2 April 2019

ASX ANNOUNCEMENT

LETTER OF INTENT – ALLIANCE TO DEVELOP MUNDA GOLD PROJECT

Estrella Resources Limited (ESR) is pleased to advise shareholders that ESR and Blue Cap Mining (BCM) have entered into a Letter of Intent (LOI) to pursue the development of ESR's high grade Munda Gold Project, located near Kambalda, WA.

BCM is a private open pit mining contractor and project manager with the ability to fund the working capital needs of the Munda Gold Project during its early phase of operations. It has experience in developing small resources projects in WA and Queensland including the successful Red Dog and Penny's Find Gold Projects.

BCM has reviewed the Munda Gold Project located approximately 34km south west of Kambalda, Western Australia and believes it is worth pursuing on multiple key considerations including;

- it is close to numerous gold ore processing solutions and infrastructure,
- the Munda gold ore grade is sufficient to lower project sensitivities,
- additional drilling has the potential to increase ore reserves,
- identified high-grade ore near surface capable of generating early revenue,
- Munda sits within a granted mining lease with previous mining history.

The parties see benefit in an Alliance where the distinctive resources of both entities are combined to bring the Munda Gold Project towards production. It is envisaged that BCM would make available their existing model of a working capital facility and open pit services to fund the early phase of the open pit mining operation at Munda. The LOI is non-exclusive nor binding upon the parties until such time as formal agreements are entered into.

Munda contains a JORC 2012 inferred resource of 511,000t @ 2.82g/t Au for 46,337 contained ounces gold[+]. Further diamond drilling has been planned at Munda targeting a very high grade zone of gold mineralization just below the current pit floor and plunging to the north. POW approval is expected in the coming weeks to allow this drilling work to commence.

Munda is a pre-existing open pit gold mine that was operated by Resolute Gold Mines in 1999 before gold prices fell causing its premature closure. Gold ore was processed conventionally at the nearby Higginsville CIL gold processing facility at the time.

The Company will update shareholders with further information in due course.

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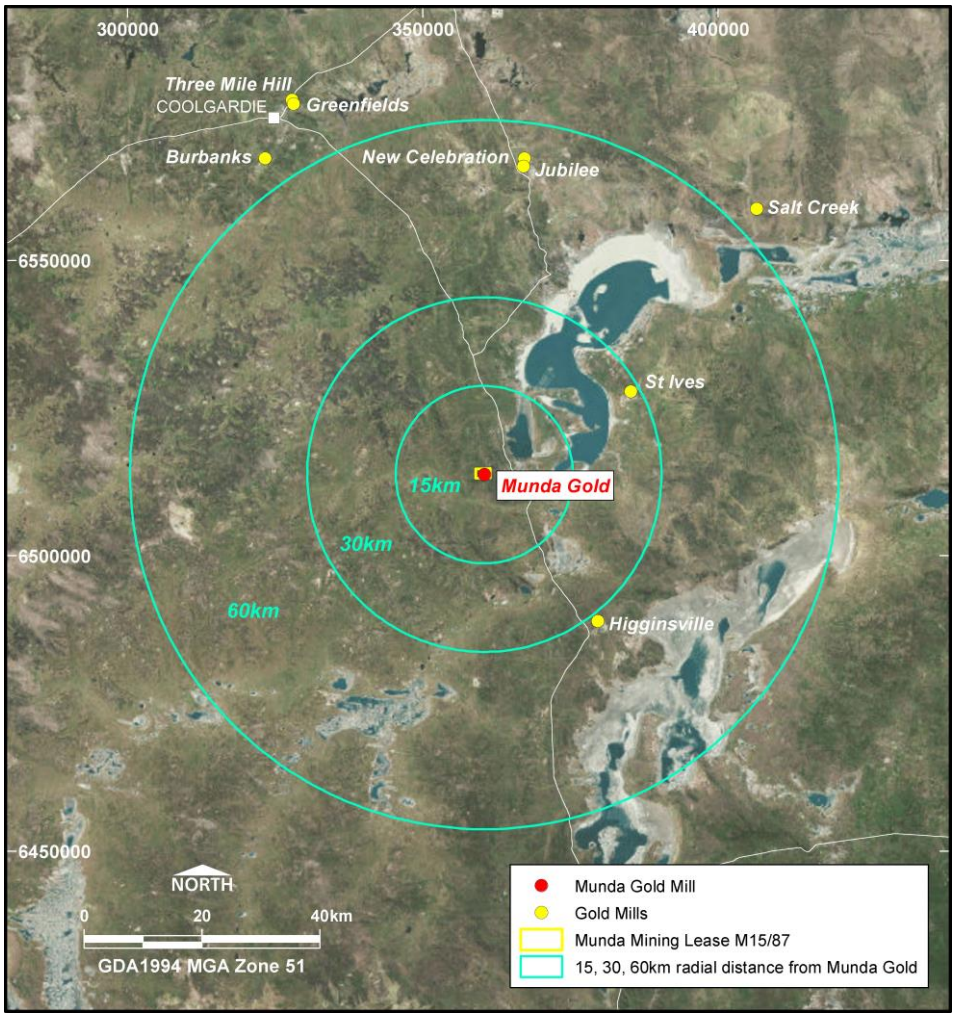

Figure 1. Munda Gold Project location showing nearby gold process plants in the Widgiemooltha/Kambalda/Coolgardie region.

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**

FURTHER INFORMATION CONTACT
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† Refer to ASX announcement "ESR to Acquire Munda Gold and Spargoville Nickel Projects" 4 September 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in this ASX announcement and that all material assumptions and technical parameters underpinning the mineral resource estimates in the ASX announcement continue to apply and have not materially changed.