ABN 39 151 155 207

24 May 2023

ASX Announcement

ESR Receives $1.04M R&D Refund Advance

Estrella Resources Limited (ASX: ESR) (**Company**) is pleased to advise it has received $1.04M as an advance from Radium Capital (Radium) on Estrella's future refundable tax offset for eligible research and development (R&D) expenditure conducted at the Company's Carr Boyd Nickel Project and Spargoville 5A Deposit during the 2022-23 financial year.

The advanced payment of $1.04M received from Radium Capital, represents an accountant verified proportion of July-March FY23 R&D applicable expenditure. The refund advance ceases any near-term requirement to raise further share equity.

The R&D activities were primarily focused on testing hypothesis relating to the formation sequence, depth of emplacement processes and direction of paleo-gravity and magma flow responsible for the Carr Boyd Igneous Complex. The activities resulted in the formation of an improved genesis model that improves the identification of mineralisation. Other activities included Spargoville Ore Characterisation and Processing as the Company aims to determine the exotic mineral species at the 5A deposit to examine and test additional pathways to successfully treat the nickel mineralisation.

The Company engaged the use of experts from the CSIRO in a co-funded collaboration as a part of the MRIWA project. Additional seismic work by Ultramag utilising cutting-edge technology with geophysical interpretation from Australia's leading hard-rock interpreter at Rock Solid Seismic have enabled Estrella to target the 16km long basal contact with unprecedented accuracy.

The Company's Chairman will be holding a Q&A Webinar Thursday 25 May 2023 with further details to be released later today.

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

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