28 May 2019

ASX ANNOUNCEMENT

NICKEL COPPER DISCOVERY CARR BOYD ROCKS

HIGHLIGHTS

- **Nickel and Copper discovery made at T5 EM drill target**
    - **11m of mineralised basal contact zone intersected**
        - **Including 5m of strong matrix-style nickel and copper sulphides**
- **High Power Down Hole Transient EM to be undertaken immediately to vector next drilling into discovery**
- **Drilling confirms potential of the Carr Boyd Layered Complex (CBLC)**

Figure 1. Estrella's CEO sampling the sulphide zone within CBP042 at Carr Boyd.

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to provide shareholders with an exploration update from the recent targeted drilling of the T5 EM target within the Carr Boyd Nickel Project (CBNP or the Project). The CBNP is comprised of the Carr Boyd Layered Complex (CBLC or the Complex).

T5 EM Drilling Success

RC drilling into the T5 EM target previously identified by the Company in its Phase II high powered ground Moving Loop Electro-Magnetic (MLEM) program has resulted in the discovery of significant magmatic nickel and copper sulphides on what is believed to represent a basal contact position of the CBLC approximately 1,200m North Northwest of the Carr Boyd Rocks Nickel Mine.

Two RC drill holes, CBP042 and CBP043, were completed to test the T5 EM conductor plate. CBP043 intersected a minor disseminated sulphide zone between 125-127m down-hole and was completed at 180m. CBP042 was drilled approximately 40m north of CBP043 and intersected a basal zone of disseminated and matrix nickel-copper sulphides from 126-137m including 5m of strong matrix-style nickel and copper sulphides between 132-137m depths (Figure 2). CBP042 was drilled to a down-hole depth of 234m to facilitate deep DHTEM testing of the discovery area.

Both CBP042 and CBP043 have been cased with 50mm PVC in readiness for the DHTEM testing later this week, as this geophysical work is required to vector the next round of drilling at the new discovery area.

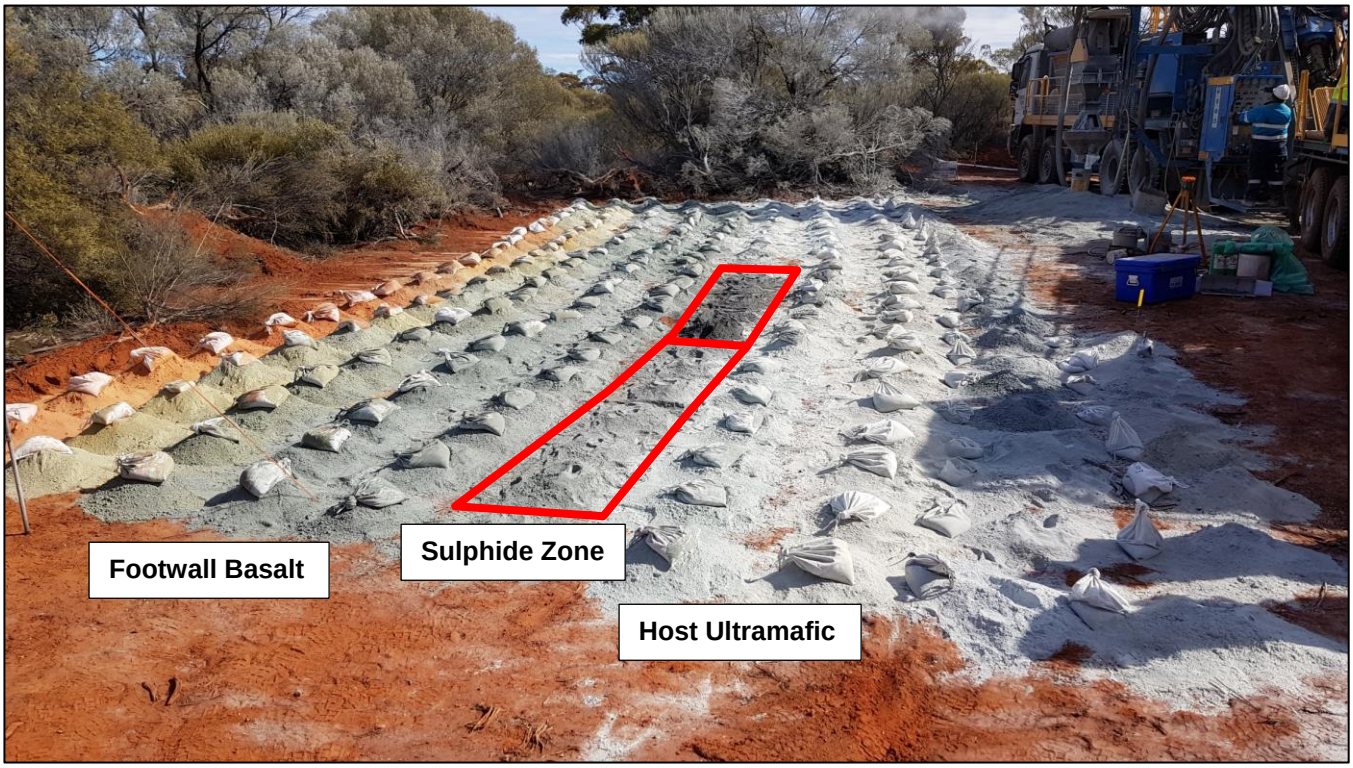

Figure 2. Sulphide mineralised samples within CBP042 at Carr Boyd. Black samples are the higher grade, sulphide rich matrix zone.

The nickel and copper sulphides have been confirmed via visual inspection of RC drill chips and through handheld XRF analysis in the field (Figure 3 over). The hole was drilled from the footwall basalt unit and into the base of the host ultramafic which intersected 6m of disseminated to highly disseminated Ni-Cu bearing sulphides, which then develops into a 5m thick zone of matrix style sulphides comprising nickel bearing pyrrhotite with associated copper bearing chalcopyrite mineralisation along the contact between the two rock units (Figure 2 above). The mineralisation appears to be north plunging and is open to the north, up and down dip, as well as at depth. The results should be considered preliminary and subject to confirmation in the subsequent laboratory assays.

This is the most significant result achieved to date by the Company at the CBLC and Estrella is confident it is on the verge of unlocking the nickel potential of the Carr Boyd area. By combining the geophysical results of the upcoming DHTEM survey with advanced nickel sulphide geological modelling, Estrella is confident that the Company's consultants can vector the next drilling program towards success at the new T5 target zone.

Company Chief Executive Officer, Chris Daws said “it is pleasing to get such a significant result after a number of previous drilling set-backs. I would like to congratulate our technical team on such a great result. It has reinforced my belief that the CBLC could host a significant nickel/copper ore-body and I look forward as we continue with our work programs”.

Once DHTEM and assay results are received detailed plans and sections will be released. Samples are currently being assayed by a commercial laboratory in Perth and will be released upon receipt and interpretation.

Figure 3. Geological logging and XRF sampling of the matrix sulphide zone within CBP042 at Carr Boyd.

ABOUT THE PROJECT AND THE CBLC

The CBLC is a 75km^2 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 the Company 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.

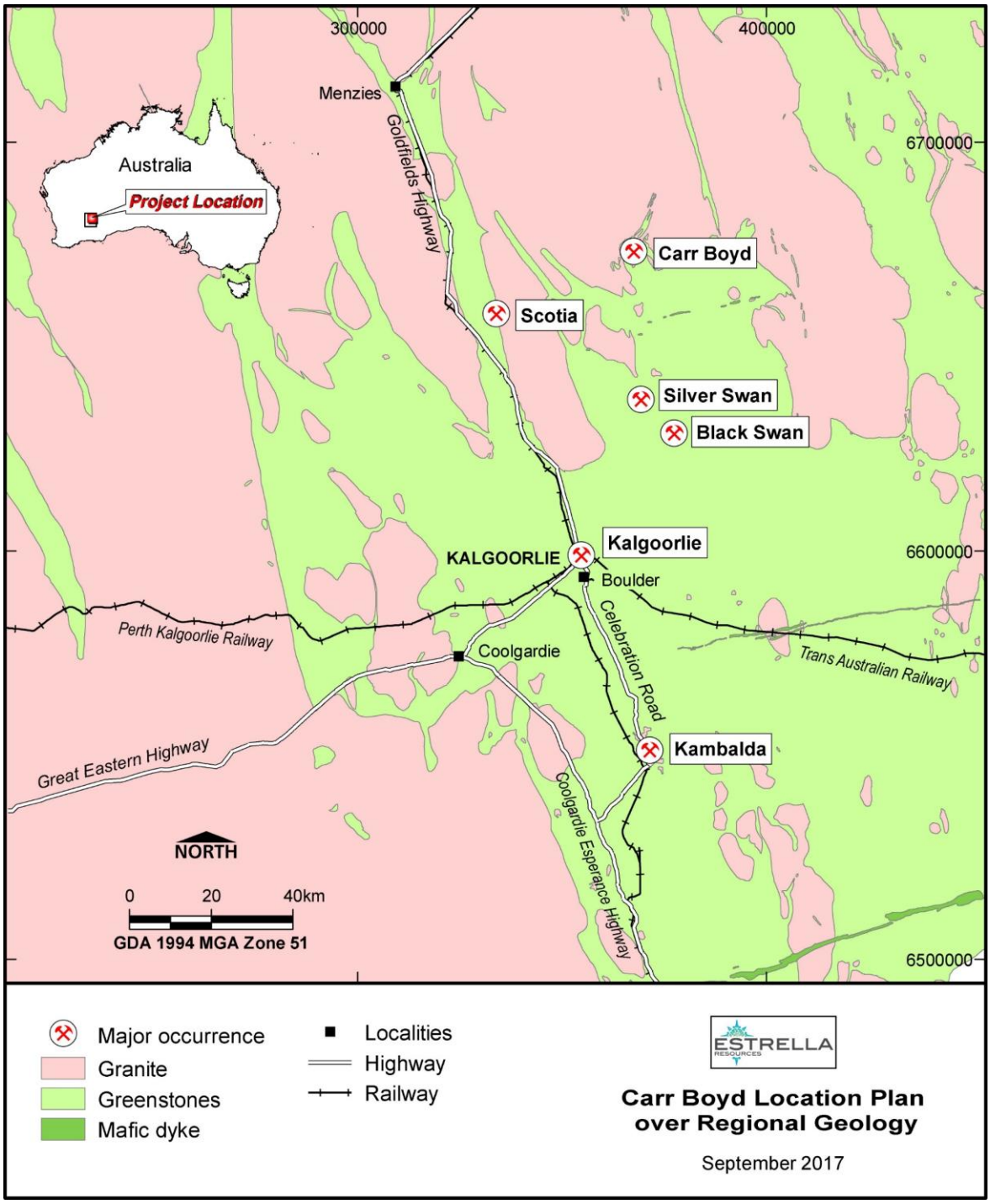

Figure 4. Location of Carr Boyd relation to commercial centres and other major Ni projects.

Table 1. Drill Hole Collar Details

Drill Hole Collar Details						
Hole ID	**Hole Type**	**Depth**	**Dip**	**Azimuth**	**East_MGA**	**North_MGA**
CBP042	RC	234m	-60	090	367069	6673940
CBP043	RC	180m	-60	095	367073	6673896

Table 1. Schedule of Tenements

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	6229	1/05/2017	All	100
Australia	WA	CBNP	E 29/1012	1780	20/09/2017	All	100
Australia	WA	CBNP	E 29/982	890	2/01/2017	All	100
Australia	WA	CBNP	E 31/726	5419	3/04/2008	All	100
Australia	WA	CBNP	E31/1162	9,196	26/03/2018	All	100
Australia	WA	CBNP	M 31/12	266	20/11/1984	All	100
Australia	WA	CBNP	M 31/159	79	21/01/1997	All	100
Australia	WA	CBNP	M 31/109	98	25/07/1991	All	100
Australia	WA	CBNP	L24/186	279	13/04/2007	N/A	100

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 of Geolithic Geological Services, 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.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company’s planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may”, "potential," "should,", “further” and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in Mineral Resources.

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.	• RC samples have been split on the rig by a cone splitter attached to a cyclone. • 4m composite sample are collected from the sample spoils using a scoop for all intervals, the 1m cone spilt samples are collected in their original calico sample bag along the length of favourable targeted horizons. • A handheld XRF tool was used to verify the mineralisation with samples reporting >0.4% Ni in disseminated zones and >1% Ni in the matrix sulphide zones. • XRF results have not been reported and are used as a logging/sampling verification tool only. • No other measurement tools other than directional survey tools have been used in the holes.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• Cone splitting is considered an industry best practice method for ensuring sample representivity.
	• Aspects of the determination of mineralisation that are material to the Public Report.	• Determination of mineralisation has been based on geological logging and confirmation using a pXRF machine. Samples have been dispatched for laboratory analysis. • Determination of mineralisation will be subsequently reported on laboratory assay results, with samples above 4000ppm Ni and or 500ppm Cu considered mineralised.
	• 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	• Reverse circulation drilling was used to obtain 1m samples from which a nominal 2-3 kg (depending on sample recovery) was pulverised. • 4m composite sample were collected through zones determine to be non-mineralised for data set completeness. • Samples have been dispatched to a commercial laboratory in Perth for analysis • Sample will be analysed using a 4 acid digest with ICP-OES and ICP-MS finish for 13 base metal elements.
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).	• Drilling was undertaken by a 5 ½ inch face sampling RC hammer with a 5 ¾ inch button bit on 5-inch rods.
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.	• All sample were dry and sample recovery was reordered in the field by the geologist based on sample spoil size. • Sample recovery in both holes was high with negligible loss of recovery observed. • No relationship has been established between sample recovery and reported grade as the project is in its preliminary stages. Different sampling and drilling techniques will be used in future to establish a baseline for this purpose.

Criteria	JORC Code explanation	Commentary
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 of sieving each interval and collecting drill chips in chip trays was undertaken and drill hole logs are recorded in Micromine Software as the drilling progressed. • The entire length of both holes was logged.
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.	• Samples are rotary cone split to achieve a nominal 2-3kg split sample for laboratory submission • The sample preparation technique is considered industry best standard practice • Blank Standard reference material was inserted into the sample stream to determine laboratory cleanliness. • No field duplicates have been collected in this program. Field duplicates will be collected during the next phase of sampling with mineralised zones of varying grade selected for duplicate samples. • 4m composites and 1m splits where collected through the mineralised zone to compare results. • Sample sizes are appropriate to the grain size of the mineralisation.
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. • 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.	• No results from geophysical tools are being reported. • No handheld XRF results are reported however the tool was used to verify the mineralisation with reporting >0.4% Ni in disseminated zones and >1% Ni in the matrix sulphide zones. • This is yet to be determined to the very small dataset and preliminary nature of the project.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel.	• Preliminary reporting at this stage • Umpire checks will be completed on the higher-grade samples in due course.
	• 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 was collected and logged using Micromine Software. The data will be loaded into an externally hosted and managed database and loaded by an independent consultant, before being validated and checked, then exported and send back to ESR for analysis.
	• Discuss any adjustment to assay data.	• No adjustments have been made. Assays pending
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 holes were pegged by Geolithic Geological Services using a hand held GPS $\pm$ 3m • The rig was setup over the nominated hole position and final GPS pickup occurred at the completion of the hole.
	• Specification of the grid system used.	• MGA94_51
	• Quality and adequacy of topographic	• More than adequate given the early stage of the project

Criteria	JORC Code explanation	Commentary
	control.	
Data spacing and distribution	• Data spacing for reporting of Exploration Results.	• Drilling was completed on 40m sections
	• 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	• No compositing has been applied. Intercepts are quoted as length weighted intervals.
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 MLEM 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.	• Samples are in the possession of ESR personnel from field collection to laboratory submission.
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 given the very small size of the dataset.

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 held a 100% interest in the nickel and base metal rights to the project via a wholly owned subsidiary, namely Carr Boyd Nickel Pty Ltd (ACN 617 890 534), which it agreed to sell to ESR pursuant to a conditional agreement as announced on 16 October 2017. • Estrella Resources Limited completed the transaction with Apollo Phoenix Resources Pty Ltd in June 2018 and currently own 100% of Carr Boyd Nickel Pty Ltd. • 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 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

Criteria	JORC Code explanation	Commentary
		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.
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 stratigraphic positions and of several unique styles of

Criteria	JORC Code explanation	Commentary
		mineralisation highlights the potential of the CBLC for hosting a substantial Ni-Cu deposit. • The Company is not aware of any significant cobalt exploration being completed in the area.
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. • 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.	• All relevant drillhole information can be found in Table 1. • No information is excluded.
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.	• Intersections will be reported on a nominal 0.4% Ni or 0.1% Cu cut-off with length weighted intervals. • Aggregation is irrelevant as all samples are 1m in length.
	• 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 length, true width not known').	• The drill line and drill hole orientation in relation to mineralisation orientation is perpendicular to the MLEM plate and the geological contact targeted. • True width cannot be determined at this stage
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	• Appropriate maps and tables are included in the body of the Report.

Criteria	JORC Code explanation	Commentary
	hole collar locations and appropriate sectional views.	
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.	• All new drillholes within this announcement are reported in Table 1. • Historic drilling has been excluded as it is not relevant to this announcement.
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 substances.	• Everything meaningful and material is disclosed in the body of the report. • Geological observations are included in the report. • No bulk samples, metallurgical, bulk density, groundwater, geotechnical and/or rock characteristics test were carried out. • There are no known potential deleterious or contaminating 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.	• DHTEM surveying is scheduled to be completed and will be used to vector the is next round of exploration. • Follow-up exploration drilling is planned following the DHTEM and assay results. • The potential for extensions cannot be determined at this stage given the preliminary stage of the program however mineralisation is open.