ASX Release: 30 April 2024

Estrella Resources Limited

ABN 39 151 155 207

ASX Code: ESR

Board and Management

Managing Director
Christopher Daws

Non-Executive Directors
Les Pereira
John Kingswood

Joint Company Secretaries
Stephen Brockhurst
Benjamin Smith

Address
Level 8, London House
216 St Georges Terrace Perth
WA 6000
PO Box 2517 Perth WA 6831

Telephone: +61 8 9481 0389
Facsimile: +61 8 9463 6103

info@estrellaresources.com.au
www.estrellaresources.com.au

QUARTERLY ACTIVITIES REPORT

Quarter ending 31 March 2024

HIGHLIGHTS

- **Officially granted three Exploration and Evaluation Licences (EEL) and an additional eight Reconnassiance Permits (RP) in Timor-Leste for a total of 503.7km^2 including:**
  - **Three EEL's totalling 121.5 km^2; and**
  - **Eight RP's surrounding the EEL's totalling 382.2 km^2.**
- **Licenses have had no modern exploration identified to date and are highly prospective for Manganese (Mn), Copper (Cu), and Gold (Au) mineralisation.**
- **Regional reconnaissance mapping and sampling has commenced with Estrella currently training its new in-country geological team following the historical granting ceremony**
- **Joint-Venture agreement with state-owned Murak Rai Timor (MRT) progressing**

Estrella Resources Limited (ASX: ESR) ("Estrella" or "the Company") is pleased to provide its activities report for the period ended 31 March 2024.

Commenting on the quarter, Managing Director Chris Daws said:

"It was a very exciting quarter for Estrella and our shareholders with the historic granting of our vast 507.3km^2 of exploration tenure in the highly prospective Timor-Leste.

With no modern exploration identified to date over our licences which are highly prospective for manganese, copper and gold mineralisation, we are now ramping up our maiden exploration campaign.

Our in-country team of geologists, appointed and trained during the quarter, are in the field currently undertaking regional reconnaissance mapping and sampling.

I have spent some time in the concession areas over the past few months and I have no doubt that our exploration team will uncover more exciting discoveries in the near-future.

We look forward to working with our national partners, Murak Rai Timor, E.P., in Timor-Leste with the finalisation of our JV Agreement expected to be completed shortly.

This is a highly prospective region and I look forward to updating shareholders as we continue on the ground systematic exploration work.

Granting of Exploration Tenure

During the period, Estrella announced Managing Director Christopher Daws attended the Issuance Ceremony in Lautém Municipality to receive the Company's three EEL's and an additional eight RP's from His Excellency The Prime Minister of Timor Leste Mr Xanana Gusmao on 26th March 2024 (Figures 1 & 2).[1]

The combined tenure takes Estrella's total landholding to over 500 km^2 (Figure 3).

RP's entitle the holder to conduct mapping and sampling within the Permit area for 12 months with an additional 6-month extension if required. The holder of the RP has a pre-emptive right in the grant for an Exploration or Mining License up to the expiry of the Permit.

Figure 1 : Issuance Ceremony held at Salao Madre ADM, Lautem Municipality, Timor-Leste. From left to right – Beau Nicholls, Exploration Manager Timor-Leste, Edwin Fragga – Senior Geologist ESR R.P., Christopher Daws – Managing Director ESR, His Excellency The Prime Minister of Timor-Leste Mr Xanana Gusmao, Ajio Xavier – Community Liason and Logistics ESR R.P. Kharol Anjos – Junior Geologist ESR R.P.

Figure 2: Estrella Managing Director Christopher Daws receiving Estrella's EL from His Excellency The Prime Minister of Timor-Leste Mr Xanana Gusmao at the Issuance Ceremony

[1] Refer to ASX announcement dated 27 March 2024

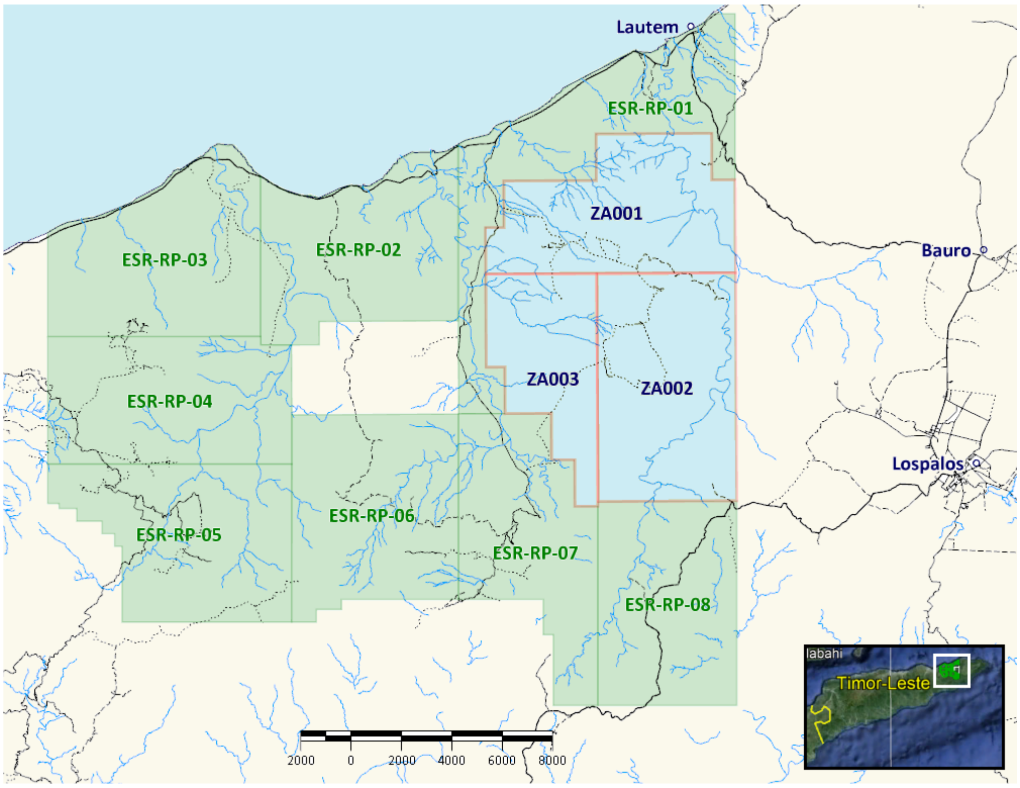

Figure 3: EEL;s ZA001 to ZA003 surrounded by RP's ESR-RP-01 to ESR-RP-08

The tenure is located in very accessible region consisting of rolling hills that vary between open grasslands to tropical savannah woods (Figure 4). There is excellent road access throughout the permitted area and plentiful accommodation in local towns.

Of most interest within the granted landholding is the prevalence of surficial manganese mineralisation. Manganese is mined extensively in West Timor (Indonesia) as a DSO product. The Lautém manganese mineralisation has never been systematically mapped or quantified and this will be the immediate focus of Estrella's new in-country geological team.

The Company will concentrate on systematic exploration and upskilling and training of the local exploration team with reconnaissance and mapping activities underway.

The additional RP's are 100% owned by Estrella and do not currently form part of the MRT joint-venture which applies to the EL's only.

Figure 4: The in-country team accessing ESR-RP-04 during field reconnaissance in January 2024. The picture was taken looking south-east towards ESR-RP-06

Manganese assay results

Post quarter-end, results from initial rock-chip samples taken from Estrella's Lautém Project prior to the historical granting of the EEL's and Reconnaissance Permits (PL's) were released. [2]

Four samples were taken during an initial visit to the area in January 2024 to gauge the potential of surficial and outcropping manganese mineralisation. The samples were brought back to Australia and sent to ALS in Malaga, WA where they underwent analysis (Table 1).

As can be seen in the table below and Figure 5, a 60.8% manganese assay was received from the samples with multiple manganese exposures documented across the Lautém leases.

Table 1: Results of samples taken within Estrella's EEL's

Sample ID	Description	WGS84-52S East	WGS84-52S North	Mn %	Al %	Fe %	K %	Mg %	S %	Ti %
LRG-014	Mn River cobblestone	252510	9061323	**3.700**	0.810	28.500	0.170	0.220	0.010	0.028
LRG-015	Banded Mn chert outcrop	260744	9066407	**60.760**	0.230	0.320	0.030	0.030	0.220	<0.005
LRG-016	Surface MN float material	261068	9066938	**7.650**	1.060	4.690	0.370	0.310	0.250	0.052
LRG-017	Manganiferous limestone	261068	9066939	**4.970**	2.420	31.500	0.470	0.430	0.050	0.118

Figure 5: Outcropping exhalative horizons (manganese and chert beds) EEL ZA001 with rock-chip assay grading 60.8% Mn

[2] Refer to ASX announcement dated 3 April 2024

Figure 6: Estrella Resources Limited Managing Director Chris Daws on a recent visit to Timor-Leste

Manganese Host Formation

Post quarter-end, Estrella announced that the Noni Formation, which occurs as part of the Banda Terrane – one of three distinct geological units found on the island, has been defined from historical maps over 27km strike within the Company's Lautém project.[3] (Figure 7)

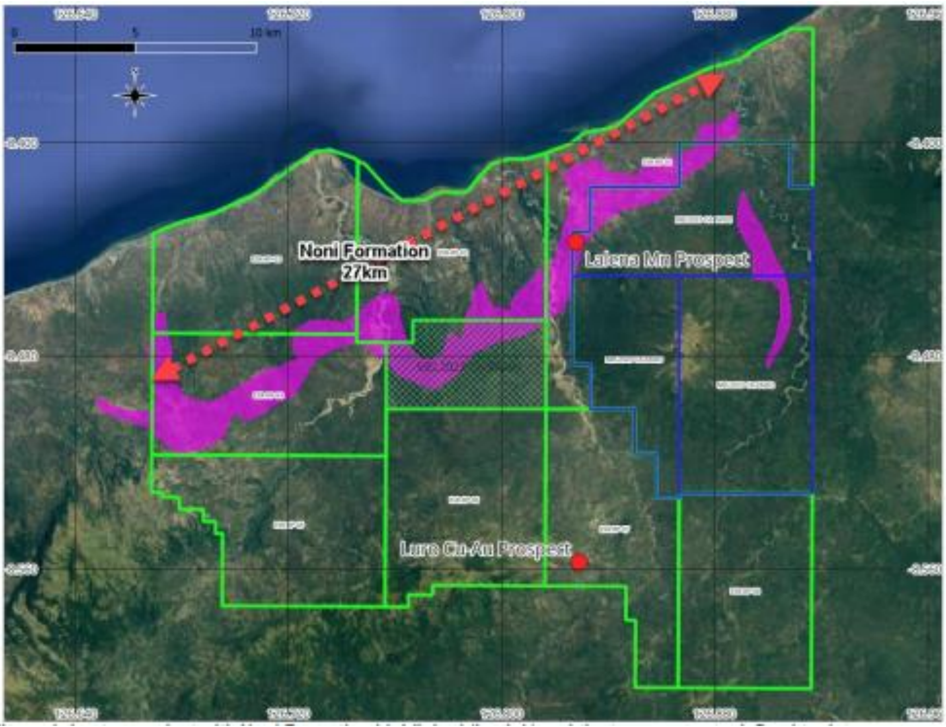

Figure 7: Lautém project with Noni Formation highlighted (in pink) and the two prospects defined to date

[3] Refer to ASX announcement dated 12 April 2024

The Noni Formation is described as a Middle Jurassic to Cretaceous bedded unit of over 100m thickness comprising arenites and chert beds within which can be found the massive manganese and ferro manganese bands and nodules.

Lalena Manganese prospect

The manganese mineralisation defined by Estrella to date is closely associated with the 27km long exposure of the Noni Formation. The Company has completed preliminary mapping around the Daudere village area, which identified numerous manganese outcrops over a 2km by 300m zone, with outcropping banded manganese and arenites up to 50m in width identified in a quarry. The manganese bands are between 2 to 10cm wide with sample LRG_031 returning 48.1% Mn* from the pXRF and located ~ 1km from LRG_015 which returned an assay of 60.8% Mn (see Figures 8 and 9 below).

* Please refer to the cautionary statement on pXRF results at the end of this report.

Figure 8 – Banded Mn ~10cm (LRG-031 returned 48.1% Mn from pXRF)

Figure 9 – Banded Mn and arenites with LRG-015 returning 60.8% Mn from this location (ASX release on 3 April 2024)

Luro Cu-Au prospect

This prospect has been identified by historical mineral occurrence maps located by the Estrella team. The occurrences are located along the Legumau range which has limited to no geological information published to date. It is potentially associated with the Permian aged rocks which are up thrusted from the Australian continental shelf. An initial visit was made by the team and identified roadside black shales, schists (figure 10) and hydrothermal breccias (figure 11) which potentially relate to Australian continental margin crust.

Figure 10 - Schist outcrop in river	*Figure 11 - Hydrothermal breccia in road quarry*
	

Grab Sample Summary

Estrella has taken a total of 15 grab samples during the recent site visit. These were taken for a combination of stratigraphic characterisation along with manganese mineralisation. The following table is a summary of all samples with a trigger value reported >1% Mn.

Sample ID	Prospect	Beau Desc (waiting Edwin)	Lat (WGS84)	Long (WGS84)	Ti (ppm)	V (ppm)	Mn %	Fe %	Co (ppm)
LRG-026	Lalena Mn	Mn (Same location as LRG_015	126.8270	-8.4399	665	621	**57.2**	0.2	**3915**
LRG-029	Luro Cu-Au	Schist Unit	126.8016	-8.5737	1682	0	11.7	4.7	333
LRG-030	Luro Cu-Au	Breccia	126.8237	-8.5635	7249	0	2.9	4.9	14
LRG-032	Lalena Mn	Mn outcrop 10cm	126.8318	-8.4325	0	1224	**48.1**	0.0	**3086**

Table 2: Results of samples taken with pXRF. Please see cautionary note on pXRF analysis below.

The Company continues to look for further exploration opportunities in Timor-Leste and will provide any material information as and when it is able to do so.

Next Steps

The Company is currently mobilising crushing and other laboratory equipment to Timor-Leste to give it the ability to test and report multi-element pXRF results from within the country, including the use of the Portable ppb gold detection system.

Select samples will be returned to Australia for standard laboratory analysis as standard reference checks.

This will alleviate sample bottlenecking and vastly improve analysis times to enable exploration to progress at a much faster pace.

Identification of the prospective stratigraphy hosting manganese mineralisation is ongoing and mapping of this stratigraphy through the leases along with sampling will continue.

CORPORATE

CAPITAL

The Company's cash balance as at 31 March 2024 was $656k. During the quarter, Estrella announced a pro-rata non-renounceable entitlement issue of options to eligible shareholders on the basis of one (1) option (Loyalty Option) for every ten (10) shares at an issue price of $0.001 per Loyalty Option (Loyalty Offer)[4].

The loyalty offer received entitlement acceptances of 28,244,486 Loyalty Options and shortfall applications of 44,382,510 Loyalty Options taken up by existing shareholders. This resulted in the quotation of 72,626,996 listed options (exercisable at $0.018 and expiring on 13 December 2026) (ESROB), raising a total of $72,627.38 (before costs) under the Loyalty Offer.

The remaining shortfall under the Company's Loyalty Options Offer of 103,310,191 listed options (ESROB) to raise an additional $103,309.62 will remain open for up to three (3) months following the closing date of the Loyalty Offer, and will be allocated at the discretion of the directors per the terms set out in the Prospectus[5].

The total amount paid to related parties of Estrella and their associates, as per item 6.1 of the Appendix 5B, was 81k for Directors fees, salaries and superannuation and the total amount paid to related parties of Estrella and their associates, as per item 6.2 of the Appendix 5B, was $44k for Director's salaries.

Table 3: Estrella Capital structure as at 31 March 2024

Fully Paid Ordinary Shares	1,759,371,869
Listed options exercisable	397,926,996
Unlisted options exercisable	70,750,000
Performance Rights	54,000,000

EXPLORATION

ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was $393k.

ASX Listing Rule 5.3.2: There were no mining production and development activities during the Quarter.

ASX Listing Rule 5.3.3: Refer to Appendix 1 for Estrella Tenement Information.

ENDS

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

FURTHER INFORMATION CONTACT

Christopher J. Daws
Managing Director
Estrella Resources Limited

info@estrellaresources.com.au
P: +61 (08) 9481 0389

Media Contact:

David Tasker
Chapter One Advisors
Email: dtasker@chapteroneadvisors.com.au
Tel: 0433 112 936

[4] Refer to ASX announcement dated 27 February 2024
[5] Refer to ASX announcement dated 22 March 2024

Cautionary Statement of pXRF

PXRF results that are announced in this report are preliminary only. The use of the PXRF is an indication only of the order of magnitude of expected final assay results. The samples that are the subject of this report will be submitted for laboratory assay and some variation from the results presented herein should be expected.

Compliance Statement

With reference to previously reported Exploration Results and Mineral Resources, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 1 – Tenement Information as Required by Listing Rule 5.3.3

Country	Location	Project	Tenement	Change in Holding (%)	Current Interest (%)
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	E31/1215	-	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*

Timor-Leste	Lautem	Lautem Exploration Project	MEL2023-CA-ZA001	-	100**
Timor-Leste	Lautem	Lautem Exploration Project	MEL2023-CA-ZA002	-	100**
Timor-Leste	Lautem	Lautem Exploration Project	MEL2023-CA-ZA003	-	100**
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-01	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-02	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-03	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-04	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-05	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-06	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-07	-	100
Timor-Leste	Lautem	Lautem Exploration Project	ESR-RP-08	-	100

** Nickel rights only*

** Free carry Murak Rai Tomor 30% up to publication of DFS or similar

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Estrella Resources Limited

ABN	**Quarter ended ("current quarter")**
39 151 155 207	31 March 2024

Consolidated statement of cash flows			Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	exploration & evaluation	-	-
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(87)	(286)
	(e)	administration and corporate costs	(124)	(496)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		2	7
1.5	Interest and other costs of finance paid		-	(102)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)		-	-
1.9	**Net cash from / (used in) operating activities**		**(209)**	**(877)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	-	(10)
	(d)	exploration & evaluation	(393)	(1,344)
	(e)	investments	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) R&D expenditure refund	-	1,327
2.6	**Net cash from / (used in) investing activities**	**(393)**	**(27)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	51	1,702
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(32)	(146)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(1,044)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**19**	**512**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,239	1,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(209)	(877)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(393)	(27)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19	512
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**656**	**656**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	656	1,239
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**656**	**1,239**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	44

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(209)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(393)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(602)
8.4	Cash and cash equivalents at quarter end (item 4.6)	656
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	656
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.09

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes, the Company will be required to raise further cash and is considering its options. The Company has always been well supported in its capital raising initiatives and believes it would be successful in raising sufficient funds to continue with the planned level of operations.

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: Yes – for the reason noted in 8.8.2 above.
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **30 April 2024**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.