

17 September 2020

ASX ANNOUNCEMENT

New Targets Defined at Carr Boyd Rocks, MLHPEM Testing Planned

HIGHLIGHTS

- New Ni-Cu-Co targets were defined following geochemical auger drilling program completed earlier in the year over the NW portion of the Carr Boyd Nickel Project.
- Field validation identified gossanous sulphides and copper oxide mineralisation at defined prospects,
- A High Powered Electro-Magnetic Moving Loop (MLHPEM) survey will commence shortly to extend over the new eastern target zones.
- Drill testing to commence once MLHPEM is completed and targets defined.

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to announce that new Ni-Cu-Co targets have been defined and validated at the Carr Boyd Nickel Project (CBNP or the Project). A MLHPEM geophysical survey is scheduled to commence in the coming weeks over the newly identified target areas. The CBNP comprises the Carr Boyd Layered Complex (CBLC or the Complex) which is a magmatic sulphide system that hosts the historic Carr Boyd Rocks nickel-copper mine. Carr Boyd was the first magmatic hosted style of nickel deposit discovered and mined in WA. It was discovered in the late 1960's and produced 202,110t of ore at an average grade of 1.43% Ni and 0.46% Cu between 1973-1977.

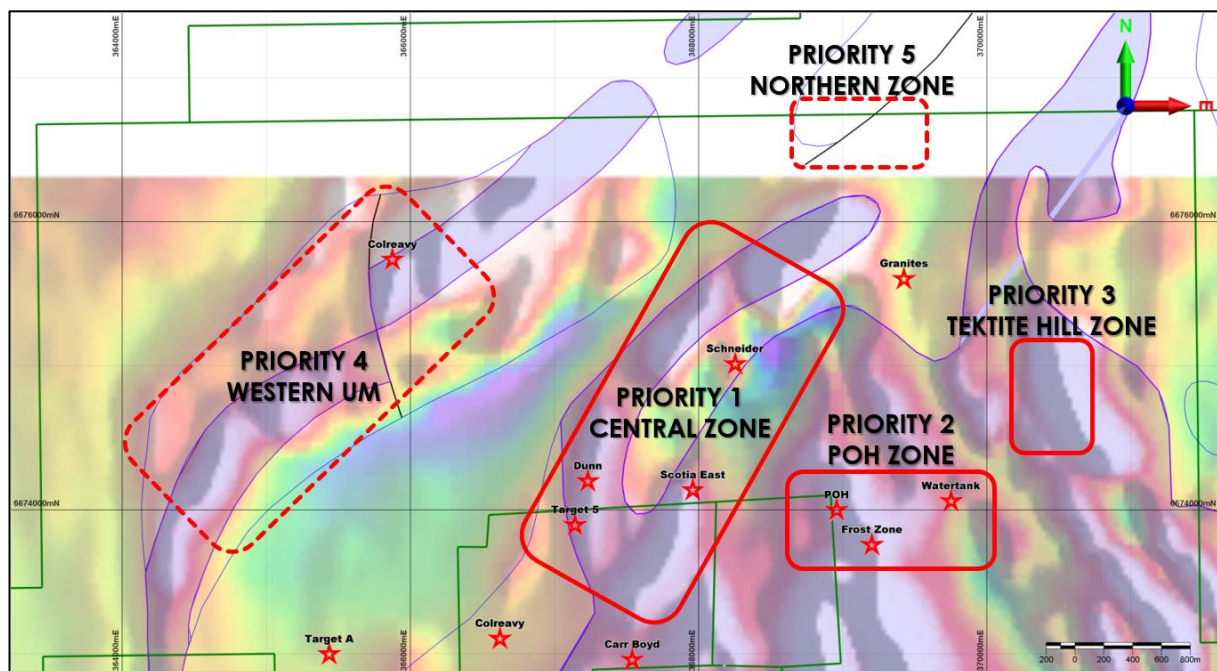


Figure 1. Defined geochemical Target Zones on aeromagnetics with simplified geological interpretation. The Central Zone is currently the focus of drilling, with POH Zone and Tektite Hill now the focus of HPEM geophysical surveying.

The Company completed an extensive geochemical auger drilling program earlier in the year (ASX: 24/04/20 New Nickel & Gold Targets Identified) which identified several new target zones as shown at Figure 1.

Field investigation of the eastern target zones was completed during the current diamond drilling program at the Target 5 nickel discovery. The field work resulted in the validation and discovery of gossanous material (oxidized sulphides) and copper oxide mineralisation (malachite-azurite) in shallow pits at POH and Watertank prospects (Figure 1 & Figure 2).



Figure 2. Copper oxide minerals (green-blue) and gossanous sulphides (dark brown) mineralisation in shallow scrapings/pits at POH prospect (368961E/6674000N)

Anomalous Ni-Co was identified in the east of the project area during the geochemical auger drilling. During follow up field validation the anomaly was identified as being associated with a silica capped and weathered ultramafic hill (Figure 3) with gossanous sulphidic subcrops on the hill. Tektite Hill extends for approximately 250m x 200m and is truncated to the north by granites and buried by transported cover to the south.



Figure 3. Rubbly silica capped ultramafic with gossanous zones at Tektite Hill. This sits on a truncated magnetic high which has not been drill tested and shows promising anomalous auger geochemistry.

Chris Daws, CEO said “Carr Boyd continues to provide high impact targets which require further detailed investigation. The T-5 nickel sulphide discovery was uncovered by Estrella’s previous MLHPM work and it will be exciting to see what the Phase IV program will provide from what certainly looks like a fertile metalliferous environment. Estrella’s work is ongoing across the project area with diamond drilling at T-5 currently in progress. I look forward in updating shareholders further as our endeavors to unlock a world class ore-body at Carr Boyd continues.”

The Company has commissioned Southern Geoscience Consultant to commence a High Powered Electro-Magnetic Moving Loop (MLHPM) geophysical survey using 200 amp powered equipment with B field sensors. The survey to commence in the coming weeks will extend eastwards from the previous survey areas and cover the POH Zone and new Tektite Hill Zone as shown at Figure 4.

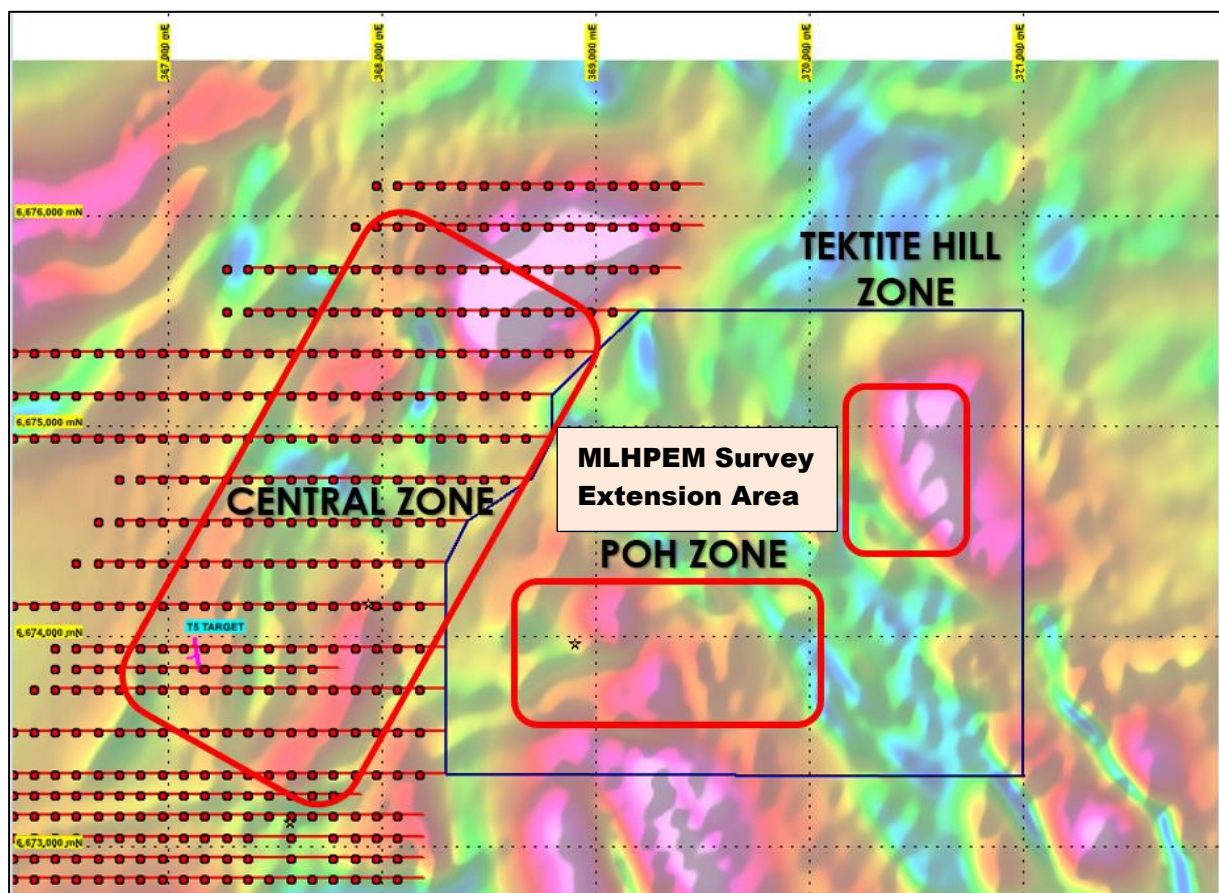


Figure 4. Previous HPEM stations on aeromagnetics covering the Central Zone and Target 5 area which is the current focus of drilling. The central box defines the new target area for the HPEM extension survey which covers the POH Zone and Tektite Hill Zone.

The Company advises that recent drone video footage of the Carr Boyd Rocks diamond drilling program and mine area is also now available to view on its website pages. The footage can be viewed by following the link provided below;

<https://www.estrellaresources.com.au/projects/carr-boyd-nickel-project/>

ABOUT THE PROJECT AND THE CBLC

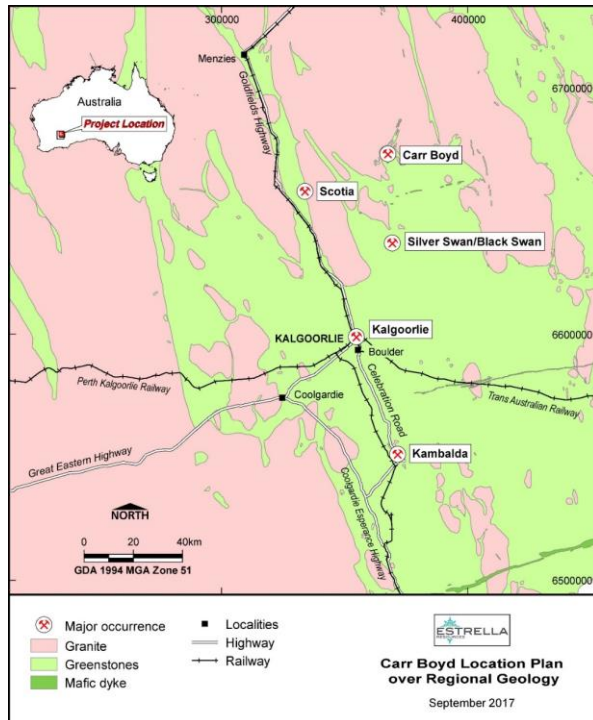


Figure 5. Location of Carr Boyd Project

The Carr Boyd Nickel Project (CBNP) is a magmatic hosted sulphide system which comprises the Carr Boyd Layered Complex (CBLC or 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. Estrella holds 259km² of contiguous tenure over the entire magmatic mafic-ultramafic layered complex

The CBLC hosts the historic Carr Boyd Rocks nickel mine which was the first magmatic hosted style of nickel deposit discovered and mined in WA. It was discovered in the late 1960's and produced 202,110t of ore at an average grade of 1.43% Ni and 0.46% Cu between 1973-1977.

Komatiites flows have been the main source of developed nickel sulphide mines in WA and have been explored extensively since the late 1960's. Due to their well understood geochemistry, formation, and high-grade sulphide enrichment process within defined channels, most of the studies and exploration programs in WA have focused on discovering this style of mineralisation. The Kambalda-Kalgoorlie-Leinster-Laverton Goldfields Region has been the main focus for komatiite exploration, with limited potential existing outside this region. Greenfields discoveries of komatiite nickel have all but dried up in the Goldfields Region and its only deep brownfields exploration that is delivering new nickel deposits.

Elsewhere around the world, large scale magmatic nickel deposits are the norm, producing world-class deposits with long productive mine lives. In WA, magmatic nickel deposits occur scattered throughout the state, however, they have had a long and slow history of discovery, development and understanding. It is only in recent years, since the discovery of the Nova-Bollinger deposit (2012) in the Fraser Range (which had been historically explored for over 40yrs), that a string of magmatic nickel deposits have suddenly been discovered. As komatiite sources dry up, focus and understanding around magmatic nickel deposits is starting to gain momentum, resulting in exploration companies looking at various mafic-ultramafic bodies which have had limited to no exploration completed over them to date. This is resulting in a new level of understanding in WA on the formation/deposition of nickel-copper sulphides within magmatic rocks, leading to a wave of new discoveries.

Interest in magmatic nickel-copper deposits have had a resurgence with the recent discoveries of magmatic hosted sulphide mineralisation at Legend Mining's (ASX:LEG) Rockford Project and Chalice Gold Mines (ASX:CHN) Julimar Projects. A "Voisey Bay" magmatic 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.



Competent Person Statement

The information in this announcement relating to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Neil Hutchison, who is a consultant to Estrella Resources, and a member of The Australasian Institute of Geoscientists. Mr. Hutchison 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. Hutchison consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

FURTHER INFORMATION CONTACT

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