



Estrella Resources Limited

(ACN 151 155 207)

Loyalty Options Prospectus

For a pro-rata non-renounceable entitlement issue of one (1) Loyalty Option (exercisable at \$0.018 and expiring on 13 December 2026) for every ten (10) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Loyalty Option to raise up to approximately \$175,937 before costs (based on the number of Shares on issue as at the date of this Prospectus) (**Loyalty Offer**).

The Loyalty Offer is not underwritten.

The Loyalty Offer closes at 5.00pm (WST) on 18 March 2024.

Important Notice

This is an important document and should be read in its entirety.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The Loyalty Options offered by this Prospectus should be considered speculative.

Corporate Directory

Directors

Christopher Daws (Managing Director)
Leslie Pereira (Non-Executive Chairman)
John Kingswood (Non-Executive Director)

Exploration Manager

Steve Warriner

Company Secretaries

Stephen Brockhurst
Benjamin Smith

Registered Office

Level 8, 216 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9481 0389
Email: bens@miningcorporate.com.au
Website:
<https://www.estrellaresources.com.au/>

ASX Code

ESR

Share Registry*

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664 (within Australia) or
+61 (2) 9698 5414 (outside Australia)

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Auditors*

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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IMPORTANT INFORMATION

GENERAL

This Prospectus is dated 27 February 2024 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

This Prospectus expires 13 months from the date it was lodged with ASIC. No Loyalty Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX for the quotation of the Loyalty Options the subject of this Prospectus in accordance with the timetable set out at the commencement of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities or options to acquire continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The Loyalty Options to be issued pursuant to this Prospectus should be viewed as a speculative investment and Eligible Shareholders should refer to the Section 2 for details of certain risk factors which are considered to be relevant for the purposes of the Loyalty Offer. Eligible Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Loyalty Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at <https://www.estrellaresources.com.au/>. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Any Shareholder may obtain a hard copy of this Prospectus by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 7.

OVERSEAS SHAREHOLDERS

Loyalty Options will not be issued pursuant to this Prospectus in jurisdictions outside Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Loyalty Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Loyalty Offer is not being extended and Loyalty Options will not be issued to Shareholders with a registered address which is outside Australia and New Zealand.

This Prospectus does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country.

RISK FACTORS

Refer to Section 2 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The Loyalty Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Risks of investing in the Company's existing assets and general risks are set out in Section 2 of this Prospectus.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Loyalty Options offered for subscription under this Prospectus. Investors should consider the risk factors described in Section 2, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Loyalty Options.

TARGET MARKET DETERMINATION

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the various target markets for the offer of Loyalty Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website at <https://www.estrellaresources.com.au/>. By making an application for Loyalty Options under this Prospectus, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

TIMETABLE AND IMPORTANT DATES

EVENT	DATE
Announcement of Loyalty Offer and lodgement of Appendix 3B with ASX	Tuesday, 27 February 2024
Lodgement of Prospectus with ASIC and ASX	Tuesday, 27 February 2024
Ex date	Friday, 1 March 2024
Record Date for determining Shareholders entitled to participate in the Loyalty Offer	Monday, 4 March 2024
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders, and Company announces that this has occurred	Thursday, 7 March 2024
Opening date of the Loyalty Offer	Thursday, 7 March 2024
Last day to extend Closing Date of the Loyalty Offer	Wednesday, 13 March 2024
Closing Date (5.00pm WST)*	Monday, 18 March 2024
Securities quoted on a deferred settlement basis	Tuesday, 19 March 2024
Announcement of results of the Loyalty Offer	Monday, 25 March 2024
Last day for the Company to issue the Loyalty Options under the Loyalty Offer and lodge an Appendix 2A	Monday, 25 March 2024

* The Directors may extend the Closing Date of the Loyalty Offer by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Loyalty Options are expected to commence trading on ASX may vary.

**Quotation of the Loyalty Options is subject to the Company satisfying the quotation requirements set out in Chapter 2 of the Listing Rules.

1. DETAILS OF THE LOYALTY OFFER

1.1 Loyalty Offer

The Loyalty Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Option (**Loyalty Option**) for every ten (10) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Loyalty Option. In the calculation of any Entitlement, fractions will be rounded down to the nearest whole number.

All of the Loyalty Options offered under this Prospectus will be issued with an exercise price of \$0.018 and an expiry date of 13 December 2026, being the same terms as the ESROB Options currently on issue. In the event that the Company can satisfy the ASX requirements for quotation of a new class of securities (which includes, among other things, there being a minimum of 100,000 Loyalty Options on issue, with at least 50 holders holding a marketable parcel), the Company will seek quotation of the Loyalty Options. The Company makes no guarantee that any such application for quotation will be successful.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 175,937,187 Loyalty Options will be issued pursuant to the Loyalty Offer to raise up to approximately \$175,937 (before costs).

As at the date of this Prospectus, the Company has 325,300,000 listed Options and 70,750,000 unlisted Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Loyalty Offer. Please refer to Section 3.4 for information on the exercise price and expiry date of the unlisted Options on issue.

As at the date of this Prospectus, the Company has 36,000,000 Performance Rights on issue. The vesting conditions are not capable of being satisfied prior to the Record Date. Therefore, they will not be able to be converted into Shares prior to the Record Date to participate in the Loyalty Offer. Please refer to Section 3.4 for information on the vesting conditions of the Performance Rights.

The full terms and conditions of the Loyalty Options are set out in Section 4.2 of this Prospectus. All of the Shares issued upon exercise of the Loyalty Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for a summary of the rights and liabilities attaching to Shares.

Details of the purpose and effect of the Loyalty Offer and the proposed use of funds raised are set out in Section 3.

The number of Loyalty Options to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Entitlement and Acceptance Form. Please refer to Section 1.4 for details on how to apply for Loyalty Options under the Loyalty Offer.

1.2 Minimum Subscription

There is no minimum subscription under the Loyalty Offer.

1.3 Opening and Closing Dates

The Loyalty Offer will open for receipt of acceptances on **7 March 2024**.

The Loyalty Offer will close at **5:00pm (WST) on 18 March 2024**, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least three (3) Business Days prior to the Closing Date.

1.4 How to Accept the Loyalty Offer

Your acceptance of any of the Loyalty Offer must be made by completing the online Entitlement and Acceptance Form available at one of the three links set out below or by paying the application monies electronically by BPAY or EFT in accordance with the instructions set out in the Entitlement and Acceptance Form. You will need to provide your SRN or HIN and postcode to access the online application system.

(a) How to access the Entitlement and Acceptance Form

<p>If you already have an online account with Automic share registry</p>	<p>https://investor.automic.com.au</p> <ul style="list-style-type: none"> • Select: “Existing Users Sign In” • Once you have successfully signed in, click on “Documents and Statements” > “Other Documents” • Download the Prospectus and Entitlement and Acceptance Form
<p>If you don’t have an online account with Automic share registry but want to register for one</p>	<p>https://investor.automic.com.au/#/signup</p> <ul style="list-style-type: none"> • Select: Estrella Resources Limited from the dropdown list in the ISSUER field • Enter you holder number SRN / HIN (from your latest Holding Statement) • Enter Postcode (Aust only) or Country of Residence (if not Australia) • Tick box “I am not a robot”, then Next • Complete prompts • Once you have successfully signed in, click on “Documents and Statements” > “Other Documents” • Download the Prospectus and Entitlement and Acceptance Form
<p>If you don’t have an online account with Automic share registry but want to use Automic for this Loyalty Offer only</p>	<p>https://investor.automic.com.au/#/loginsah</p> <ul style="list-style-type: none"> • Select: Estrella Resources Limited from the dropdown list in the ISSUER field • Enter you holder number SRN / HIN (from your latest Holding Statement) • Enter Postcode (Aust only) or Country of Residence (if not Australia) • Tick box “I am not a robot”, then Access • Once you have successfully signed in, click on “Documents and Statements” > “Other Documents” • Download the Prospectus and Entitlement and Acceptance Form

(b) What Eligible Shareholders may do

The Entitlement and Acceptance Form sets out the number of Loyalty Options you are entitled to subscribe for. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Loyalty Offer as follows:

- (i) if you wish to accept your **full** Entitlement:
 - (A) take up all of your Entitlement in accordance with the instructions on the accompanying Entitlement and Acceptance Form; and

- (B) pay the application monies for the amount indicated on your Entitlement and Acceptance Form (in full) by BPAY or EFT, so that it is received by no later than 5.00pm WST on the Closing Date; or
 - (ii) if you only wish to accept **part** of your Entitlement:
 - (A) fill in the number of Loyalty Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (B) pay the appropriate application monies, by BPAY or EFT so that is received no later than 5.00pm WST on the Closing Date; or
 - (iii) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.
- (c) **Payment options**
- (i) **BPAY®**

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (A) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (B) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Loyalty Options which is covered in full by your application monies.

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the unique customer reference number (**CRN**) specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

- (ii) **Electronic Funds Transfer**

For payment by Electronic Funds Transfer (**EFT**), please follow the instructions on the Entitlement and Acceptance Form. Multiple acceptances must be paid separately. You should be aware of your financial institution's cut-off time and any associated fees with processing an EFT. It is your responsibility to ensure funds are submitted correctly by the Closing Date and time. Please note that should you choose to pay by EFT:

- (A) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and

- (B) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Loyalty Options which is covered in full by your Application monies.

Please ensure you use your unique payment reference number located on the Entitlement and Acceptance Form. This will ensure your payment is processed correctly. Failure to do so may result in your funds not being allocated to your application and your Entitlement subsequently not being issued.

It is your responsibility to ensure that your completed Entitlement and Acceptance Form and payment of application monies is received by the share registry by no later than 5:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Loyalty Options will be refunded. No interest will be paid on any application monies received or refunded.

1.5 Shortfall Offer

Any Entitlement to Loyalty Options not taken up pursuant to the Loyalty Offer will form part of the Shortfall Offer (**Shortfall Options**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Closing Date of the Loyalty Offer. The issue price for each Shortfall Option to be issued under the Shortfall Offer shall be \$0.001 being the price at which Loyalty Options have been offered under the Loyalty Offer.

Applications for Shortfall Options must be made by completing the Shortfall Offer Application Form and providing the Company with payment for those Shortfall Options in accordance with the instructions on the Shortfall Offer Application Form. A Shortfall Application Form may be provided, together with a copy of this Prospectus, to other investors who are not currently Shareholders who are invited to participate in the Shortfall Offer. The Directors reserve the right to issue Shortfall Options at their absolute discretion, subject to any restrictions imposed by the Corporations Act and the Listing Rules. Accordingly, do not complete a Shortfall Offer Application Form unless directed to do so by the Company.

There is no guarantee that Applicants under the Shortfall Offer will receive any Shortfall Options applied for under the Shortfall Offer. The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Options than the number for which the Applicant applies, or to reject or scale back an Application for Shortfall Options, or to not proceed with placing the Shortfall Options. In that event, Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act. The Company will have no liability to any Applicant who receives less than the number of Shortfall Options they applied for under the Shortfall Offer.

1.6 Non-renounceable

The Loyalty Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

1.7 Underwriting

The Loyalty Offer is not underwritten and no lead manager has been appointed in connection with the Loyalty Offer.

1.8 ASX Listing

Application for Official Quotation of the Loyalty Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Loyalty Options offered pursuant to this Prospectus, or if the Company does not meet the minimum requirements to be granted Official Quotation of the Loyalty Options, then those Loyalty Options will still be issued, however will not be quoted on ASX.

The fact that ASX may grant Official Quotation to the Loyalty Options is not to be taken in any way as an indication of the merits of the Company or the Loyalty Options now offered for subscription.

1.9 Issue of Loyalty Options

Loyalty Options issued pursuant to the Loyalty Offer will be allotted in accordance with the Listing Rules and timetable set out at the commencement of this Prospectus. Loyalty Options issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Where the number of Loyalty Options issued is less than the number applied for, or where no allotment is made surplus application monies will be refunded without an interest to the Applicant as soon as practicable.

Pending the allotment and issue of the Loyalty Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Loyalty Options issued under the Loyalty Offer will be mailed in accordance with the Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Options issued (if any) as soon as practicable after their issue.

1.10 CHESS and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in Clearing House Electronic Sub-Register System (**CHESS**), for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Loyalty Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.11 Risks

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The Loyalty Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the

Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.12 Overseas Shareholders

The Loyalty Offer and Shortfall Offer do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Loyalty Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Loyalty Offer is not being extended and Loyalty Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

In relation to the Shortfall Offer, the distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. No action has been taken to register or qualify the Shortfall Offer or the Shortfall Options, or to otherwise permit a public offering of the Shortfall Options under the Shortfall Offer in any jurisdiction outside Australia.

New Zealand

The Loyalty Offer (and Shortfall Offer) is not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Loyalty Offer is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for Loyalty Options under the Loyalty Offer (or Shortfall Offer) does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form (or Shortfall Offer Application Form) will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.13 Representations

The return of the Application Form or otherwise applying for Loyalty Options under the Loyalty Offer (or Shortfall Offer) will be taken by the Company to constitute a representation by the Applicant that it:

- (a) has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;

- (b) agrees to be bound by the terms of this Prospectus and the Constitution;
- (c) has obtained all necessary approvals and complied with all relevant laws and regulations for the purposes of Section 1.12 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of securities under the applicable Offer;
- (d) declares that all details and statements in the Application Form are complete and accurate;
- (e) declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- (f) acknowledges that once the Application Form is returned or payment is made its acceptance may not be varied or withdrawn;
- (g) agrees to being issued the number of new securities that it applies for (or such other number issued in accordance with this Prospectus);
- (h) authorises the Company to register it as the holder(s) of the Loyalty Options issued to it under the applicable Offer;
- (i) acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Loyalty Options are suitable for it, given its investment objectives, financial situation or particular needs; and
- (j) authorises the Company and its officers or agents to do anything on its behalf necessary for the new securities to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the share registry using the contact details in the Application Form.

1.14 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the securities of the Company.

1.15 Privacy Disclosure

If you complete an application for Loyalty Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

1.16 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Loyalty Offer, please contact the Company Secretary on +61 (08) 9481 0389, from 8.30am to 5.00pm WST, Monday to Friday.

2. RISK FACTORS

2.1 Introduction

The Loyalty Options offered under this Prospectus should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their entitlement to Loyalty Options, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the Loyalty Options will trade (subject to satisfying ASX of the quotation requirements) or the underlying Shares.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Loyalty Options.

2.2 Company specific

2.2.1 Going concern

The Company's annual report for the year ended 30 June 2023 includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' paragraph included in the interim financial report, the Directors believe that the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

The Directors believe that there are reasonable grounds that the Company will be able to continue as a going concern, after consideration of the following factors:

- (a) The Directors are confident the Company will be successful in sourcing further capital from the issue of additional equity securities to fund the ongoing operations of the Company; and
- (b) The ability of the Company to further scale back certain parts of their activities that are non-essential so as to conserve cash.

In the event that the Company is unable to secure sources of funding, the Company may be required to realise assets and extinguish liabilities other than in the normal course of business.

2.2.2 Fluctuations in Commodity Prices

The price of nickel, cobalt, gold and other base metals and other minerals fluctuates widely and is affected by numerous factors beyond the control of the Company such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. The supply

of metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers.

Depending on the price of nickel, cobalt, gold and other base metals and other minerals, the Company could be forced to discontinue any current or planned exploration and may lose its interest in, or may be forced to sell, some of its properties.

Declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may eventually interrupt operations until a satisfactory reassessment can be completed.

2.2.3 Exploration, Development, Mining and Processing Risks

There is no assurance that nickel, cobalt, gold or other base metals will be discovered in the areas in which the Company has an interest. Even if further nickel, cobalt, gold or other base metals are discovered in those areas, there is no assurance that commercial quantities of these minerals can be recovered from the Company's permits.

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (a) the discovery and/or acquisition of economically recoverable ore resources;
- (b) successful conclusions to bankable feasibility studies;
- (c) access to adequate capital for project development;
- (d) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (e) securing and maintaining title to tenements;
- (f) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (g) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
- (h) native title risks; and
- (i) adverse weather conditions over a prolonged period which may adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

2.2.4 Environmental risks and regulations

The exploration activities undertaken by the Company to date and to be undertaken by the Company are subject to environmental laws and regulations. The Company will endeavour to conduct its activities to the highest standard of environmental obligation, including

compliance with all environmental laws. However, the cost and complexity may prevent the Company from being able to develop potentially economically viable mineral deposits.

Furthermore, the existence of environmental legislation means that the Company may potentially face a liability risk relating to its activities and/or be restricted from engaging in certain exploration activities due to environmental legislation. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurance that new environment laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operation.

2.2.5 General Litigation risks

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

2.3 General risks

2.3.1 Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

2.3.2 Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

2.3.3 Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further

financing in addition to amounts raised under the Loyalty Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

2.3.4 Change in Regulations

Any material changes in government policies, legislation or shifts in political attitude in Australia and Timor-Leste that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's exploration.

2.3.5 Title risk and native title

The permits in which the Company will, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any permit, applications or conversions in which the Company has a current or potential interest will be granted.

Permits (or applications) in which the Company has an interest are (or, if granted, will be) subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the permits liable to forfeiture.

All of the projects in which the Company has an interest will be subject to application for permit renewal from time to time. Renewal of the term of each permit is subject to applicable legislation. If the permit is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit.

The projects in which the Company has an interest extend over areas in which legitimate common law native title rights of indigenous Australians exist. The ability of the Company to gain access to its projects and to conduct exploration, development and mining operations remains subject to native title rights and the terms of registered native title agreements. The Directors will closely monitor the potential effect of native title claims on its projects.

2.3.6 Ability to exploit success

Any successful exploitation of discoveries would require obtaining the necessary production permit and the relevant government approvals as required by the relevant Government agencies. The required approvals may be issued at the discretion of the relevant authorities and might be issued subject to conditions or preconditions.

2.3.7 Future performance of business activities

The value of the Company's business activities is subject to the various and unpredictable influences of the market it operates in and the economy in general. Accordingly, adverse economic and market conditions may be experienced by the Company which are outside of its control and may have an adverse effect on the Company.

2.3.8 Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

2.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Loyalty Options offered under this Prospectus.

Therefore, the Loyalty Options (and those Securities that are subsequently converted into Shares) subsequently converted carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Loyalty Options pursuant to this Prospectus.

3. PURPOSE AND EFFECT OF THE LOYALTY OFFER

3.1 Purpose of the Loyalty Offer

The purpose of the Loyalty Offer is to recognise the support and loyalty the Company has received from its current Shareholders to date. In addition, the Loyalty Offer will raise approximately \$175,937 (before costs). The funds raised from the Loyalty Offer will be applied towards expenses of the Loyalty Offer and general working capital. Refer to Section 5.8 for details of the estimated expenses of the Loyalty Offer.

The Loyalty Options will also provide the Company with a potential source of additional capital if the Loyalty Options are exercised. The Company will receive \$0.018 for each Loyalty Option exercised. If all Loyalty Options are issued and exercised, the Company will receive approximately \$3,342,806 (inclusive of the funds raised from the issue of the Loyalty Offer). However, there is no certainty that any Loyalty Options will be exercised, and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is anticipated that any funds raised by the exercise of Loyalty Options will be used toward continued development of the Company's existing projects and for working capital. The application of funds will depend on when the Loyalty Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (such as project and general market risk factors affecting the Company) and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

On completion of the Loyalty Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

3.2 Effect of the Loyalty Offer

The principal effect of the Loyalty Offer (assuming all Loyalty Options offered under this Prospectus are issued) will be to:

- (a) increase the cash reserves by \$142,585 (after deducting the estimated cash costs of the Loyalty Offer) immediately after completion of the Loyalty Offer; and
- (b) increase the number of Options on issue from 396,050,000 as at the date of this Prospectus to 571,987,187 Options (subject to rounding of fractional Entitlements).

3.3 Effect on balance sheet

The Loyalty Options to be issued pursuant to this Prospectus will raise funds of approximately \$175,937 (before costs) and as such, the immediate effect on the Company's balance sheet will be an increase to the Company's existing cash reserves, with a corresponding adjustment to the Company's issued capital. Additional capital will be raised if the Loyalty Options are exercised. This will affect the Company's balance sheet.

If the maximum number of Loyalty Options are issued and then exercised, the Company will receive approximately \$3,342,806. However, the Company is not able to specify with any certainty the extent of any change to the balance sheet given the uncertainty around the number of Loyalty Options to be ultimately issued and whether and when any of the Loyalty Options will be exercised.

3.4 Effect on capital structure

The effect of the Loyalty Offer on the capital structure of the Company, assuming all Loyalty Options offered under the Prospectus are issued (ignoring the effects of rounding of fractional Entitlements, and assuming no further Shares are issued prior to the Record Date), is set out below.

Security	Number
Shares¹	
Shares on issue as at the date of this Prospectus	1,759,371,869
Total Shares on issue on completion of the Loyalty Offer	1,759,371,869
Options	
Options on issue as at the date of this Prospectus:	
Listed Options (ASX: ESROB) exercisable at \$0.018 on or before 13 December 2026	325,300,000
Unlisted Options exercisable at \$0.06 on or before 13 April 2025	20,000,000
Unlisted Options exercisable at \$0.03 on or before 1 December 2025	25,000,000
Unlisted Options exercisable at \$0.06 on or before 21 January 2025	25,750,000
Loyalty Options offered pursuant to the Loyalty Offer exercisable at \$0.018 on or before 13 December 2026 ²	175,937,187
Total Options on issue on completion of the Loyalty Offer³	571,987,187
Performance Rights⁴	
Class A Performance Rights vest on market capitalisation of \$20m expiring on 5 December 2026	6,000,000
Class B Performance Rights vest on market capitalisation of \$50m expiring on 5 December 2026	12,000,000
Class C Performance Rights vest on market capitalisation of \$100m expiring on 5 December 2026	18,000,000
Total Performance Rights on issue	36,000,000

Notes:

- 1 The rights and liabilities attaching to the Shares are summarised in Section 4.1.
- 2 The full terms and conditions of the Loyalty Options are set out in Section 4.2, being the same terms and conditions as the ESROB Options currently on issue.
- 3 This assumes the Loyalty Offer are fully subscribed.
- 4 The full terms and conditions of the Performance Rights are set out in the Company's Notice of Annual General Meeting announced on 27 October 2023.

3.5 Effect on control of the Company

The Company is of the view that the Loyalty Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company as only Options are being issued. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Loyalty Offer.

There will be no change to any Shareholder's voting power as a result of the issue of Loyalty Options. Where Loyalty Options are exercised into Shares, the voting power of the Shareholders who exercise the Loyalty Options will increase. The likelihood of Loyalty Options being exercised is dependent on the price of Shares from time to time until the Loyalty Options expire.

3.6 Potential dilution

No immediate dilution will occur as a result of the issue of Loyalty Options under this Prospectus. However, Shareholders should note that if they do not participate in the Loyalty Offer, their holdings are likely to be diluted if Loyalty Options are issued and subsequently exercised (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution from the Loyalty Offer may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlement	% if full Entitlement taken up	% if no Entitlement taken up
Shareholder 1	50,000,000	2.84%	5,000,000	2.84%	2.58%
Shareholder 2	10,000,000	0.57%	1,000,000	0.57%	0.52%
Shareholder 3	5,000,000	0.28%	500,000	0.28%	0.26%
Shareholder 4	1,000,000	0.06%	100,000	0.06%	0.05%
Shareholder 5	500,000	0.03%	50,000	0.03%	0.03%

Notes:

- 1 The table assumes that all Loyalty Options are issued and exercised and that no other Shares are issued, including on exercise of existing unquoted Options.
- 2 The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some of the resulting Shortfall Options are not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage. Percentages post Loyalty Offer have been calculated on the basis of there being 1,935,309,056 Shares (assuming that all Loyalty Options are issues and exercised and that no other Shares are Issued, including on exercise of existing unquoted Options) on completion of the Loyalty Offer. Refer to Section 3.4 for further details of the Company's capital structure.

3.7 Details of substantial holders

Based on public information as at the date of this Prospectus, no persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

The Loyalty Offer will have no effect on the quantity of Shares held by these substantial shareholders as only Loyalty Options are being issued. The Company will notify ASX of any changes in interests of the substantial holders in accordance with its continuous disclosure obligations.

4. RIGHTS ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being the underlying securities of the Loyalty Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) **Dividends**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(c) **Future issues of securities**

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) **Transfer of Shares**

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose

of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) **Meetings and notices**

Each shareholder is entitled to receive notices, accounts and other documents of the Company which are required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) **Election of Directors**

There must be a minimum of 3 (three) but not exceeding 9 (nine) Directors. At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than three (3) years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(g) **Indemnities**

To the extent permitted by law the Company must indemnify each Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(h) **Winding up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Shareholders:

- (i) divide the assets of the Company among the members in kind;
- (ii) for that purpose, fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- (iii) vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

(i) **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms and conditions of Loyalty Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.018 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 13 December 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective,

lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Quotation of Options**

The Company will seek quotation of the Options in accordance with the Listing Rules and Corporations Act, subject to satisfaction of the minimum quotation conditions of the ASX Listing Rules. In the event that quotation of the Options cannot be obtained, the Options will remain unquoted.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. ADDITIONAL INFORMATION

5.1 Continuous Reporting and Disclosure Obligations

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Loyalty Offer. To do so, please refer to the Company’s ASX announcements platform via <https://www.asx.com.au/markets/company/esr>.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Loyalty Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2023;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
 - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Loyalty Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2023 on 22 September 2023.

Date	Title
6 February 2024	Change of Director's Interest Notice
30 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
21 December 2023	R&D Return
14 December 2023	Change of Director's Interest Notice
14 December 2023	ESROB - Top 20 Holders and Distribution Schedule
14 December 2023	Application for quotation of securities - ESR
8 December 2023	Change of Director's Interest Notice
7 December 2023	Change of Director's Interest Notice x 3
5 December 2023	Options Prospectus
4 December 2023	Notification regarding unquoted securities - ESR
4 December 2023	Section 708A – Cleansing Notice
4 December 2023	Application for quotation of securities – ESR
4 December 2023	Successful Mining Tender Bid Timor-Leste
4 December 2023	Binding MoU with Timor-Leste State Mining Company
30 November 2023	Trading Halt
28 November 2023	Results of Annual General Meeting
20 November 2023	Change of Directors Interest Notice x 3

Date	Title
20 November 2023	Notification of cessation of securities - ESR
17 November 2023	Carr Boyd Exploration Update
10 November 2023	Pegmatite Field discovered at Carr Boyd East
31 October 2023	Notification of cessation of securities - ESR
30 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
30 October 2023	Proposed issue of securities – ESR
27 October 2023	Letter to Shareholders – Upcoming AGM
27 October 2023	Notice of Annual General Meeting/Proxy Form
26 October 2023	Notice Under Section 708A
26 October 2023	Application for quotation of securities – ESR
26 October 2023	Application for quotation of securities – ESR
20 October 2023	Proposed issue of securities - ESR
20 October 2023	Estrella completes \$1.65m placement to advance Lithium Asset
18 October 2023	Trading Halt
18 October 2023	Carr Boyd Lithium Update
16 October 2023	Spargoville 5A Nickel Mine
10 October 2023	Timor-Leste Minerals Tender
6 October 2023	Date of AGM and Closing Date for Director Nominations
5 October 2023	Correction - New Targets identified at Carr Boyd

5.2 Market Price of Shares

The highest and lowest closing prices of Shares on the ASX during the three (3) months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

	Price	Date
Highest	\$0.006	28, 29 November 2023, & 4, 5, 6, 7, 15, 18 December 2023, & 8, 17, 18, 19, 23, 29 January 2024
Lowest	\$0.004	8, 11, 13, 15, 20, 21, 22 December 2023, & 2, 16, 22, 24, 29 January 2024, & 2, 5, 6, 7, 8, 15, 16, 19, 21, 22, 26 February 2024

Last	\$0.004	26 February 2024
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Whilst it is intended that the Loyalty Options will be quoted there is no current market or trading history for the Loyalty Options. It is not possible to predict what the value of Loyalty Options or Shares will be following the Loyalty Offer and the Directors do not make any representations as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged is not a reliable indicator as to the potential trading price of the Loyalty Options or Shares after implementation of the Loyalty Offer.

5.3 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

5.4 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Loyalty Offer; or
- (c) the Loyalty Offer,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (a) to induce him to become, or to qualify him as, a Director; or
- (b) for services rendered by him in connection with the formation or promotion of the Company or the Loyalty Offer.

Remuneration

The remuneration (excluding superannuation unless stated otherwise) paid or due to be paid to the Directors for the two financial years prior to the date of this Prospectus, and proposed to be paid to the Directors for the current financial year (on an annualised basis), is set out below.

Director	FY 2022	FY 2023	FY 2024
Christopher Daws ¹	\$290,000	\$296,186	\$415,037
Leslie Pereira ²	\$40,000	\$41,662	\$109,300
John Kingswood ³	\$40,000	\$41,662	\$109,300

Notes:

- 1 Christopher Daws (**Mr Daws**) was appointed as director on 18 November 2020. Mr Daws also received equity-settled share based payments valued at \$10,905 for the financial year ended 30 June 2022, \$44,295 for the financial year ended 30 June 2023, and has received \$53,800 during the current financial year ending 30 June 2024.

- 2 Mr Pereira was appointed as director on 1 February 2019. Mr Pereira also received equity-settled share based payments valued at \$7,270 for the financial year ended 30 June 2022, \$35,530 for the financial year ended 30 June 2023 and has received \$53,800 during the current financial year ending 30 June 2024.
- 3 John Kingswood (**Mr Kingswood**) was appointed as director on 6 January 2017. Mr Kingswood also received equity-settled share based payments valued at \$7,270 for the financial year ended 30 June 2022, \$35,530 for the financial year ended 30 June 2023, and has received \$53,800 during the current financial year ending 30 June 2024.

Further information relating to the remuneration of Directors can be found in the Company's annual financial report for the financial year ended 30 June 2023, which was announced to ASX on 22 September 2023.

Securities

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Options	Performance Rights	Entitlement to Loyalty Options
Christopher Daws ¹	36,562,265	8,000,000	12,000,000	3,656,226
Leslie Pereira ²	7,790,769	7,300,000	12,000,000	779,076
John Kingswood ³	3,380,000	7,000,000	12,000,000	338,000

Notes:

- 1 Mr Daws holds his interests in these Securities both directly and indirectly as follows:
- (a) Directly:
 - i. 21,057,265 Shares;
 - ii. 3,000,000 unlisted Options exercisable at \$0.06 expiring 21 January 2025;
 - iii. 5,000,000 unlisted Options exercisable at \$0.03 expiring 1 December 2025;
 - iv. 2,000,000 Class A Performance Rights expiring 5 December 2026;
 - v. 4,000,000 Class B Performance Rights expiring 5 December 2026; and
 - vi. 6,000,000 Class C Performance Rights expiring 5 December 2026; and
 - (b) Indirectly:
 - i. 9,805,000 Shares held by Christopher John Daws & Kylie Anne Campbell <The Moongold Super Fund A/c>; and
 - ii. 5,700,000 Shares held by Nimbus Mines Pty Ltd.
- 2 Mr Pereira holds his interests in these Securities indirectly as follows:
- (a) 3,075,769 Shares held by Carmine Lion Group Pty Ltd;
 - (b) Nannook Holdings Pty Ltd:
 - i. 3,050,000 Shares;
 - ii. 2,000,000 unlisted Options exercisable at \$0.06 expiring 21 January 2025;
 - iii. 5,000,000 unlisted Options exercisable at \$0.03 expiring 1 December 2025;
 - iv. 2,000,000 Class A Performance Rights expiring 5 December 2026;
 - v. 4,000,000 Class B Performance Rights expiring 5 December 2026; and
 - vi. 6,000,000 Class C Performance Rights expiring 5 December 2026; and
 - (c) Nannook Holdings Pty Ltd <Pereira Superannuation A/c>

- i. 1,665,000 Shares;
 - ii. 300,000 Listed Options exercisable at \$0.018 expiring on 13 December 2026.
- 3 Mr Kingswood holds his interests in these Securities both directly and indirectly as follows:
 - (a) Directly holds:
 - i. 1,600,000 Shares;
 - ii. 2,000,000 Class A Performance Rights expiring 5 December 2026;
 - iii. 4,000,000 Class B Performance Rights expiring 5 December 2026; and
 - iv. 6,000,000 Class C Performance Rights expiring 5 December 2026; and
 - (b) Indirectly through Mr John Timothy Kingswood <Kingswood Family A/C>:
 - i. 1,780,000 Shares;
 - ii. 2,000,000 unlisted Options exercisable at \$0.06 expiring 21 January 2025; and
 - iii. 5,000,000 unlisted Options exercisable at \$0.03 expiring 1 December 2025.

As at the date of this Prospectus, Mr Pereira has indicated that he (or his respective nominees) intends to subscribe for his full Entitlement under this Prospectus.

Mr Daws has indicated that he intends to partially subscribe for his Entitlement under this Prospectus through his nominee, Christopher John Daws & Kylie Anne Campbell <The Moongold Super Fund A/c>. Accordingly, through this nominated entity, Mr Daws would be entitled to subscribe for 980,500 Loyalty Options.

5.5 Related party transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

5.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Loyalty Offer; or
- (c) the Loyalty Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Loyalty Offer.

Nova Legal has acted as solicitors to the Company in relation to the Loyalty Offer. The Company estimates it will pay Nova Legal \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Nova Legal has not received fees from the Company for any other services.

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect of the procession of Entitlement and Acceptance Forms pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, any persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Nova Legal has given its written consent to being named as the solicitors to the Company in this Prospectus.

Automic Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus.

5.8 Estimated expenses of the Loyalty Offer

The estimated cash costs of the Loyalty Offer (exclusive of GST) are set out below:

Item	Amount (\$)
ASIC lodgement fee	\$3,206
ASX quotation fee	\$12,146
Legal fees	\$10,000
Printing, registry and other expenses	\$8,000
Total	\$33,352

5.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on the number set out in the Corporate Directory to this Prospectus and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website as set out in the Corporate Directory to this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement.

6. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in blue ink, appearing to be 'C. Daws', written over a horizontal line.

Christopher Daws
Managing Director
For and on behalf of Estrella Resources Limited

7. DEFINITIONS

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Loyalty Options pursuant to the Loyalty Offer or a Shareholder or other party who applies for Shortfall Options pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Offer Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Estrella Resources Limited (ACN 151 155 207)

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholders means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and have a registered address in Australia or New Zealand.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Loyalty Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Listing Rules means the listing rules of the ASX.

Loyalty Offer means the non-renounceable offer of Loyalty Options, the subject of this Prospectus.

Loyalty Option means an Option issued on the terms and conditions set out in Section 4.2.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Loyalty Options not applied for under the Loyalty Offer (if any).

Shortfall Offer Application Form means the shortfall application form either attached to or accompanying this Prospectus relating to the Shortfall Offer.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 1.5.

Shortfall Options means those Loyalty Options issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.