

13 July 2020

ASX ANNOUNCEMENT

Sale of Munda Gold Project at Widgiemooltha

Estrella Resources Ltd (**ASX:ESR**) (**Estrella**) is pleased to advise that following a competitive tender process in which ESR received significant interest, it has reached commercial terms to dispose of its interest in the Munda Gold Project. ESR's wholly owned subsidiary WA Nickel Pty Ltd, has entered into a Binding Letter of Offer ("Offer Letter") with Widgie Gold Pty Ltd, a wholly owned subsidiary of Auric Mining Limited ("Auric"), to dispose of the Munda Gold Project (M15/87) for total consideration of \$1,750,000, receivable as follows:

- \$10,000 non-refundable cash deposit (already received by ESR);
- \$1,090,000 cash on settlement (subject to the key conditions set out below);
- \$350,000 cash on the Munda Project reaching a total combined gold mined and unmined inferred resource (at a cut-off of 1.0 g/t) of 75,000 ounces post the date of the Offer Letter; and
- \$300,000 cash on the Munda Project reaching a total combined gold mined and unmined inferred resource (at a cut-off of 1.0 g/t) of 100,000 ounces post the date of the Offer Letter.

Auric are an unlisted public Company that are intending to list on the ASX through an Initial Public Offering ("IPO") within the next 12 months. Settlement of the sale of the Munda Project under the Offer Letter is subject to the following key conditions being satisfied:

- completion of material due diligence by Auric on the Munda Project;
- entry into a formal tenement sale agreement by the parties;
- ESR providing Auric with all mining expenditure data and invoices to support the \$1,100,000 upfront cash consideration which is payment for acquisition and exploration costs incurred by ESR in respect of the Munda Project; and
- ESR obtaining all necessary third party consents to the transfer of the Munda Project.

The Offer Letter otherwise contains other terms, conditions, warranties and obligations which are standard for an agreement of this nature. Settlement is expected to occur two days after shareholder approval, unless extended by mutual agreement of the parties.

The Company intends to seek shareholder approval subject to ASX Listing Rule 11.4 in respect of the disposal of its interest in the Munda Gold Project, and will prepare and dispatch a notice of meeting for this purpose at a later date. Funds received from the sale of Munda will allow the Company to focus on



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its core assets, in particular the Carr Boyd Nickel Copper Project whereby the Company plans to complete three 600m deep diamond core holes at the T5 Prospect. The planned drilling will test the contact at depth below, to the north and to the south of the T5 sulphide mineralisation and will commence following the settlement of the Munda Gold Project sale.

ENDS

The Board of Estrella Resources Limited has authorised for this announcement to be released to ASX.

FURTHER INFORMATION CONTACT

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