

Estrella Resources Limited

ABN 39 151 155 207

ASX Code: ESR

Board and Management

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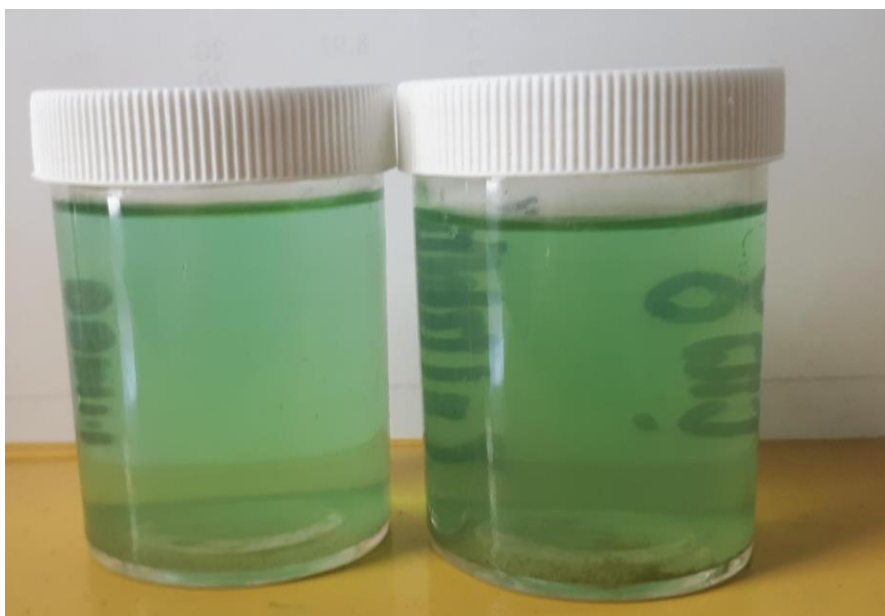
QUARTERLY ACTIVITIES REPORT

Quarter ending 31 March 2019

ASX RELEASE 29 April 2019

HIGHLIGHTS

- Review underway to re-activate Munda Gold Mine
- Alliance executed with Blue Cap Mining
- Programme of Work (POW) application submitted for drilling at Carr Boyd and Munda projects
- Metallurgical test work continuing Spargoville 5A drilling; preliminary results encouraging
- Placement raises \$500,500 in working capital
- Corporate Advisory executed with GTT Ventures
- New Chairman Mr Les Pereira appointed to the board



Picture 1. Water soluble Ni from 5A drill sample test work.

Estrella Resources Limited (ASX: ESR) (**Estrella** or **Company**) is pleased to provide its Activities Report for the quarter ended 31 March 2019.

WORK SUMMARY

The focus of fieldwork during the quarter was the Carr Boyd Layered Complex (CBLC), the Munda Gold Project and the Spargoville Nickel Project. At Spargoville, metallurgical test work continued on material from the 5A drilling program, which was completed last quarter. Preliminary results of the metallurgical test work have been encouraging. At Carr Boyd, a Programme of Work (POW) was submitted for drill testing of high priority EM targets as defined by the Phase II high powered ground electromagnetic survey. At Munda, a POW was submitted to test a high-grade area of the Mineral Resource, and preparations began for the re activation of a gold mining project.

CARR BOYD

The Company submitted a Programme of Work to drill the high priority Target 5 and Target A EM anomalies generated by the Phase II moving loop HPEM late 2018 (See ASX release dated 26 November 2018).

Target 5 is compelling from both a geophysical and geological perspective having both a relative mid-high conductivity and nickel sulphides being identified in historic exploration drilling approximately 100m south of the target area.

There were several historic high priority exploration targets and prospects in this area based on surface geochemistry, downhole geochemistry, aero-magnetics, ground gravity, and interpreted geology datasets. **HPEM has defined two significant conductor's indicative of the presence of well-developed sulphides associated with two of the exploration targets, Target 5 and Target A.**

Target 5 is expected to be tested in the June Quarter 2019, subject to POW approval with detailed planning completed.

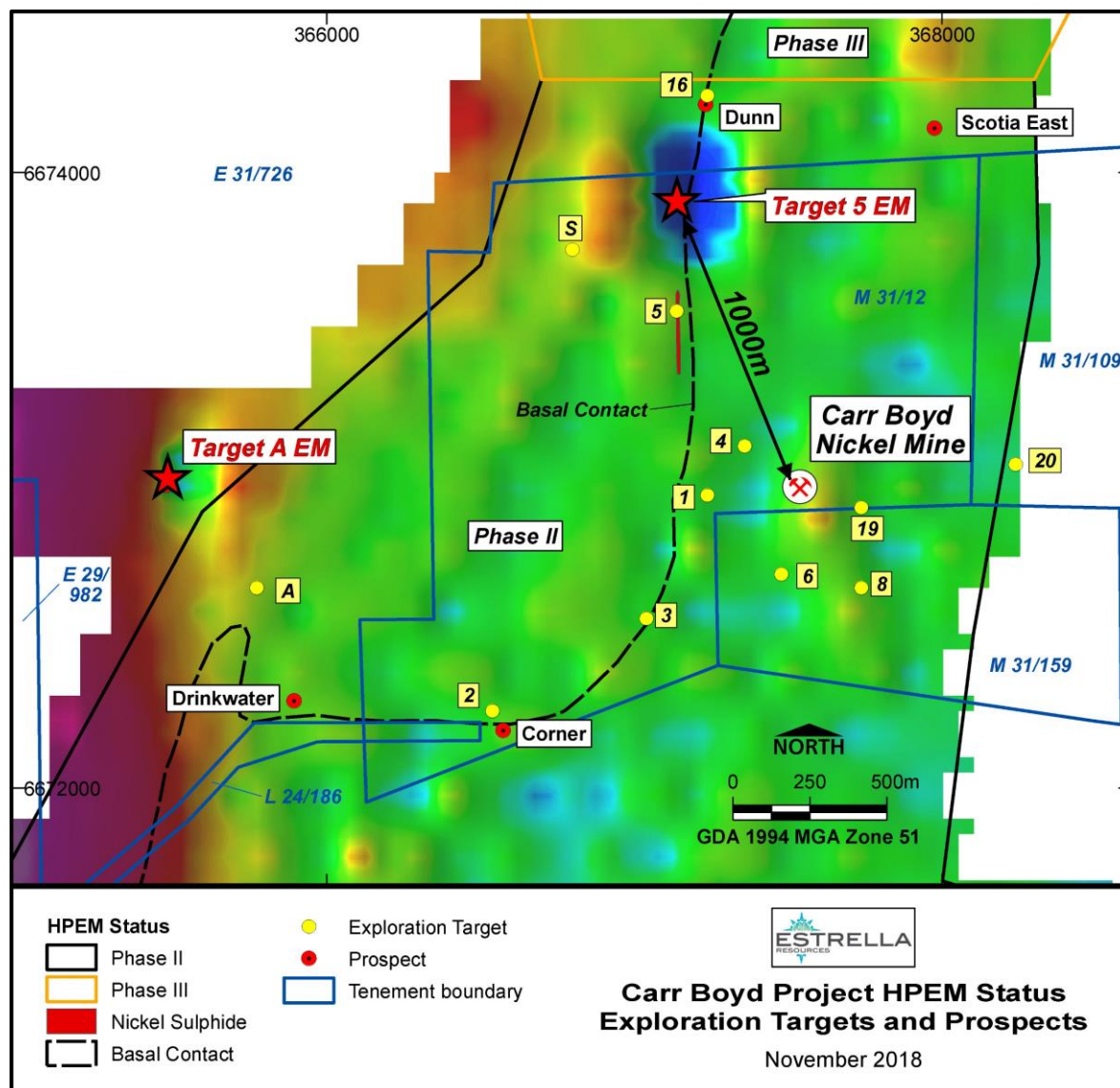


Figure 1. HPEM imagery map, showing the locations of two new EM targets at Target A and Target 5. The location of Carr Boyd mine, advanced prospects (red dots), and targets (yellow dots) are also shown. The interpreted basal contact is in a black dashed line.

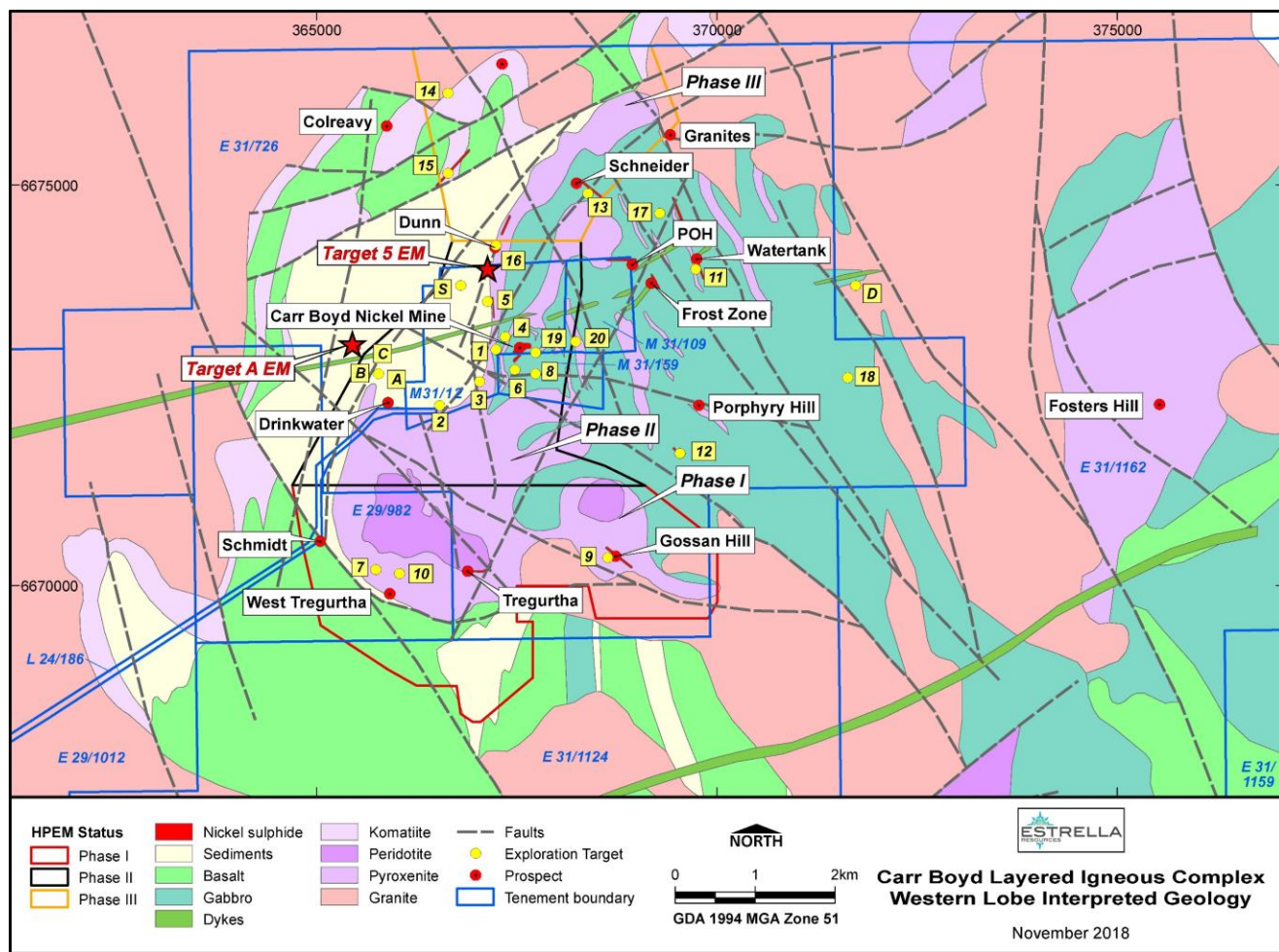


Figure 2. Geological map of the CBLC with outlines of Phase I and Phase II HPEM. The planned Phase III extension to the north is shown in mustard outline. Also shown are all ranked exploration targets (yellow dots) and advanced prospect locations (red dots).

TARGET 5

The first known report of this target appears in an internal company report written for Titan Resources in 2004. It is described again in an internal company report written for Yilgarn Mining in 2008.

The target is defined by a 450m long zone of highly anomalous nickel and copper mineralisation in drilling, located approximately 100m south of the newly defined EM conductor. The mineralisation and EM conductor appear to be located on or very close to the interpreted basal contact position of the CBLC. Historic drilling does not appear to have tested the conductor defined by the recently completed Phase II HPEM.

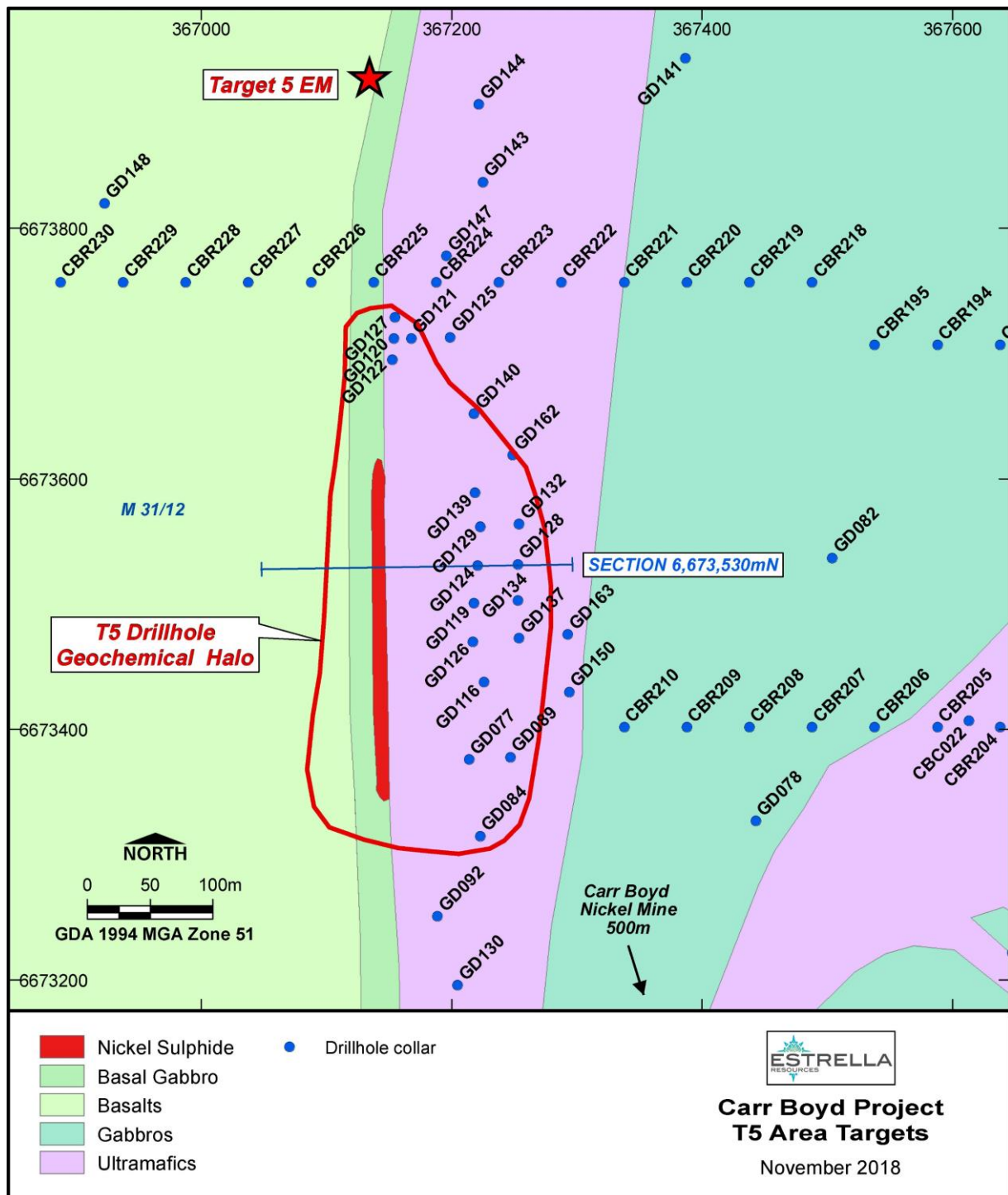


Figure 3. Geological map showing the location of the T5 EM conductor, The T5 geochemical halo and nickel sulphide location, drillhole collar locations, and distance to the Carr Boyd Mine.

The EM conductor is discrete and moderately to highly conductive. The modelled conductance is 3000 – 5000S, making this a very high priority drill target.

Historic drilling returned many anomalous results over a 450m strike length of the interpreted basal contact at Target 5. The best of which was 3.35m at 0.79% Ni and 0.35% Cu, including 0.61m at 2.12% Ni and 0.56% Cu from 100.89m in GD124.* This occurs in a zone of disseminated and matrix sulphide on the interpreted basal contact of the CBLC. This is very positive support for the EM conductor located approximately 100m along strike to the north.

*Refer to ESR announcement “EM Confirms Two High Priority Targets at Carr Boyd” 26 November 2018

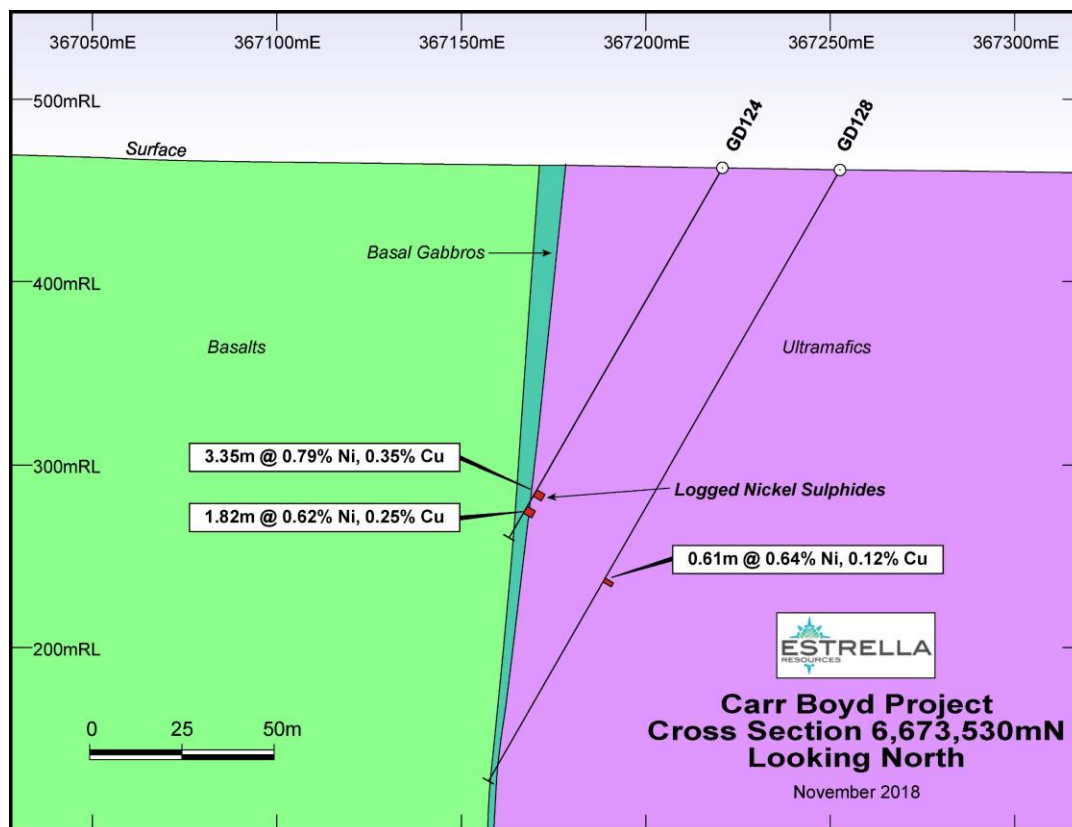


Figure 4. Key cross section through Target 5 showing the location of nickel sulphide intercepts.*

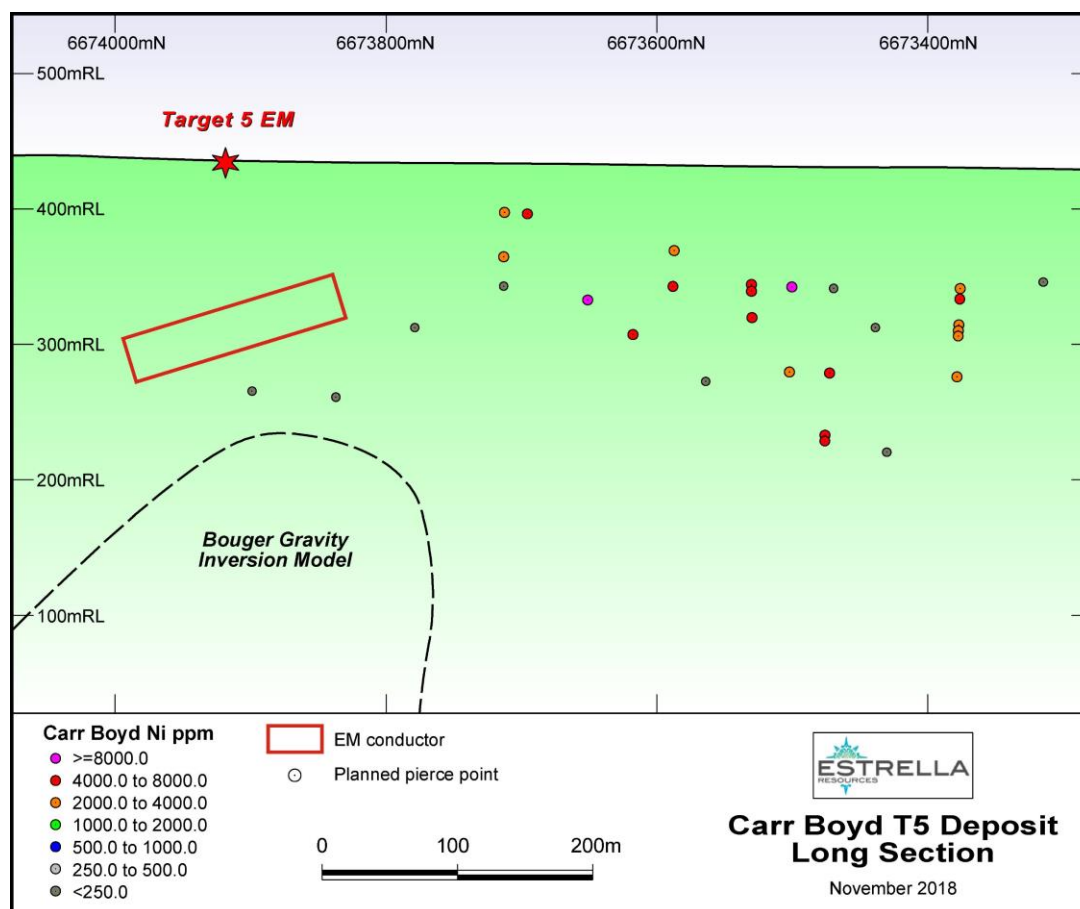


Figure 5. Long section of Target 5 showing drillhole pierce points coloured by nickel grade, the EM model, and a bouger gravity inversion model located at depth.*

*Refer to ESR announcement "EM Confirms Two High Priority Targets at Carr Boyd" 26 November 2018

TARGET A

This is a conceptual satellite style target located on an interpreted fault outside of the CBLC, in the footwall sequence. The target area also appears in the Titan and Yilgarn Mining reports, although the newly defined EM conductor is located approximately 200m further west, on a different magnetic feature.

A diamond drillhole spudded by Defiance Mining in 1997, DD97CB043 appears to target the conductor position, suggesting it was detected by a SiroTEM survey completed at that time. The aim is to locate the hole collar in the field and have it picked up by a licensed surveyor. If the hole can be re-entered and gyro surveyed that will also be completed. As geological logs are not available for the hole, the core will be re logged and physical property tests carried out on it to determine the best course of action for the EM target.

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 Estrella 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.

MUNDA PROJECT

A review commenced to re-activate Munda Gold Mine during the quarter. The aim is to maximise the potential of the Munda Gold Asset considering continued strength in the A\$ gold price. Munda contains a JORC 2012 inferred resource of 511,000t @ 2.82g/t Au for 46,337 contained ounces of gold*. The Company engaged with finance and mining service groups to explore potential arrangements for the project development.

Given the current gold price of approximately A\$1,820 per oz, the Company sees that an opportunity could exist for a small mining operation targeting a high-grade component of the deposit. Munda is a pre-existing open pit gold mine that was operated by Resolute Gold Mines in 1999 before gold prices fell causing its premature closure. Gold ore was processed conventionally at the nearby Higginsville CIL gold processing facility at the time.

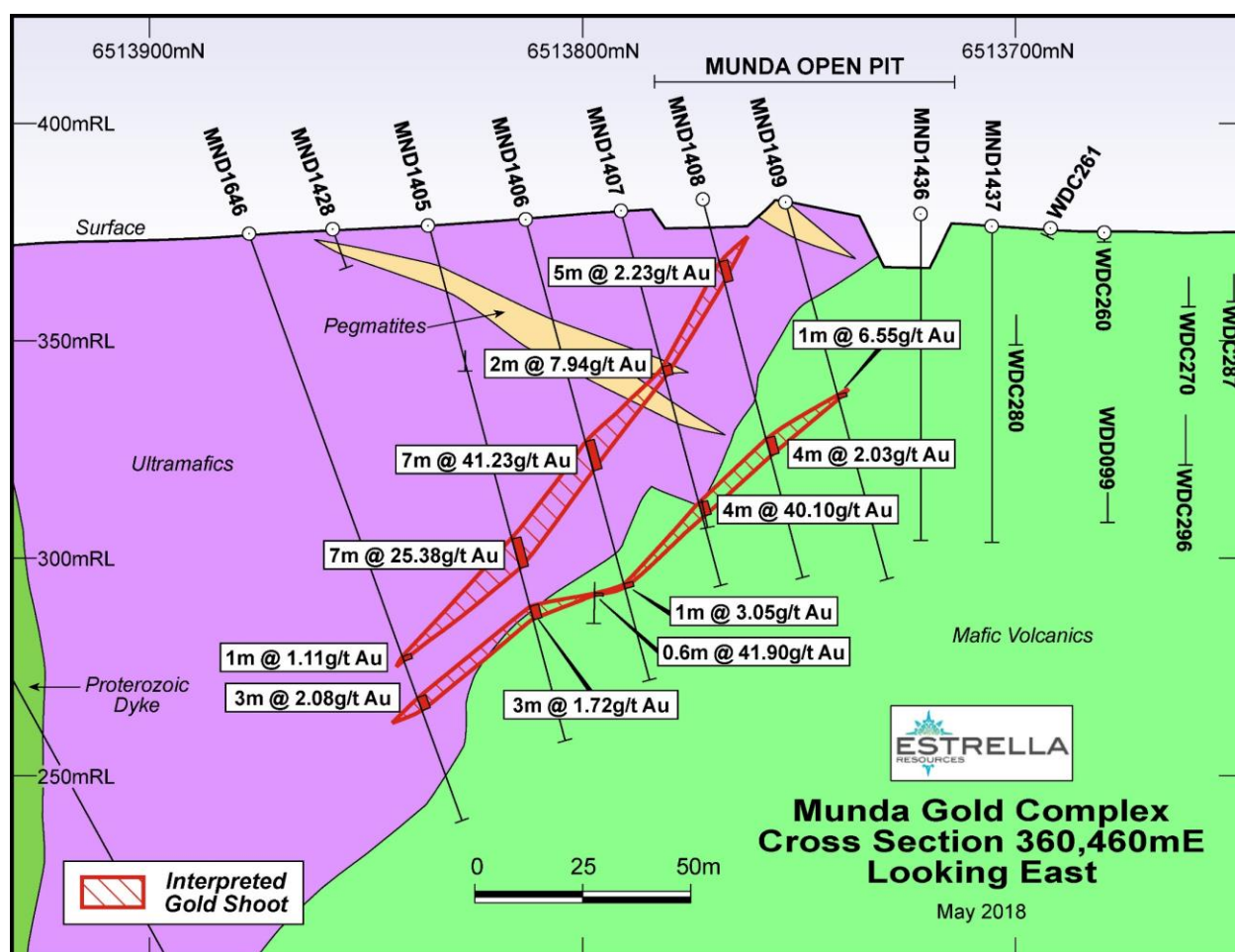


Figure 6. Cross section of Munda showing some of the thicker higher-grade gold intercepts and interpreted gold shoots.^x

The Company plans to test a new “plunging shoot” structural interpretation to the high-grade gold mineralisation. The additional drilling and assay information obtained from this work will be used to update the current JORC2012 Mineral Resource of 511,000t @ 2.82g/t Au for 46,337 ounces Au.^x

Drilling is expected to be undertaken in the current quarter, subject to POW approval.

Table 1. Munda Gold Mineral Resource Estimate^x

Resources			Metal Grade	Contained Metal
Category	Cut off (Au g/t)	Tonnage (Kt)	Gold (g/t)	Gold (oz)
Inferred	1	511	2.82	46,337
Total	1	511	2.82	46,337

^xRefer to ESR announcement “ESR to Acquire Munda Gold and Spargoville Nickel Projects” 04 September 2017

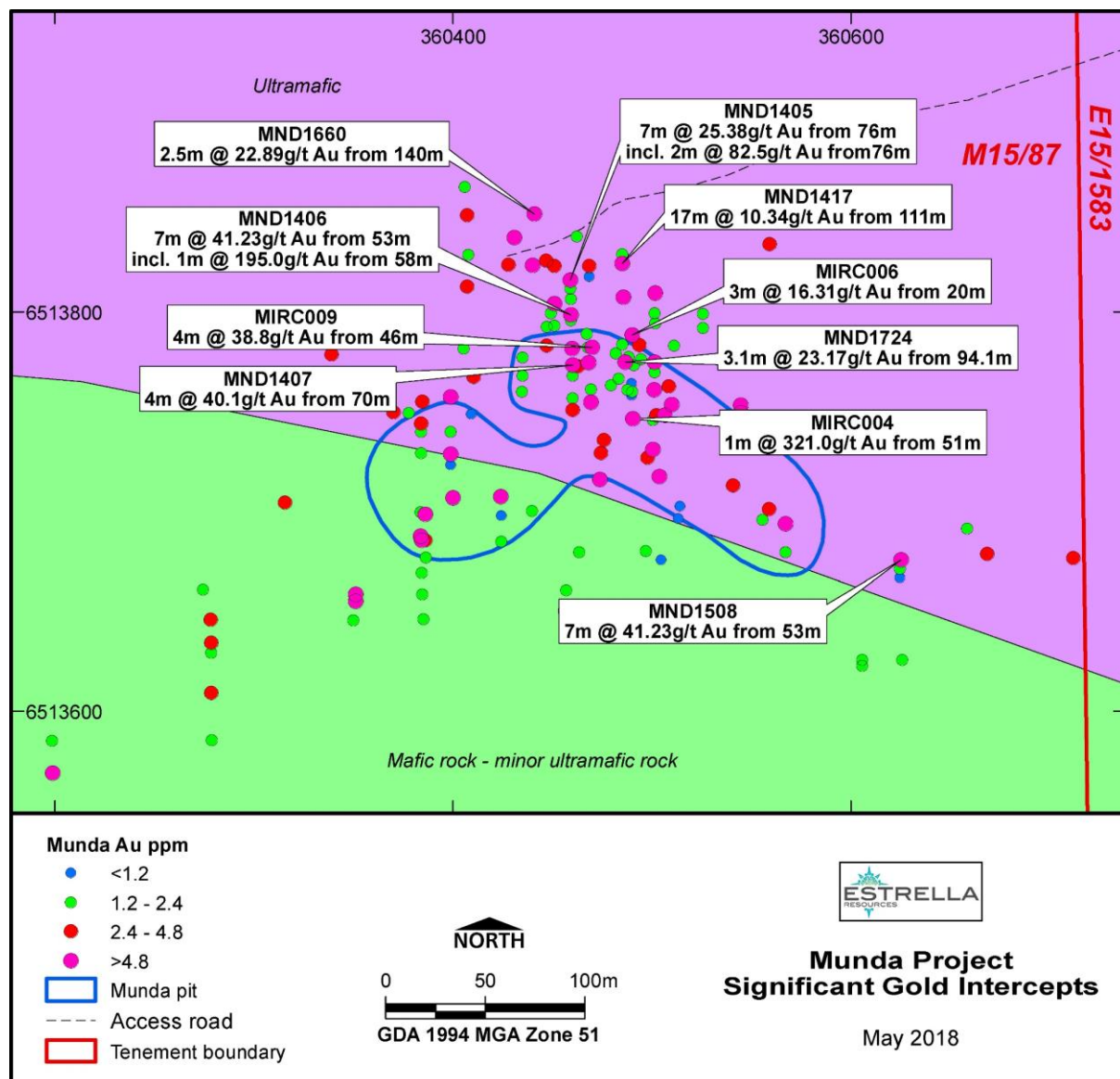


Figure 7. Plan showing previous high-grade gold intercepts*

*Refer to ESR announcement "ESR to Acquire Munda Gold and Spargoville Nickel Projects" 04 September 2017

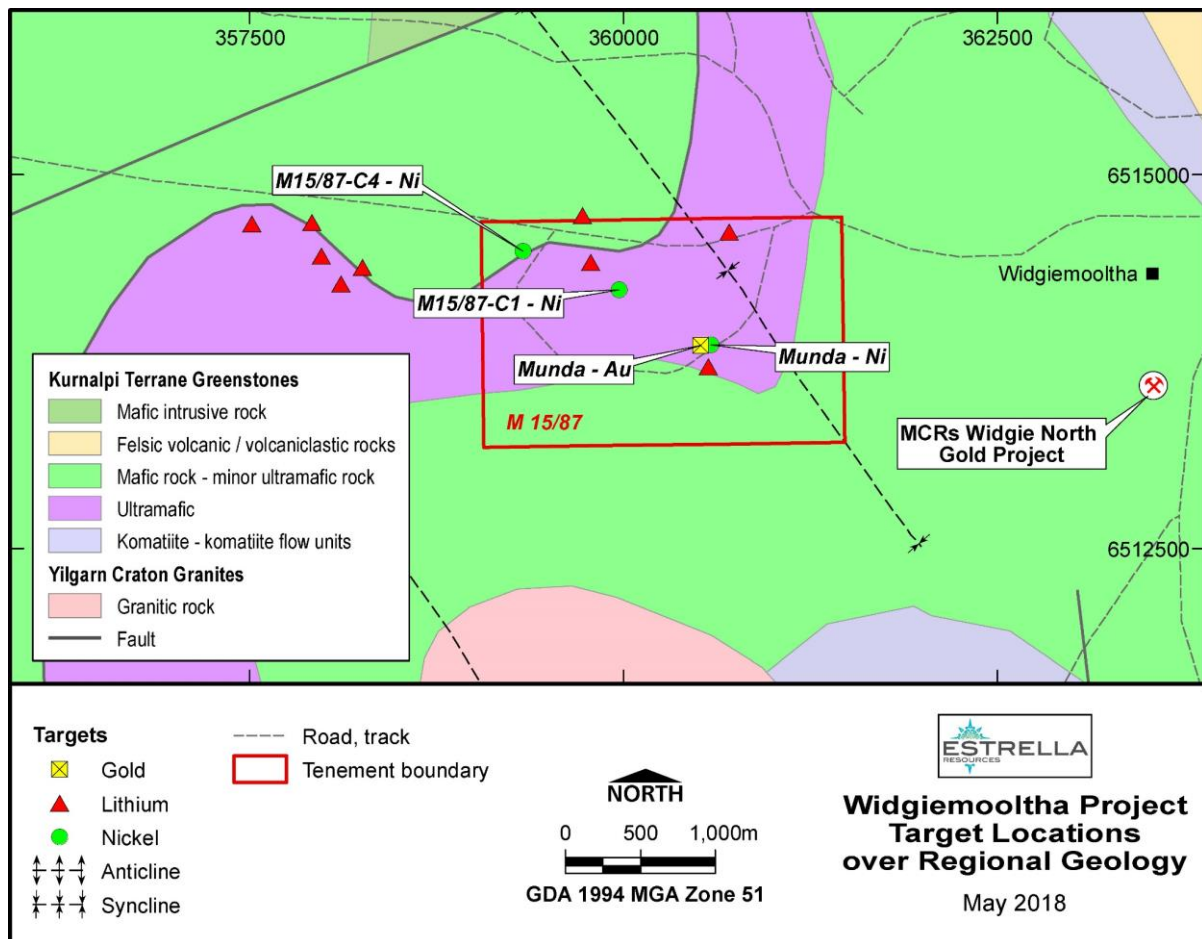


Figure 8. Geological map showing the location of the Munda project, exploration targets on M15/87, and other relevant nearby landmarks.

Post the March Quarter end on the 2 April 2019 the Company executed a Letter of Intent (LOI) to form an Alliance with Blue Cap Mining Pty Ltd to pursue the development of the Company's high-grade Munda Gold Project.

BCM is a private open pit mining contractor and project manager with the ability to fund the working capital needs of the Munda Gold Project during its early phase of operations. It has experience in developing small resources projects in WA and Queensland including the successful Red Dog and Penny's Find Gold Projects.

BCM has reviewed the Munda Gold Project and believes it is worth pursuing on multiple key considerations including;

- it is close to numerous gold ore processing solutions and infrastructure,
- the Munda gold ore grade is sufficient to lower project sensitivities,
- additional drilling has the potential to increase ore reserves,
- identified high-grade ore near surface capable of generating early revenue,
- Munda sits within a granted mining lease with previous mining history.

The parties see benefit in an Alliance where the distinctive resources of both entities are combined to bring the Munda Gold Project towards production. It is envisaged that BCM would make available their existing model of a working capital facility and open pit services to fund the early phase of the open pit mining operation at Munda. The LOI is non-exclusive nor binding upon the parties until such time as formal agreements are entered into.

SPARGOVILLE 5A TARGET

Recent drilling exceeded the Company expectations at 5A. The presence of elevated platinum group and cobalt mineralisation in the results is also a very encouraging development for the project.

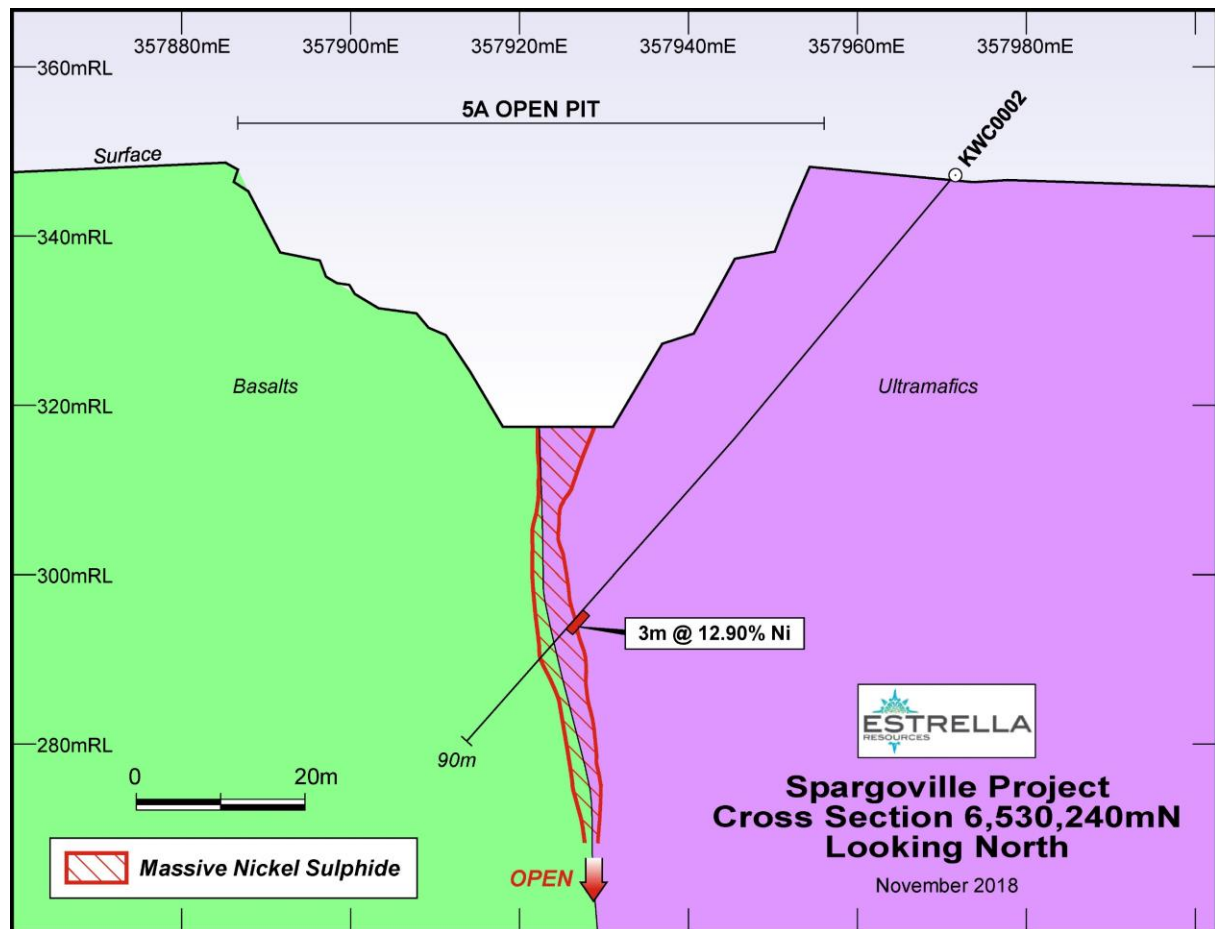


Figure 9. Cross Section of Spargoville 5A showing the drill hole trace for RC hole KWC0002. Note historic drilling has been left off the cross section for clarity.*

Metallurgical Test Work of 5A Ore Zone

Bulk samples were collected from the drill spoils to conduct metallurgical test work during the quarter. The metallurgical test work program was ongoing at the end of the quarter. Preliminary results are encouraging.

Additional tests are underway to identify the mineralogy of the nickel in the flotation tailing followed by flotation tests using alternative reagents and are aimed at maximising water-insoluble nickel recovery.

Test work has also commenced post March Quarter end to identify the optimal process route for recovering water-soluble nickel and copper.

*Refer to ESR announcement "Spectacular Maiden Drill Results Spargoville" 06 December 2018

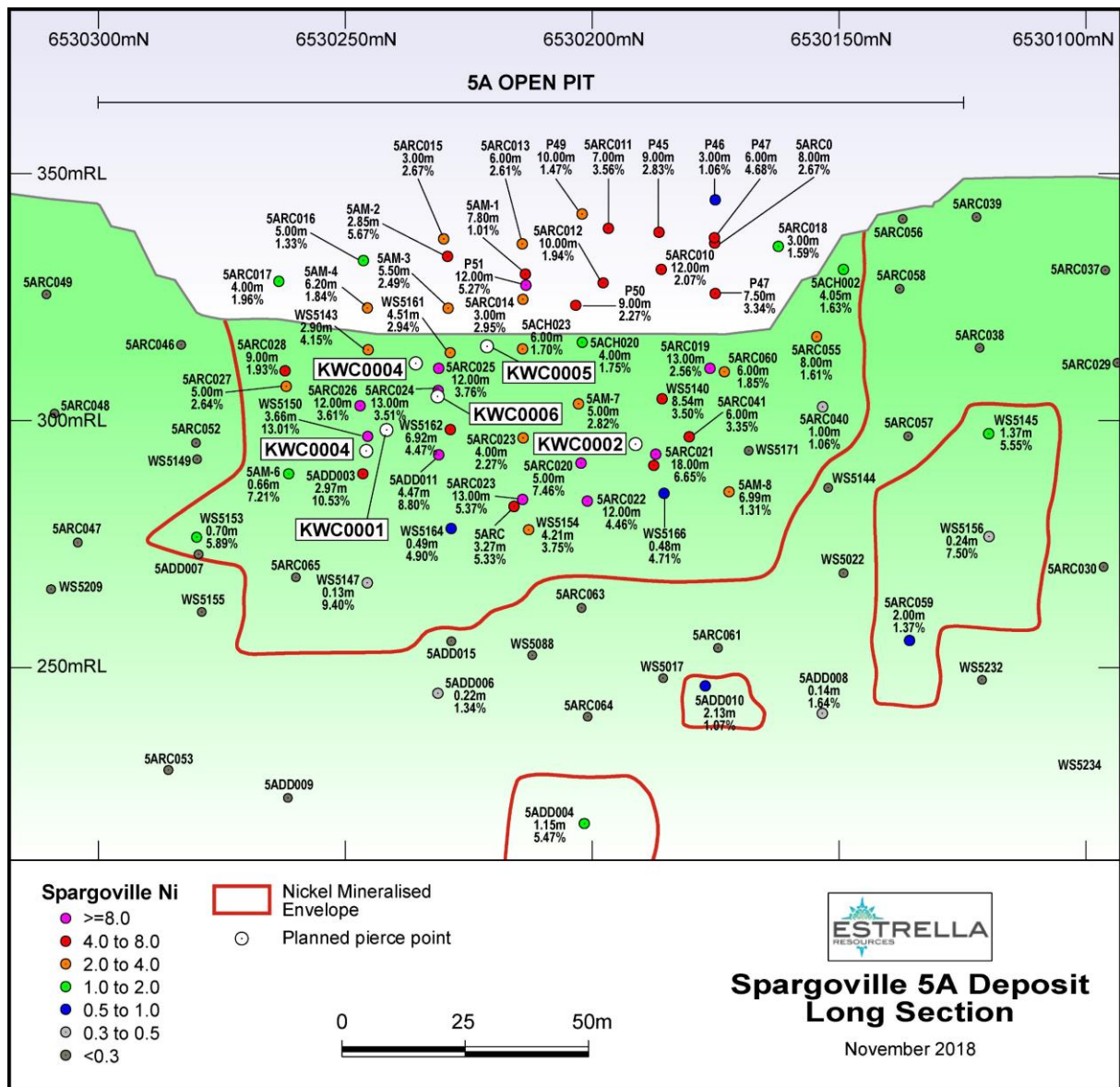


Figure 10. Long section of Spargoville 5A showing the pierce point locations of the new RC holes, KWC0001, KWC0002, KWC0003, and KWC0005*

*Refer to ESR announcement "Spectacular Maiden Drill Results Spargoville" 06 December 2018

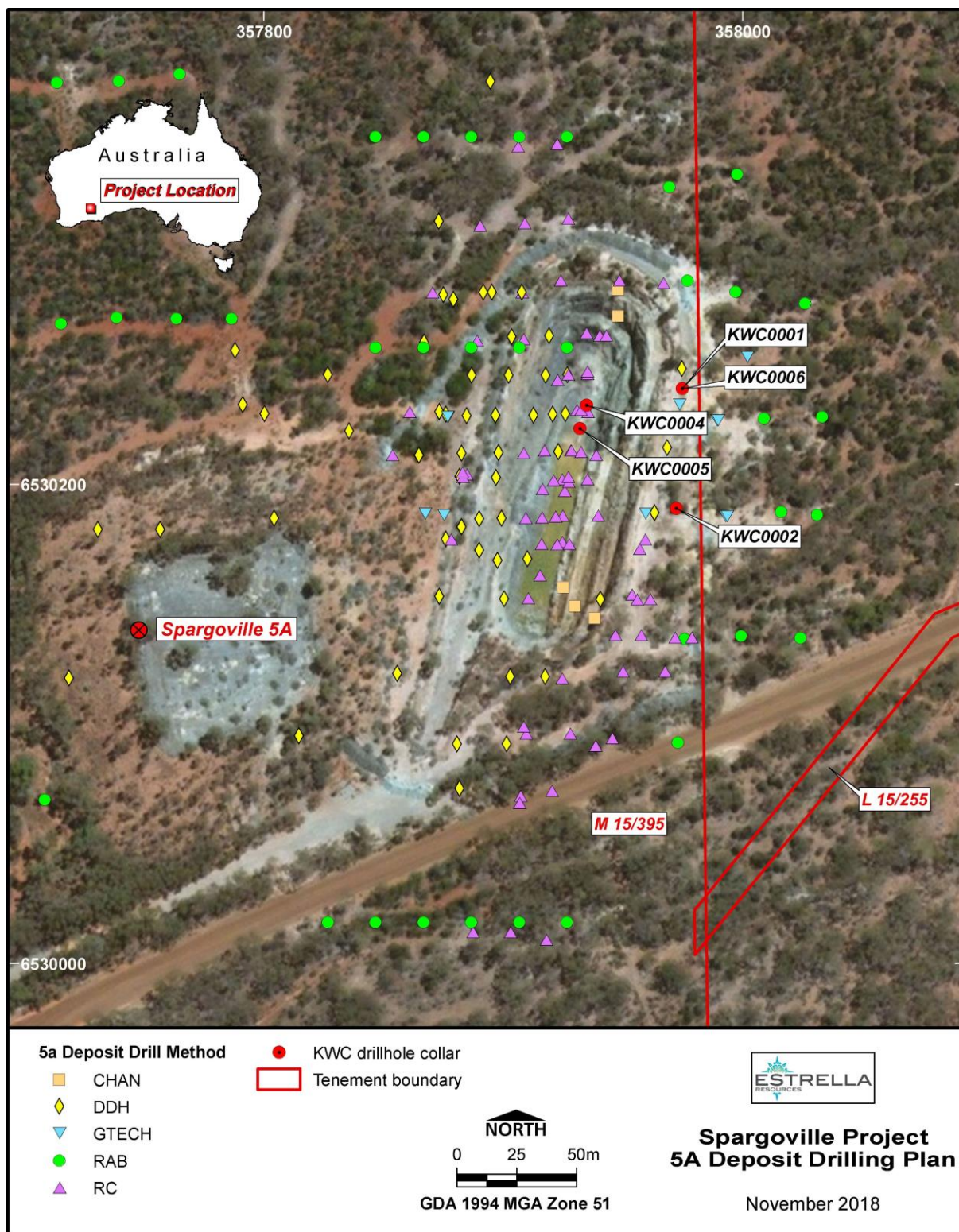


Figure 11. Map showing location of the 5A open pit, and the drill collars for the intercepts reported in this announcement

CORPORATE

The Company appointed Mr Les Pereira as new Director and Chairman of Estrella Resources Limited during the March Quarter replacing Mr Ray Shorrocks.

The Company appointed GTT Ventures as Corporate Advisors and issued 30,769,231 listed \$0.05 exercise options expiring June 2021 to GTT Ventures as part of their advisory fees.

CAPITAL

The Company's cash balance as at 31 March 2019 was A\$504,000. During the quarter the Company, with assistance from GTT, raised \$500,500 cash via the placement of 38,500,000 fully paid ordinary shares in the Company with a 1:2 free attaching listed option exercisable at \$0.05 expiring June 2021.

Fully Paid Ordinary Shares	530,383,292
Listed options exercisable	\$0.05 on or before the 27 June 2021 – 233,980,328
Unlisted options exercisable	\$0.024 on or before 31 March 2020 - 8,250,000
	\$0.05 on or before 15 May 2021 – 5,500,000
	\$0.05 on or before 27 June 2021 - 17,000,000
	\$0.40 on or before 13 November 2019 – 1,375,000

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 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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Chief Executive Officer

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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	E31/1162	-	100
Australia	WA	Munda Nickel & Gold Project	M15/87	-	100
Australia	WA	Spargoville Nickel Project	M15/395	-	100*
Australia	WA	Spargoville Nickel Project	M15/703	-	100*
Australia	WA	Spargoville Nickel Project	M15/1828	-	100*
Australia	WA	Spargoville Nickel Project	L15/128	-	100*
Australia	WA	Spargoville Nickel Project	L15/255	-	100*

**Nickel rights only - underlying tenements held by third parties.*