



ABN 39 155 151 207

3 August 2020

**Company Announcements
ASX Limited**

A\$1.4M PLACEMENT

Estrella Resources Ltd (ASX: **ESR**) ("**Estrella**" or "**the Company**") is pleased to announce that it has received firm commitments from sophisticated investors to raise \$1,050,000 (before costs) via a placement ("**Placement**") of 150,000,000 ordinary shares at an issue price of \$0.007 per share ("**Placement Shares**"). The issue price per Placement Share of \$0.007 represents a discount of 12% to the last traded price of the Company's shares on the ASX. The Placement Shares will be issued in two tranches with 75,000,000 shares being issued in Tranche 1 (under ESR's existing placement capacity) and 75,000,000 Shares in Tranche 2 (subject to ESR obtaining the necessary shareholder approvals).

The subscribers to the Placement will receive 1 free attaching option, exercisable at \$0.02 on or before 31 July 2023 for every 1 Placement Shares subscribed, being a total of 150,000,000 Options ("**Attaching Options**") (subject to ESR obtaining the necessary shareholder approvals).

In addition to the Placement, the Directors of the Company also intend to undertake a placement of an additional 50,000,000 ordinary shares at an issue price of \$0.007 per share ("**Company Placement**") to sophisticated investors to raise \$350,000, with 1 free attaching option for every share subscribed on the same terms as the Attaching Options. The Company Placement, and the free attaching options, will be issued subject to shareholder approval. The Directors and Management of the Company intend to participate in the Company Placement subject to ESR obtaining the necessary shareholder approvals.

The Company also intends to undertake a placement of 200,000,000 Options exercisable at \$0.02 expiring on or before 31 July 2023 at an issue price of \$0.0001 per option ("**Options Placement**") to sophisticated investors. 100,000,000 of the options to be issued under the Options Placement will be to clients of CPS Capital Group and the remaining 100,000,000 options will be placed by the Directors of the Company to sophisticated investors. The options issued pursuant to the Options Placement (and the options issued as part of the Placement Shares and the Company Placement) will be unlisted, but it is the intention of the Company to apply for quotation of the Options in due course, subject to satisfaction of the quotation requirements of the ASX Listing Rules.

The Placement was managed by CPS Capital Group Pty Ltd ("**CPS**"), whereby CPS will receive a 2% Management fee and Placement fee of 4% of all funds raised under the Placement and Options Placement. The funds will be used to commence drilling activities at the Company's Carr Boyd Nickel Project as announced on 16 June 2020 and for general working capital. Drilling is booked in to start on Monday 10th August. Further details on this campaign will be announced in due course.

Allotment of the Tranche 1 Placement Shares is expected to occur on or about 7 August 2020 under the Company's existing placement capacity:

- 23,749,169 shares to be issued under the Company's ASX Listing Rule 7.1 capacity; and
- 51,250,831 shares to be issued under the Company's ASX Listing Rule 7.1A capacity.

Issue of the Tranche 2 Placement Shares and Attaching Options, Company Placement Shares and Options Placement will be subject to shareholder approval and the Company will send out a notice of meeting with further details to ESR Shareholders in the coming weeks. In the event that shareholders do not approve the issue of the Attaching Options, then no Attaching Options (or substitute securities) will be issued to the participants. Upon completion of the Placement, and following the issue of the securities that require shareholder approval, the capital structure of the Company will be as follows:

	Shares	Options
Current issued capital	534,647,797	270,480,328
Placement Shares and free attaching options	150,000,000 ¹	150,000,000 ^{2,3}
Company Placement Shares and free attaching options	50,000,000 ^{2,3}	50,000,000 ^{2,3}
Options Placement	-	200,000,000 ^{2,3}
TOTAL	734,647,797	670,480,328

1. 75,000,000 Tranche 1 Placement Shares to be issued on or about 7 August 2020 with the Tranche 2 balance of 75,000,000 shares to be issued subject to shareholder approval.
2. Subject to shareholder approval.
3. Options are exercisable at \$0.02 on or before 31 July 2023. The Options will be issued as unlisted with the Company intending to apply for quotation of the Options subject to ASX Listing Rule requirements.

ENDS

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

For Further Information Contact

Christopher J. Daws
 Chief Executive Officer

E-mail: info@estrellaresources.com.au