8 September 2020

ASX ANNOUNCEMENT

Sulphides Intersected at Carr Boyd Rocks Ni/Cu Project

HIGHLIGHTS

- **Ni-Cu sulphides intersected in diamond core drilling at T5 Prospect**
- **Two diamond holes completed to date**
- **Drilling has confirmed the T5 mineralisation intersected in RC hole CBP042 in 2019**
- **A deep high-powered DHTEM platform hole has been completed to test the length of the intrusions contact for the presence of sulphide mineralisation**
- **A third deep hole has commenced to test the intrusions contact 300m to the south, between the recent drilling and anomalous historical drilling further southwards**
- **Geophysical crews will be mobilised to conduct high-powered DHTEM on the 2 completed holes as well as an historic hole at Target A to the southwest**
- **Core has been cut and submitted to ALS Laboratories, assays are pending**

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to announce that recent diamond core drilling at the Company's flagship Carr Boyd Project has intersected Ni-Cu mineralisation (Figure 1) at the recently discovered Target 5 (T5) zone which is located 1.1km NE of the historic Carr Boyd mine (Figure 3) which produced 202Kt at 1.43% Ni and 0.46% Cu between 1973-1977.

Figure 1. Drilling water turns black as Ni-Cu sulphides (pyrrhotite-pentlandite-chalcopyrite) are intersected in diamond drill hole CBDD0028 at the T5 Ni-Cu discovery zone (165m-165.5m shown).

Chris Daws, CEO said *"It is certainly an exciting time for all those involved with Estrella and the Carr Boyd Rocks Ni/Cu Project. We continue to further our exploration strategy at the Carr Boyd layered intrusion and with every new hole we are gaining more valuable knowledge as to where the source of the high grade nickel/copper sulphides at the Carr Boyd mine is located."*

Diamond drill hole CBDD028 was designed to test the Carr Boyd layered mafic-ultramafic intrusions contact zone ~25m down dip of the original RC hole CBP042 (Figure 2) which intersected 8m @ **1.11% Ni & 0.36% Cu, including 4m** @ **1.60% Ni & 0.31% C**u from the matrix sulphide zone*.

The core hole was drilled to a depth of 251m and successful intersected the contact at 165.2m downhole depth. Semi-massive & stringer Ni sulphides (pyrrhotite-pentlandite) was intersected at a depth of 165.31m-165.37m downhole (Figures 1, 2 & 4). Remobilised Cu sulphides (chalcopyrite) occur above, within and below this zone. Ni bearing matrix to disseminated style sulphides immediately followed and were intersected from 165.37m-166.81m downhole depth (Figure 2). A broader disseminated sulphide zone was also encountered from 169.52m-173.92m with several narrow zones identified further down hole (Figure 4).

Core has been cut and submitted to ALS Laboratories in Perth with assays pending in the coming weeks.

Figure 2. Semimassive and matrix style Ni sulphides (bronze colour) with stringer Cu sulphides (golden colour) in drill core (165m-165.5m shown).

The second diamond core hole CBDD029 was completed to a depth of 603.8m and was designed to provide a deep DownHole Transient Electro-Magnetic (DHTEM) platform hole which parallels the intrusions contact (Figure 4). The hole was drilled within the underlying volcano-clastic rocks, into which the intrusion was emplaced (Figure 4). Stringer and blebby Cu-Fe sulphides (chalcopyrite-pyrrhotite) mineralisation was intersected from 565m down hole indicating the sulphides may have been remobilised from the intrusion into the host country rock. These sulphides should be detected by the planned DHTEM and sourced back to the intrusion contact zone.

A geophysical crew is being mobilized to the project to complete high-powered DHTEM on these two holes which when combined, will test the layered mafic-ultramafic intrusions contact zone for both in-hole and off-hole sulphide mineralisation along the length of the contact. This DHTEM survey will cover an area of over 400m down dip from the original RC drill hole intersection providing a more cost-effective method than a drilling program design to continuously intersect the contact zone at a regular drill spacing.

* Assay Results Confirm New Sulphide Nickel Discovery Zone at Carr Boyd Rocks- 8 July 2019

In addition, the geophysical crew will re-enter historic hole DD97CB043 located 2km to the southwest at Target A (Figure 3). The original drill hole targeted a SIROTEM anomaly which remained unresolved. Recent surface High Powered Electro-Magnetic surveys (MPEM) defined and large anomaly to the south of this drill hole which appears to have missed the target zone. Estrella will re-enter the drill hole whilst the DHTEM crew are on site and use the modern high-powered equipment to survey the hole to better resolve this anomaly before drill testing the target zone.

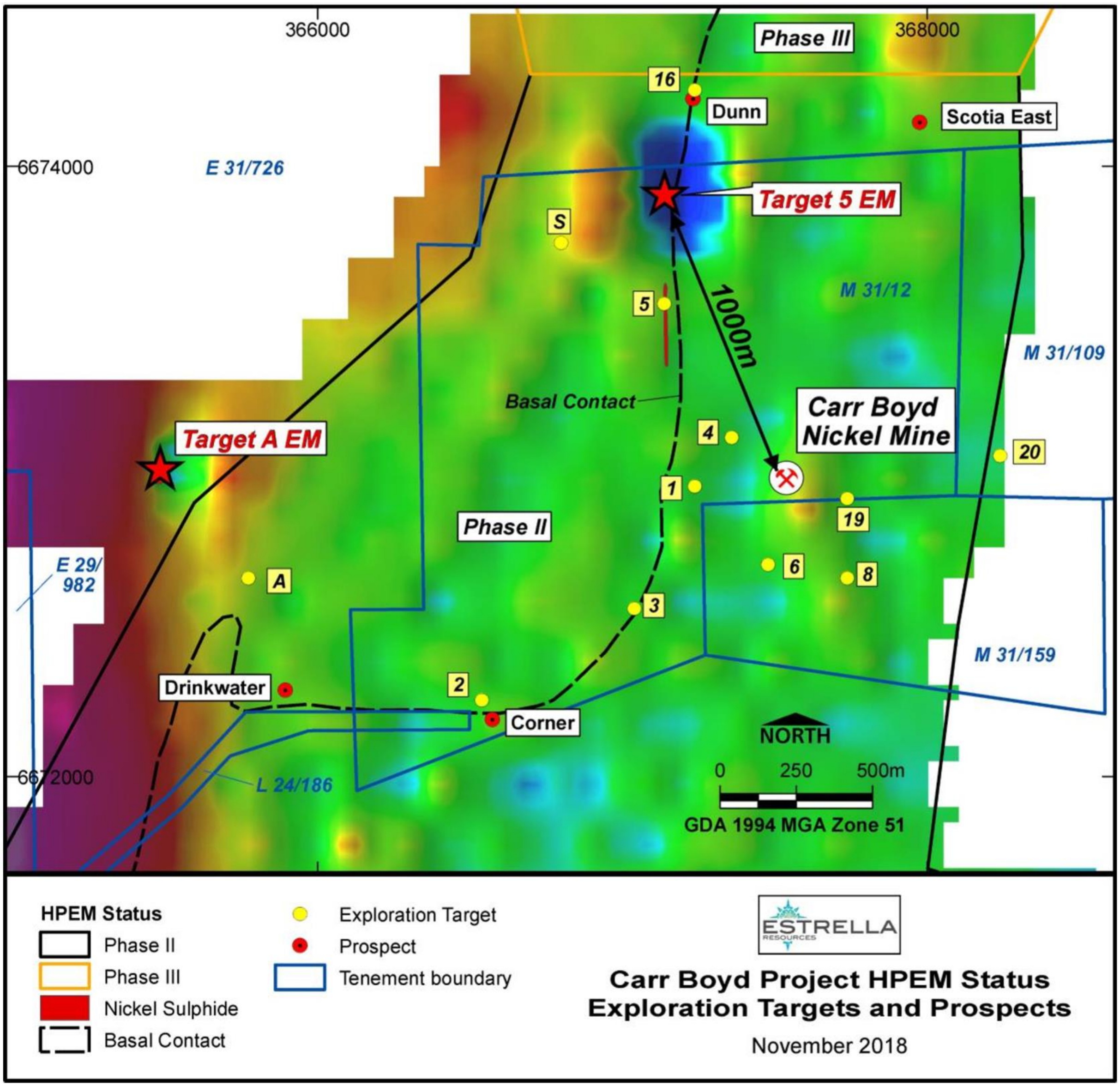

Figure 3. Carr Boyd Complex and Estrellas tenure package. Target 5 and Traget A EM anomalies are shown in red to the NNW and E of the Carr Boyd Mine and are the current focus of exploration activities.

Table 1: Drill hole collar details

Hole ID	Final Depth	Easting	Northing	Dip	Azimuth	Status
CBDD0028	251.0m	367045	6673940	-60	090	Completed
CBDD0029	603.8m	367000	6673940	-70	090	Completed
CBDD0030	~600m	367025	6673640	-65	090	Commenced
DD97CB043	207.3m	365408	6673098	-60	090	Historic Hole

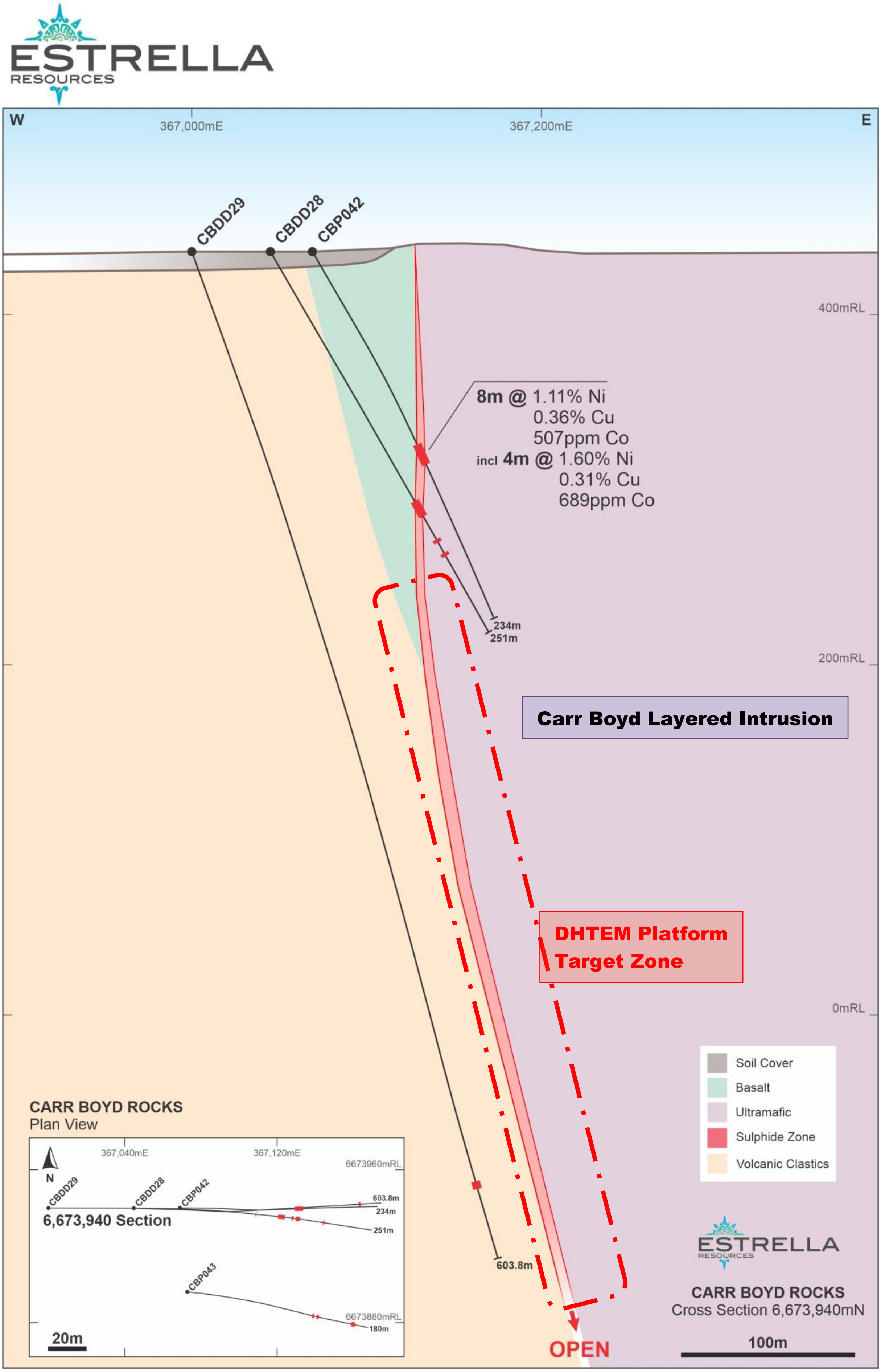

Figure 4. Cross Section 6673940mN showing interpreted geology from RC hole CBP042 and recently completed diamond drill holes CBDD0028 & CBDD0029. These holes provide a deep platform to test the mineralised contact over a down dip length of 400m.

ABOUT THE PROJECT AND THE CBLC

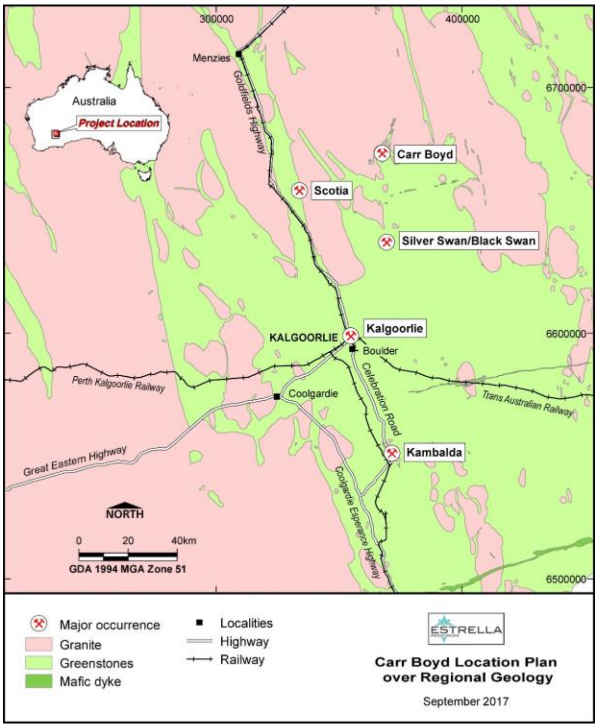

Figure 5. Location of Carr Boyd Project

The Carr Boyd Nickel Project (CBNP) is a magmatic hosted sulphide system which comprises the Carr Boyd Layered Complex (CBLC or the Complex). The CBLC is in a Tier 1 jurisdiction approximately 80km north north-east of Kalgoorlie Western Australia. An all-weather haul road accessible by Estrella under a granted miscellaneous license connects the Project to the Goldfields Highway via Scotia. Estrella holds 259km^2 of contiguous tenure over the entire magmatic mafic-ultramafic layered complex

The CBLC hosts the historic Carr Boyd Rocks nickel mine which was the first magmatic hosted style of nickel deposit discovered and mined in WA. It was discovered an the late 1960's and produced 202,110t of ore at an average grade of 1.43% Ni and 0.46% Cu between 1973-1977.

Komatiites flows have been the main source of developed nickel sulphide mines in WA and have been explored extensively since the late 1960's. Due to their well understood geochemistry, formation, and high-grade sulphide enrichment process within defined channels, most of the studies and exploration programs in WA have focused on discovering this style of mineralisation. The Kambalda-Kalgoorlie-Leinster-Laverton Goldfields Region has been the main focus for komatiite exploration, with limited potential existing outside this region. Greenfields discoveries of komatiite nickel have all bar dried up in the Goldfields Region and its only deep brownfields exploration that is delivering new nickel deposits.

Elsewhere around the world, large scale magmatic nickel deposits are the norm, producing world-class deposits with long productive mine lives. In WA, magmatic nickel deposits occur scattered throughout the state, however, they have had a long and slow history of discovery, development and understanding. Its only in recent years, since the discovery of the Nova-Bollinger deposit (2012) in the Fraser Range (which had been historically explored for over 40yrs), that a string of magmatic nickel deposit have suddenly been discovered. As komatiite sources dry up, focus and understanding around magmatic nickel deposits is starting to gain momentum, resulting in exploration companies looking at various mafic-ultramafic bodies which have had limited to no exploration completed over them to date. This is resulting in a new level of understanding in WA on the formation/deposition of nickel-copper sulphides within magmatic rocks, leading to a wave of new discoveries.

Interest in magmatic nickel-copper deposits have had a resurgence with the recent discoveries of magmatic hosted sulphide mineralisation at Legend Mining's (ASX:LEG) Rockford Project and Chalice Gold Mines (ASX:CHN) Julimar Projects. A "Voisey Bay" magmatic style model has not been adequately explored within the CBLC. This represents a compelling exploration target opportunity which the Company will continue to aggressively pursue.

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, 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

Christopher J. Daws
Chief Executive Officer
Estrella Resources Limited
+61 8 9481 0389
info@estrellaresources.com.au

APPENDIX 1 JORC TABLE 1 - JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	• DD core samples have been half cut with automatic core saw • 0.3m-1.1m samples are collected from the core trays as marked out by the supervising geologist • A handheld XRF tool was used to verify the mineralisation with samples reporting >0.3% Ni in disseminated zones and >1% Ni in the matrix sulphide zones. • XRF results have not been reported and are used as a logging/sampling verification tool only. • No other measurement tools other than directional survey tools have been used in the holes.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Core is continuously cut on the same side of the orientation line and the same side is sampled to ensure the sample is representative and no bias is introduced.
	• Aspects of the determination of mineralisation that are material to the Public Report.	• Determination of mineralisation has been based on geological logging and confirmation using a pXRF machine. Samples were dispatched for laboratory analysis. .
	• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	• Diamond Core drilling was used to obtain 3-6m length samples from the barrel which are then marked in one meter intervals based on the drillers core block measurement. • Assay samples are selected based on geological logging boundaries or on the nominal meter marks. • Collect samples weigh a nominal 2-3 kg (depending on sample recovery) was sent to lab and pulverised. • Samples have been dispatched to a commercial laboratory in Perth for analysis • Samples are being analysed using a 4 acid digest for ME-ICP for 33 elements and ore zone samples are also being tested for PGM-ICP testing for PGE elements
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Drilling was undertaken using NQ2 sized drill core. • Hole was collar with mud rotary from surface, HQ rough cored to top of fresh rock then NQ2 cored to EOH.

Office Address London House, Level 11, 216 St Georges Terrace, PERTH WA 6000 Postal Address GPO Box 2517, PERTH WA 6831
Phone +61 8 9481 0389 Fax +61 8 9463 6103 Email info@estrellaresources.com.au

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Core recovery was recorded by the drill crew and verified by the geologist. • RQD measurements were digitally recorded to ensure recovery details were captured. • Sample recovery in both holes was high with negligible loss of recovery observed. • Diamond core drilling is the highest standard and no relationship has been established between sample recovery and reported grade as the core is in very good condition.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Detailed industry standard of collecting core in core trays, marking meter intervals & drawing core orientation lines was undertaken • Core trays were photographed wet and dry prior to sampling. • Drill hole logs are recorded in Xcel spread sheets and validated in Micromine Software as the drilling progressed. • The entire length of both holes was logged.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Core is half cut using an automatic core saw to achieve a nominal 2-3kg split sample for laboratory submission • The sample preparation technique is considered industry best standard practice • No field duplicates have been collected in this program. Field duplicates will be collected once initial results are return and resampling of the mineralised zones is warranted. • Sample sizes are appropriate to the grain size of the mineralisation.
Quality of assay data and laboratory tests	• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• No results from geophysical tools are being reported. • No handheld XRF results are reported however the tool was used to verify the mineralisation with reporting >0.3% Ni in disseminated zones and >1% Ni in the matrix sulphide zones.
Verification of sampling	• The verification of significant intersections by either independent or alternative company personnel.	• NA at this stage. Assays pending

Criteria	JORC Code explanation	Commentary
and assaying	• The use of twinned holes.	• Hole CBDD0028 is twinning hole CBP042
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• The data was collected and logged using Excel spreadsheets and validated using Micromine Software. The data will be loaded into an externally hosted and managed database and loaded by an independent consultant, before being validated and checked, then exported and send back to ESR for analysis.
	• Discuss any adjustment to assay data.	• No adjustments have been made to the assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	• The holes were pegged by Geolithic Geological Services using a hand held GPS ± 3m • The rig was setup over the nominated hole position and final GPS pickup occurred at the completion of the hole.
	• Specification of the grid system used.	• MGA94_51
	• Quality and adequacy of topographic control.	• More than adequate given the early stage of the project
Data spacing and distribution	• Data spacing for reporting of Exploration Results.	• Refer to Cross Section and Plan at Figure 4
	• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	• Not applicable, no Mineral Resource is being stated.
	• Whether sample compositing has been applied	• No compositing has been applied. Intercepts will be quoted as length weighted intervals.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The drill line and drill hole orientation are oriented as close as possible to normal the interpreted MLEM target.
Sample security	• The measures taken to ensure sample security.	• Samples are in the possession of Geolithic personnel from field collection to laboratory submission.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews have been conducted for this release given the very small size of the dataset.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Carr Boyd Nickel Pty Ltd (a wholly owned subsidiary of ESR) holds a 100% interest in the nickel and base metal rights to the project. • There are no known impediments to operate in the area.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The Carr Boyd Rocks deposit was discovered by Great Boulder Mines, in a joint venture with North Kalgurli Ltd in 1968. The deposit was mined between 1972 and 1975, during which time they explored for additional breccia pipe occurrences near the mine. • WMC acquired Great Boulder Mines Ltd in 1975, briefly reopening the mine in 1977 before closing it permanently shortly thereafter due to a collapse in the nickel price. The mine had produced 210,000t at 1.44% Ni and 0.46% Cu before its closure. • From 1968 Pacminex Pty Ltd held most of the ground over the CBLC outside of the immediate mine area. Between 1968 and 1971 they conducted extensive exploration programs searching for large basal contact and/or stratabound Ni-Cu deposits. It was during this time that most of the disseminated and cloud sulphide occurrences such as those at Tregurtha, West Tregurtha and Gossan Hill were discovered. • Defiance Mining acquired the regional tenements from Pacminex in 1987 and focused on exploration for PGE deposits between 1987 and 1990. In 1990 Defiance purchased the Carr Boyd Rocks mine from WMC and switched focus to the mine area between 1990 and 2001, leaving many PGE targets untested. • From 1990 Defiance dewatered the mine to conduct testwork and feasibility studies on the remnant mineralisation. Metallurgical testwork, Mineral Resource estimations, and scoping studies were completed. Around 1996 the focus shifted again to regional exploration for large tonnage basal contact deposits. • In 2001 Titan Resources Ltd (Titan) acquired the project and recommenced economic evaluations of the remnant material at Carr Boyd Rocks before embarking on another regional exploration program focusing on the basal contact. An aeromagnetic survey, airborne EM reprocessing, and several programs of RAB and RC drilling were completed. • From 2005 Yilgarn Mining entered a JV with Titan and continued with some regional exploration, but focused most attention in and around the Carr Boyd Rocks mine. • In 2007 Titan was acquired by Consolidated Minerals Ltd (Consmin). Consmin conducted IP surveys and detailed gravity surveys, but did not drill any targets before selling the project to Salt Lake Mining (SLM) in 2013. SLM completed limited drilling to meet expenditure

Criteria	JORC Code explanation	Commentary
		commitments, before selling the project to Apollo Phoenix Resources in 2016. • Apollo sold the project to ESR in 2018.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Carr Boyd project lies within the Achaean Yilgarn Craton in a 700km belt of elongate deformed and folded mafic, ultramafic rocks and volcanic sediments intruded by granitoids which is referred to as the Norseman-Wiluna Belt. The belt has been divided into several geological distinct terranes, with the project area lying at the northern end of the Gindalbie terrane (Swager, 1996). • The geology of the Carr Boyd area is dominated by the Carr Boyd layered mafic-ultramafic intrusive complex (CBLC). This layered intrusive covers an area of 17 km by 7km and has intruded into an Achaean Greenstone/Granite succession. The CBLC is comprised of a basal sequence of dunites, which are overlain by peridotites / pyroxenites and above that by gabbros. The intrusion has been interpreted to have been tilted to the east with the geometry of the intrusive further complicated by regional deformation and folding. The sequence has been metamorphosed to upper greenschist to lower amphibolite facies. • Several distinctive styles of Ni and Ni-Cu mineralisation have been identified within the CBLC. At the Carr Boyd Rocks Nickel Mine Ni-Cu mineralisation is hosted within several 20 - 60m diameter brecciated pipe-like bodies that appear to be discordant to the magmatic stratigraphy. Mineralisation is hosted by a matrix of sulphides (pyrrhotite, pentlandite, pyrite and chalcopyrite) within brecciated Bronzite and altered country rock clasts. • Stratiform Ni-Cu-PGE mineralisation has been identified at several different stratigraphic levels within the layered magmatic complex. Low grade stratiform disseminated Ni-Cu-PGE sulphides have been identified at several locations within the basal parts of the complex and at shallower stratigraphic levels of the complex. The presence of Ni-Cu-PGE mineralisation within multiple stratigraphic positions and of several unique styles of mineralisation highlights the potential of the CBLC for hosting a substantial Ni-Cu deposit. • The Company is not aware of any significant cobalt exploration being completed in the area.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth	• All relevant drillhole information can be found in Table 1 of the announcement.

Criteria	JORC Code explanation	Commentary
	○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• No information is excluded.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	• Intersections will be reported on a nominal 0.4% Ni or 0.1% Cu cut-off with length weighted intervals. • Aggregation is irrelevant as all samples are 1m in length within the reported mineralised zone.
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No metal equivalents are used in this announcement.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• The drill line and drill hole orientation in relation to mineralisation orientation is perpendicular to the MLEM plate and the geological contact targeted. • True width cannot be determined at this stage as the dip of the contact is yet to be accurately determined.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Appropriate maps, sections and tables are included in the body of the Report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All new drillholes within this announcement are reported in Table 1 •
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results;	• Everything meaningful and material is disclosed in the body of the report. • Geological observations are included in the report. • No bulk samples, metallurgical, bulk density, groundwater, geotechnical and/or rock characteristics test were carried

Criteria	JORC Code explanation	Commentary
	geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	out. • There are no known potential deleterious or contaminating substances.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Continued deep diamond drilling is underway and DHTEM geophysical testing of the drill holes will commence soon. • Surface HPEM to the NE are the project is currently being planned.