

ASX: ESR

21 May 2025

## Transformational Partnership to Drive Limestone Sales from Timor-Leste Projects

### HIGHLIGHTS

- Estrella Resources Limited (Estrella) enters a **Master Agreement with PT Raka Energi Mandiri (REM)**, a **leading Indonesian mining services company**, to assist in **marketing and selling limestone** from its Timor-Leste mining concessions
- Opportunity identified as **complementary to existing manganese exploration activity** with limestone **overlying and surrounding manganese** mineralisation in **close proximity to the coast**
- Under the Master Agreement, Estrella has granted REM exclusive marketing and offtake rights for the purchaser and sale of limestone in Indonesia. The Master Agreement provides the framework for Estrella and REM **to negotiate and enter into an Offtake Agreement** to more fully document the terms upon which REM will have the **exclusive right to purchase limestone**, including the agreed annual sale price
- Partnership targets sales target of up to **500 million dry metric tonnes of limestone over five years** from the first shipment (the Company refers to this aspirational statement below in Next Steps), with **Estrella Murak Rai Timor Lda (ESR 70% MRT 30%)** earning the proceeds. REM will be entitled to unlisted share options exercisable at A\$0.05 each as consideration for successfully **facilitating limestone sales** over this five-year period
- Estrella will (subject to shareholder approval) grant REM one unlisted share option exercisable at A\$0.05 for each tonne of limestone that is ordered and paid, representing a total of up to **500 million unlisted share options exercisable at A\$0.05 each** in the event REM achieves the sales target
- The obligations of the parties under the Master Agreement and the entry into a definitive Offtake Agreement is subject to **Estrella achieving several development milestones**, including a JORC-compliant resource and completion of a scoping study by Q4 CY25
- The Master Agreement underscores Estrella's intention to **commercialise its extensive limestone and metallic mineral concessions** in Timor-Leste
- PT Raka Energi Mandiri is a **well-established Indonesian mining and energy services company** with a **strong network and track record**

Estrella Resources Limited (ASX: **ESR**) ("**Estrella**" or "**the Company**") is pleased to announce its wholly owned Timor-Leste subsidiary Estrella Resources Limited R.P has entered into a binding Master Agreement (the "Agreement") with Indonesian mining services company PT Raka Energi Mandiri ("REM"), paving the way for large-scale limestone sales into Southeast Asia.

Under the Agreement, Estrella has granted REM exclusive marketing and offtake rights to support the marketing and sale of limestone to be mined from Estrella's Timor-Leste mining concessions and exported into Indonesia.

**Commenting on the Agreement Estrella Managing Director Chris Daws said:**

*"This is a truly transformational moment for Estrella and a major step forward in building a long-term commercial pathway from limestone production from our Timor Leste projects, alongside our existing manganese exploration.*

*Partnering with a well-connected local group like REM gives us a strong advantage in accessing the Southeast Asian market. We anticipate this market to be advantageous for a number of years, given the substantial rise of nickel mining in Indonesia and limestone's ability to improve the environmental impact of refining, primarily as an acid neutralisation agent.*

*The structure of this deal ensures we're aligned on performance — REM will share in the upside if they hit our sales targets, and we'll unlock real value for shareholders along the way.*

*This Agreement positions Estrella to become a leading supplier of high-quality limestone into a growing market, and we look forward to building a strong, long-term relationship with REM as we move toward first shipment and beyond."*

**Commenting on the Agreement Murak Rai Timor E.P. President & C.E.O Jose Goncalves said:**

*"We welcome this exciting development opportunity to market Timor-Leste's limestone to our neighbouring country, Indonesia, with our joint venture partner Estrella Resources Limited R.P.*

*We look forward in working closely with all parties as we embark on this significant opportunity to deliver solutions to Indonesia's mining industry growing environmental challenges"*

**Commenting on the Agreement PT Raka Energi Mandri Director Gregory Dhana N said:**

*"Our Company looks forward to working with Estrella to provide a solution to help clean up the mining industry and the environmental problems that have arisen as a result of the huge demand of minerals utilised in the EV revolution. We also see many other opportunities that we can work collectively together with Estrella, Timor-Leste and Indonesia to provide a cleaner, more environmentally friendly mining industry and better future for our children"*

**Agreement Overview**

The limestone will be mined from Estrella's Timor-Leste mining concessions, a group of Exploration and Evaluation Licences (EELs) covering a total area of 195 km<sup>2</sup>. These licences also allow for the potential extraction of gold, copper, nickel, cobalt, chrome, and manganese by Estrella Murak Rai Timor Lda, and which do not form part of this agreement.



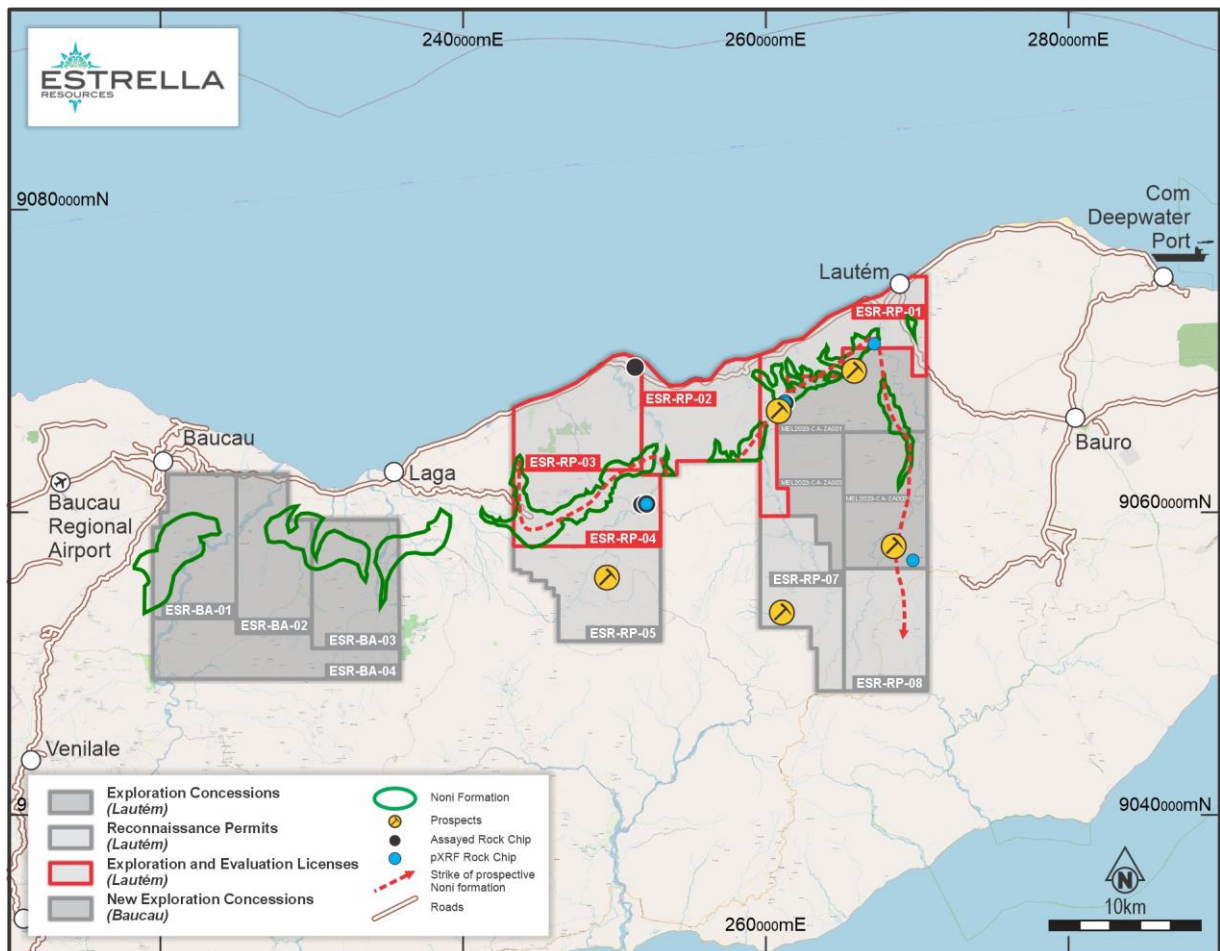


Figure 1: Map showing the current tenement status of Estrella's landholding in Timor-Leste

As per the announcement on the 14<sup>th</sup> May 2025 Estrella has now added limestone to its current EEL's. During the past 12 months of exploration our geologists have mapped the Baucau Formation, a clean coral and chalk rich limestone which was deposited on top of the Noni Formation, the target horizon for supergene manganese. Drilling for manganese necessitates drilling through the Baucau Formation limestone, enabling the Company to cost effectively explore for the two products.

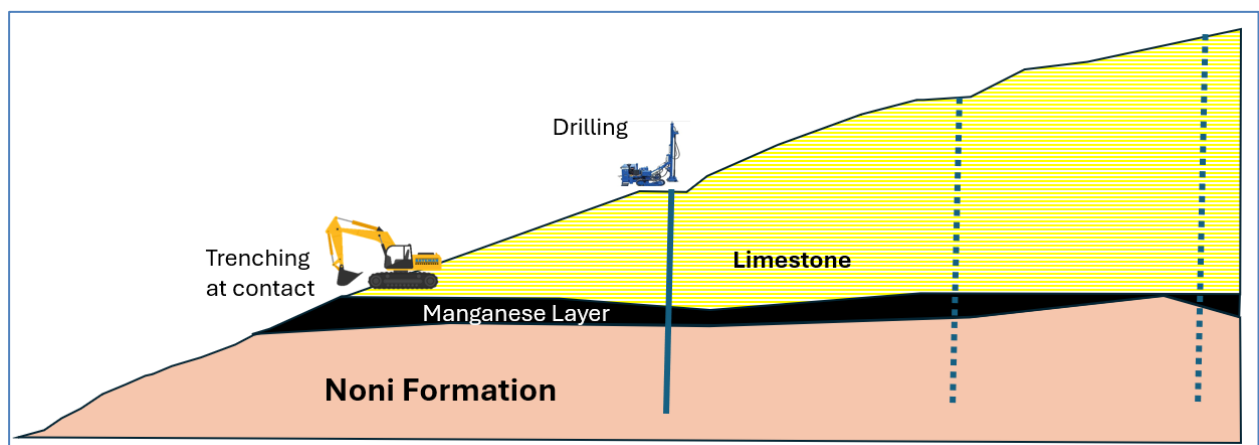


Figure 2: Conceptual geological cross-section showing the manganese exploration target zone underlying the Baucau limestone as seen by Estrella with respect to the mapped stratigraphy

The Baucau Formation in places is several hundred metres thick (source: Institute of Geology, Timor-Leste and Estrella's stratigraphic mapping). Nine samples from fresh sources within MEL2025-DA-ZA003 were imported to Australia and assayed for their chemical and acid neutralisation content (refer to ASX announcement 14 May 2025 titled "*Timor-Leste Tenement Upgrades Granted*"). The rock type is known for its pure coral content and the limestone is predominantly calcite with a small but varying silica content. Small amounts of dolomite (calcium magnesium carbonate) and siderite (iron carbonate) are present. The

Neutralisation Value is a calculation derived from acid-testing the samples and expressing the result as percent calcite (calcium carbonate). The very high lime content, lack of impurities and neutralisation potential makes the rock amenable to many industrial and environmental processes where lime is necessary.

The Agreement provides for a total limestone sales target of up to 500 million dry metric tonnes over a five-year period starting from the first shipment. As consideration for successfully facilitating limestone sales over the five-year period, Estrella will grant REM up to 500 million unlisted share options, exercisable at A\$0.05 each (subject to shareholder approval).

These options will be issued (subject to shareholder approval) on a performance basis with one option for each tonne of limestone that is ordered and paid for during each twelve-month period over the five-year period. This incentivizes PT Raka Energi Mandiri by being exposed to the success of Estrella Resources if REM achieve their targets.

The Agreement is also subject to Estrella satisfying (to its satisfaction) a number of conditions within certain timeframes, which will facilitate entry into the definitive Offtake Agreement. These include:

- Estrella obtaining all material licenses, permits and approvals in respect of the mining and export of limestone on Estrella's mining concessions by 31 December 2025
- Estrella announcing a JORC Code compliant resource of at least 500 million dry metric tons of contained limestone on the Estrella Mining Concessions by 30 September 2025, which will facilitate REM achieving the Minimum Sale Volume;
- Estrella announcing the completion of a positive Scoping Study in relation to the Mining Concessions by 30 November 2025; and
- Obtaining all permits, approvals for infrastructure required to export product extracted from the mining concessions from a port facility in Timor-Leste, by 31 December 2025.

The Agreement is also subject to Estrella obtaining any necessary shareholder, board, regulatory and third-party approvals required to implement the Agreement and the proposed issue of the unlisted share options.

Estrella has already started discussions in regards to the development of a port to handle the export of the products. Once the resource starts to take shape these talks will intensify to ensure permitting can meet the above deadlines. Estrella is also looking at utilizing the existing port of Com whilst a new facility is being built and this will form part of these discussions.

The agreement remains in effect until the earlier of five years from first shipment or 28th February 2035, unless terminated earlier in accordance with the agreement's provisions.

Once conditions are met, Estrella and REM will enter into a formal Offtake Agreement, providing REM or its nominees the right to purchase limestone from Estrella Murak Rai Timor Lda each year at a price agreed between the parties.

Estrella will keep shareholders updated as it progresses the Conditions Precedent.

### **Calcite and Its Industrial Applications**

Calcite is a naturally occurring form of calcium carbonate ( $\text{CaCO}_3$ ), one of the most abundant minerals on Earth commonly found within limestone. Industrial-grade calcite is a key raw material in the manufacturing of cement, lime, glass, and ceramics. It is also extensively used as a filler in paints, plastics, rubber, adhesives, and paper.

Calcite also has the unique property of being a calcium-rich alkaline material and is used to reduce environmental risk during the leaching process of nickel refining. It is increasingly sought after in Indonesia which is one of the world's largest producers of lateritic nickel.

Beyond industrial applications, calcite has roles in agriculture (as a soil conditioner), environmental remediation, and water treatment. Its consistent composition and physical properties make it a strategic commodity across multiple sectors.<sup>1</sup>

### **Market Size and Demand: Southeast Asia**

Southeast Asia represents a high-growth region for calcite consumption, driven by rapid urbanisation, infrastructure development, and a growing manufacturing base. Countries like Indonesia, Vietnam, the Philippines, and Thailand are seeing increased demand for cement, construction materials, and industrial fillers—key end-uses of calcite.

The calcite industry in Asia Pacific is projected to grow from US\$5 billion in 2023 to surpass US\$8.1 billion by 2032.<sup>2</sup> The escalating industrialisation, urbanisation, and infrastructure development in the Asia Pacific region are promising for the calcite industry. Supply constraints and environmental pressures in traditional markets like China are also pushing Southeast Asian buyers to secure more reliable, regional sources of high-grade calcite<sup>2</sup> presenting a compelling commercial opportunity for Estrella to explore.

### **About PT Raka Energi Mandiri**

PT Raka Energi Mandiri, is a family-owned business that combines trust, tradition and technical know-how in the trading of mining products. Currently specialising in coal and power, they bring real-world experience from the field with active operations across East Kalimantan, Central Kalimantan and Maluku.

In its operations, PT Raka Energi Mandiri (REM) has an extensive and reliable distribution network, enabling them to reach various markets segments throughout Indonesia. They collaborate with various strategic partners to ensure the continuous and timely availability of products, as well as to offer innovative and environmentally friendly solutions.

REM is continually looking at expanding its products and services throughout Indonesia to provide environmentally friendly solutions as well as improving the safety around the mining environment.

### **Next Steps**

With respect to the newly granted Exploration and Evaluation Licenses, the previous 12 months of mapping have delineated significant exposures of clean limestones at surface in close proximity to the coast, power and road infrastructure. The License conversion paves the way for Estrella to now apply for a Category B Environmental Permit to begin drilling in order to produce a resource.

The permitting process involves community education, consultation and land access agreements and Estrella has already commenced this work. Once drilling has concluded and a resource calculated, Estrella will be in the position to finalise a Scoping Study into the project. The Scoping Study along with environmental investigations, a suitable Environmental Management Plan and community development and employment commitments pave the way for the potential granting of a mining license to be issued by the Government.

Estrella is already in discussions with the Government as to the significance of the project for Timor-Leste and will continue to work closely with them in order to negotiate the path ahead in a timely and efficient manner.

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<sup>1</sup> Facts and Factors Research

<sup>2</sup> <https://www.gminsights.com/industry-analysis/calcite-market>

**Aspirational Statements**

*The statements which may appear in this announcement regarding the aspirations of Estrella to produce and sell 500 million tonnes of limestone over a 5-year period should be considered a marketing and sales target and not a projection of production and nor does it guarantee any production from the project at the sales target rate. These statements are marketing and sales targets and Estrella does not yet have sufficient objective reasonable grounds to believe that the statements can be achieved.*

*Importantly, the statements are considered aspirational, because as detailed in the announcement, the Company is yet to obtain, environmental drilling permits, prove a JORC code compliant Mineral resource, complete a scoping study and obtain a mining license under the Jurisdictional Mining Code, which is subject to completion of the scope of works and conditions outlined above.*

The Board has authorised for this announcement to be released to the ASX.

**FURTHER INFORMATION CONTACT**

**Christopher J. Daws**  
**Managing Director**  
**Estrella Resources Limited**  
**+61 8 9481 0389**  
[info@estrellaresources.com.au](mailto:info@estrellaresources.com.au)

**Media:**  
**David Tasker**  
**Managing Director**  
**Chapter One Advisors**  
**E: [dtasker@chapteroneadvisors.com.au](mailto:dtasker@chapteroneadvisors.com.au)**  
**T: +61 433 112 936**

**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.

**Competent Person Statement**

The information in this announcement relating to Exploration Results is based on information compiled by Steve Warriner, who is the Group Exploration Manager of Estrella Resources, and a member of The Australasian Institute of Geoscientists. Mr Warriner has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Warriner consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.