

5 August 2019

**ASX ANNOUNCEMENT**

**NICKEL SULPHIDES INTERSECTED AT MUNDA GOLD MINE**

**HIGHLIGHTS**

- Two holes totalling 321.2m of HQ3 diamond core drilling completed at the Munda Gold Project northwest of Widgiemooltha WA
- Drilling intersected potential gold bearing quartz veins within the upper weathered supergene zone (above 60m)
- Nickel sulphides were intersected in the fresh rock on the basal contact of the host ultramafic

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to advise that diamond core drilling has been completed at the Company's 100% owned Munda Gold Project at Widgiemooltha, 34km south west of Kambalda, WA. Topdrive Drilling Australia (TDA) completed 321.2m of HQ3 diamond core drilling to the immediate north of the historical Munda Gold Mine (Table 1 & Figure 4).



Figure 1. Close-up of matrix style nickel sulphides and basal semi-massive sulphide zones intersected in EMD002 from 99.0m –101.0m



Munda is located within the nickel rich Widgiemooltha region (Figure 5) and south of the historical Mt Edwards underground nickel mine. The project is located on the basal contact of an ultramafic unit which has historically returned high-grade nickel intersections. Whilst the drilling was designed to target and define the gold shoots, the holes were projected to intersect and test the ultramafic basal contact which is the host to all of the nickel deposits in the Kambalda-Widgiemooltha district.



Figure 2. EMD002 intersection with disseminated sulphides from 93.0m-99.0m, matrix sulphide from 99.0m-100.6m, semi-massive sulphide on the basal contact from 100.6m -101.0m and stringer sulphides in the basalt contact zone from 101.0m-101.3m.

The core of currently being processed in preparation for cutting and sampling which will be completed in the near future. Due to the current upswing in the mining sector, there is a significant delay in the return of results from the laboratories and the Company will update shareholders with the results as soon as they are available.





Figure 3. Matrix and semi-massive nickel sulphides intersected in EMD002 from 99.0m-101.0m.

Table 1: Diamond drill hole details.

Hole ID	Final Depth	Easting	Northing	Dip	Azimuth	Status
EMD001	150.0m	360427.5	6513798.0	-65	063	Completed
EMD002	171.2m	360427.0	6513799.0	-60	090	Completed



Figure 4. Topdrive Drilling Australia's diamond core rig at Munda with stacked core tray ready for collection at end of hole.





Figure 5. Location of Munda Project and other major gold projects.

### 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.

### FURTHER INFORMATION CONTACT

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### 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.

**Table 2: Schedule of Tenements**

Country	Location	Project	Tenement	Interest (%)
<b>Australia</b>	<b>WA</b>	<b>Munda Nickel &amp; Gold Project</b>	<b>M15/87</b>	<b>100**</b>
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	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.**

**\*\*Lithium rights held by third parties**

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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	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond HQ core will be cut in half and the right hand side will be sampled for assay analysis. The left hand side will be retained in the core trays for future reference or ¼ core resampling.</li> <li>A handheld XRF tool was used to verify the mineralisation with samples reporting &gt;0.4% Ni in disseminated zones and &gt;1% Ni in the matrix/semi-massive sulphide zones.</li> <li>XRF results have not been reported and are used as a logging/sampling verification tool only.</li> <li>No other measurement tools other than directional survey tools have been used in the holes.</li> </ul>
	<ul style="list-style-type: none"> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> </ul>	<ul style="list-style-type: none"> <li>Core has not been cut or sampled as yet and is currently still being processed</li> </ul>
	<ul style="list-style-type: none"> <li>Aspects of the determination of mineralisation that are material to the Public Report.</li> </ul>	<ul style="list-style-type: none"> <li>Determination of mineralisation has been based on geological logging and confirmation using a pXRF machine. Core samples will be dispatched for laboratory analysis once processing is completed.</li> <li>Determination of mineralisation will be subsequently reported on laboratory assay results, with samples above 5000ppm Ni and or 0.5ppm Au considered mineralised.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Diamond HQ3 triple tube drilling was used to obtain 1-3m long core samples from which intervals between 20cm to 1m will be selected and cut for sampling.</li> <li>Sample intervals will be based on either geological boundaries or meter mark intervals</li> <li>Samples have been dispatched to a commercial laboratory in Perth for analysis</li> <li>Sample will be analysed using a 4 acid digest with ICP-OES and ICP-MS finish for 13 base metal elements and precious metals analysis</li> </ul>
	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Drilling was undertaken using a track mounted YDX-3L diamond drill rig using HQ triple tube coring methods to maintain maximum sample recovery.</li> <li>Core was orientated where core strength/integrity allowed core to be orientated using Reflex Ori tool.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Core blocks were marked with recovered vs actual length drill and core loss marked on the blocks. The recovery percentage has been digitally recorded based on the percentage of core loss within the upper weathered zone.</li> <li>Core losses only occurred within the top 40m within the highly weathered clay zone. Recoveries in the slightly weathered and fresh zones were 100% recovery.</li> <li>Sampling and assaying have not undertaken at this stage.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Logging</i>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>The core has been orientated where possible and meter marked along the entire length of the hole.</li> <li>Logging is in process and key observation marked on the core with chinagraph pencils. Geological observations are digitally recorded and measured from the meter marks as per industry standard practices.</li> <li>Each core tray will be photographed as a permanent record before cutting and sampling commences.</li> <li>The entire length of both hole will be logged.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>HQ core will be cut in half using an automatic core saw.</li> <li>Only half of the core will be sampled with the remaining ore being retained in the core trays for future reference or ¼ core resampling.</li> <li>The sample preparation technique is considered industry best standard practice</li> <li>Blank Standard reference material and appropriate standard samples will be inserted into the sample stream to determine laboratory cleanliness.</li> <li>Quarter core duplicate samples will be cut and inserted in the sample stream.</li> <li>Core samples intervals will be selected between 20cm to 1m widths and cut for sampling.</li> <li>Sample intervals will be based on either geological boundaries or meter mark intervals</li> <li>Half HQ core will provide sufficient volume to reduce variation as a results of the grain size of the mineralisation.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No results from geophysical tools are being reported.</li> <li>No handheld XRF results are reported however the tool was used to verify the mineralisation with reporting &gt;0.4% Ni in disseminated zones and &gt;1% Ni in the matrix sulphide zones.</li> <li>Assaying has not yet been completed.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary reporting at this stage</li> <li>Umpire checks will be completed on the higher-grade samples in due course.</li> <li>No twin holes have been drilled.</li> <li>The data was collected and logged using Excel spreadsheets and validated 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.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>Discuss any adjustment to assay data.</li> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral</li> </ul>	<ul style="list-style-type: none"> <li>No adjustments have been made. Assays pending</li> <li>The holes were professionally surveyed by Cardno Surveyors using a DGPS unit.</li> </ul>



Criteria	JORC Code explanation	Commentary
	Resource estimation.	
	<ul style="list-style-type: none"> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• MGA94_51</li> <li>• The holes were professionally surveyed by Cardno Surveyors using a DGPS unit and RL was accurately recorded</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Holes were drilled from the same collar position with different dip &amp; azimuth alignments</li> <li>• Not applicable, no Mineral Resource is being stated.</li> </ul>
	<ul style="list-style-type: none"> <li>• Whether sample compositing has been applied</li> </ul>	<ul style="list-style-type: none"> <li>• No compositing has been applied. Intercepts are quoted as length weighted intervals.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• The drill line and drill hole orientation was drilling at oblique angle to collect and determine optimal vein directions via oriented core and structural analysis.</li> <li>• Sampling bias is yet to be determined once the structural interpretations and assaying is completed.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>• Samples will in the possession of Geolithic personnel from field collection to laboratory submission.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>• No audits or reviews have been conducted for this release given the very small size of the dataset.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• The Munda Nickel &amp; Gold Project is located on M15/87 which is owned 100% by ESR.</li> <li>• There are no known impediments to operate in the area.</li> <li>• Refer to Table 2 of this announcement for the tenement schedule.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>• Exploration has been undertaken by previous holders, but predominantly Western Mining Corporation (WMC) during the 1980s and Titan Resources from 2001. Consolidated Minerals took over Titan in 2006.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>• Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>• The geology at Munda consists of a mafic-ultramafic belt bound to the west by metasediments and to the east by granites</li> <li>• The mineralisation at Munda consists of structurally controlled quartz veins and pegmatite bodies located in a mafic-ultramafic package.</li> <li>• Depth of complete oxidation varies from 10 to 80 metres below the natural surface but is typically around 40-50m</li> </ul>



Criteria	JORC Code explanation	Commentary
		metres in depth.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>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:               <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All relevant drillhole information can be found in Table 1.</li> <li>No information is excluded.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Intersections will be reported on a nominal 0.4% Ni or 0.5 g/t Au cut-off with length weighted intervals.</li> <li>Aggregation is not applied at this stage.</li> </ul>
	<ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>No metal equivalents are used in this announcement.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>Drilling is orientated for the gold bearing vein sets and is at ~45degree to the ultramafic contact and the nickel sulphide mineralisation</li> <li>True width will be approximately half the reported width and will be accurately calculated once logging and sampling is completed and assays results reported.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate maps and tables will be included in the body of the subsequent report once assay results are reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
	not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All new drillholes within this announcement are reported in Table 1.</li> <li>Historic drilling has been excluded as it is not relevant to this announcement.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Everything meaningful and material is disclosed in the body of the report.</li> <li>Geological observations are included in the report.</li> <li>No bulk samples, metallurgical, bulk density, groundwater, geotechnical and/or rock characteristics test were carried out.</li> <li>There are no known potential deleterious or contaminating substances.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Structural interpretation and modelling will be undertaken to determine the next steps in drilling.</li> <li>The potential for extensions cannot be determined at this stage given the preliminary stage of the program however mineralisation is open.</li> </ul>