mines within the Kalgoorlie District (Figure 5).

Figure 5. Location of Carr Boyd in relation to commercial centres and other major Ni projects.

ABOUT THE MUNDA GOLD PROJECT



The Munda Gold Project is located within the gold and nickel rich Widgiemooltha region, approximately 34 km south-west of mining town of Kambalda, Western Australia. It is conveniently situated ~4.5km west of the township of Widgiemooltha (Figure 6). The Project is ~3km southwest of the Widgiemooltha Gold Mine (pre mining Ore Reserve: 870Kt @ 2.6g/t Au for 72Koz Au) which is operated by Mincor Resources.

The Project comprising a single 364Ha Mining License and a 50% interest in a Miscellaneous Licence application

Munda is located on the basal contact between a nickel bearing ultramafic unit and the underlying basaltic rocks. Recent drilling identified high grade plunging shoots which are a new concept, significantly different to interpretations undertaken by previous explorers. The interpreted high-grade gold shoots were 3D modelled by The Company using implicit modelling software on historical drilling datasets collected by WMC, Titan Resources, Consolidated Minerals and Eureka Mining.

Figure 6. Location of Munda Gold Project in relation to commercial centres and other major Au projects.

Estrella is seeking Expressions of Interest for the outright sale of the Ownership and Gold Rights at the Munda Gold Project.

The Board of Estrella Resources Limited has authorised for this announcement to be released to ASX.

FURTHER INFORMATION CONTACT

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Competent Person Statement

The information in this announcement relating to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Neil Hutchison of Geolithic Geological Services, who is a consultant to Estrella Resources, and a member of The Australasian Institute of Geoscientists. Mr Hutchison 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 Hutchison consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.