

20 January 2022

ASX ANNOUNCEMENT

SALES PROCESS LAUNCH OVER SPARGOVILLE NICKEL RIGHTS

HIGHLIGHTS

- ESR to commence Sales Process for the Spargoville Nickel Rights Project, WA
- Sales Process has been initiated due to the Company receiving a number of unsolicited approaches to acquire or JV the Spargoville Nickel Rights
- ESR to maintain its exploration and development focus on the Carr Boyd Nickel Project
- ESR previously returned spectacular high-grade nickel sulphide intercepts with accompanying polymetallic mineralisation from 2018 maiden drilling campaign

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to announce the Company has launched an independent Sales Process for the Nickel Rights over its Spargoville Project located approximately 25km West of Kambalda, Western Australia.

The Sales Process, which is to be initiated following receipt of a number of unsolicited offers for the Spargoville Nickel Rights, is being managed by Neil Hutchison, Managing Director of Geolithic Geological Services who previously ran the Company's highly successful Munda Gold sale in 2020.

Spargoville Overview

The Spargoville project area was first discovered by Selcast Exploration in the late 1960s. Since then, 1A, 5A, 5B, and 5D deposits have been discovered and developed. All these mines have remnant mineralisation left behind.

Estrella acquired Spargoville via the purchase of WA Nickel Pty Ltd¹.

The mines and the surrounding areas provided the Company with many exploration targets to follow-up considering advances in modern geophysical exploration and metallurgical processing methods.

In 2018, Estrella completed its maiden drilling program at Spargoville, targeting high grade nickel mineralisation directly beneath the 5A open pit and an EM target, M15/96-C1, between the 5A and 5B mines.²

Drilling beneath the 5A pit floor returned spectacular high-grade nickel sulphide intercepts with accompanying polymetallic mineralisation.

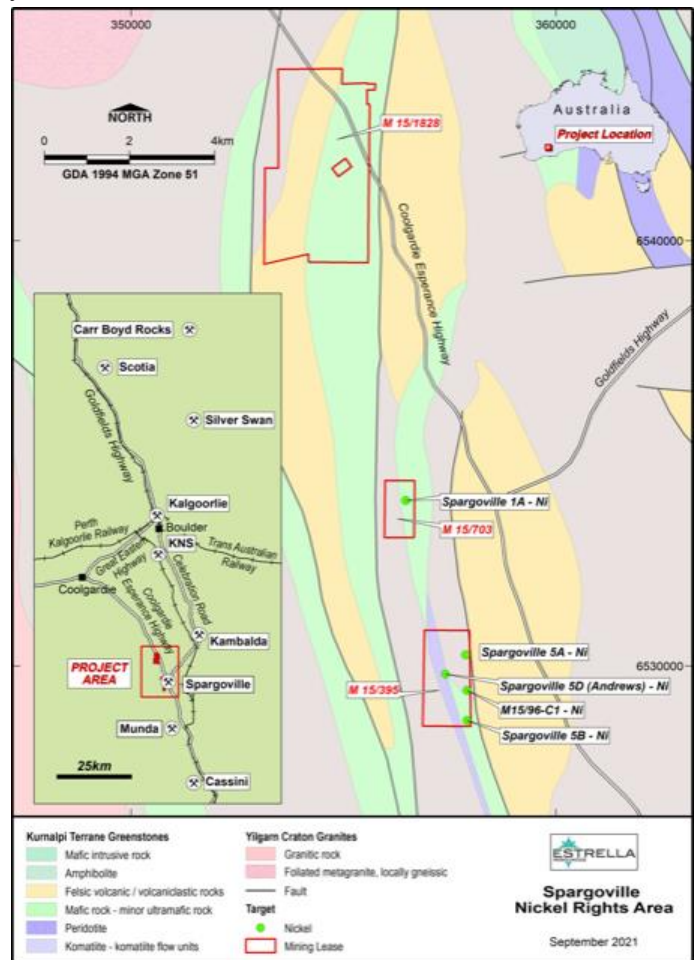


Image: Location Spargoville Project

¹ Refer to ASX announcement dated 4th September 2017

² Refer to ASX announcement dated 6th December 2018

For personal use only

High-grade results from the maiden drilling program included:

- 15m at 10.45% Ni, 0.78% Cu, 0.20% Co, 0.87g/t Pb, and 1.15g/t Pt from 20m in KWC0004
- 5m at 11.32% Ni, 0.54% Cu, 0.21% Co, 0.42g/t Pd, and 0.22g/t Pt from 61m in KWC0001
- 3m at 12.90% Ni, 1.37% Cu, 0.29% Co, 1.86g/t Pd, and 0.67g/t Pt from 69m in KWC0002

The maiden drilling campaign exceeded the Company's expectations at 5A with assay results returned from the Company's maiden drilling program consistently higher than historic drilling.

Commenting on the Sales Process, Estrella Managing Director Chris Daws said:

"With a number of unsolicited offers being received and with our exploration programs solely focused on unlocking the Carr Boyd Nickel Project due to exceptional results being achieved there, Estrella have decided to commence the sales process for the nickel rights over the Spargoville Project. As evidenced by assay results from our maiden drilling campaign in 2018, Spargoville has proven to contain high-grade nickel sulphide and I look forward to updating investors as the sales process for this project unfolds."

Interested parties are requested to make direct inquires to Geolithic Geological Services.

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

FURTHER INFORMATION CONTACT

Christopher J. Daws
Managing Director
Estrella Resources Limited
+61 8 9481 0389
info@estrellaresources.com.au

Neil Hutchison
Managing Director
Geolithic Geological Services
+61 410 448 120
geo@geolithic.com.au

Media:
David Tasker
Managing Director
Chapter One Advisors
E: dtasker@chapteroneadvisors.com.au
T: +61 433 112 936

Compliance Statement

With reference to previously reported Exploration results and mineral resources, the company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

For personal use only