27 May 2021

ASX ANNOUNCEMENT

Further Massive Nickel-Copper Sulphides at Carr Boyd

HIGHLIGHTS

- **CBDD049A intersects 12.25m[(1)] zone of massive, globular, stringer and disseminated Ni-Cu sulphides (Figure 1) on the T5 pyroxenite basal contact below CBDD048.**
- **Confirmed basal contact massive Ni-Cu sulphide accumulations at the Carr Boyd T5 Discovery.**
- **Drilling has successfully tested beneath the recently drilled CBD0048 which also intersected massive sulphides and is 40m south of the discovery hole CBDD030.**
- **Core analysis to assist understanding of magma flow, enhancing exploration targeting.**
- **RC pre-collars completed for three additional holes with planning commenced for next phase of drilling.**

Figure 1: Massive and globular sulphide textures in CBDD049A at 388.5m on the T5 basal contact

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to announce it has intersected 12.25m of sulphides, including massive nickel-copper-iron sulphide, further confirming mineralised accumulations on the T5 basal contact at the Company's Carr Boyd project, located ~80km north of Kalgoorlie.

Hole CBDD049A was the second diamond tail drilled by DDSR Rig 2 into a position below the recently announced diamond drill hole CBD0048 which intersected 12.9m of nickel-copper-iron sulphides (see ASX Announcement dated 20 May 2021) and is 40m south of the discovery drill hole CBDD030 (Figure 4) (see ASX Announcement dated 8 October 2021).

CBDD049A intersected massive, globular, stringer and disseminated sulphides just above the footwall basalt contact (Table 2). The mineralisation is open north, south and at depth with a large part of the

conductor plate yet to be tested and further, new deeper conductors which are believed to represent sulphide accumulations remain to be drilled.

Crucially, the identification of globular textures in the core indicates the local remobilisation of the topmost layers of a massive sulphide accumulation. They are very important in identifying the direction of the magma flow, which further assists in targeting additional mineralised zones.

Sulphide globules will often be redeposited as basal massive sulphides a short way “down-stream” and thus, with other holes in the area, can be used to vector into additional, undiscovered sulphides accumulations within the T5 pyroxenite.

Detailed geological logging will commence immediately to refine the current vectoring model to support further Phase 3 drilling and Phase 4 planning.

(1): Downhole lengths are reported, true widths are approximately one half of downhole length. Nickel and copper tenor within the feeder zone is variable. Intersections are reported above a 1% nickel-copper-iron sulphide cut-off.

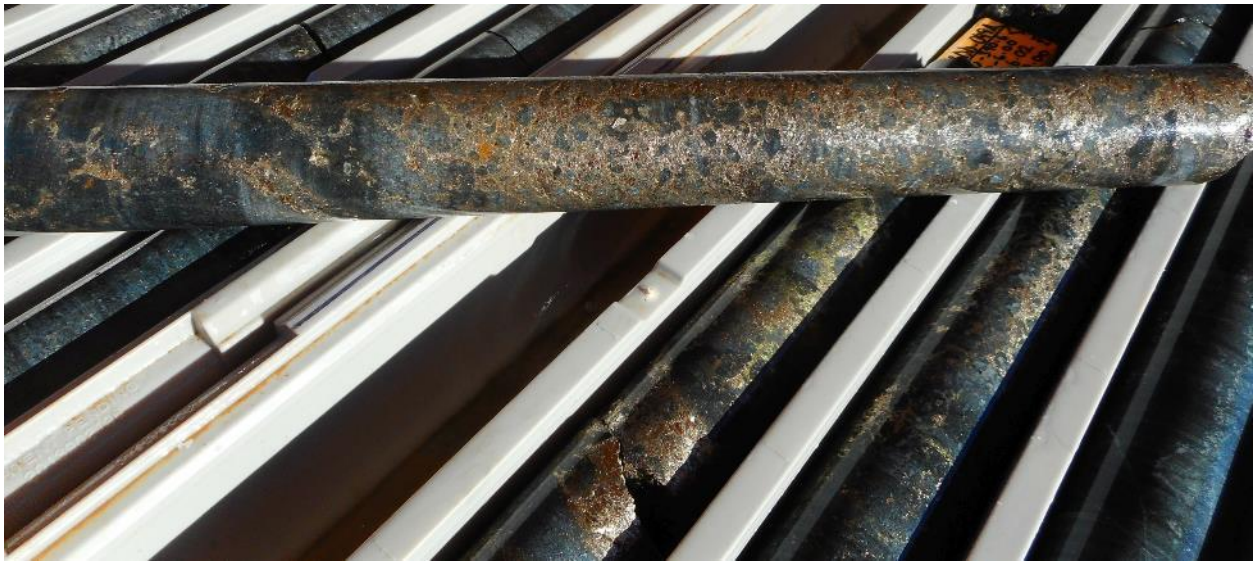

Figure 2: CBDD049A showing massive breccia (right) and globular (left) textures at 389m down hole. Globular textures arise from the local remobilisation of the top layers of massive sulphides by the host magma flow at the time of massive sulphides deposition and can indicate the direction to further massive sulphides accumulations. They can be seen on the left of the stick of core shown and lie atop the massive sulphides on the right.

The intersection is significant as the Company follows the T5 Conductor both south and north from the discovery drill hole CBDD030. CBDD049A is the second of several holes planned to intersect the basal contact in this area as previously disclosed. RC precollars for holes CBDD050, CBDD051 and CBDD052 have been drilled and are to be diamond tailed.

Figure 3: Photo showing the extent of the massive and globular sulphide zone in CBDD049A on the basal contact. The basalt contact (footwall) is half way along the last metre of core at the bottom of the photo.

Estrella Managing Director Chris Daws commented:

"The discovery of further massive sulphide accumulations on a basal contact position is very important to developing Carr Boyd as a significant nickel-copper sulphide project. Our exploration model is continually being refined, and vectoring in towards further massive sulphide discoveries remains our immediate focus. Our drilling hit rate is increasing with our knowledge and our team should be commended for their efforts. We have not lost sight of the fact that T5 is only one area in a much larger magmatic system, and that other trap-sites for nickel-copper sulphides have historically been identified within the Carr Boyd Intrusive Complex. We will be pressing on with exploration of all these areas in due course."

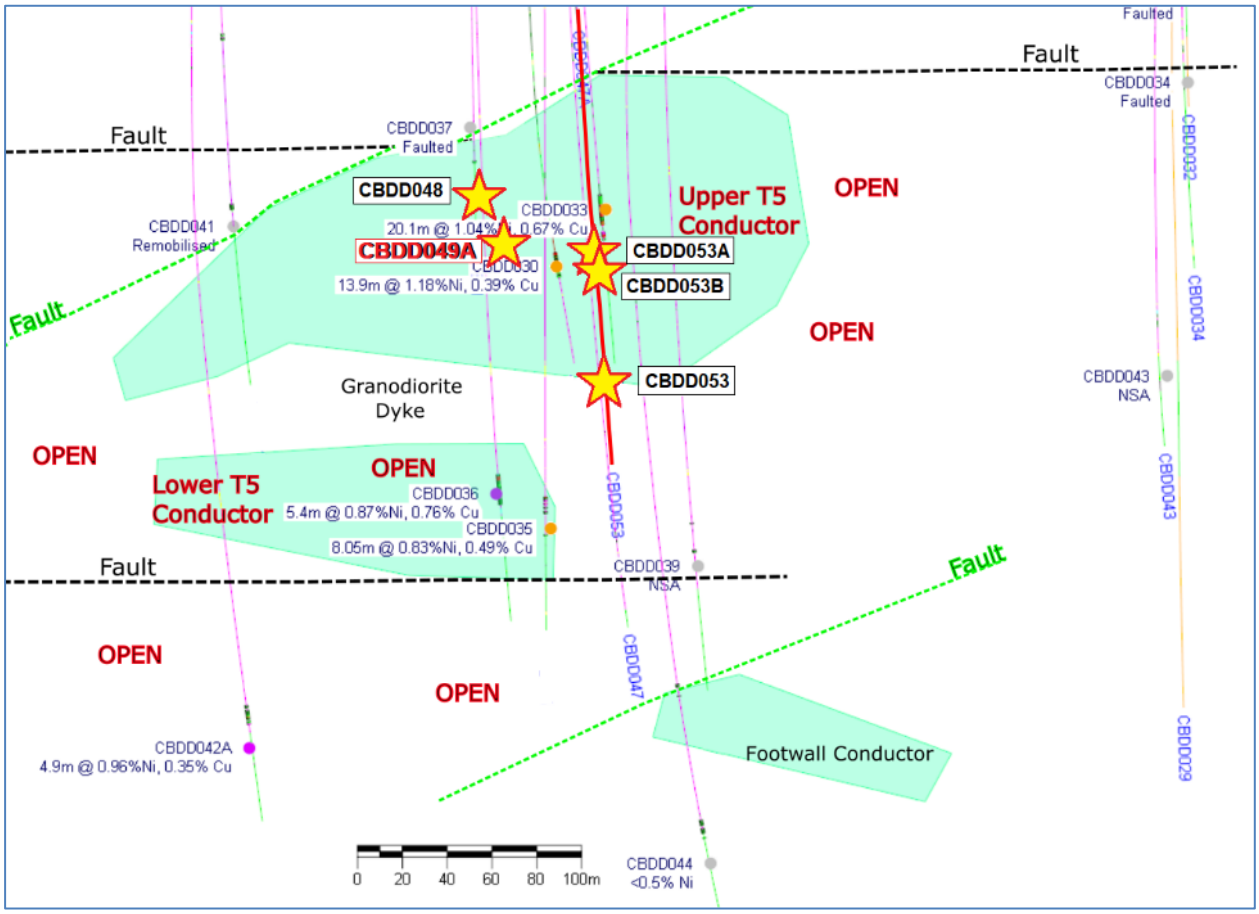

Figure 4: Longsection showing the CBDD049A intersection in relation to other significant intersections from the Phase 3 drilling and the T5 downhole electromagnetic (DHEM) Conductors.

The company currently has 2 diamond drill rigs testing the extents of the T5 mineralisation during Phase 3 of exploration.

Phase 4, currently being planned, will extend drill and DHEM coverage north along an extensive and untested basal contact (refer to ASX announcement "Exploration Update Carr Boyd" released 18 May 2021) and also south to assist in the Company's strategy of uncovering the relationship between the T5 mineralisation and the Carr Boyd Mine 1km to the southeast (previously mined by WMC and now owned 100% by the Company).

Phase 4 will incorporate seismic survey results currently being interpreted by Australia's leading seismic geologist, Mr. Graeme Hird – details of which will be reported to shareholders when available.

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 1: Drill hole collar details for CBDD049A

Hole ID	Final Depth	Easting	Northing	RL	Dip	Azi	Status
CBDD049A	414.6	367423.5	6673626	429.2	-62	267	Complete

Table 2: CBDD049A Visual Estimation of Sulphide Percentages

Hole ID	m From	m To	Interval	Sulphide Texture	Visual Sulphide Estimation	Visual Pentlandite Estimation	Visual Chalcopyrite Estimation
CBDD049A	382	386.65	4.65	Cloud	1%	1%	
	386.65	388.5	1.85	Disseminated	4%	4%	1%
	388.5	390.22	1.72	Massive / Globular	80%	15%	5%
	390.22	391	0.78	Stringer	6%	2%	3%
	391	391.33	0.33	Massive	95%	25%	15%
	391.33	396	4.67	Stringers in Basalt	2.5%	0.5%	2%

In relation to the disclosure of visual mineralisation, the Company cautions that visual estimates of sulphide abundance should never be considered a proxy or substitute for laboratory analysis. Laboratory assay results are required to determine the widths and grade of mineralisation. The Company will update the market when laboratory analytical results become available.

Figure 5: At top, disseminated zone, followed by massive / globular and stringer zones, through to the basalt contact below the massive sulphides in the lower tray.

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.

Criteria	JORC Code explanation	Commentary
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 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. • 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

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 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.	• All relevant drillhole information can be found in the Tables and sections within the announcement.

Criteria	JORC Code explanation	Commentary
	• 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 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	• 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.

Criteria	JORC Code explanation	Commentary
	samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• 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.	• Diamond drilling and DHTEM geophysical testing is continuing.