

ASX Release: 30 July 2024

Estrella Resources Limited

ABN 39 151 155 207

ASX Code: ESR

Board and Management

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QUARTERLY ACTIVITIES REPORT

Quarter ending 30 June 2024

HIGHLIGHTS

- Exploration continued to accelerate at Estrella's Timor-Leste project across its three Exploration and Evaluation Licences (EEL) and eight Reconnaissance Permits (RP)
- 60.8% Mn result received from Estrella's Lautém Project
- Dasidara prospect discovered with initial laboratory assayed grab samples returning 58.4% Mn and 53.7% Mn from river-concentrated cobblestone bands
- Japanese WWII Mn stockpile located with grab sample laboratory assays of 57.1% Mn and 58.1% Mn
- Soru Mn prospect discovered with results returning 27.9% Mn from a pXRF rock chip sample
- Geological mapping continues to extend the strike of the manganese-forming Noni Formation with 47km of strike defined to date
- Joint Venture and Royalty Deed with state-run Murak Rai Timor finalised
- Auric Gold (ASX:AWJ) share sales and Radium Capital R&D Loan Funds to top up working capital post quarter end

Estrella Resources Limited (ASX: ESR) ("Estrella" or "the Company") is pleased to provide an activities report for the period ended 30 June 2024.

Commenting on the quarter, Managing Director Chris Daws said:

"This quarter has seen some very exciting exploration developments validating my own personal long-standing interest in the Timor-Leste region.

Estrella now finds itself as one of just four companies in the world permitted to explore within Timor-Leste, which is virtually unexplored from a modern-day perspective and highly prospective for multi-commodity discoveries.

This quarter, new manganese discoveries have been made with prospects such as Dasidara, Soru and the Japanese WWII stockpile. Meanwhile, existing targets such as Lautém have yielded improved assays. There is still much more ground to cover and explore.

A sample preparation site has been set up in the capital city of Dili for crushing and pulverising for more accurate pXRF results while the company also continues to utilise assay laboratories in Australia for select samples.

Finally, Estrella has been active in the boardroom as well as in the field with the Company finalising a JV with state-run Murak Rai Timor. The agreement formalises the constructive relationship between Estrella and Murak Rai and ensures further development support for mining within the nation.

With the agreement signed, Estrella looks forward to accelerating exploration work with drilling and trenching identified as key activities to further demonstrate the potential of our exciting project.

In April, Estrella announced results from initial rock-chip samples taken prior to the historical granting of the EEL's and Reconnaissance Permits in Timor-Leste¹.

Four samples were taken during an initial visit to the area in January 2024 to gauge the potential of surficial and outcropping manganese mineralisation. The samples were brought back to Australia and sent to ALS in Malaga where they underwent analysis. (Table 1)

Table 1: Results of samples taken within Estrella's EEL's.

Sample ID	Description	WGS84-52S East	WGS84-52S North	Mn %	Al %	Fe %	K %	Mg %	S %	Ti %
LRG-014	Mn River cobblestone	252510	9061323	3.700	0.810	28.500	0.170	0.220	0.010	0.028
LRG-015	Banded Mn chert outcrop	260744	9066407	60.760	0.230	0.320	0.030	0.030	0.220	<0.005
LRG-016	Surface MN float material	261068	9066938	7.650	1.060	4.690	0.370	0.310	0.250	0.052
LRG-017	Manganiferous limestone	261068	9066939	4.970	2.420	31.500	0.470	0.430	0.050	0.118

These results were followed by the identification of the Soru Mn prospect (formally announced to the ASX as the Sauro Prospect discovery on the 19th April 2024), located 12km southeast of the Lalena Mn prospect (See Figure 1)².

Soru is defined by Mn float material that has not had the in-situ source located at this stage. Sample pXRF results with a trigger value reported >1% Mn are available in Table 2.

Table 2: Results of samples taken at Soru with pXRF. Please see cautionary note on pXRF analysis below.

PROSPECT	WGS84_Z52 E	WGS84_Z52 N	Sample ID	Status	pXRF Mn%	pXRF Fe%	Mn:Fe
ESR-RP-01	267161	9071145	CBR114506	Uncrushed	28.1	1.9	15
Lalena	261259	9067376	CBR114502	Uncrushed	46.1	n/a	
Lalena	261272	9067221	LRG032	Uncrushed	44.8	0.07	640
Lalena	260745	9066403	LRG026	Crushed	53.1	n/a	
Soru	269717	9056832	LRG071	Uncrushed	22.0	7.97	3
Soru	269485	9056812	LRG035	Uncrushed	27.9	5.6	4.9
Dasidara	252863	9060560	LRG041	Uncrushed	36.3	0.48	76

In addition, Estrella Resources has acquired helicopter-borne high-resolution magnetic and radiometric survey data completed over the Timor-Leste mainland. The work was completed by Airborne Petroleum

¹ Refer to ASX Announcement dated 3 April 2024

² Refer to ASX Announcement dated 19 April 2024

Geophysics (APG) from Canada in 2019 under contract to Autoridade Nacional do Petroleo e Minerais (ANPM).

A total of 45,298 line-km of data was acquired over the concession area. The survey was flown at a nominal mean terrain clearance of 80 metres for both the magnetometer and the gamma-ray spectrometer. Primary flight lines were flown at 400m separation and tie lines at 4000m of line separation.

Estrella has reprocessed the original data and sees the magnetic and radiometric data to be a useful tool for defining potential ferro manganese mineralisation below surficial cover. Further geological interpretation work using the magnetics data and its rapidly expanding sampling database is underway to identify further manganese prospects.

In May, Estrella Resources announced the new discovery of the Dasidara manganese prospect as well as a stockpile of high-grade manganese located at a historical Japanese WW2 port location³.

Grab samples from Dasidara returned 58.4% Mn and 53.7% Mn from river-concentrated cobblestone bands.

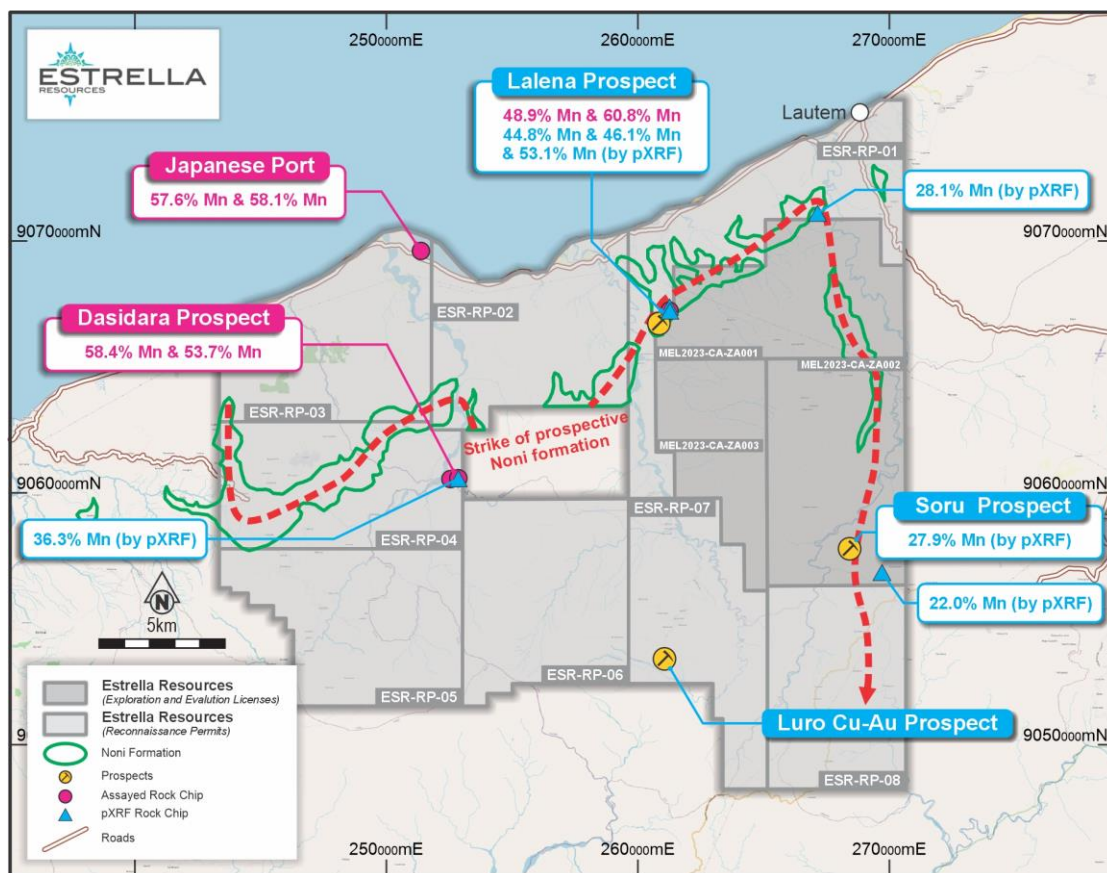


Figure 1: EEL's highlighting Soru Prospect and prospective Noni Formation. The red dashed line indicates extensions to the Noni Formation mapped outside previous known extents

The Japanese high-grade manganese stockpile, which is 10km down the Laivai River from the Dasidara Prospect and within a few hundred metres of the main coastal highway, was also assessed with grab samples collected and sent to ALS laboratories in Perth, WA.

Five grab samples were sent to ALS with two of these samples originating from the Japanese stockpile (Table 3).

³ Refer to ASX Announcement dated 31 May 2024

Table 3: Results of samples analysed by ALS

Sample ID	Prospect	Description	Lat (WGS84)	Long (WGS84)	Mn %	P (ppm)	Fe %	Mn : Fe Ratio
ESRTL-01	Lalena	Weathered Mn Nodule	126.8318	-8.4325	48.9	870	1.43	34
ESRTL-02	Japanese Port	Stockpile Mn	126.7421	-8.4106	57.6	1080	0.42	137
ESRTL-03	Dasidara	River Bedding	126.7568	-8.4925	58.4	320	0.17	344
ESRTL-04	Japanese Port	Stockpile Mn	126.7421	-8.4106	58.1	1230	0.27	215
ESRTL-05	Dasidara	River Bedding	126.7551	-8.4923	53.7	1080	0.17	316

The high-grade manganese samples of 57.1% Mn and 58.1% Mn from the stockpile warrant further follow-up and the Company continues to study the site for further development.

In addition to assays from ALS in Perth, Estrella also reported that it had successfully mobilised crushing and other laboratory equipment to Timor-Leste to give it the ability to test and report multi-element pXRF results from within the country, including the use of the Portable ppb gold detection system. This will alleviate sample bottlenecks and vastly improve analysis times to enable exploration to progress at a much faster pace (Figure 2).



Figure 2: Crusher / Pulveriser and pXRF analysis system set up at Estrella's office in the capital city of Dili

In June, Estrella reported that its geological mapping had defined an additional ~20km of strike, extending the interpreted manganese-forming Noni Formation to 47km of strike (Figure 1)⁴.

The exploration team is currently compiling the recent mapping within the Concession areas which will form the basis of a technical report to be submitted to the Timor-Leste regulatory body, the Autoridade Nacional dos Minerais (ANM).

The submission of this report will include a justification to begin ground-work in the form of trenching and possibly drilling to assist the Company in quantifying sub-surface manganese mineralisation ahead of any future resource work.

⁴ Refer to ASX Announcement dated 25 June 2024

The Company intends to continue exploration mapping and sampling across the tenements whilst employing local workers to trench priority locations that require further investigation at depth. Systematic trenching will add greatly to the geological understanding of the formation and distribution below surface of this valuable commodity.

In addition, the Company is in the process of acquiring permission from the ANM and the Minister to utilise the Japanese WWII stockpile, as a representative sample for market appraisal to prospective customers (Figure 3).



Figure 3: Manganese stockpile from Japanese WWII port location where previously announced manganese grab samples assayed 57.1% Mn and 58.1% Mn from ALS

At the conclusion of the period, Estrella finalised a Joint Venture and Royalty Deed with state-run MRT for the formation of Estrella Murak Rai Timor to explore for and potentially exploit mineral deposits in Timor-Leste⁵. A signing Ceremony was held in the Capital Dili with senior Company representatives and Timor-Leste dignitaries including Minister of Petroleum and Mineral Resources: Francisco da Costa Monteiro, Estrella Managing Director Chris Daws, CEO & President of Murak Rai Timor Mr Jose Goncalves, President of Commission C of National Parliament: Cedelizia Faria dos Santos, President of ANM: Rafael de Araujo, Second Secretary of Australian Embassy in Timor-Leste: Rachael Ratican and as well as other important stakeholders.

ESR will hold 70% interest in the JV, to be headquartered in Dili, with MRT holding the remaining 30% interest. The JV will wholly own the previously granted Exploration and Evaluation Licenses: ZA001, ZA002 and ZA003 (Figure 1). The three EEL's cover a total landholding of 121.5km² and are highly prospective for manganese mineralisation.

Under the terms of the Deed, the JV will see MRT free-carried at 30% ownership up until the completion and publication of a Feasibility Study over a deposit located within each of the EELs.

ESR will be solely responsible for the funding requirements of the Company in accordance with the Annual Program up until the completion and publication of a Feasibility Study.

In addition, MRT and ESR have entered into a Royalty Deed whereby MRT can elect to transfer its 30% interest in the JV to ESR following the completion of the Feasibility Study in respect of the EEL(s) and

⁵ Refer to ASX Announcement dated 28 June 2024

receive a 2% royalty on the Net Smelter Return (NSR) on all minerals produced from the area within the boundary of the EEL(s).

The eight Reconnaissance Permits (RP's) surrounding the EEL's, and which total 382.2 km² (Figure 1), are 100% owned by Estrella and do not currently form part of JV Company. RP's entitle the holder to conduct mapping and sampling within the Permit area for 12 months with an additional 6-month extension if required. The holder of the RP has a pre-emptive right in the grant for an Exploration or Mining License up to the expiry of the Permit. Upon Conversion of any granted RP's to EEL's MRT shall be entitled to a 30% free-carried interest and the EEL's will come under the same terms as the currently granted ZA001, ZA002 and ZA003 EEL's.

CORPORATE

CAPITAL

The Company's cash balance as at 30 June 2024 was \$197k, this has now been supplemented post quarter end with share sales in Auric Mining Limited (ASX:AWJ) which have risen considerably in the past year. The Company cash balance will be further increased a with Radium Capital 2023-2024FY R&D return loan with our application submitted. The Company is also considering potential asset sales and joint venture partnerships in light of the depressed equity market to fund its future Timor-Leste exploration activities.

Table 1: Estrella Capital structure as at 30 June 2024

Fully Paid Ordinary Shares	1,759,371,869
Listed options exercisable	501,237,187
Unlisted options exercisable	70,750,000
Performance Rights	54,000,000

EXPLORATION

ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$261k.

ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

ASX Listing Rule 5.3.3: Refer to Appendix 1 for Estrella Tenement Information.

ENDS

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

FURTHER INFORMATION CONTACT

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Cautionary Statement of pXRF

PXRF results that are announced in this report are preliminary only. The use of the PXRF is an indication only of the order of magnitude of expected final assay results. The samples that are the subject of this report will be submitted for laboratory assay and some variation from the results presented herein should be expected.

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.

Forward Looking Statements

This announcement contains certain forward-looking statements which have not been based solely on historical facts but, rather, on ESR's current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies many of which are outside the control of ESR and its directors, officers and advisers.

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*
Timor-Leste	Lautem	Lautem Exploration Project	MEL2023-CA-ZA001	-	100**
Timor-Leste	Lautem	Lautem Exploration Project	MEL2023-CA-ZA002	-	100**
Timor-Leste	Lautem	Lautem Exploration Project	MEL2023-CA-ZA003	-	100**
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-01	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-02	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-03	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-04	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-05	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-06	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-07	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-08	-	100

* *Nickel rights only*

** Free carry Murak Rai Tomor 30% up to publication of DFS or similar

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 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(81)	(367)
(e) administration and corporate costs	(191)	(688)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	8
1.5 Interest and other costs of finance paid	-	(102)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(271)	(1,149)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(10)
(d) exploration & evaluation	(261)	(1,605)
(e) investments	-	-
(f) other non-current assets	-	-

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 (12 months) \$A'000
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)		
	R&D expenditure refund	-	1,327
2.6	Net cash from / (used in) investing activities	(261)	(288)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	103	1,806
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	(30)	(176)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(1,044)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	73	586

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	656	1,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(271)	(1,149)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(261)	(288)

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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	73	586
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	197	197

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	197	656
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	197	656

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	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	40
<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>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(271)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(261)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(532)
8.4 Cash and cash equivalents at quarter end (item 4.6)	197
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	197
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.37
<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: Yes	
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: Yes, the Company will be required to raise further cash and is considering its options. The Company expects to receive an advance on its R & D refund from Radium Capital, along with share sales in listed investment Auric Mining Limited (ASX: AWJ). Additionally, the Company has always been well supported in its capital raising initiatives and believes it would be successful in raising sufficient funds to continue with the planned level of operations.	

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 reason noted in 8.8.2 above.

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: **30 July 2024**

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.