27 January 2022

Potential of New Zone Extends T5

HIGHLIGHTS

- Downhole Electromagnetic (DHEM) platform hole CBDD062 extends potential of new zone below T5 nickel-copper deposit
    - **DHEM modelling indicates the mineralisation is still open to the north and south**
    - **New EM plate situated between previous drilling**
- Planning underway to for next round of drilling at T5 between regional exploration programs
    - **Drilling with a combination of wedge holes and DHEM is being planned**

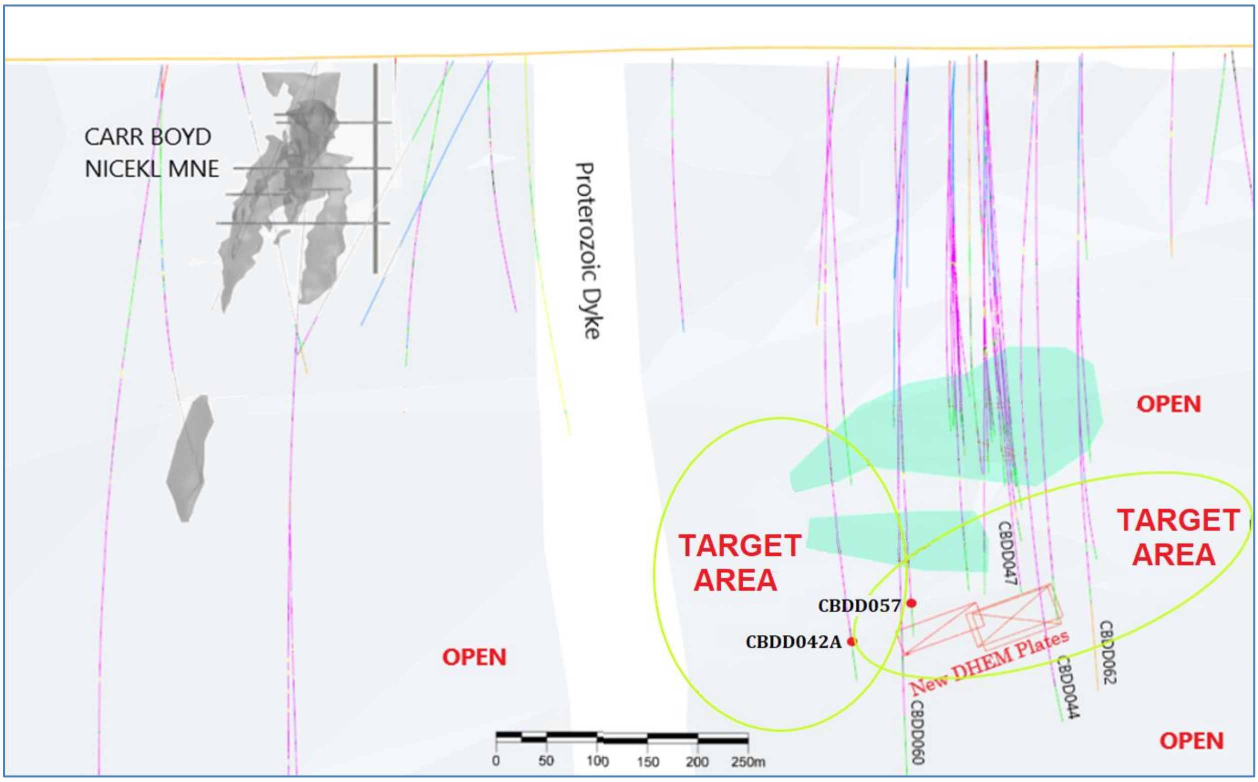

Figure 1: Emerging new mineralised zone below T5 highlighted by recent DHEM from holes CBDD060 and CBDD062

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to announce positive results from the DHEM surveying at the T5 nickel-copper deposit at the Company's 100% owned Carr Boyd Nickel Project, located approximately 80km from Kalgoorlie, WA. DHTEM surveying of drillholes CBDD060 and CBDD062 has assisted in defining a potential new zone of mineralisation below the T5 discovery, intersected in holes CBDD057 and CBDD042A (see ASX announcements 24 November 2021 and 9 April 2021 respectively).

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The DHEM result confirms the continuation of mineralisation potential to the north which escaped detection when holes CBDD044 and CBDD047 were electromagnetically surveyed. The currently modelled DHEM plates extend over a strike length of 165m, and it is a further 50m to the massive sulphide breccia intersection in CBDD042A to the south. Work is underway to schedule several more step-out holes to the north and south of T5 to locate the continuation of mineralisation both up and down plunge.

The next northern step-out drilling will explore a potential fault off-set that has dislocated the massive sulphides resulting in a DHEM response skewed towards the main T5 mineralisation, leaving additional areas blind to electromagnetics. Drilling will also test the new plates generated by CBDD060 and CBDD062.

The southern drilling will target the continuation of the T5 massive sulphide mineralisation towards the Proterozoic Dyke (Figure 1) as well as infill the last drilled section of T5 mineralisation above and below CBDD042A as shown in Figure 2.

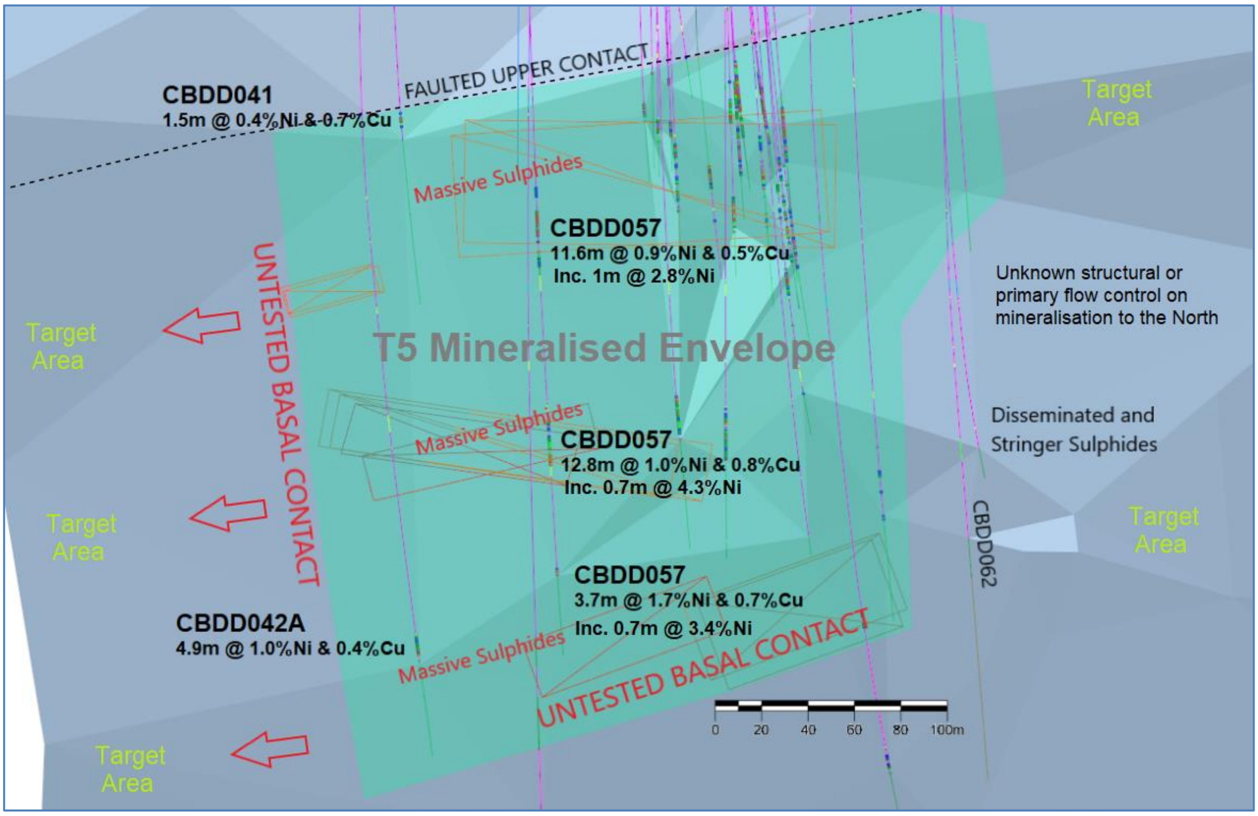

Figure 2: Zoomed longsection of the T5 Mineralised Envelope showing geophysical responses only from CBDD060 and CBDD062 in relation to intersected nickel-copper sulphides in the southern plunge area

Figure 3: Basal breccia style globular to massive mineralisation observed in CBDD057 grading 3.7% nickel. This style of mineralisation noes not always yield a strong DHEM geophysical response.

Estrella Managing Director Chris Daws commented:

"T5 continues to provide an exciting opportunity for Estrella to extend the footprint of the high grade nickel sulphides we have intersected in recent drilling at depth. The refinement in how we utilise DHEM surveys to guide us is evolving and we are gaining an understanding of the capabilities and limitations in identifying the mineralisation.

The latest round of surveys at depth unequivocally informs us that the limit of the T5 mineralisation is yet to be found.

I look forward to updating our shareholders as we progress with our findings and as we continue to explore this world-class opportunity."

Regional Exploration

The Phase 5 regional program is in full swing and the Company will update the market on progress in coming days.

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

FURTHER INFORMATION CONTACT

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Competent Person Statement
The information in this announcement relating to Exploration Results is based on information compiled by Steve Warriner, who is the Exploration Manager of Estrella Resources, and a member of The Australasian Institute of Geoscientists. Mr. Warriner 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. Warriner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 2: Drill hole collar details

Hole ID	Final Depth	Easting	Northing	RL	Dip	Azimuth	Status
CBDD042A	654.7	367404	6673500	430.2	-70	270	Completed
CBDD057	606.7	367370	6673580	431.8	-70	260	Completed
CBDD060	741.6	367372	6673580	431.9	-75	260	Completed
CBDD062	672.9	367414	6673750	433.6	-72	270	Completed

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 an automatic core saw. • 0.25m-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.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Core is cut and sampled to ensure the sample is representative and no bias is introduced. Cutting of specific, banded or stringer sulphide zoned core is done orthogonal to the banding to ensure there is no bias.
	• Aspects of the determination of mineralisation that are material to the Public Report.	• Determination of mineralisation has been based on geological logging, visual sulphide estimates and confirmation using a pXRF machine. Samples were dispatched to an accredited laboratory for multi-element 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 3m length samples from the core barrel which are then marked in one meter intervals, based on core block measurements. • Samples are selected based on geological logging boundaries or on nominal meter marks. • Collected samples weigh a nominal 2-3 kg (depending on sample length). • Samples have been dispatched to an accredited commercial laboratory in Perth for analysis. • Samples are being analysed using a 4-acid digest, ME-ICP for 33 elements and ore zone samples are also being tested for Au & PGE elements using ICP analysis.
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. • Holes have been collared with mud rotary from surface, HQ rough cored to top of fresh rock then NQ2 cored to EOH.
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 field crew and verified by the geologist. • RQD measurements were digitally recorded to ensure recovery details were captured. • Sample recovery in all mineralised zones is high with negligible core loss 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.

Criteria	JORC Code explanation	Commentary
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 Excel spread sheets and validated in Micromine Software as the drilling progresses. • The entire length of all holes is 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 half-core 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 returned 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 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. • DHTEM parameters are as follows; 　• Tx Loop size: 500 x 800 m 　• Transmitter: GAP HPTX-70 　• Receiver: EMIT SMARTem24 　• Sensor: EMIT DigiAtlantis 　• Station spacing: 2m to 10m 　• Tx Freq: 0.5 Hz 　• Duty cycle: 50% 　• Current: ~130 Amp 　• Stacks: 32-64 　• Readings: 2-3 repeatable readings per station
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	• Results verified internally by Company personnel
	• The use of twinned holes.	• Hole CBDD0028 is twinning hole CBP042. No other twinning is warranted at this stage.
	• 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.
	• Discuss any adjustment to assay data.	• No adjustments have been made to the assay data other than length weighted averaging.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and	• The holes were pegged 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.

Criteria	JORC Code explanation	Commentary
	other locations used in Mineral Resource estimation.	• Holes are progressively surveyed by DGPS on a batch basis.
	• Specification of the grid system used.	• MGA94_51
	• Quality and adequacy of topographic control.	• Topography is relatively flat and control is more than adequate given the early stage of the project. A 3D drone ortho-photographic survey had been used to create a DTM of the project area.
Data spacing and distribution	• Data spacing for reporting of Exploration Results.	• Refer to Cross Sections and Plans included
	• 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 are 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 hole orientation does not introduce a sample bias.
Sample security	• The measures taken to ensure sample security.	• Samples are in the possession of Estrella's 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 early stage of the project.

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 commitments, before selling the project to Apollo Phoenix Resources in 2016. • Apollo sold the project to ESR in 2018.

Criteria	JORC Code explanation	Commentary
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 mafic-ultramafic intrusive complex (CBIC). • Several distinctive styles of Ni and Ni-Cu mineralisation have been identified within the CBIC. 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 locations within the layered magmatic complex. • Estrella is in the process of re-mapping and reclassifying the Carr Boyd Igneous Complex. Previous “Layered Intrusive” models are misleading as the complex is made up of many overprinted and juxtaposed, smaller layered and non-layered intrusives that have progressed from Ultramafic to Mafic over time. The complex is better described as a magma feeder zone, where the earliest melts passing through the Morelands Formation have assimilated graphitic sulphidic shales, reached sulphur saturation and deposited nickel sulphides along basal contacts. • These basal contacts are not restricted to the base of the complex, but can form within the complex, wherever access was gained by these earlier flows. • The complex has then been intruded and inflated over time by progressively more mafic, barren magmas to produce what we see today.
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 ○ 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	• All relevant drillhole information can be found in the Tables and sections within the announcement. • No information is excluded.

Criteria	JORC Code explanation	Commentary
	explain why this is the case.	
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 are reported on a 0.5% Ni cut-off with SG and length weighted intervals. • All intercepts are reported using SG and length weighted intervals.
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No metal equivalents have been stated
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').	• True widths have not been stated. The variable orientation of mineralisation within magma feeders combined with a structural overprint and steep drill angles make true width calculations highly misleading.
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.	• Maps and sections with drill hole locations are included in the announcement.
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 drillhole information within this announcement is reported
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; 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.	• 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 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	• Diamond drilling and DHTEM geophysical testing is continuing.

Criteria	JORC Code explanation	Commentary
	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.	