6 March 2020

ASX ANNOUNCEMENT

AUGER DRILLING TO COMMENCE AT CARR BOYD NICKEL PROJECT

HIGHLIGHTS

- **Geochemical auger drilling program commencing over the NW portion of the Carr Boyd Nickel Project**
- **Sampling will cover the T5 Prospect contact where RC drilling recently discovered mineralisation at depth**
- **Auger drilling program will cover the largely untested Western Ultramafic Sequence**
- **The ultramafic contacts north of Carr Boyd Mine including the East Scotia & Schneider Prospects will be sampled**
- **This geochemical sampling works will assist Estrella in driving exploration and drilling at the CBNP by expanding efforts in the search for nickel sulphides within the fertile nickel bearing host rocks**

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to announce that the Company is set to commence an auger drilling program at the Carr Boyd Nickel Project (CBNP or the Project) located 75km north of Kalgoorlie (Figure 3). The CBNP is comprised of the Carr Boyd Layered Complex (CBLC or the Complex) which hosts the historic Carr Boyd Rocks nickel mine which produced 202,110t of ore at an average grade of 1.43% Ni and 0.46% Cu between 1970-1977.

The Company has enlisted Gyro Australia to drill 536 shallow auger holes for multi-element geochemical analysis using a low-impact Landcruiser mounted auger drill rig (Figure 1). Drilling will comprise of shallow 1.0-1.5m deep auger soil sample drill holes across the northwest tenements (M31/12, M31/109 & E31/726) at CBNP (Figure 2 & Table 1).

Figure 1. Gyro Australias Landcruiser mounted auger drill rig will be used to collect low impact geochemical soil samples at CBNP.

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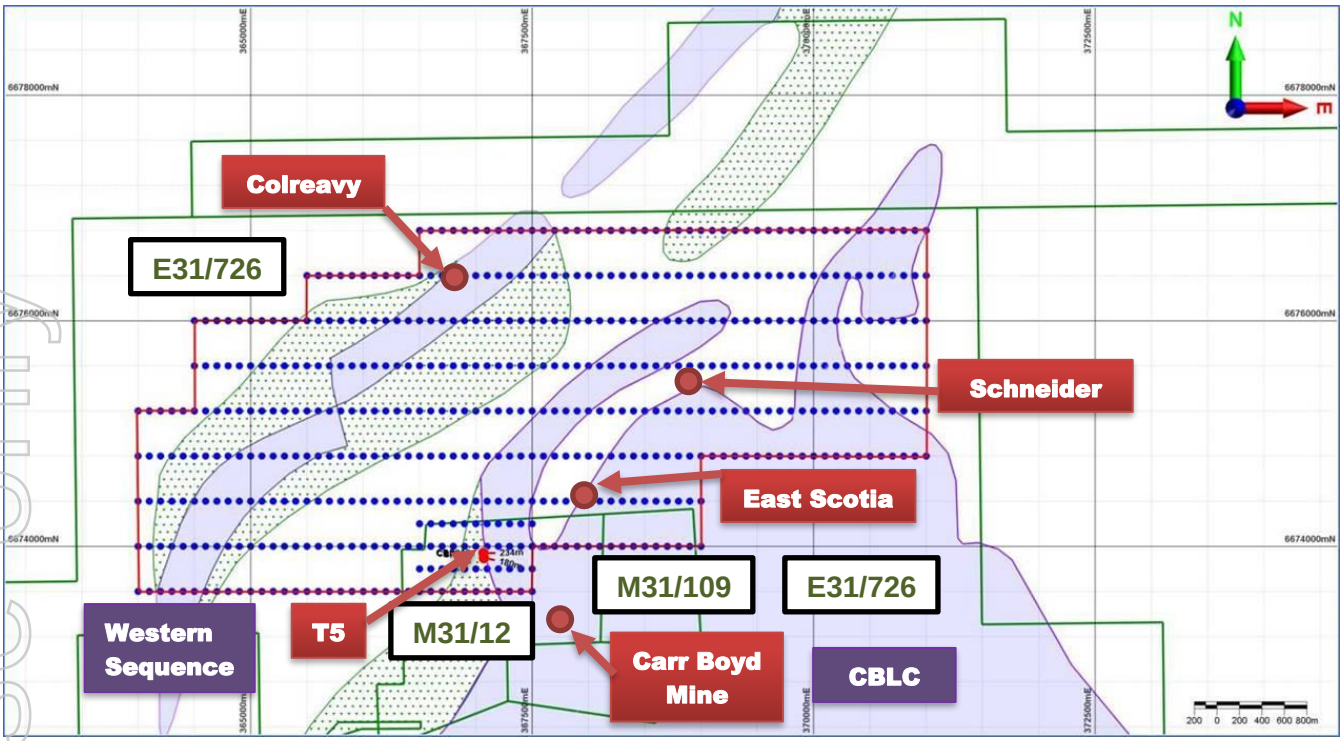

Figure 2. Planned auger sample sites across Estrella's northwestern Carr Boyd Nickel Project tenure. The drilling is designed to cover the Western Ultramafic Sequence, the T5 Prospect contact and the northern CBLC contacts.

Historical samples were collected from near surface, had limited geochemical elements tested for and had much higher detection limits. Modern laboratories provide 49 elements and much lower detection limits, providing a new insight into potential hidden mineralisation at depth. With this fresh approach, drilling is designed to target the basal contact north and south of the T5 Prospect at close spacing (on 100m x 200m grid) where RC drilling recently discovered Ni-Cu-Co mineralisation at depth (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).

The remainder of the program is being drilled on 200m x 400m sample spacings to test along the strike of the mafic-ultramafic contacts of the largely untested Western Sequence which contains the Colreavy Prospect, as well as the northern contacts of the CBLC which includes the East Scotia and Schneider Prospects (Figure 2).

Company Chief Executive Officer, Chris Daws said *"This auger survey will provide cost effective broad coverage of our northern tenement package where results from recent drilling has highlighted the potential of these largely untested units. Much of the work to date has focused around the Carr Boyd Mine and the Layered Complex's southern margins. The results of the RC drilling at the T5 Prospect has inspired Estrella to expand our thought process and use modern geochemistry to test the ultramafic contacts to the north and west. This geochemical sampling works will assist Estrella in driving exploration and drilling at the CBNP by expanding efforts in the search for nickel sulphides within the fertile nickel bearing host rocks".*

Results of the auger drilling program will be reported once the multi-element assay results are received, the data is processed and interpreted.

ABOUT THE CARR BOYD NICKEL PROJECT

The tenure portfolio 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, where mineralisation is hosted by bronzitite breccias (pyroxenites) emplaced within the gabbroic sequence of the Complex. 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 3).

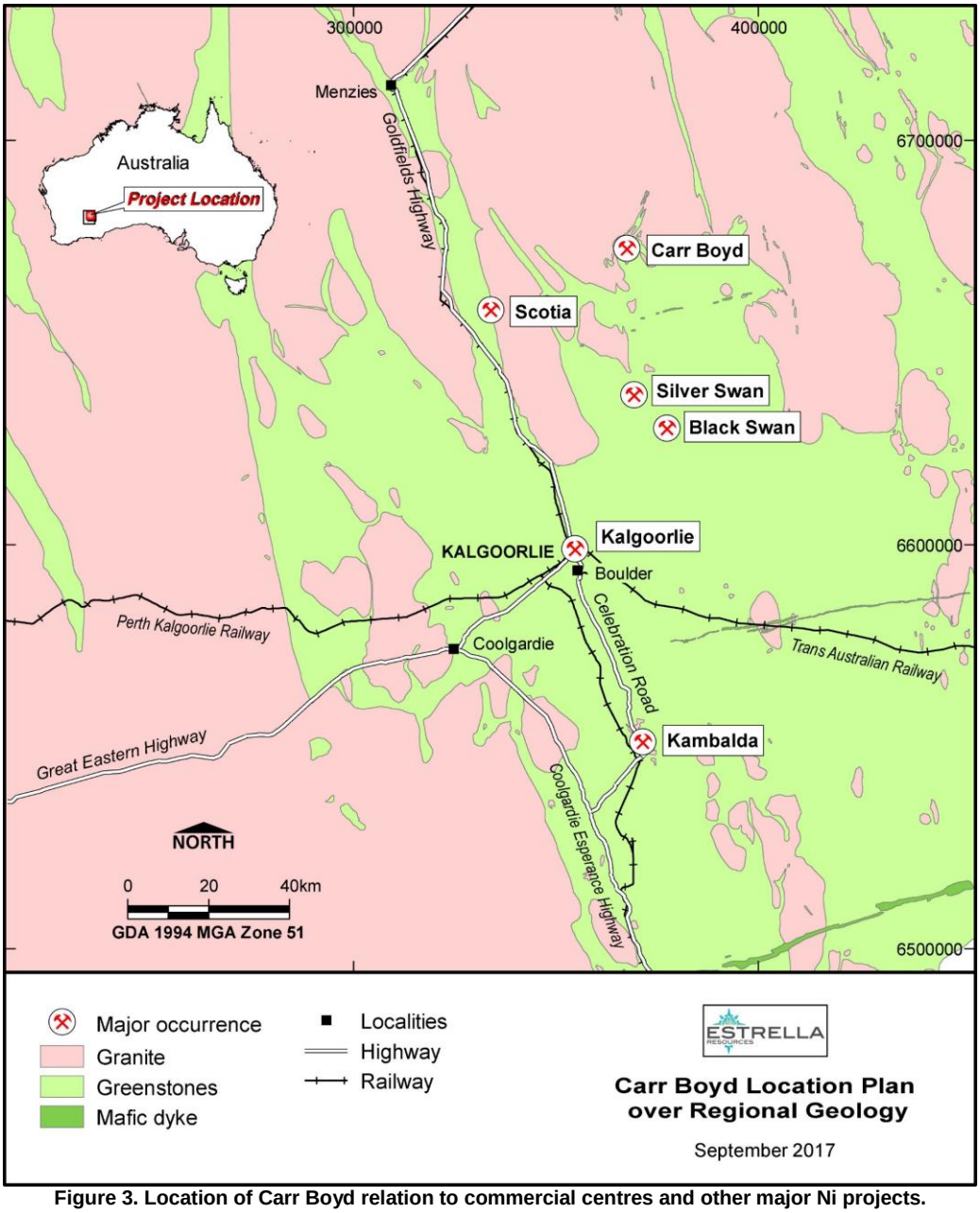

Figure 3. Location of Carr Boyd relation to commercial centres and other major Ni projects.

Table 1. Schedule of Carr Boyd Nickel Project Tenements

Schedule of Mining and Exploration Tenements							
Country	**State/Region**	**Project**	**Tenement ID**	**Area Ha**	**Grant Date**	**Mineral Rights**	**Interest %**
Australia	WA	CBNP	M 31/12	266	20/11/1984	All	100
Australia	WA	CBNP	M 31/109	98	25/07/1991	All	100
Australia	WA	CBNP	M 31/159	79	21/01/1997	All	100
Australia	WA	CBNP	L24/186	279	13/04/2007	N/A	100
Australia	WA	CBNP	E 29/982	890	2/01/2017	All	100
Australia	WA	CBNP	E 29/1012	1780	20/09/2017	All	100
Australia	WA	CBNP	E 31/726	5419	3/04/2008	All	100
Australia	WA	CBNP	E 31/1124	6229	1/05/2017	All	100
Australia	WA	CBNP	E 31/1162	9,196	26/03/2018	All	100
Australia	WA	CBNP	E 31/1215	1,666	28/01/2020	All	100

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.

The Board has authorised for this announcement to be released to the ASX

FURTHER INFORMATION CONTACT

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