2 November 2017

ASX ANNOUNCEMENT

BASAL CONTACT NICKEL COPPER INTERSECTED AT SIR WILLIAM WALLACE

HIGHLIGHTS

- **Nickel and copper sulphides intersected on the basal contact of the Carr Boyd Layered Complex (CBLC) from Handheld X-ray Diffraction (HXRF) readings**
- **Further zones of nickel sulphides intersected within the CBLC and in the footwall sequence**
- **NCB0001 successfully completed to a final depth of 186.4m**
- **Drilling has confirmed the potential of the CBLC to host a significant deposit of nickel and copper**
- **Basal contact clearly identifiable and intersected at a shallower depth than anticipated**
- **Second hole planned to confirm basal contact geometry**
- **Drilling will be increased to double shift to expedite exploration progress**

Figure 1. Photograph of basal contact nickel-copper sulphides in HQ drill core from NCB0001, with mineralisation starting at approximately 122.6m downhole. Downhole direction is from left to right. HXFR readings have confirmed the presence of nickel and copper in the sulphides.

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to provide a drilling update on the Carr Boyd Nickel Project (CBNP or the Project). The CBNP is comprised of the Carr Boyd Layered Complex (CBLC or the Complex).

NCB0001 UPDATE

The hole intersected the basal contact at approximately 122.6m downhole. Several significant zones of nickel and copper sulphides were intersected, both within the CBLC, on the basal contact, and in the immediate footwall from HXRF readings. This has provided further vindication of the target model being pursued at Sir William Wallace, even though the EM conductor source was attributed to a sulphide black shale horizon outside of the intrusion further downhole. The zones of nickel and copper sulphides will be cut and sampled as soon as practicable.

The basal contact was intersected significantly shallower than previously anticipated. The hole has therefore provided invaluable information about the position and geometry of the basal contact of the CBLC, which appears to be dipping at -75 degrees to the north and is mineralised. This geometry is slightly steeper than earlier 3D predictive target modelling and the contact appears to be located 55m further north than the model predicted. Given that no other drillholes within 500m of NCB0001 intersect the basal contact, this confirms that the 3D inversions and predictive models are performing very well given a scarcity of hard data points. The models will be updated, and the design of follow-up drilling adjusted accordingly.

A second hole now has been designed to test the basal contact up dip of the NCB0001 pierce point. This will provide more accurate control on the position and orientation of the basal contact. The information generated will allow for refined positioning of the co-funded drillhole to screen a larger area of the contact. If any significant off hole conductors are generated associated with the nickel-copper sulphide intercepts in NCB0001, the design of the follow-up hole will be adjusted accordingly.

The unmineralised sections of the ultramafic sequence appear to be nickel depleted, with HXRF readings typically significantly lower than would be expected, particularly in the peridotites. Nickel depletion of the ultramafics silicate minerals, particularly olivines, is a key indicator for the formation of large and super-large nickel deposits at the base of layered mafic intrusions. The Company is currently collecting systematic HXRF readings on the hole to assess this aspect of geochemical zonation.

Figure 2. Photograph of a bleb of semi massive nickel sulphide at approximately 125.4m downhole in NCB0001. This sulphide is interpreted to be remobilised into the pillow margins of the footwall basalt sequence from the CBLC. HXRF readings have confirmed the presence of nickel and copper in the sulphide.

ONGOING WORK

Downhole EM will be completed on NCB0001 to determine if there are any off-hole conductors associated with the zones of nickel and copper mineralisation intersected in several locations between 80m and 127m depth, which would provide vectors for follow-up drilling. It is possible that the highly conductive black shale horizon outside of the intrusion would mask conductors associated with the nickel and copper mineralisation in and around the basal contact, effectively making them invisible to surface EM techniques. Downhole EM should allow these sources to be discriminated apart and modelled for targeted drilling.

The hole will also be gyroscope surveyed and several petrophysical logs will be completed, including magnetic susceptibility, and gamma density.

Following the completion of downhole probing of NCB0001, drilling will commence on NCB0002 and NCB0003. NCB0002 is designed as an up-dip hole drilled from the same collar position as NCB0001 to refine the geometry and position of the basal contact.

NCB0003 is a co-funded hole targeting a relatively deep coincident gravity and magnetic feature, which is located partially beneath and extending to the west of the Sir William Wallace target. NCB0003 will be collared at 366325mE and 6669766mN, approximately 290m west-north-west of NCB0001. The hole will be drilled at -80 towards 020, in the opposite direction to NCB0001. This so that the entire length of the hole will provide a DHTEM platform, effectively screening a 400m to 500m wide window of the basal contact from top of hole to bottom, at the same time as testing the source of the gravity-magnetic target.

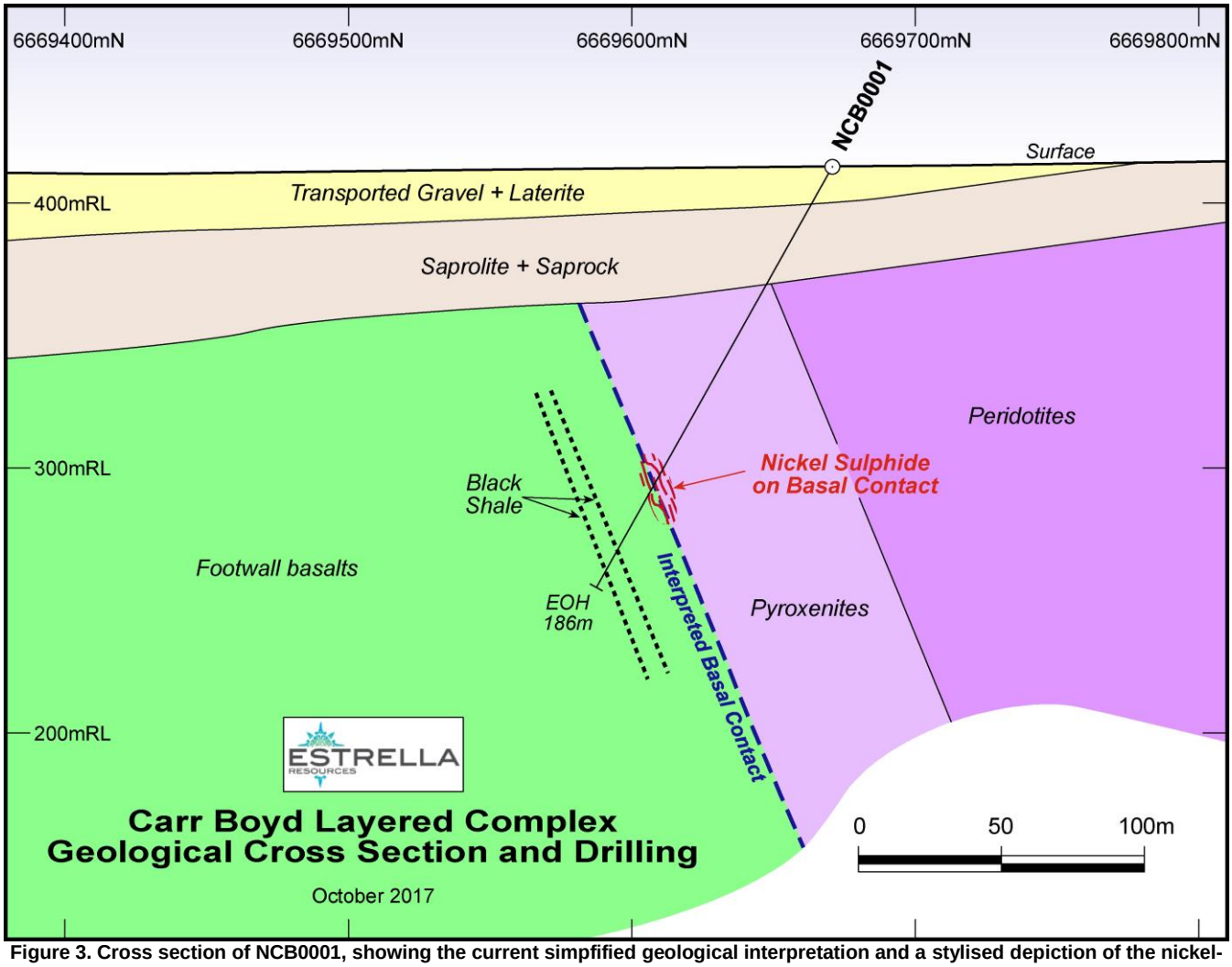

Figure 3. Cross section of NCB0001, showing the current simpfified geological interpretation and a stylised depiction of the nickel-copper sulpdides in the basal contact zone.

ABOUT THE PROJECT AND THE CBLC

The CBLC is a 75km2 layered mafic igneous complex, which hosts several occurrences of nickel and copper sulphides. The most significant occurrence discovered to date is at the Carr Boyd Rocks mine, where mineralisation is hosted by bronzitite breccias (pyroxenites) emplaced within the gabbroic sequence of the Complex. The CBLC is in a Tier 1 jurisdiction approximately 80km north north-east of Kalgoorlie Western Australia. An all-weather haul road accessible by Apollo under a granted miscellaneous license connects the Project to the Goldfields Highway via Scotia.

A “Voisey Bay” style model has not been adequately explored within the CBLC. This represents a compelling exploration target opportunity which the Company will continue to aggressively pursue.

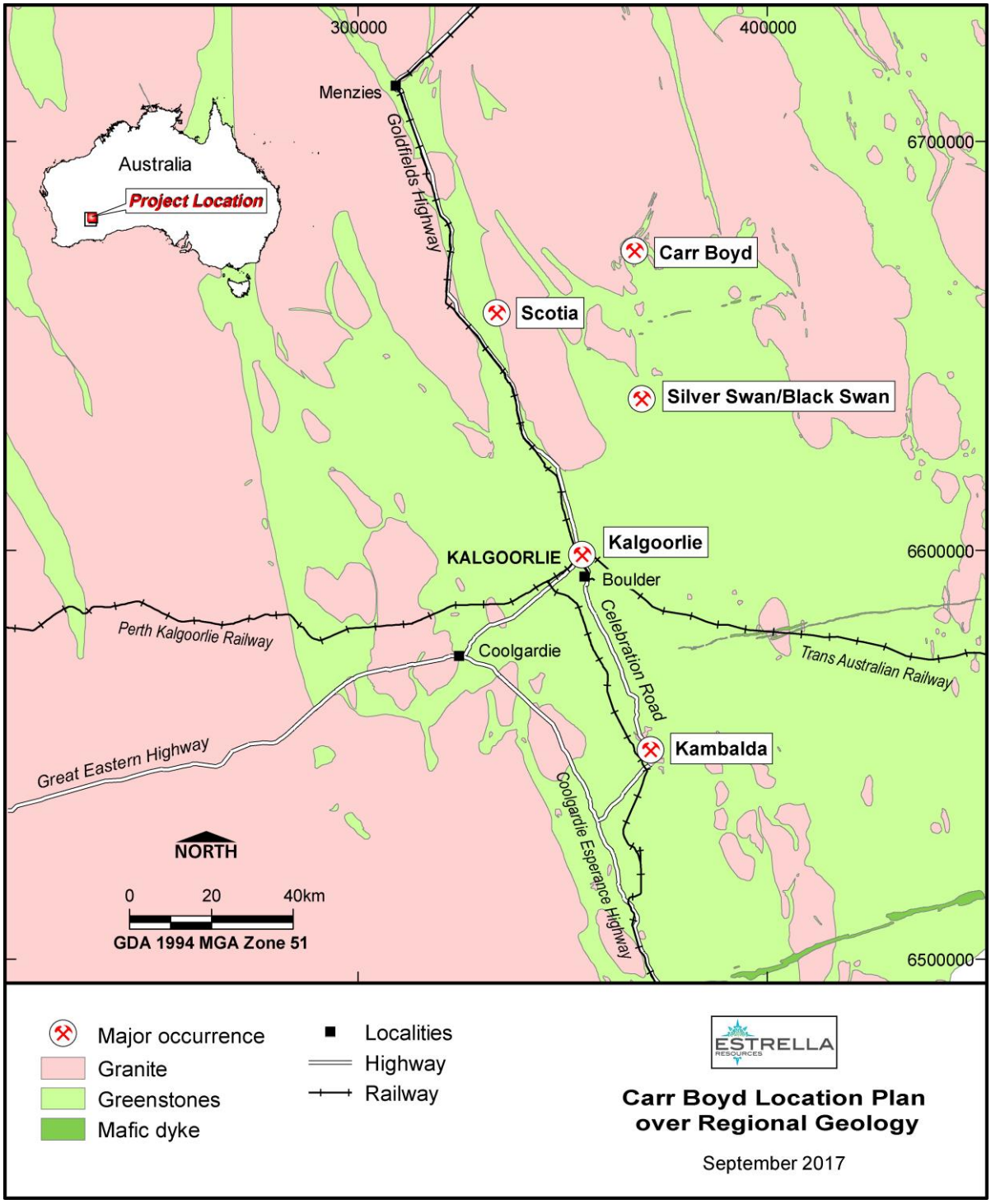

Figure 4. Location of Carr Boyd in relation to commercial centres and other major nickel projects.

DETAILS OF SULPHIDE INTERCEPTS IN NCB0001

Although observations are very much at a preliminary level given geological logging of the hole is yet to be completed, and the fact that the sulphides are often fine grained, making it difficult to discriminate sulphide species, a summary of sulphide intervals identified to date is tabulated below.

Table 1. Sulphide intervals in NCB0001. Abbreviations are Cpy = Chalcopyrite, Po = Pyrrhotite, Py = Pyrite, Sp = Sphalerite, Dissem = Disseminated.

From (m)	To (m)	Sulphide Abundance (%)	Species Identified	Host Rock	Definition
76.8	77	1 - 2	Cpy	Pyroxenite	Cloud
82.8	86.15	0.5 – 1.5	Po, Cpy	Gabbro	Cloud
86.15	91	0.5 – 1.5	Cpy, Po	Pyroxenite	Cloud
98.1	98.2	7 - 10	Cpy, Po	Peridotite	Blebby
102	104.7	1.5 – 2.5	Cpy, Po	Olivine Pyroxenite	Blebby
107	107.6	1.5 – 2.5	N/A, to fine grained	Gabbro	Dissem/Vein
110.5	112	2 - 3	Cpy, Po	Pyroxenite	Dissem
116.35	122.6	4 - 5	Po, Cpy	Gabbronorite	Dissem
122.5	122.8	20 - 25	Po, Cpy	Gabbronorite	Matrix
122.8	126.8	3 - 4	Po, Cpy	Basalt	Stringer
145	146	4 - 5	Po	Breccia	Dissem/Breccia
147.7	148	70 - 80	Po, Py	Basalt	Semi Massive
150.4	150.8	20 - 30	Po, Py	Anorthosite ?	Blebby/Stinger
152.6	157.4	30 - 40	Po, Py	Shale	Banded
161	169	4 - 5	Po	Basalt	Stinger
170.3	170.4	40 -50	Po	Shale	Banded
172.25	172.35	40 - 50	Po	Shale	Banded
179.7	182.5	30 - 35	Po, Sp, Cpy	Shale	Banded

Table 2. Tenement Schedule of the CBNP.

Schedule of Mining and Exploration Tenements							
Country	State/Region	Project	Tenement ID	Area Ha	Grant Date	Mineral Rights	Interest %
Australia	WA	CBNP	E 31/1124	623	1/05/2017	All	100
Australia	WA	CBNP	E 29/1012	178	Application	All	100
Australia	WA	CBNP	E 29/982	89	2/01/2017	All	100
Australia	WA	CBNP	E 31/726	542	3/04/2008	All	100
Australia	WA	CBNP	M 31/12	27	20/11/1984	All	100
Australia	WA	CBNP	M 31/159	8	21/01/1997	All	100
Australia	WA	CBNP	M 31/109	10	25/07/1991	All	100
Australia	WA	CBNP	E 31/1162	920	Application	All	100

Competent Person Statement

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

FURTHER INFORMATION CONTACT
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APPENDIX 3 JORC TABLE 1 - JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	• Not applicable, no sampling has been undertaken. • HXRF readings have been taken on the sulphide mineralisation but are not being reported as they are not considered representative. • HXRF readings have also been taken on unmineralised rocks
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Not applicable, no sampling has been undertaken.
	• Aspects of the determination of mineralisation that are material to the Public Report.	• Determination of mineralisation has been undertaken on a visual basis with the support of HXRF readings.

Criteria	JORC Code explanation	Commentary
	• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	• Not applicable, no sampling has been undertaken.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• NCB0001 was drilled by diamond core HQ triple tube from surface. • The core is orientated using a Reflex ACTIII orientation tool.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Sample core recoveries have averaged 94.73% to 104m. • Significant sample loss was encountered in the weathering profile. • Recoveries have been close to 100% from 50m downhole. • No relationship has been established between sample recovery and reported grade as no sampling has been completed.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Detailed industry standard drill hole logs are collected as the drilling progresses.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Not applicable as no sampling is being reported. • Host rock for nickel copper mineralisation is mainly pyroxenite, but also peridotite, and gabbro.
Quality of assay data and laboratory tests	• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	• The make and model of the handheld XRF instrument is an Olympus Delta DP-4050-C. • Reading times were 20 seconds per beam, three beams, total time 60 seconds. • Factory default calibrations were used.

Criteria	JORC Code explanation	Commentary
	• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• Standard reference material made from nickel copper sulphides was analysed to confirm accuracy of the readings..
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	• Not applicable as no assay data is being reported.
	• The use of twinned holes.	• No twin holes have been drilled.
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• The data for the hole is yet to be loaded into a database.
	• Discuss any adjustment to assay data.	• Not applicable as no assay data is being reported.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	• The hole was pegged by Cardno Surveys using a RTDGPS. • The rig was setup within 500mm of the peg.
	• Specification of the grid system used.	• GDA94_51
	• Quality and adequacy of topographic control.	• More than adequate given the early stage of the project
	• Data spacing for reporting of Exploration	• Not applicable as this is the first hole.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	Results.	
	• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	• Not Applicable, no Mineral Resource is being stated.
	• Whether sample compositing has been applied	• Not applicable as no assay data is being reported.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The drill line and drill hole orientation are oriented as close as possible to normal the interpreted target. • At this stage, we cannot determine the relationship between drilling direction and direction of mineralised structures.
Sample security	• The measures taken to ensure sample security.	• Not applicable as no assay data is being reported.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits or reviews have been conducted for this release as there is no data to audit.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Apollo Phoenix Pty Ltd holds a 100% interest in the nickel and base metal rights to the project which it has agreed to sell to ESR pursuant to a conditional agreement as announced on 16 October 2017. • There are no known impediments to operate in the area. • Refer to Table 2 of this announcement for the tenement schedule.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The Carr Boyd Rocks deposit was discovered by Great Boulder Mines, in a joint venture with North Kalgurli Ltd in 1968. The deposit was mined between 1972 and 1975, during which time they explored for additional breccia pipe occurrences near the mine. • WMC acquired Great Boulder Mines Ltd in 1975, briefly reopening the mine in 1977 before closing it permanently shortly thereafter due to a collapse in the nickel price. The mine had produced 210,000t at 1.44% Ni and 0.46% Cu before its closure. • From 1968 Pacminex Pty Ltd held most of the ground over the CBLC outside of the immediate mine area. Between 1968 and 1971 they conducted extensive exploration programs searching for large basal contact and/or stratabound Ni-Cu deposits. It was during this time that most of

Criteria	JORC Code explanation	Commentary
		the disseminated and cloud sulphide occurrences such as those at Tregurtha, West Tregurtha and Gossan Hill were discovered. • Defiance Mining acquired the regional tenements from Pacminex in 1987 and focused on exploration for PGE deposits between 1987 and 1990. In 1990 Defiance purchased the Carr Boyd Rocks mine from WMC and switched focus to the mine area between 1990 and 2001, leaving many PGE targets untested. • From 1990 Defiance dewatered the mine to conduct testwork and feasibility studies on the remnant mineralisation. Metallurgical testwork, mineral resource estimations and scoping studies were completed. Around 1996 the focus shifted again to regional exploration for large tonnage basal contact deposits. • In 2001 Titan Resources Ltd (Titan) acquired the project and recommenced economic evaluations of the remnant material at Carr Boyd Rocks before embarking on another regional exploration program focusing on the basal contact. An aeromagnetic survey, airborne EM reprocessing, and several programs of RAB and RC drilling were completed. • From 2005 Yilgarn Mining entered a JV with Titan and continued with some regional exploration, but focused most attention in and around the Carr Boyd Rocks mine. • In 2007 Titan was acquired by Consolidated Minerals Ltd (Consmin). Consmin conducted IP surveys and detailed gravity surveys, but did not drill any targets before selling the project to Salt Lake Mining (SLM) in 2013. SLM completed limited drilling to meet expenditure commitments, before selling the project to Apollo Phoenix Resources in 2016.

Criteria	JORC Code explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• The Carr Boyd project lies within the Achaean Yilgarn Craton in a 700km belt of elongate deformed and folded mafic, ultramafic rocks and volcanic sediments intruded by granitoids which is referred to as the Norseman-Wiluna Belt. The belt has been divided into several geological distinct terranes, with the project area lying at the northern end of the Gindalbie terrane (Swager, 1996). • The geology of the Carr Boyd area is dominated by the Carr Boyd layered mafic-ultramafic intrusive complex (CBLC). This layered intrusive covers an area of 17 km by 7 km and has intruded into an Achaean Greenstone/Granite succession. The CBLC is comprised of a basal sequence of dunites, which are overlain by peridotites / pyroxenites and above that by gabbros. The intrusion has been interpreted to have been tilted to the east with the geometry of the intrusive further complicated by regional deformation and folding. The sequence has been metamorphosed to upper greenschist to lower amphibolite facies. • Several distinctive styles of Ni and Ni-Cu mineralisation have been identified within the CBLC. At the Carr Boyd Rocks Nickel Mine Ni-Cu mineralisation is hosted within several 20 - 60m diameter brecciated pipe-like bodies that appear to be discordant to the magmatic stratigraphy. Mineralisation is hosted by a matrix of sulphides (pyrrhotite, pentlandite, pyrite and chalcopyrite) within brecciated Bronzite and altered country rock clasts. • Stratiform Ni-Cu-PGE mineralisation has been identified at several different stratigraphic levels within the layered magmatic complex. Low grade stratiform disseminated Ni-Cu-PGE sulphides have been identified at several locations within the basal parts of the complex and at shallower stratigraphic levels of the complex. The presence of Ni-Cu-PGE mineralisation within multiple

Criteria	JORC Code explanation	Commentary
		stratigraphic positions and of several unique styles of mineralisation highlights the potential of the CBLC for hosting a substantial Ni-Cu deposit.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length.	• NCB0001 is collared at 366578mE, 6669672mN, and 415mRL on GDA94 Zone51. The hole is drilling at -60 towards 200 grid azimuth. • The hole was terminated at 186.4m depth.
	• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• No information is excluded.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	• Not applicable as no assay data is being reported.
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No metal equivalents are used in this announcement.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole	• The drill line and drill hole orientation in relation to mineralisation orientation cannot be determined at this stage. • True width cannot be determined.

Criteria	JORC Code explanation	Commentary
	length, true width not known').	
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Appropriate maps and tables are included in the body of the Report.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Not applicable as no assay data is being reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating	• Not applicable as no assay data is being reported. • Geological observations are included in the report.

Criteria	JORC Code explanation	Commentary
	substances.	
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Follow-up exploration drilling is planned and is ongoing. • The potential for extensions cannot be determined at this stage given the preliminary stage of the program.