



SPARGOVILLE – TRANSITIONING TO NICKEL PRODUCTION

June 2022

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The Board authorised for this presentation to be released to ASX.

Experienced Board & Management

LESLIE PEREIRA
Non-Executive Chairman

Experienced investor and businessman with involvement in small companies and maximising their potential value. Heavily involved in driving growth of Majestic Resources / Petra Diamonds – now merged with Petra Diamonds – and, subsequently, Kangaroo Resources (Indonesia)

CHRISTOPHER DAWS
Managing Director

Experience in running junior resources companies, including previous involvement with Niagara Mining (Poseidon Nickel), US Nickel and KMC Limited. Director and founder of Apollo “Phoenix” Resources Pty Ltd and a Director of Nimbus Mines Pty Ltd.

JOHN KINGSWOOD
Non-Executive Director

Experienced mining professional with over 25 years in the engineering services industry specializing in underground mine infrastructure. Successful businessman with a track record of acquiring mineral projects and implementing effective business strategies. Currently a Director of Apollo “Phoenix” Resources Pty Ltd and Nimbus Mines Pty Ltd (a resource investment group).

STEVE BROCKHURST
Company Secretary

15 years’ experience in the finance and corporate advisory industry and is a Director of Mining Corporate Pty Ltd. His experience includes corporate and capital restructuring, corporate advisory, company secretarial services, capital raising, ASX and ASIC compliance requirements. Has served on the Board and acted as Company Secretary for numerous ASX listed and private companies

STEVE WARRINER
Exploration Manager

Highly experienced in successful exploration for nickel sulphide deposits. Was previously Chief Geologist at Poseidon Nickel Limited for 14 years. Over 30 years’ experience in the resource/mining industry in WA and overseas with over 20 of these years exploring for and mining intrusive and extrusive nickel deposits in WA.



Estrella – At A Glance

WA-focussed nickel exploration company **transitioning into production** in a Tier-1 mining and processing jurisdiction with a highly experienced board and management team



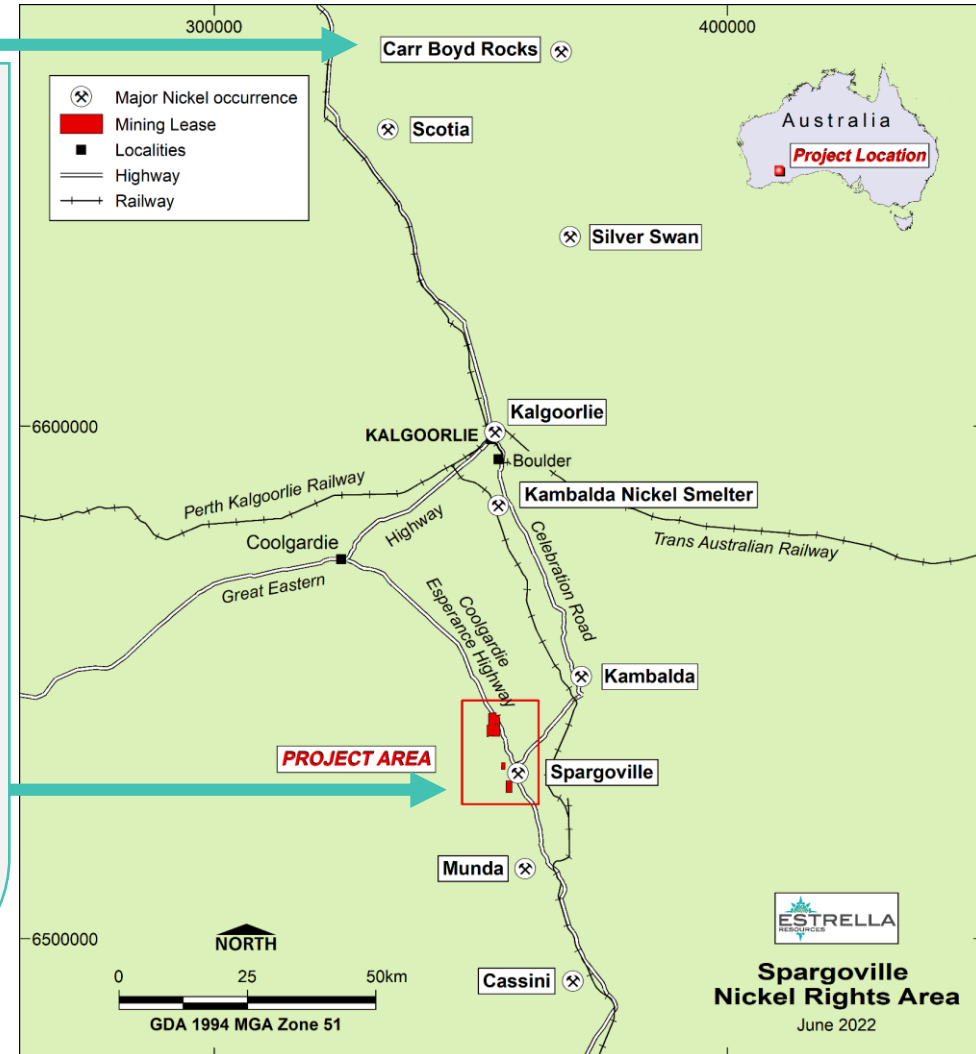
Carr Boyd Nickel Sulphide Project (100%-owned)

- ❑ Lies only 80km from Kalgoorlie with initial drilling programs having discovered **Massive Nickel Sulphide** at the T5 prospect
- ❑ Major exploration activity underway to locate a world class, high quality, nickel sulphide resource



Spargoville Nickel Sulphide Project (100%-owned)

- ❑ Lies 20km South-West of Kambalda and since being founded in 1960s, four deposits have been discovered and developed
- ❑ Estrella is **seeking to rapidly transition Spargoville project into a producing asset**

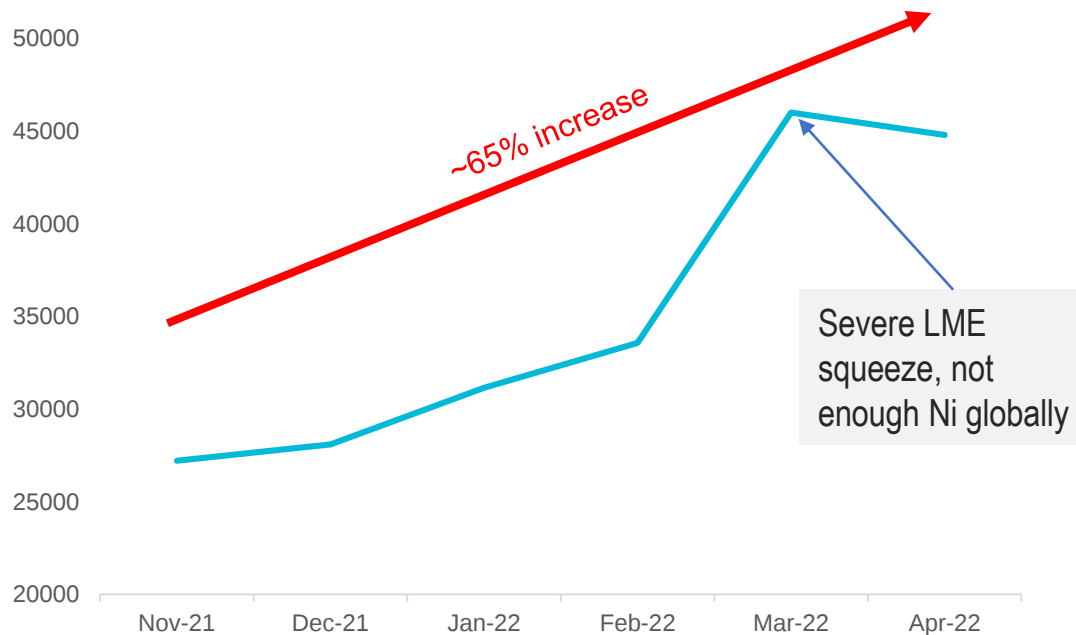


Nickel Prices are Rising

Significant battery demand generated by rapid uptake of EVs and other supply chain issues are driving ongoing price increases

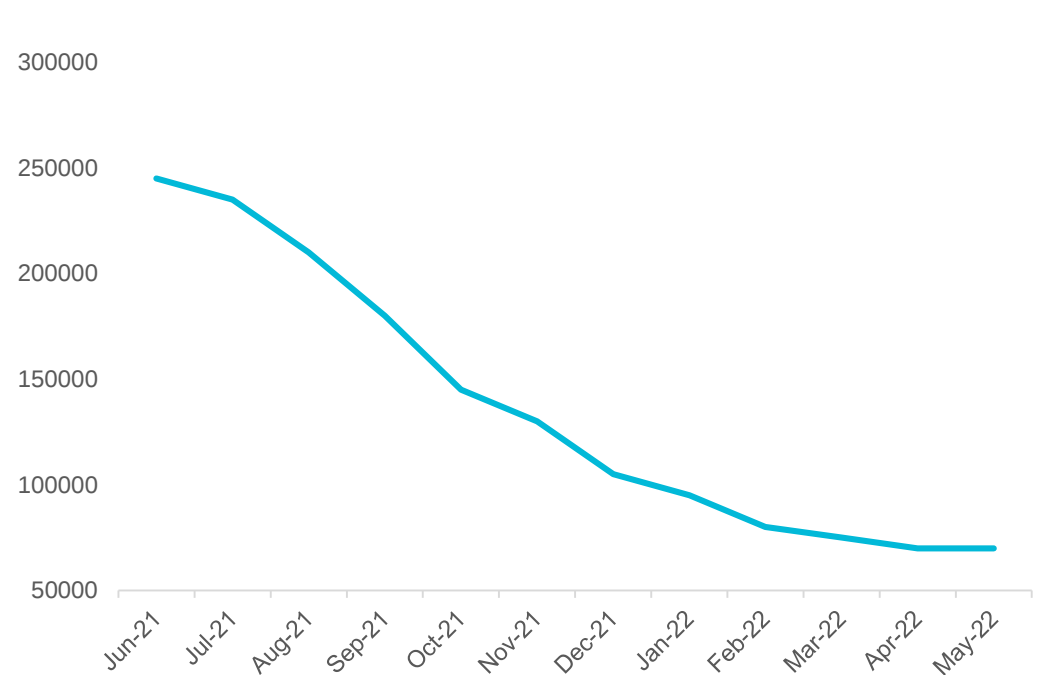
Monthly Nickel Price

AUD/T



1 Year LME Nickel Warehouse Stock Levels

Tons

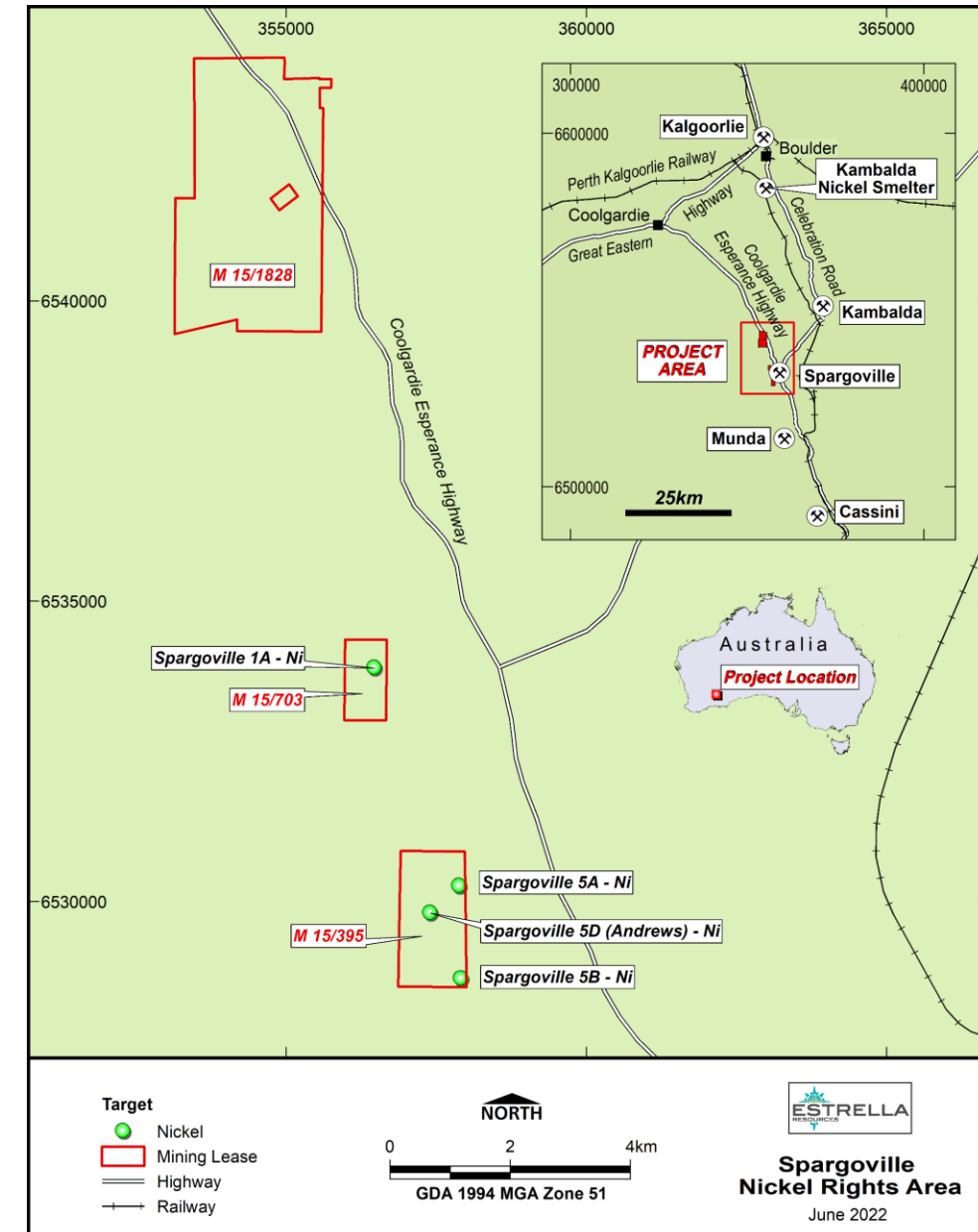


Spargoville – Right Time For New Mine Developments

With major appreciation in the nickel price, time is right to rapidly transition 100% owned Spargoville nickel sulphide project to a producing asset

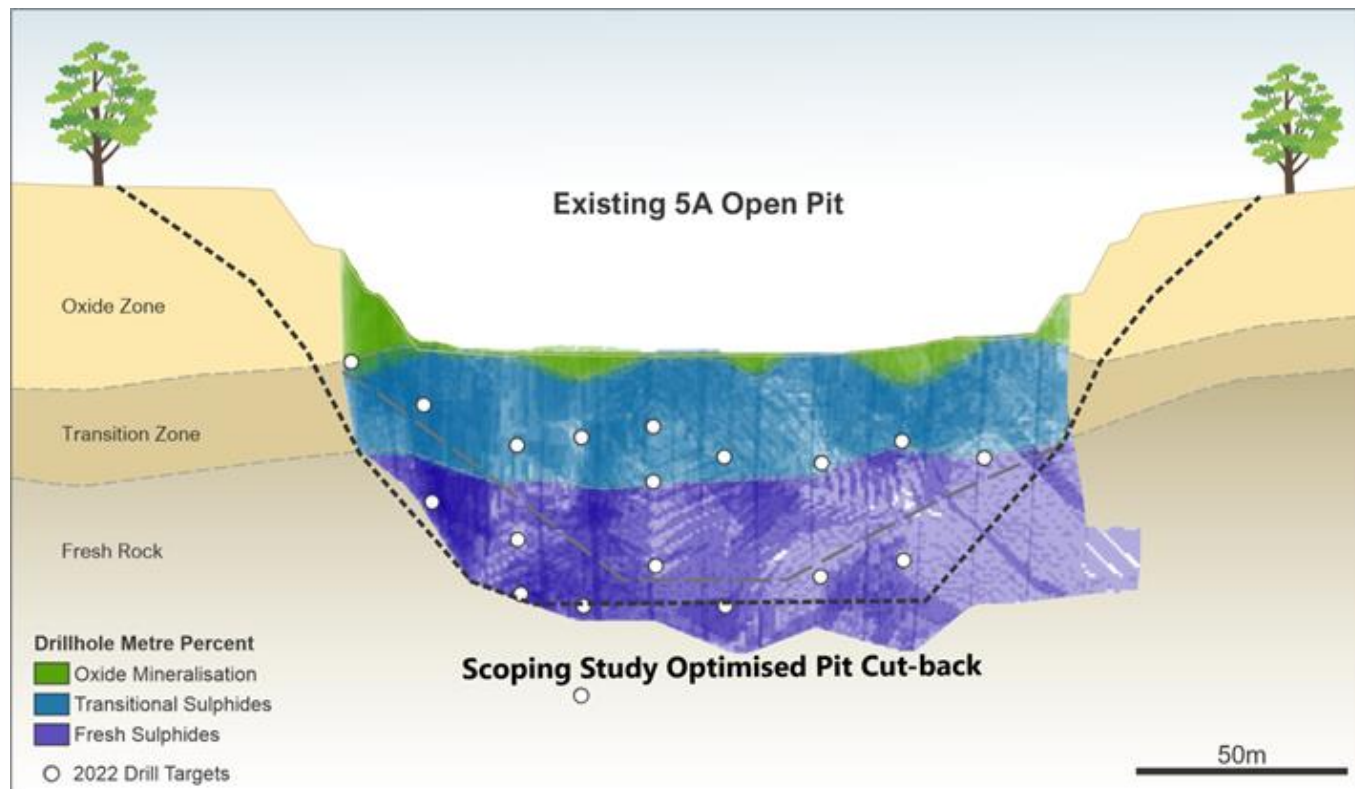
- ❑ Acquired via the purchase of WA Nickel Pty Ltd in 2017 when nickel projects were out of favour
- ❑ Bought rights to mine and explore 4 nickel sulphide deposits,
- ❑ Nickel sulphides were first discovered in the area in the late 1960's
- ❑ 1A, 5A, 5B, and 5D (Andrews) deposits discovered since then and partially developed on two of the three mining leases for which the Nickel Rights were purchased
- ❑ All mines have remnant nickel sulphide mineralisation left behind and extensive exploration potential at depth.

Potential cashflows from Spargoville production to assist in accelerating exploration / development of Carr Boyd



Spargoville – 5A Nickel Deposit (2022 Priority)

5A represents a **potential early nickel producing opportunity** for Estrella via an open pit cutback operation accessing valuable nickel tonnes



Long section through the 5A Nickel Resource showing abundance of Oxide, Transitional and Fresh Metallurgical Zones as well as an outline of the optimised pit shell from the 2020 Scoping Study.

- 5A mineralisation consists of a 30m deep Oxide Zone, which was mined in an open pit (1996-1997).
- Beneath this is a 30m thick Transitional Sulphide Zone underlain by Fresh Sulphides.
- Drilling underway to confirm the resource and progress the DFS.

5A October 2019 Mineral Resource Estimate (0.5% Nickel Cut-off)

	Tonnage kt	Ni %	Cu %	Ni T	Cu T
Indicated	69	2.4	0.19	1,630	130
Inferred	58	1.3	0.11	730	70
Total	127	1.9	0.15	2,370	190

Refer ASX Release date 18 October 2019 (ASX: ESR)

Spargoville – 5A Resource Confirmation Drilling Commenced

- ❑ Diamond drilling underway at Spargoville
- ❑ 17 shallow holes to take 6 weeks to complete
- ❑ Assays to be expedited
- ❑ Aim of diamond drilling program is:
 - ❑ Confirm metallurgical “Top of Fresh” zone (Depth where the Transitional Zone ends and Fresh mineralisation starts) for DFS.
 - ❑ Update the October 2019 Resource estimate
- ❑ Mine planning for 5A mine
- ❑ Targeting DFS completion within next 3 months
- ❑ Granted mining leases
- ❑ Targeting production by 1st Quarter 2023 pending successful completion of DFS and all necessary approvals



Diamond rig located at the 5A nickel mine.

Spargoville – Other Potential Near-Term Production Assets

5B Deposit

- ❑ Kambalda-style komatiite deposit similar to 5A with massive and matrix sulphides accumulating at base of a lava channel.
- ❑ **A 600m long decline (120m vertical depth) remains intact and accessible for refurbishment to allow mining activities to commence**
- ❑ Mined between 1975 - 1982 & 1992 - 1993 via open pit producing in total ~14,000t nickel

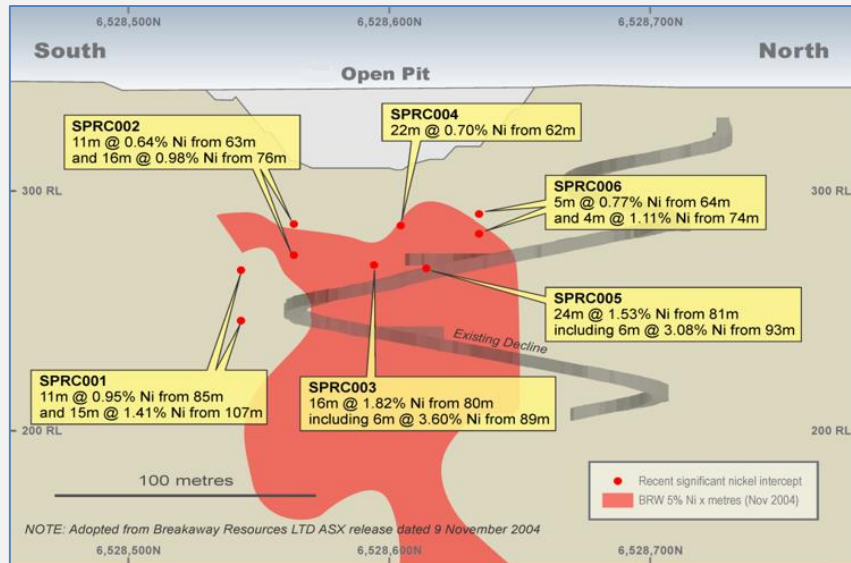
5D (Andrew's) Deposit

- ❑ Deposit is thought to be a westerly continuation of the 5A komatiite channel and larger and more continuous than both 5A and 5B Deposits.
- ❑ Estimated pre-mining resource of ~18,000t Ni @ 2.48% Ni (Minotaur 2016) of which around 7,800t Ni were extracted.
- ❑ Deposit was mined via a 250m deep shaft. Previous work identified several remnant pillars left behind, including the unmined Oxide Zone at surface

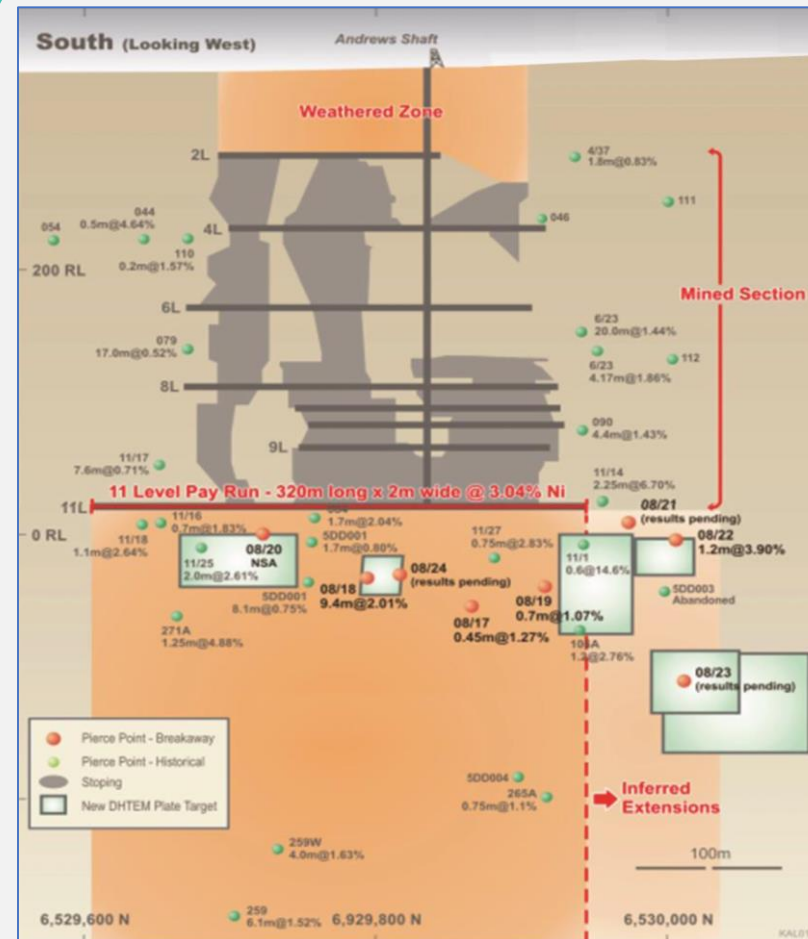
1A Deposit

- ❑ Lies 4km North of 5A, 5B & 5D and is another Kambalda-style channel deposit
- ❑ Mined 1990 - 1992 via a 150m shaft and an internal decline down to 175m, seeing almost 4,300t Ni extracted @ 3.8% Ni.
- ❑ Drill data shows good down-plunge intercepts close to the workings.
- ❑ Deeper intersections down to 550m below surface confirm continuation of mineralisation at depth

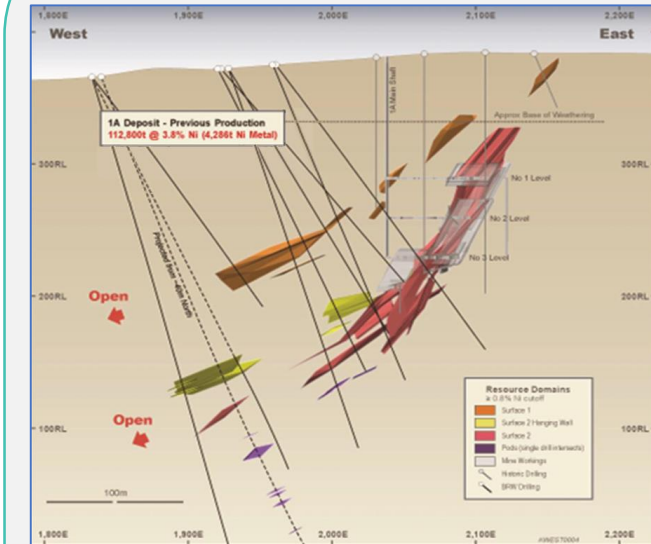
Spargoville – Other Potential Near-Term Production Assets



Long section of the 5B deposit, pit and decline, showing Minotaur Exploration's significant intersections from 2014.

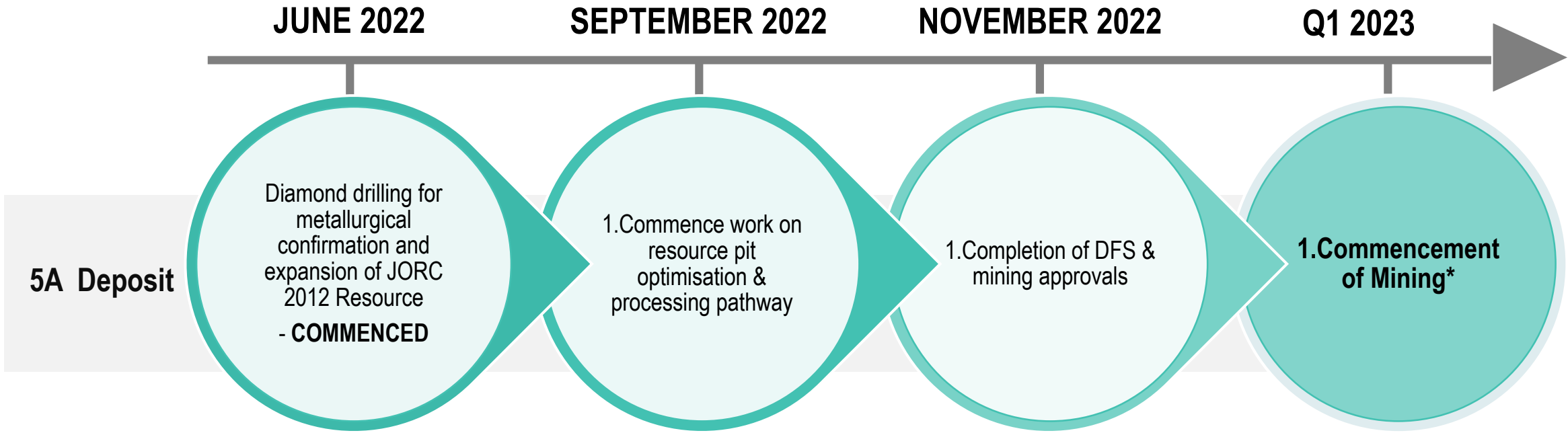


Long section showing the unmined oxide cap, in-situ pillars and DHEM targets generated by Breakaway Resources and Minotaur Exploration



Cross sectional view of the 1A Nickel Mine showing the discontinuous Inferred Resource shapes at depth

Spargoville - Transitioning to Production by Q1 2023

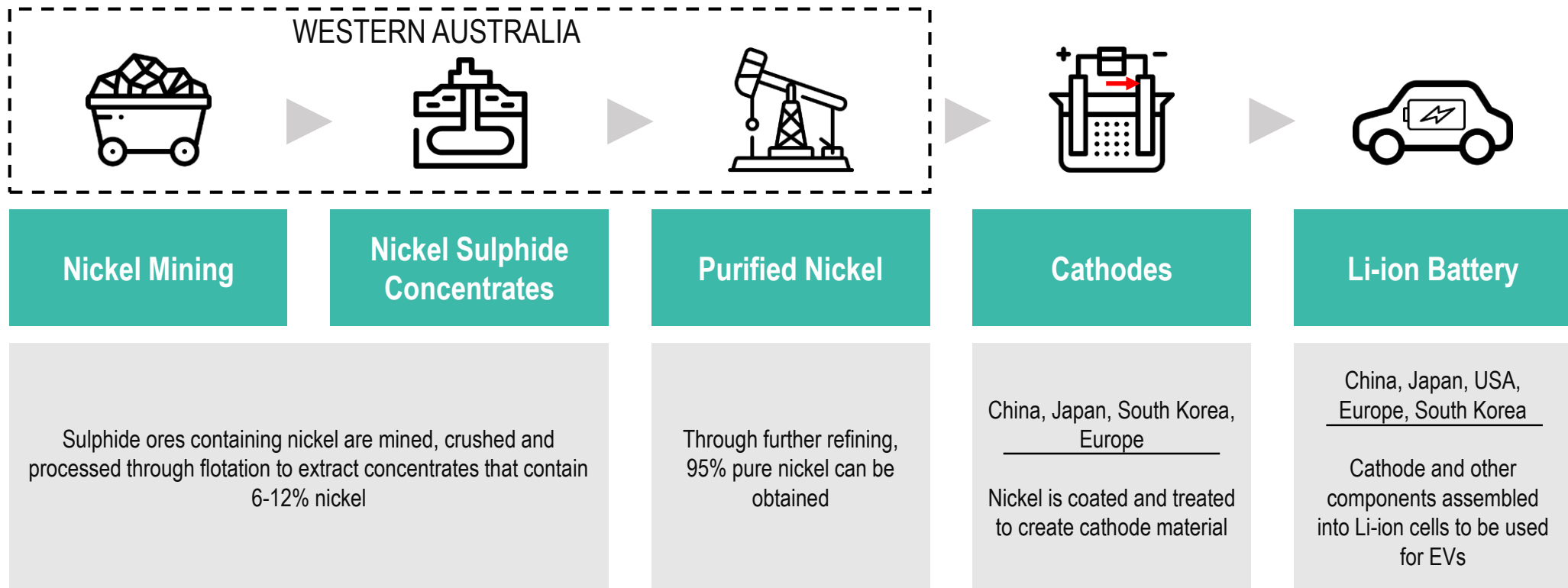


5B & 5D Deposits to follow same pathway to production as 5A Deposit

**Targeted production at 5A Deposit by Q1 2023 subject to successful completion of DFS and all necessary approvals*

Spargoville - In the Nickel Supply Chain for Green Energy Solutions

Estrella is focusing efforts toward the production of nickel sulphide, used for green energy solutions, starting with the development of the 5A nickel mine

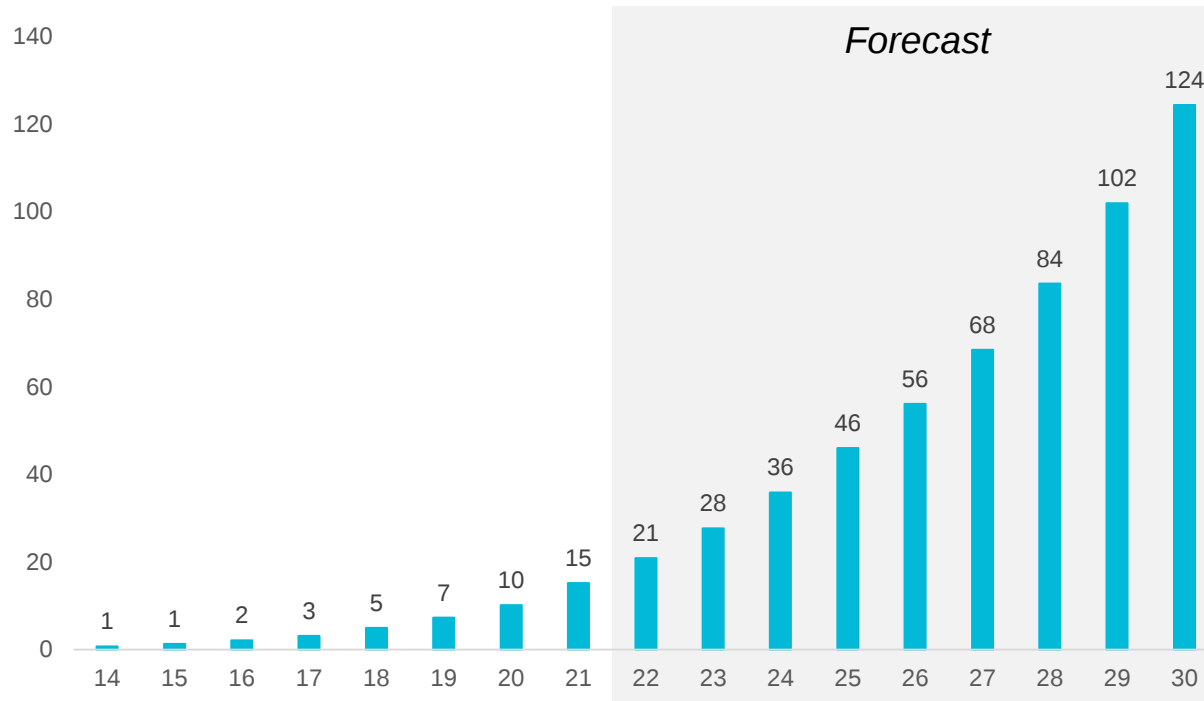


Electric Vehicle Market

EV technologies such as full battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV) are increasingly becoming attractive options that help reach environmental, societal and health objectives. Given the importance of nickel in EV battery cathodes, the rising popularity of EVs will drive an increase in nickel demand and production.

Global electric passenger car stock, 2014-2030

million



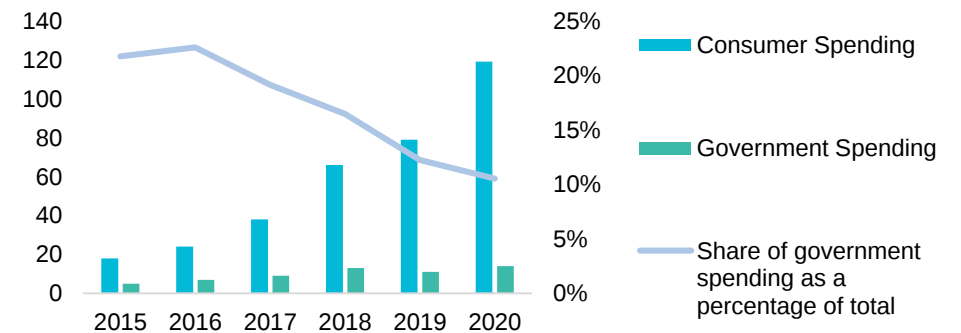
Source: IEA

Key Trends

- >10 million electric cars were on roads globally in 2020 with BEVs driving the expansion, which accounted for two-thirds of total stock in 2020
- Growth in electric car registrations persisted through COVID-19
- Consumer spending on EVs continue to rise while government spending stabilises

Consumer and government spending, 2015-2020

billion



Source: IEA



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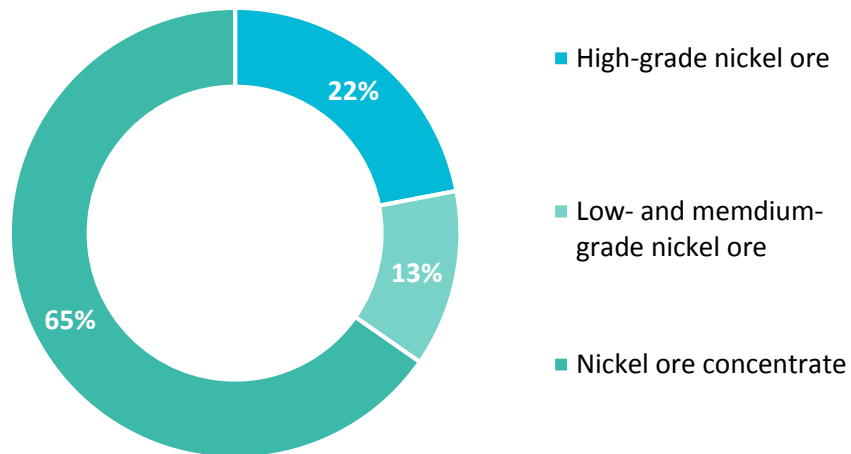
APPENDICES

Overall Nickel Market

Nickel output declines over the past years driven by slowdowns in infrastructure projects and production of nickel-based stainless steel goods in China is being offset by stronger nickel prices and demand outlook. This positive outlook includes new mines starting production, existing mines recommencing production, and other mines expand output. Further, nickel prices are anticipated to rise due to improved economic activity and demand for steel.

EVs and other general battery usage drive significant Nickel demand

Product Segmentation for Nickel Ore Mining in Australia



Source: Ibisworld

Uses for Nickel

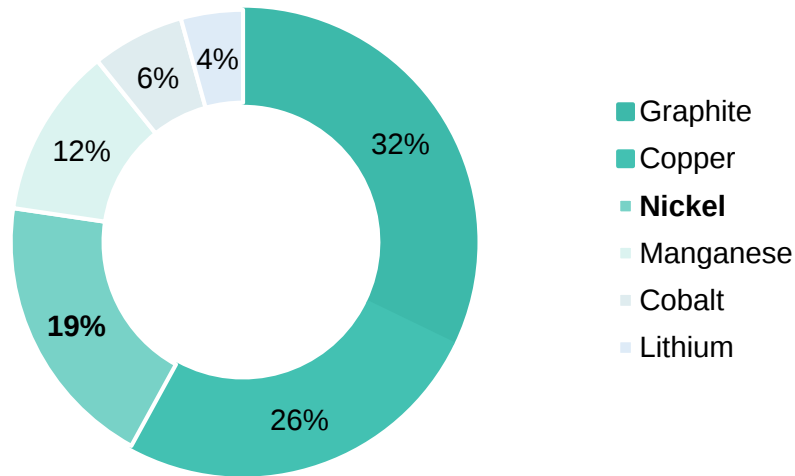
- Nickel is most commonly used in making alloys such as **stainless steel**
- Nickel is used in **batteries** including those used in hybrid and electric vehicles
- Nickel resists corrosion hence is used to plate other metals as protection such as in **toasters** and **electric ovens**
- A copper-nickel alloy is commonly used in **desalination plants**, which convert seawater into fresh water
- Nickel steel is used for **armour plating**, and other alloys of nickel are used in **boat propeller shafts** and **turbine blades**
- Nickel has a long history of being used in **coins**
- Nickel is used as a catalyst for **hydrogenating vegetable oils**

Cathode and nickel demand are directly linked to EV battery demand growth

Nickel is a fundamental raw material in lithium-ion battery cathodes, and adding more nickel can boost a battery’s energy density, translating into more range per pound of battery

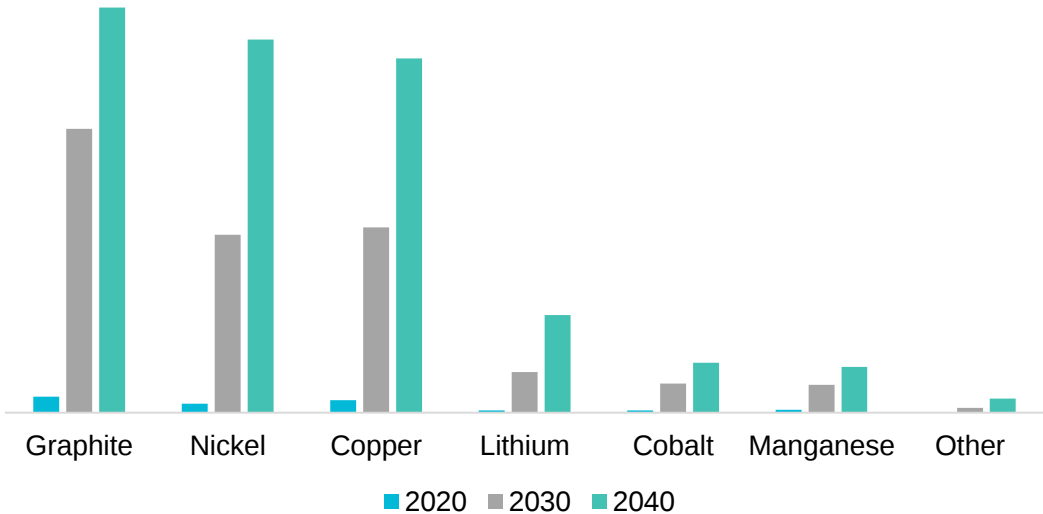
Given the commoditised nature of nickel, the nickel supply chart slopes downwards. However, nickel demand is increasing primarily driven by growing prevalence of EVs and nickel’s importance in EV battery production. Hence, the demand for nickel will overtake supply in the near future, and result in rising nickel prices.

Primary Minerals Segmentation per EV
%



Source: MiningTechnology, IEA

Mineral Demand from EV Sector Forecast
thousand tonnes



Source: MiningTechnology, IEA

Capital Structure

ASX Tickers	ESR & ESROA
Share Price	A\$0.025
Market Cap	A\$30M
Cash	~ A\$7.9M (As at 31 March 2022 incl. ~A\$4.8M "options in the money")
Enterprise Value	\$30.4M
FPOS	1,200,681,540
Options	10,000,000 10c exercise 30 June 2022 11,500,000 3c exercise Nov 2022 239,363,575 2c exercise July 2023 (ASX:ESROA) 16,600,000 20c exercise Nov 2023 25,750,000 6c exercise Jan 2025 20,000,000 6c exercise Apr 2025
Major Shareholders	Board & Management 9.4% Apollo Phoenix Resources 3.3%

6-month Share Price

