

ASX Release: 28 October 2022

*Estrella Resources Limited*

*ABN 39 151 155 207*

*ASX Code: ESR*

*Board and Management*

*Managing Director  
Christopher Daws*

*Non-Executive Directors  
Les Pereira  
John Kingswood*

*Company Secretary  
Stephen Brockhurst*

*Address  
Level 8, London House  
216 St Georges Terrace Perth  
WA 6000  
GPO Box 2517 Perth WA 6831*

*Telephone: +61 8 9481 0389  
Facsimile: +61 8 9463 6103*

*info@estrellaresources.com.au  
www.estrellaresources.com.au*

## QUARTERLY ACTIVITIES REPORT

*Quarter ending 30 September 2022*

### HIGHLIGHTS

- **High Grade nickel results returned from 5A Spargoville**
  - SPDD002 **3.40m\* @ 8.2% Ni** incl. **2.66m @ 10.34% Ni**
  - SPDD009 **3.45m\* @ 5.46% Ni** incl. **1.2m @ 10.85% Ni**
  - SPDD020 **8.03m\* @ 3.17% Ni** incl. **2.63m @ 9.23% Ni**
  - SPDD006 **11.12m\* @ 1.68% Ni** incl. **0.7m @ 13.05% Ni**
  - SPDD018 **6.80m\* @ 4.40% Ni** incl. **1.76m @ 10.21% Ni**
- **JORC Exploration Target of +100,000 Ni tonnes at Carr Boyd**
  - 5Mt to 7Mt at 0.7% to 1.5% Nickel and 0.3% to 0.5% Copper
  - Between 35,000 to 105,000 Nickel tonnes and 15,000 to 35,000 Copper tonnes
  - Carr Boyd boasts 16km of basal contact (Figure 5) to be targeted by drilling and geophysics
- **Maiden T5 Inferred Mineral Resource Estimate released**
  - **5,700 Ni tonnes and 3,600 Cu tonnes** defined within T5
- **High grade lithium discovered by Widgie Nickel Limited within Estrella's Mt Edwards royalty area**
  - New Faraday prospect located with spodumene identified in rock chip samples
  - Numerous high grade lithium assays returned over 3% Li<sub>2</sub>O
- **Successful Placements during the September Quarter raised \$4,018,717 before costs**
  - New mandate executed with CPS Capital
  - Shareholder Q&A sessions to be held in Sydney, Melbourne and Perth (further details on page 14)

*\* Down hole widths quoted. For true widths refer to Table 1*

Estrella Resources Limited (ASX: ESR) ("Estrella" or "the Company") is pleased to report its activities for the quarter ended 30<sup>th</sup> September 2022 in which the Company advanced exploration and development activities at its Carr Boyd and Spargoville nickel sulphide projects.

#### **Estrella Managing Director Chris Daws commented:**

*"I am proud of the team's efforts during what has been a very busy quarter for Estrella. At Spargoville, we continued to progress towards kicking off full scale mining at the 5A nickel resource, subject to a positive Definitive Feasibility Study. The DFS which assesses mining below the existing open pit is well advanced, as are pre-mining site works.*

*"At Carr Boyd, the release of the initial MRE for T5 was a significant milestone and a major step towards quantifying a sizeable Exploration Target estimate for the Carr Boyd basal contact.*

*"On the corporate front, successful placements raising over \$4 million during the quarter provided us with funds to complete the 5A nickel mine DFS and continue diamond drilling activities at Carr Boyd. The December Quarter is proving to be just as busy a quarter for Estrella and I look forward to updating you on our progress at both projects."*



Figure 1: Clean-up of the Spargoville 5A Open Pit with mineralisation highlighted (red)

## SPARGOVILLE NICKEL PROJECT

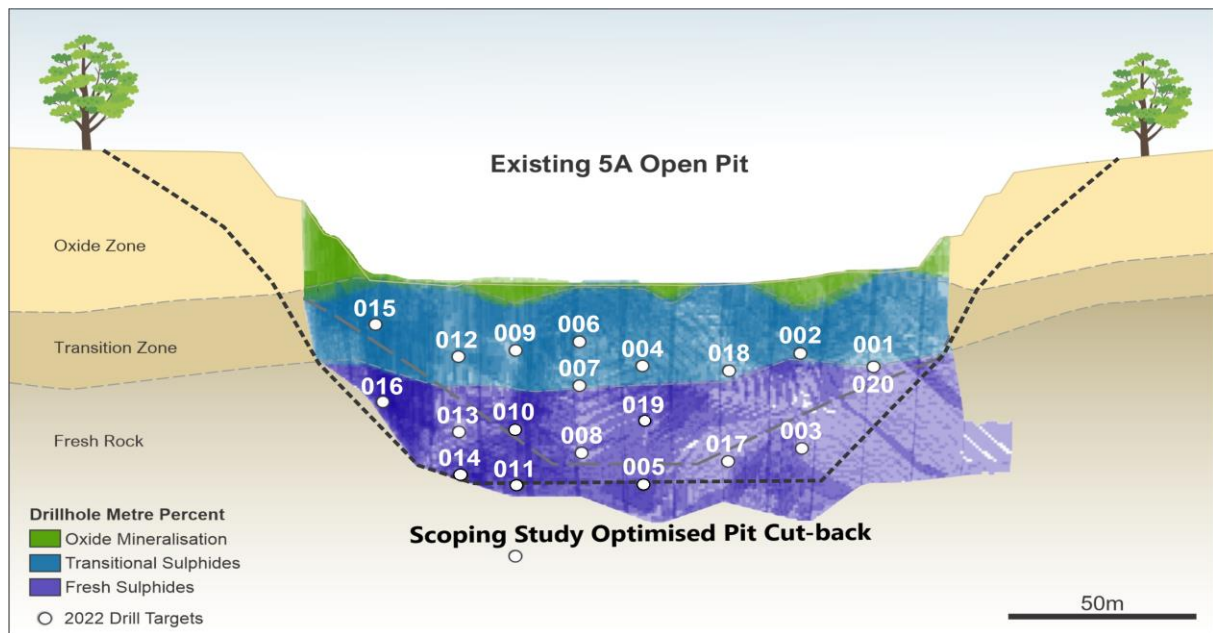
### 5A Nickel Deposit

The Company has progressed its DFS for the 5A Nickel Mine at Spargoville, located approximately 20km Southwest of Kambalda, Western Australia during the September quarter. The Company is seeking to transition the Spargoville nickel sulphide project into a producing asset, starting with a remnant high grade nickel resource below the 5A Nickel Mine open pit.

The Spargoville nickel sulphide project was acquired by Estrella via the purchase of WA Nickel Pty Ltd (see ASX release 4 September 2017). Nickel sulphides were first discovered in the area by Selcast Exploration in the late 1960s. Since then, the 1A, 5A, 5B, and 5D deposits were discovered and partially developed on two of the three mining leases for which the Nickel Rights were purchased. All these mines have remnant nickel sulphide mineralisation and extensive exploration potential at depth.

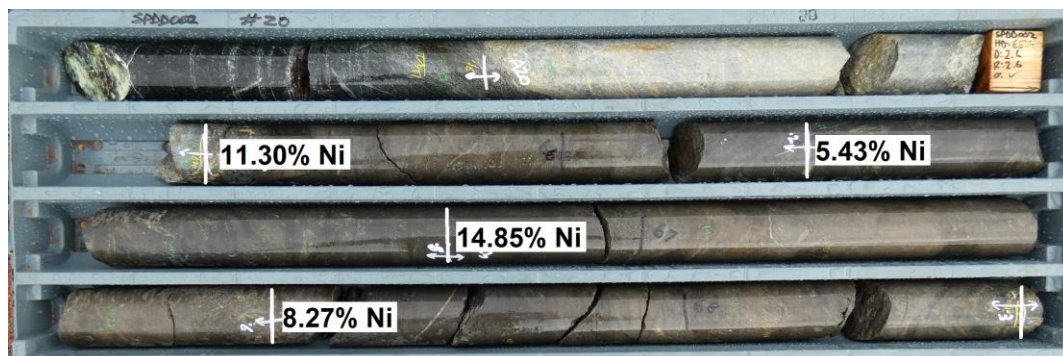
The Company's initial focus is on the remaining resource at the 5A Nickel Deposit. The mineralisation at 5A consists of a 30m deep Oxide Zone, which was mined in an open pit by Amalg Resources NL in 1996-1997. Beneath this, and which is the focus of the DFS, remains a 20-50m thick Transitional Zone (dominated by the nickel mineral violarite), underlain by Fresh Sulphides (dominated by pentlandite) as can be seen in Figure 2.





**Figure 2: Long-section looking west 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.**

Diamond drilling below the open pit has been completed, with numerous diamond drillholes intersecting very high-grade nickel mineralisation below the open pit (see Figure 3). Assays received from the laboratory confirmed visual estimate expectations with some of the better results listed below (see ASX releases dated 30 June, 1 August, 4 August, 23 August, and 30 August 2022). The full results are summarised in Table 1.



**Figure 3: Core from the Transitional Massive Sulphide zone in drillhole SPDD002 at 65.64m to 68.32m**

#### **Diamond drilling highlights at the 5A nickel mine:**

SPDD002 returned: **3.4m @ 8.2% Ni** from 65.16m down hole

- Including **2.66m @ 10.34% Ni** from 65.64m down hole

SPDD006 returned 11.12m\* @ 1.68% Ni

- \* Including **0.7m @ 13.05% Ni**

SPDD009 returned 3.45m\* @ 5.46% Ni

- \* Including **1.2m @ 10.85% Ni** within 3.45m\*

SPDD019 returned **4.34m\* @ 3.58% Ni**

- \* Including **1.40m @ 7.79% Ni**

SPDD020 returned **8.03m\* @ 3.17% Ni**

- \* Including **2.63m @ 9.23% Ni**

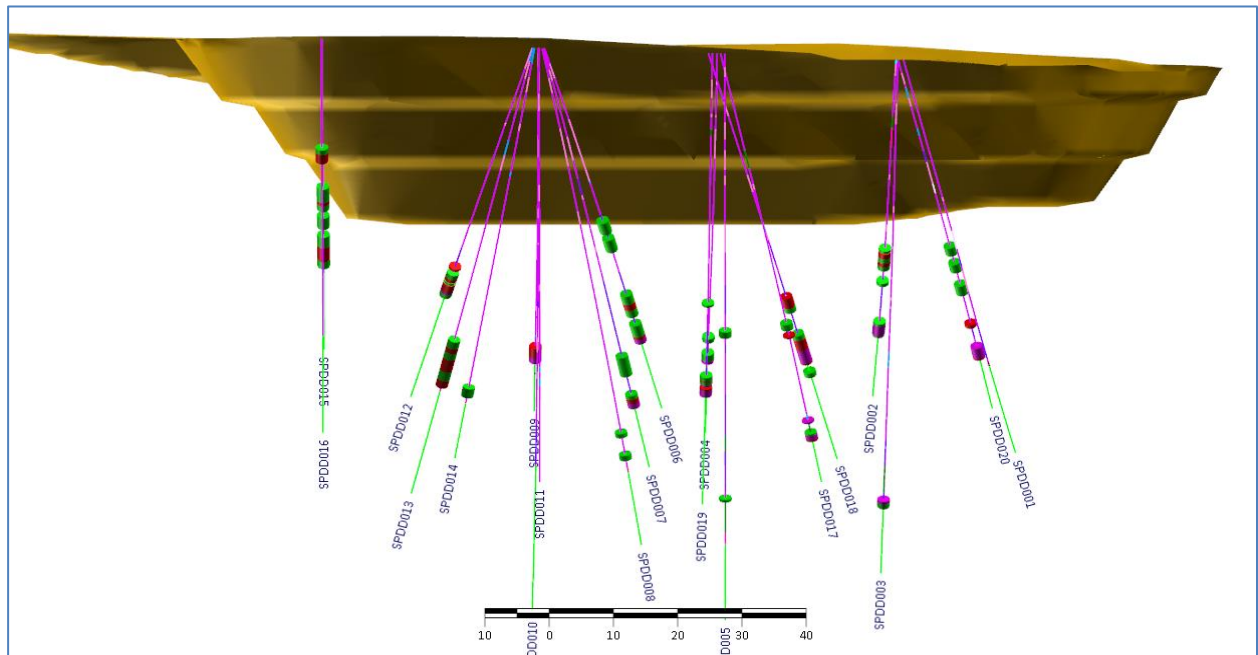
\* Down hole widths quoted. For true widths refer to Table 1

Table 1: Estrella 5A Significant Intercepts to Date

Hole ID		Metallurgical Type	From (m)	To (m)	Length (m)	T.W. (m)	Ni %	Cu %	Co ppm	Pt g/t	Pd g/t	S %	Fe %	MgO%	As ppm	SG
SPDD001		Core loss in massive sulphide - redrill with SPDD020														
SPDD002	Total	OXIDE	47.00	52.00	5.00	3.10	1.50	0.01	239	0.02	0.04	0.0	9.0	21.1	181	2.7
	Total	TRANSITIONAL	65.16	68.55	3.39	2.46	8.22	0.63	1756	0.34	0.18	21.5	28.1	4.5	460	3.1
	Including		65.64	68.30	2.66		10.34	0.79	2195	0.42	0.22	27.1	30.2	2.8	448	3.1
SPDD003	Total	TRANSITIONAL	90.95	92.50	1.55	0.94	5.06	0.21	1102	0.29	0.30	12.6	21.0	2.1	1176	2.9
	Including		90.95	91.55	0.60		11.00	0.44	2280	0.58	0.31	28.5	33.9	0.5	672	3.2
SPDD004	Total	OXIDE	70.85	73.00	2.15	1.49	2.35	0.06	711	0.06	1.30	4.5	11.3	18.2	2613	2.8
	Including	TRANSITIONAL	72.40	73.00	0.60		6.54	0.19	2290	0.15	4.65	15.7	22.2	3.1	6380	2.7
SPDD005	Lower	NSA - Dolerite dyke on contact														
SPDD006	Total		59.48	70.60	11.12	7.48	1.68	0.07	372	0.09	0.15	2.8	9.0	24.5	410	2.9
	Including	OXIDE	61.38	62.87	1.49		1.85	0.07	269	0.08	0.18	1.3	7.8	18.1	180	2.7
	And	TRANSITIONAL	69.12	70.60	1.78		6.93	0.27	1493	0.41	0.57	15.8	24.1	7.0	2186	2.9
	Including	TRANSITIONAL	70.20	70.60	0.70		13.05	0.61	2350	0.99	0.60	36.5	28.9	0.4	1990	2.7
SPDD007	Total	TRANSITIONAL	74.35	77.05	2.70	1.54	2.47	0.21	420	0.07	0.20	5.8	20.3	9.5	1594	3.0
	including		76.00	77.05	1.05		4.90	0.45	787	0.13	0.44	12.4	22.0	4.6	3849	2.9
SPDD008	Lower	NSA - Sheared out base														
SPDD009	Total		69.85	73.30	3.45	2.33	5.46	0.21	1689	0.11	0.43	13.5	22.8	2.2	1334	3.1
	Including	OXIDE	69.85	72.10	2.25		2.37	0.02	365	0.02	0.03	0.3	20.4	3.2	402	3.0
	And	TRANSITIONAL	72.10	73.30	1.20		10.85	0.55	4000	0.27	1.12	36.6	27.1	0.5	2960	3.2
SPDD010	Lower	NSA - Sheared out base														
SPDD011	Lower	NSA - Did not intersect footwall														
SPDD012	Total		56.30	63.75	7.45	5.34	1.32	0.02	326	0.06	0.13	0.6	11.7	13.5	1153	2.8
	Including	OXIDE	60.58	62.37	1.79		1.80	0.01	295	0.02	0.04	0.1	15.5	9.6	1702	2.7
	And	TRANSITIONAL	62.37	62.80	0.43		4.67	0.02	1945	0.45	1.20	6.9	15.9	2.5	4120	3.2
SPDD013	Total		63.7	73.65	9.95	5.78	1.25	0.07	217	0.03	0.03	1.0	9.1	7.3	273	2.7
	Including	OXIDE	67.6	70.25	2.65		1.63	0.02	181	0.02	0.01	0.2	9.7	4.0	113	2.7
	And	TRANSITIONAL	72.1	73.65	1.55		2.54	0.32	613	0.12	0.04	5.5	11.9	2.7	445	2.7
SPDD014	Lower	NSA - Dolerite dyke on contact														
SPDD015	Total		36.00	55.00	19.00	11.15	0.74	0.01	147	0.01	0.03	0.0	8.6	11.3	178	2.8
	including	OXIDE	39.20	40.02	0.82		1.15	0.01	195	0.02	0.05	0.0	10.5	14.8	163	2.7
	and	OXIDE	50.00	53.30	3.30		1.09	0.02	140	0.02	0.02	0.0	8.7	3.5	225	2.9
SPDD016	Total		23.30	26.30	3.00	1.85	1.15	0	228	0.06	0.2	0.0	10.2	22	13.6	2.62
	Including	OXIDE	24.30	26.30	2.00		1.23	0	226	0.06	0.2	0.0	9.9	23	13.5	2.61
	Lower	TRANSITIONAL	NSA - Sheared out base													
SPDD017	Total		56.56	59.46	2.90	1.70	0.55	0.01	129	0.00	0.01	0.2	7.3	28.0	391	2.8
	including		59.16	59.46	0.30		1.74	0.01	302	0.01	0.01	0.1	11.9	25.0	800	2.8
	Total		76.95	81.00	4.05	2.40	3.05	0.18	695	0.14	0.23	8.5	19.5	4.1	790	3.2
	including	TRANSITIONAL	79.72	81.00	1.28		7.28	0.45	1636	0.29	0.45	20.7	29.9	3.2	1392	3.5
SPDD018	Total	OXIDE	57.53	59.80	2.27	1.71	1.37	0.00	169	0.00	0.01	0.0	8.7	20.3	1057	2.7
	Total	TRANSITIONAL	66.20	73.00	6.80	4.50	4.40	0.31	946	0.18	0.51	12.0	19.8	10.4	953	3.3
	Including		70.86	72.62	1.76		10.21	0.69	2140	0.24	0.94	29.4	30.1	1.5	2007	3.6
SPDD019		Visual 2.65m Massive and Matrix Sulphides - Awaiting Assays *														
SPDD020		Visual 2.63m Massive and Semi-Massive Sulphides - Awaiting Assays *														

An additional oxide zone located within the hosting komatiite was identified to the east of the main basal contact. This zone occurs as a result of a subsequent, mineralised komatiite flow which lies on top of the main basal flow. The Company will sample this additional horizon in all drillholes. If this oxide material meets a reasonable grade threshold it may be included in the 5A Resource, as it will satisfy all JORC2012 requirements and specifically the reasonable prospect of eventual economic extraction.

Assay results returned very high grades of nickel mineralisation from the northern and central portions of the deposit. With receipt of these assays, work on a new Resource Estimate for 5A was finalised and an updated MRE was released to the ASX post the September quarter on 18 October 2022.



**Figure 4: Spargoville 5A Open Pit digital model with recent diamond drilling**

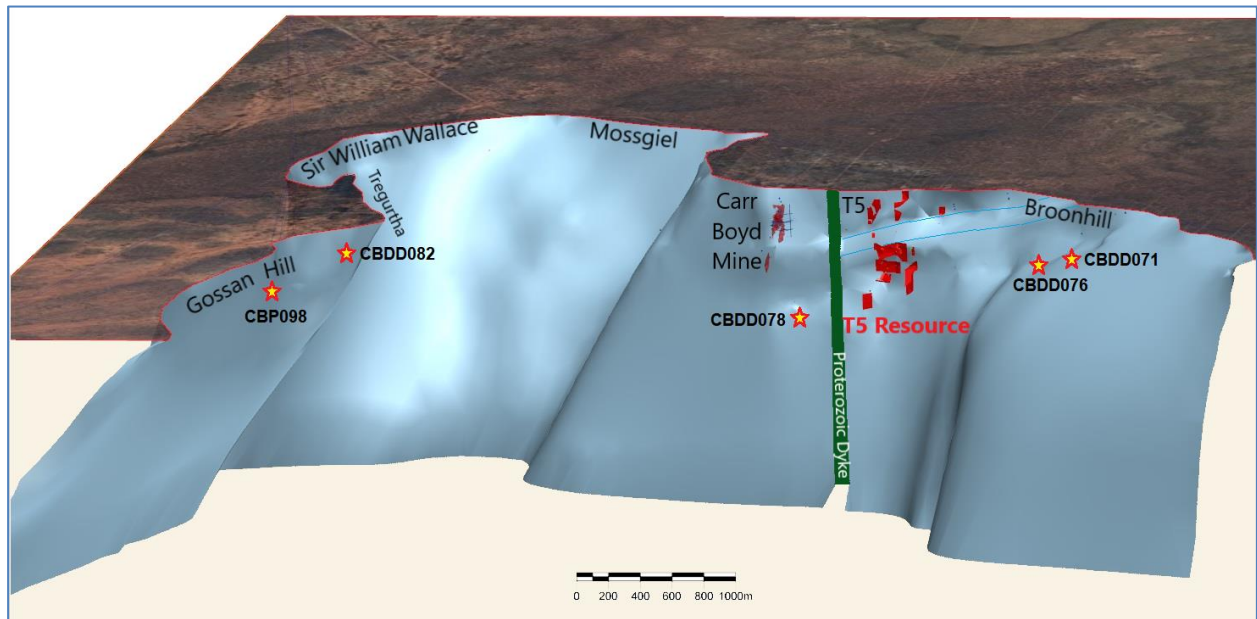
The removal of drill water from the base of the open pit was completed and cleaning up of the ramp and pit floor has been undertaken in readiness for the removal of a bulk sample for third party processing. This sample of Transitional material will be tested at an alternative treatment facility to the Kambalda Concentrator and will be extending on successful bench-scale tests conducted in 2019.

Inclement weather and a shortage of suitable machinery and contractors in the Goldfields has seen a slight delay of the extraction of the bulk sample. The Company expects the sample to be mined in the current quarter with pre-mining site works already commenced with ramp access, pit floor preparation and ore mark-up underway. A short drill-blast program followed by extraction of the first ore bench will be undertaken by local contractors under the supervision of Company representatives and consultant mining specialists. High grade nickel ore will be placed onto the 5B ROM pad where it will be crushed/screened to required size before being transported by road train to the desired treatment facility for processing and recovery of the nickel metal.

## **CARR BOYD NICKEL PROJECT**

The Company continued to aggressively explore the Carr Boyd intrusion system for further evidence of high-grade massive nickel and copper sulphides during the September 2022 quarter. A total of 6,133 metres of diamond drilling was completed in 9 holes across the project area.

The Company announced its maiden T5 JORC 2012-compliant Mineral Resource Estimate (MRE) which underpins an **Exploration Target of 5-7 million tonnes for the basal contact** at the 100%-owned Carr Boyd Nickel Project located 80km northeast of Kalgoorlie (see ASX released dated 20 September 2022).



**Figure 5: Location of the T5 MRE in red with respect to the 16km prospective basal contact informing the Exploration Target**

The Inferred T5 MRE is based upon 43 diamond holes and 3 reverse circulation holes drilled by Estrella Resources at T5, covering a strike length of 500 metres and running from near surface to 720m depth. The MRE is entirely north of the Proterozoic Dyke which Estrella has interpreted to split the T5 mineralisation (Figure 5). The JORC 2012 Mineral Resource Estimate was compiled by Ashmore Advisory Pty Ltd and is presented in Table 2.

**Table 2: T5 September 2022 Inferred Mineral Resource Estimate (0.5% Ni + Cu Cut-off Grade)**

Type	Inferred Mineral Resource													
	Tns	Ni+Cu	Ni	Cu	Co	Pt	Pd	Ag	Ni	Cu	Co	Pt	Pd	Ag
	kt	%	%	%	%	g/t	g/t	g/t	t	t	t	oz	oz	oz
Transitional	10	0.70	0.45	0.24	0.04	0.02	0.08	1.10	30	10			10	210
Fresh	850	1.08	0.66	0.42	0.03	0.22	0.22	1.99	5,700	3,600	300	6,200	6,100	54,600
Total	860	1.08	0.66	0.42	0.03	0.22	0.22	1.98	5,700	3,600	300	6,200	6,100	54,800

**Note:** All Mineral Resources figures reported in the table above represent estimates as at September 2022. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

In addition to the nickel and copper, the T5 MRE contains over 12,000 ounces of platinum and palladium and almost 55,000 ounces of silver which are associated with the sulphide mineralisation. The nickel-copper-PGE sulphide resource is free of Arsenic and is low in MgO.

The T5 Mineral Resource Estimate, with an additional 34 regional diamond holes and 56 reverse circulation holes, has been used to estimate an Exploration Target for the 16km of the prospective Carr Boyd Basal Contact of between **5Mt and 7Mt at a nickel grade between 0.7% and 1.5%** as presented in Table 3.

Additional work on the existing Carr Boyd remnant resource will also be carried out. The resource is currently not JORC 2012 compliant and so cannot be quoted here. Estrella has intersected remnant massive nickel-copper sulphides below the historical workings. The results of CBDD064 were released

to the market 8<sup>th</sup> March 2022 with the drillhole intersecting 16.2m\* @ 3.12% Ni and 0.60% Cu from 192.35m and a further 12.97m\* @ 1.07% Ni and 0.25% Cu from 256.0m downhole.

The Exploration Target is based on the results of exploration activities undertaken to date and references an extensive dataset of historical drilling, geological and geophysical information, which includes recent exploration data obtained by Estrella. The T5 Mineral Resource Estimate forms the basis for grade ranges and tonnage factors for the Exploration Target.

Estrella plans to continue to systematically test the approximately 16km of basal contact strike within the Project's tenure, as well as testing for possible sulphide occurrences off the basal contact, such as those forming at the Carr Boyd Nickel Mine.

\* Down hole widths quoted. For true widths refer to Table 4

**Table 3: Carr Boyd Nickel Project September 2022 Exploration Target**

Range	Tonnage (Mt)	Nickel Grade (%)	Copper Grade (%)
Lower	5.0	0.7	0.3
Upper	7.0	1.5	0.5

**Note:** The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for all target areas reported. It is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code.

## T5 Extensions

CBDD078A was collared across the Proterozoic Dyke to assess its true thickness (approximately 120m) and into the basal contact at depth below the Carr Boyd Nickel Mine (Figure 6). The drillhole intersected a mixed suite of T5 Pyroxenite along with cross-cutting sills from the Proterozoic Dyke. A number of zones of disseminated sulphides in pyroxenite and remobilised sulphides within the Proterozoic Dyke were logged, including a zone of 1.8m downhole length of semi-massive sulphides (see ASX announcement 21 July 2022).

Interpretation of the drill core reveals that the area is similar to that intersected north of the dyke and just south of the T5 resource. These areas have been modified by the intrusion of the Proterozoic Dyke along the Carr Boyd basal contact, and sulphides have been partially assimilated by the dyke and remobilised along the contact. Infill drilling in these areas is required and can be undertaken at a later date.



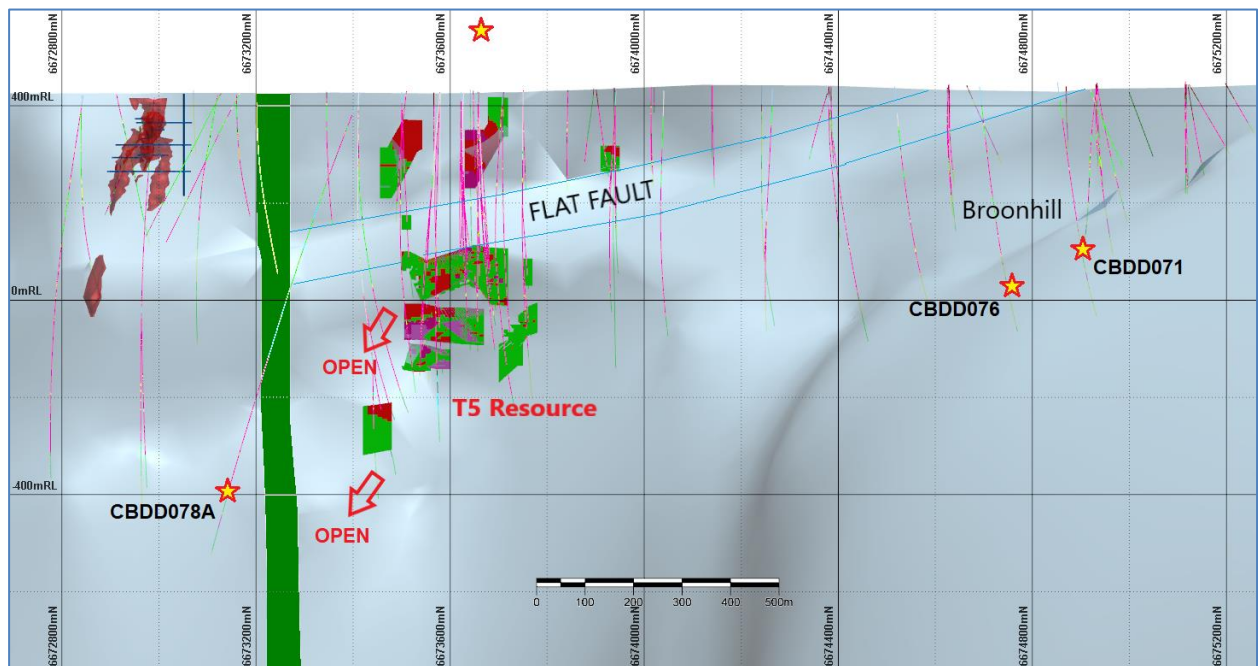


Figure 6: Long Section of the T5 MRE with respect to the Carr Boyd Mine (left) and the Broonhill Discovery

### Broonhill Exploration Update

Results have been received for CBDD076 which intersected nickel-copper mineralisation at Broonhill (Figure 6). Assays from the drillhole averaged **6.23m (True Width) @ 0.6% Ni & 0.7% Cu including 1.2m @ 1.2% Cu and another 0.6m @ 1.81% Cu.**

The Broonhill mineralisation is associated with a thick sub-intrusion just below the main Carr Boyd Complex. This area is interpreted as where the initial stage of the Carr Boyd Complex was intruding the Morelands Formation by splitting it apart with numerous dyke-like fingers which thickened over time and assimilated sulphidic material from the country rock. Figure 7 depicts the drill area in cross-section.

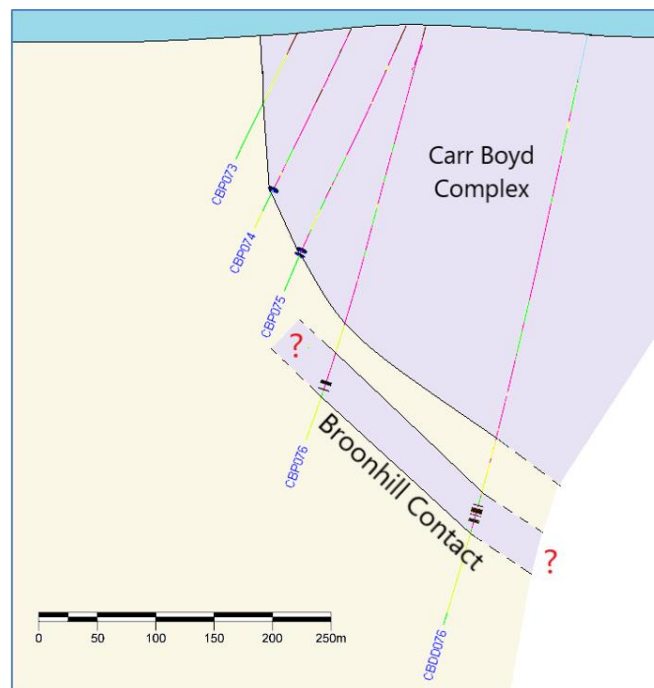


Figure 7: Cross section through the first Broonhill drill line where mineralisation was discovered in a thickened dyke just below the base of the main Carr Boyd Complex.



**Table 4: Carr Boyd Nickel Project - Assay Results from Diamond Drillhole CBDD076**

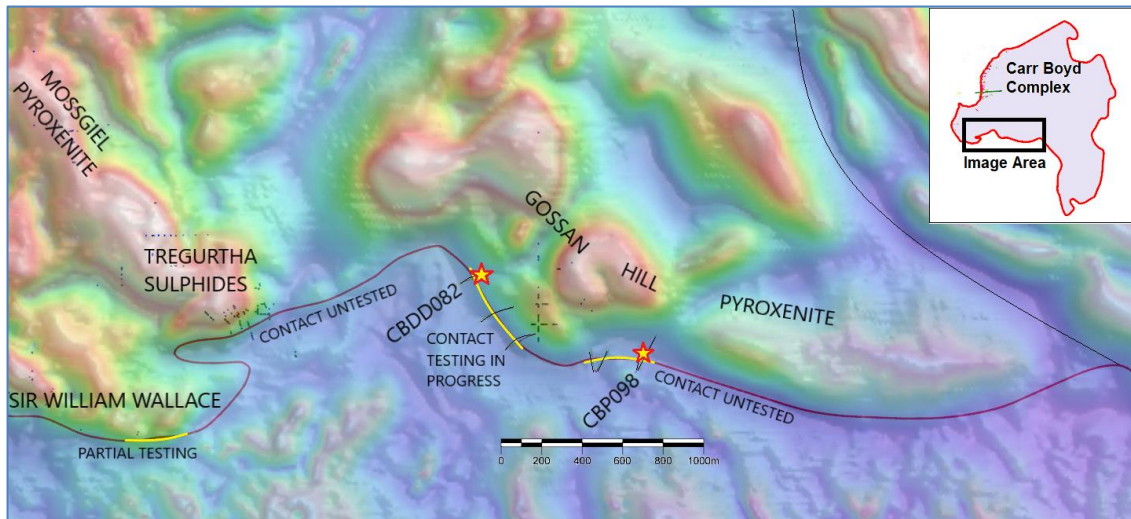
Hole_ID	SampleID	mFrom	mTo	Interval	Ni%	Cu%	Co ppm	Ag g/t	MgO%	Pt g/t	Pd g/t	S%
CBDD076	ECB13208	410.82	412.47	1.65	0.04	0.00	60	-0.50	15.06	-0.01	0.00	0.04
CBDD076	ECB13209	412.47	413.1	0.63	0.16	0.08	118	-0.50	13.99	0.02	0.04	1.33
CBDD076	ECB13210	413.1	413.4	0.3	0.99	0.45	582	2.10	7.46	0.09	0.21	9.09
CBDD076	ECB13211	413.4	413.75	0.35	0.26	0.22	156	0.70	10.60	0.08	0.09	2.33
CBDD076	ECB13212	413.75	415.05	1.3	0.11	0.04	84	-0.50	15.39	0.03	0.02	0.79
CBDD076	ECB13213	415.05	416.14	1.09	0.12	0.12	81	-0.50	7.94	0.01	0.02	1.39
CBDD076	ECB13214	416.14	416.77	0.63	0.78	0.22	421	0.70	6.42	0.03	0.16	6.46
CBDD076	ECB13215	416.77	417.97	1.2	0.76	1.22	399	3.90	10.05	0.01	0.08	7.48
CBDD076	ECB13216	417.97	418.6	0.63	0.35	0.69	184	1.90	2.98	0.03	0.07	3.78
CBDD076	ECB13217	418.6	419.38	0.78	0.98	0.47	513	1.70	11.66	0.03	0.14	7.88
CBDD076	ECB13218	419.38	420.16	0.78	0.53	0.45	287	1.50	14.86	0.18	0.07	4.65
CBDD076	ECB13219	420.16	420.83	0.67	0.16	0.19	106	0.60	10.99	0.01	0.02	1.50
CBDD076	ECB13220	420.83	421.75	0.92	0.18	0.20	103	0.50	16.15	0.02	0.01	1.18
CBDD076	ECB13221	421.75	422.37	0.62	0.70	1.81	373	7.00	12.35	0.04	0.06	6.77
CBDD076	ECB13222	422.37	424.23	1.86	0.10	0.03	71	-0.50	13.96	-0.01	0.00	0.38
CBDD076	ECB13223	424.23	425.7	1.47	0.03	0.02	49	-0.50	6.09	-0.01	0.00	0.25
CBDD076	ECB13224	425.7	426.57	0.87	0.86	0.30	437	1.40	12.75	0.03	0.15	6.88
CBDD076	ECB13225	426.57	427.02	0.45	0.02	0.07	27	-0.50	2.72	-0.01	0.00	0.24
CBDD076	ECB13226	427.02	428.26	1.24	0.27	0.33	139	1.30	12.98	0.01	0.03	2.29
CBDD076	ECB13227	428.26	428.78	0.52	0.02	0.02	44	-0.50	5.75	-0.01	0.00	0.19
CBDD076	ECB13228	428.78	429.34	0.56	0.10	0.04	63	-0.50	11.24	-0.01	0.00	0.57
CBDD076	ECB13229	429.34	430.8	1.46	0.12	0.06	75	-0.50	12.92	-0.01	0.01	0.68
CBDD076	ECB13230	430.8	432.26	1.46	0.10	0.02	80	-0.50	15.20	-0.01	0.00	0.21
CBDD076	ECB13231	432.26	433.72	1.46	0.12	0.02	101	-0.50	17.66	-0.01	0.00	0.27
CBDD076	ECB13232	433.72	434.03	0.31	0.14	0.23	118	0.90	4.05	-0.01	0.00	2.97
CBDD076	ECB13233	434.03	436	1.97	0.02	0.02	66	-0.50	3.70	-0.01	0.00	0.35
CBDD076	ECB13234	436	438	2	0.01	0.02	51	-0.50	4.28	-0.01	0.00	0.22
CBDD076	ECB13235	438	440	2	0.01	0.02	57	-0.50	3.27	-0.01	0.00	0.39
CBDD076	ECB13236	440	442	2	0.01	0.01	39	-0.50	3.98	-0.01	0.00	0.20

## Gossan Hill

To date, Estrella has drilled four reverse circulation holes and five diamond holes at Gossan Hill (Figure 8). The initial hole CBP098 intersected 3m down hole length @ 0.6% Ni & 0.3% Cu, 0.8g/t 3PGE's at 114m, confirming the Company's prospectivity analysis of the Gossan Hill Pyroxenite.

A downhole electromagnetic (DHEM) program has commenced at Gossan Hill to systematically test the 4km strike length of the basal contact. Three out of 16 DHEM platform drill holes have been drilled and tested to date. Hole CBDD082 intersected 5.5m of cloud to disseminated nickel-copper sulphides at 531m down hole however no DHEM anomaly was detected. The mineralisation is part of a much broader sulphide assimilation zone associated with sulphidic sediments in the footwall.

The environment is conducive to nickel-copper sulphide formation as evidenced by CBP098 and CBDD082. Drilling plus DHEM testing of the contact will continue.



**Figure 8: The Gossan Hill and Southern Mossgiel Basal Contacts remain mostly untested and will be systematically covered with diamond drilling and downhole geophysics**

### **Tregurtha and Sir William Wallace**

The Tregurtha and Sir William Wallace prospects lie along the basal contact between Gossan Hill and Mossgiel (Figure 8). Little drilling has occurred here in the past two years. However, historical exploration by Apollo-Phoenix and others have intersected nickel-copper sulphides within these prospects.

With additional information gathered by Estrella from the seismic program, the Company now better understands the orientation of the basal contact and why it may have been missed in historic drilling. The contact is now interpreted to undercut to the south, as shown in the cross-section in Figure 9. At Tregurtha, the vast majority of drilling intersecting sulphides ran parallel to the basal contact. The basal contact has thus never been tested.

This untested basal contact will be targeted either late this year or early next year as it presents the Company with further significant opportunities to unlock further discoveries at Carr Boyd. With the additional help from the seismic program, the Company can target and hit this contact at depth with much more confidence.

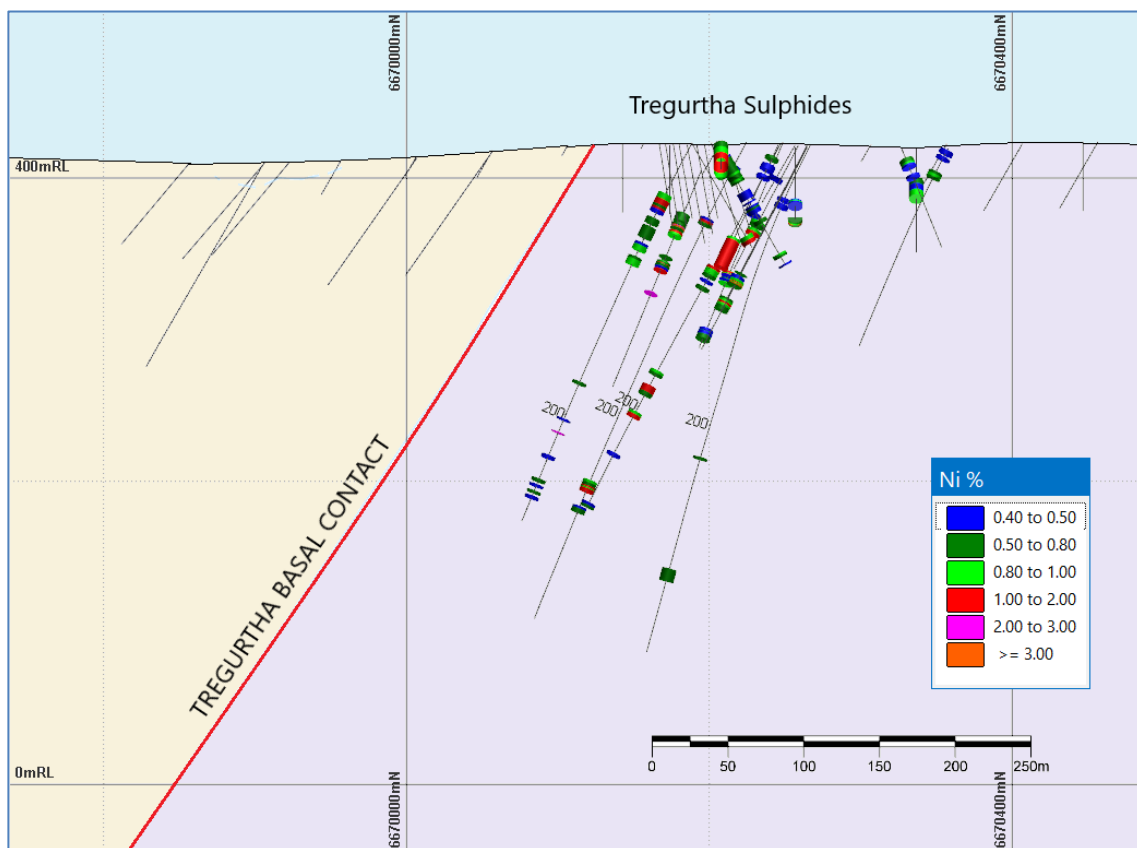


Figure 9: Cross section through the Tregurtha basal contact showing the parallel nature of the historical drilling with the basal contact orientation as determined through seismic interpretation.

**Carr Boyd T5 Nickel-Copper Sulphide Deposit**  
**September 2022 Mineral Resource Estimate (0.5% Ni+Cu Cut-off)**

Type	Inferred Mineral Resource									Ni	Cu	Co	Pt	Pd	Ag
	Tonnes kt	Ni+Cu %	Ni %	Cu %	Co %	Pt g/t	Pd g/t	Ag g/t		t	t	t	oz	oz	oz
Trans.	10	0.70	0.45	0.24	0.04	0.02	0.08	1.10		30	10			10	210
Fresh	850	1.08	0.66	0.42	0.03	0.22	0.22	1.99		5,700	3,600	300	6,200	6,100	54,600
<b>Total</b>	<b>860</b>	<b>1.08</b>	<b>0.66</b>	<b>0.42</b>	<b>0.03</b>	<b>0.22</b>	<b>0.22</b>	<b>1.98</b>		<b>5,700</b>	<b>3,600</b>	<b>300</b>	<b>6,200</b>	<b>6,100</b>	<b>54,800</b>

**Note:** All Mineral Resources figures reported in the table above represent estimates as at September 2022. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

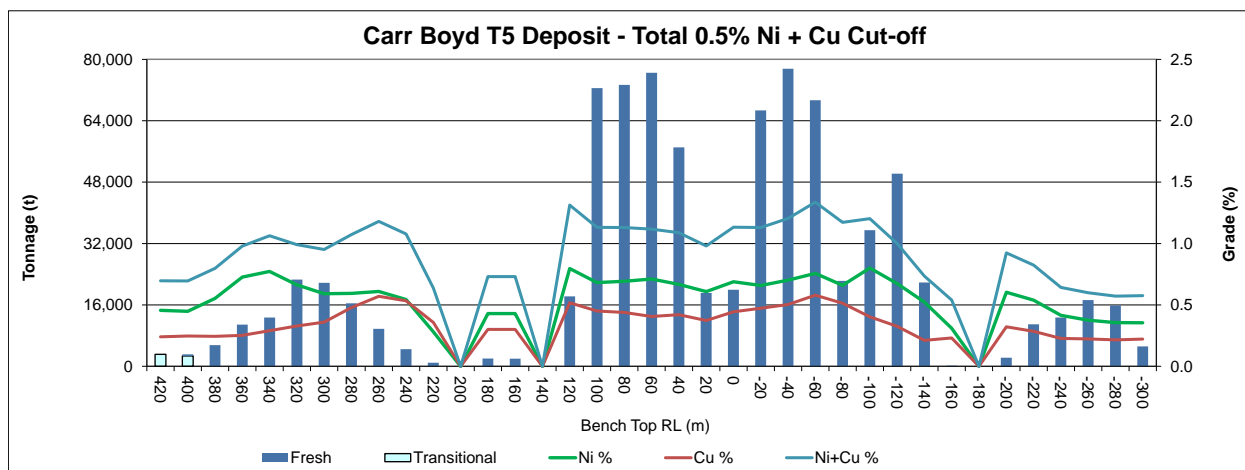


Figure 10: Carr Boyd tonnes and grade with elevation. The area between the 220 RL and 140 RL is the Flat Fault blank area.

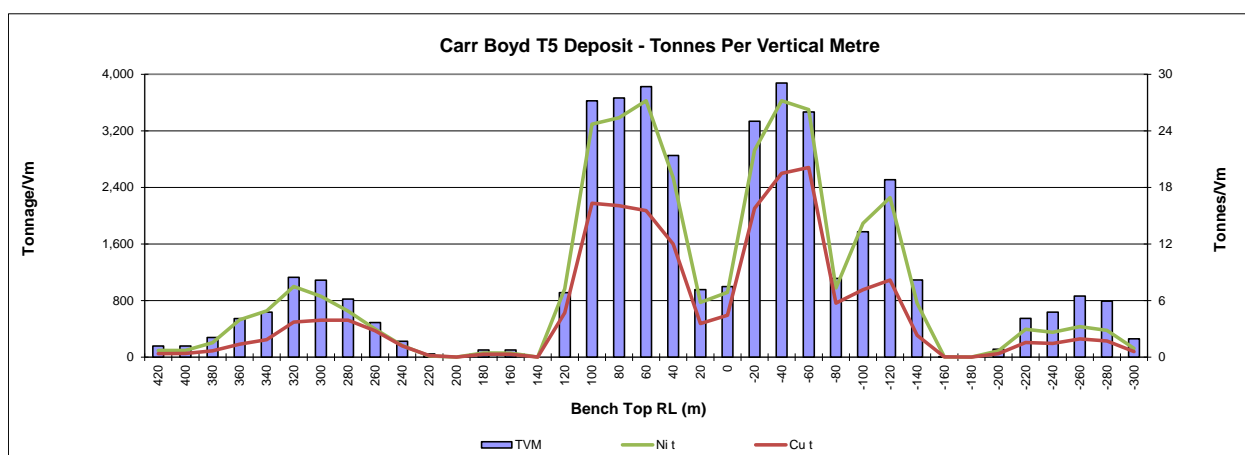


Figure 11: Carr Boyd tonnes per vertical metre

Grade Range Ni+Cu	Incremental Estimate							
	Tonnes t	Ni+Cu %	Ni %	Cu %	Co %	Pt g/t	Pd g/t	Ag g/t
0.1 -> 0.2	77	0.20	0.13	0.06	0.02	0.06	0.09	0.95
0.2 -> 0.3	791	0.27	0.19	0.09	0.01	0.08	0.10	0.52
0.3 -> 0.4	45,131	0.37	0.24	0.13	0.01	0.03	0.05	0.73
0.4 -> 0.5	81,320	0.47	0.29	0.17	0.02	0.11	0.11	0.83
0.5 -> 0.6	187,303	0.55	0.33	0.22	0.02	0.11	0.11	1.19
0.6 -> 0.7	147,920	0.65	0.38	0.28	0.02	0.14	0.14	1.44
0.7 -> 0.8	130,481	0.74	0.45	0.30	0.02	0.20	0.18	1.54
0.8 -> 0.9	57,090	0.85	0.54	0.30	0.03	0.25	0.21	1.72
0.9 -> 1.0	33,508	0.93	0.63	0.31	0.03	0.20	0.23	2.04
1.0 -> 1.1	17,878	1.03	0.70	0.33	0.03	0.26	0.24	1.61
1.1 -> 1.2	18,714	1.13	0.72	0.41	0.03	0.16	0.23	1.61
1.2 -> 1.5	51,213	1.36	0.85	0.51	0.04	0.24	0.27	2.11
1.5 -> 2.0	109,081	1.70	1.08	0.61	0.05	0.35	0.35	2.53
2.0 -> 2.5	79,939	2.22	1.34	0.88	0.06	0.41	0.39	3.90
2.5 -> 3.0	17,220	2.67	1.62	1.05	0.07	0.40	0.43	4.43
3.0 -> 5.0	9,375	3.79	1.98	1.81	0.08	0.57	0.59	7.48
<b>Total</b>	<b>987,041</b>	<b>1.00</b>	<b>0.61</b>	<b>0.38</b>	<b>0.03</b>	<b>0.20</b>	<b>0.20</b>	<b>1.83</b>

Figure 12: Carr Boyd tonnes and grade per incremental cut-off



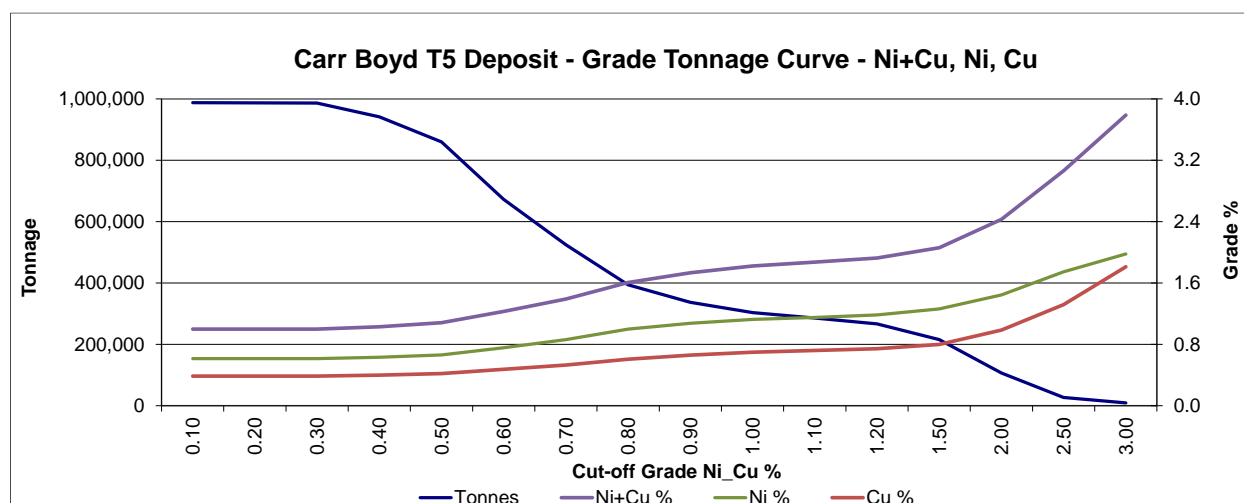


Figure 13: Carr Boyd tonnes Grade Curve for the T5 MRE

## STAGE 2 R&D SEISMIC PROGRAM SUCCESSFULLY COMPLETED

The Company has successfully completed Stage 2 of a multiple stage seismic survey program over the greater Carr Boyd intrusion. Data collated from the program will be integrated into the Company's data files and will be further utilised in assisting with the continued exploration of the intrusion for nickel, copper, cobalt and PGE's.

The Company is finalising its R&D tax rebate for the 2021-2022 FY and expects to receive a significant cash return in the current quarter.

## MT EDWARDS LITHIUM ROYALTY

The Company continues to hold exposure to future financial upside via the Mt Edwards Lithium Royalty, which Estrella retained post the sale of its subsidiary Mt Edwards Lithium Pty Ltd to Neometals Limited (see ASX release dated 15 March 2018) and Neometals' subsequent divestment to Widgie Nickel Limited (WIN).

Significant exploration results released by Widgie Nickel Limited subsequent to the September quarter end (refer to ASX release dated 3 October 2022 (ASX: WIN)) included the discovery of high grade  $\text{Li}_2\text{O}$  with the dominant mineral being spodumene at a new prospect which has been named "Faraday". Significant rock chip results included;

- **S10013 – 2.61%  $\text{Li}_2\text{O}$**
- **S10014 – 3.70%  $\text{Li}_2\text{O}$**
- **S10015 – 2.86%  $\text{Li}_2\text{O}$**
- **S10017 – 3.60%  $\text{Li}_2\text{O}$**
- **S10019 – 2.91%  $\text{Li}_2\text{O}$**
- **S10021 – 3.04%  $\text{Li}_2\text{O}$**
- **S10025 – 2.73%  $\text{Li}_2\text{O}$**

The high-grade lithium bearing pegmatites at Faraday have been identified over a 600m by 25m surface expression and potential exists to extend the strike to the north undercover according to Widgie Nickel Limited. Drilling was to commence immediately, and the Company looks forward to progression of the  $\text{Li}_2\text{O}$  potential of Faraday and the greater Mt Edwards lithium Project area by Widgie Nickel Limited.

## CORPORATE

The Company has ended its mandate with LoftusLane Capital and executed a mandate with CPS Capital Pty Ltd during the quarter to assist with future capital initiatives. CPS will also provide ongoing corporate advice as/when required. The Company is currently seeking to expand its opportunities via acquisitions in the resource sector, in particular nickel and battery metals opportunities.

Additionally, the Company is pleased to advise it has been preparing its baseline ESG report which it aims to release in the current December quarter.

Estrella Resources' registered principal place of business was also changed during the quarter to Level 8, 216 St Georges Terrace, Perth WA 6000.

The total amount paid to related parties of Estrella and their associates, as per item 6.1 of the Appendix 5B, was \$67k for Directors fees, salaries and superannuation and the total amount paid to related parties of Estrella and their associates, as per item 6.2 of the Appendix 5B, was \$28k for Director's salaries.

Post period-end Estrella has committed to host shareholder Q&A sessions with Managing Director Chris Daws in Sydney (6:30pm Wednesday 2<sup>nd</sup> November), Melbourne (6.30pm Thursday 3<sup>rd</sup> November) and Perth (7:00pm Wednesday 9<sup>th</sup> November). For further details and to RSVP, the Company requests shareholders contact the Company via email: [admin@estrellaresources.com.au](mailto:admin@estrellaresources.com.au)

## **CAPITAL**

The Company's cash balance as of 30 September 2022 was \$1.7M. The Company completed two Placements during the quarter raising a total of \$4,018,717 (before costs) through the issue of 276.8M ordinary shares, including the issue of \$200k of shares to the Company's drilling contractor in lieu of fees owing. The placement shares come with 1 free attaching option for every 2 shares subscribed (subject to shareholder approval being sought at the Company's AGM to be held 28 November 2022).

**Table 5: Estrella Capital structure as at 30 September 2022**

Fully Paid Ordinary Shares	1,477,465,393
Listed options exercisable	\$0.02 on or before the 31 July 2023 – 239,363,575
Unlisted options exercisable	\$0.03 on or before 20 November 2022 – 11,500,000
	\$0.20 on or before 17 November 2023 - 16,600,000
	\$0.06 on or before 21 January 2025 – 25,750,000
	\$0.06 on or before 13 April 2025 – 20,000,000

## **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, 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.

## **ENDS**

The Board of Directors of Estrella Resources Limited authorised this announcement to be given to ASX.

## **FURTHER INFORMATION CONTACT**

**Christopher J. Daws**  
**Managing Director**  
**Estrella Resources Limited**  
[info@estrellaresources.com.au](mailto:info@estrellaresources.com.au)  
**P: +61 (08) 9481 0389**

## **Media Contact:**

**David Tasker**  
**Chapter One Advisors**  
**Email: [dtasker@chapteroneadvisors.com.au](mailto:dtasker@chapteroneadvisors.com.au)**  
**Tel: 0433 112 936**

## Appendix 1 – Tenement Information as Required by Listing Rule 5.3.3

Country	Location	Project	Tenement	Change in Holding (%)	Current Interest (%)
Australia	WA	Carr Boyd Nickel Project	E29/1012	-	100
Australia	WA	Carr Boyd Nickel Project	E29/0982	-	100
Australia	WA	Carr Boyd Nickel Project	L24/0186	-	100
Australia	WA	Carr Boyd Nickel Project	E31/0726	-	100
Australia	WA	Carr Boyd Nickel Project	E31/1124	-	100
Australia	WA	Carr Boyd Nickel Project	M31/0012	-	100
Australia	WA	Carr Boyd Nickel Project	M31/0109	-	100
Australia	WA	Carr Boyd Nickel Project	M31/0159	-	100
Australia	WA	Carr Boyd Nickel Project	E31/1215	-	100
Australia	WA	Carr Boyd Nickel Project	E31/1162	-	100
Australia	WA	Spargoville Nickel Project	M15/395	-	100*
Australia	WA	Spargoville Nickel Project	M15/703	-	100*
Australia	WA	Spargoville Nickel Project	M15/1828	-	100*
Australia	WA	Spargoville Nickel Project	L15/128	-	100*
Australia	WA	Spargoville Nickel Project	L15/255	-	100*

*\*Nickel rights only*

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

**Name of entity**

Estrella Resources Limited

**ABN**

39 151 155 207

**Quarter ended ("current quarter")**

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(93)	(93)
	(e) administration and corporate costs	(125)	(125)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(217)</b>	<b>(217)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(2,338)	(2,338)
	(e) investments	-	-
	(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,338)</b>	<b>(2,338)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,819	3,819
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(285)	(285)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,534</b>	<b>3,534</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	721	721
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(217)	(217)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,338)	(2,338)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,534	3,534
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,700</b>	<b>1,700</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,700	721
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,700</b>	<b>721</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	67
6.2	Aggregate amount of payments to related parties and their associates included in item 2	28
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(217)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,338)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,555)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,700
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,700
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, the Company is reducing drilling expenditures with completion of 5A confirmation drilling and temporary halt of drilling activities at Carr Boyd to focus on Spargoville Definitive Feasibility Study. The Company expects this drill reduction will save approximately \$900k per month.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The Company expects to receive, if it proceeds with the 5A bulk sample extraction, based on current nickel prices, approximately \$500k to \$750k (after costs) from the sale of 5A nickel bulk sample and the timing of this is expected to be within the next 2 quarters. The Company also expects to receive proceeds from its R&D tax receipt.	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes - for the reasons noted in 8.8.1 and 8.8.2.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2022

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.