

8 June 2018

## ASX ANNOUNCEMENT

# PROGRAMME OF WORK APPROVAL MUNDA GOLD MINE

## HIGHLIGHTS

- POW received and planning underway to commence drilling
- JORC2012 resource 511,000t @ 2.82g/t Au for 46,337 ounces Au\*
- Historic high-grade gold results include
  - MIRC004 1m at 321g/t Au from 51m\*<sup>^</sup>
  - MND1406 7m at 41.23g/t Au from 53m\*
    - Including 1.0m at 195 g/t Au from 58m\*
  - MND1407 4m at 40.10g/t Au from 70m\*
  - MND1508 16m at 10.13g/t Au from 98m\*
  - MND1724 3.1m at 23.17 g/t Au from 94.1m\*
  - MND1405 7m at 25.38g/t Au from 76m\*
    - Including 2m at 82.5g/t Au from 76m\*

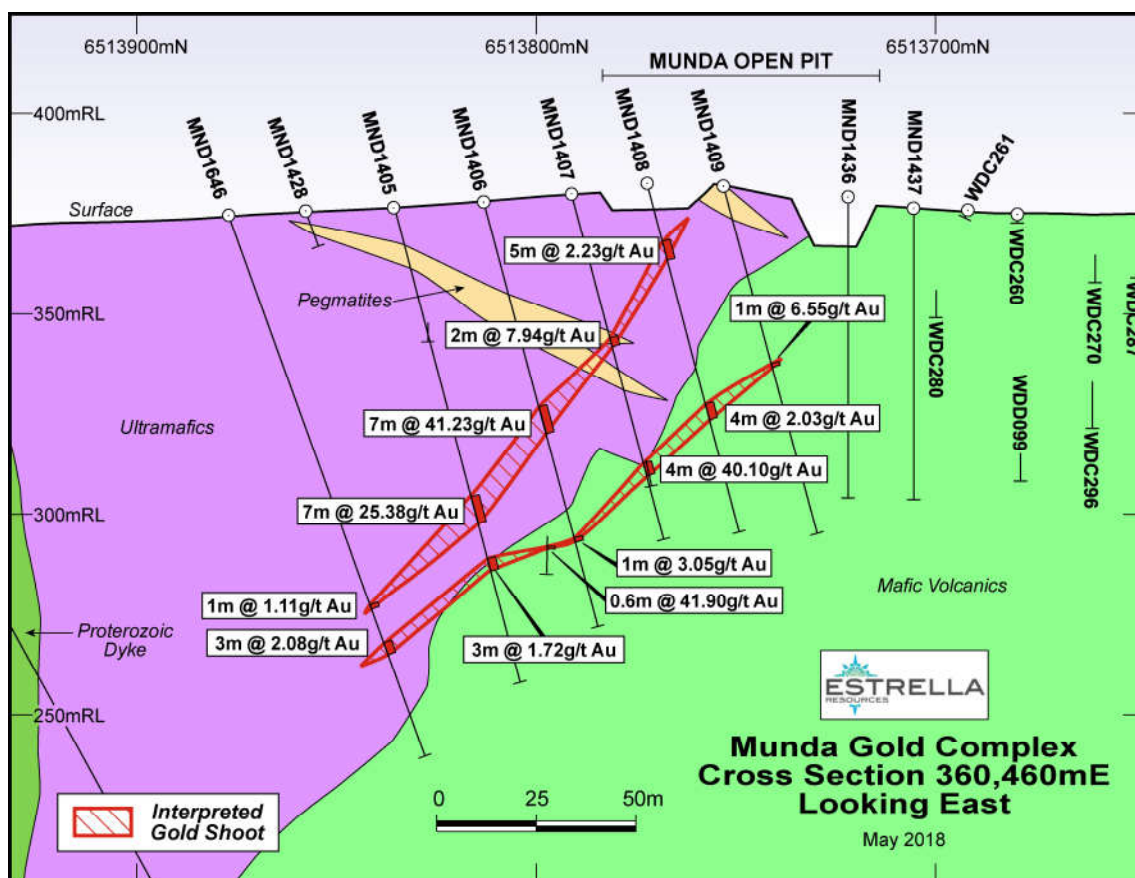


Figure 1. Cross section of Munda showing some of the thicker higher grade gold intercepts and interpreted gold shoots.

\*Refer to ESR announcement "ESR to Acquire Munda Gold and Spargoville Nickel Projects" 04 September 2017

<sup>^</sup>Previously reported to have no significant intersection (NSI) a further review highlighted the result

## PROJECT UPDATE

Estrella Resources Limited (ASX: ESR) (Estrella or the Company) is pleased to provide shareholders with an update on exploration activities for the Munda gold project located approximately 34 km south west of Kambalda, Western Australia.

The Company has received a Programme of Work (POW) approval required for the drilling of interpreted high grade gold structures located in and around the historic Munda open cut gold mine. The Munda gold project was acquired by Estrella via the purchase of WA Nickel Pty Ltd (see ASX release 4 September 2017).

The Company hopes to be able to drill the high-grade gold structures shortly upon securing a suitable diamond drill rig, the project being located near the regional mining centre of Kalgoorlie/Boulder is an asset with numerous options available.

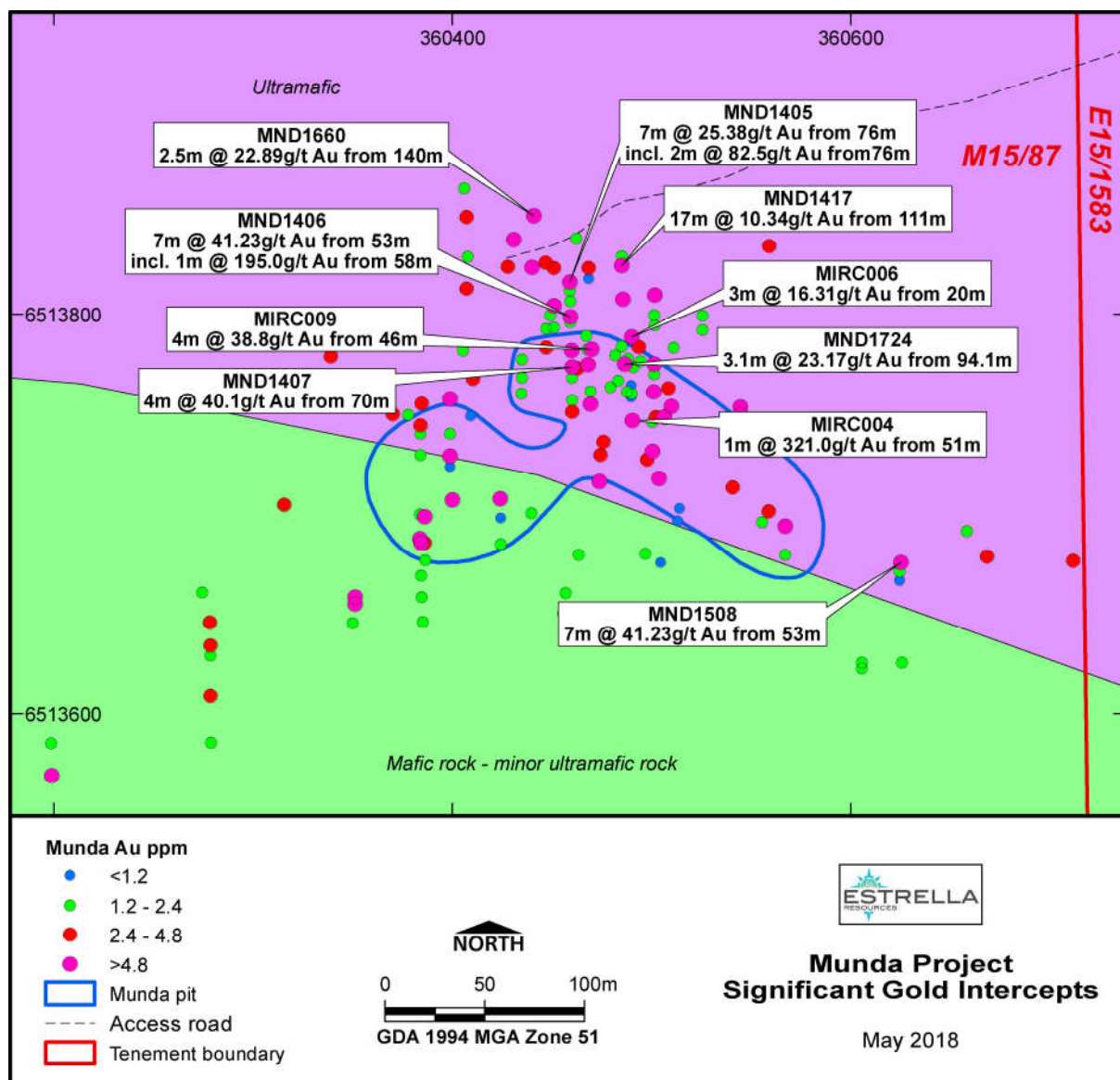


Figure 2. Plan showing previous high-grade gold intercepts\*

\*Refer to ESR announcement "ESR to Acquire Munda Gold and Spargoville Nickel Projects" 04 September 2017

\*Information obtained from RSG NOI Munda Open Pit Project June 1999

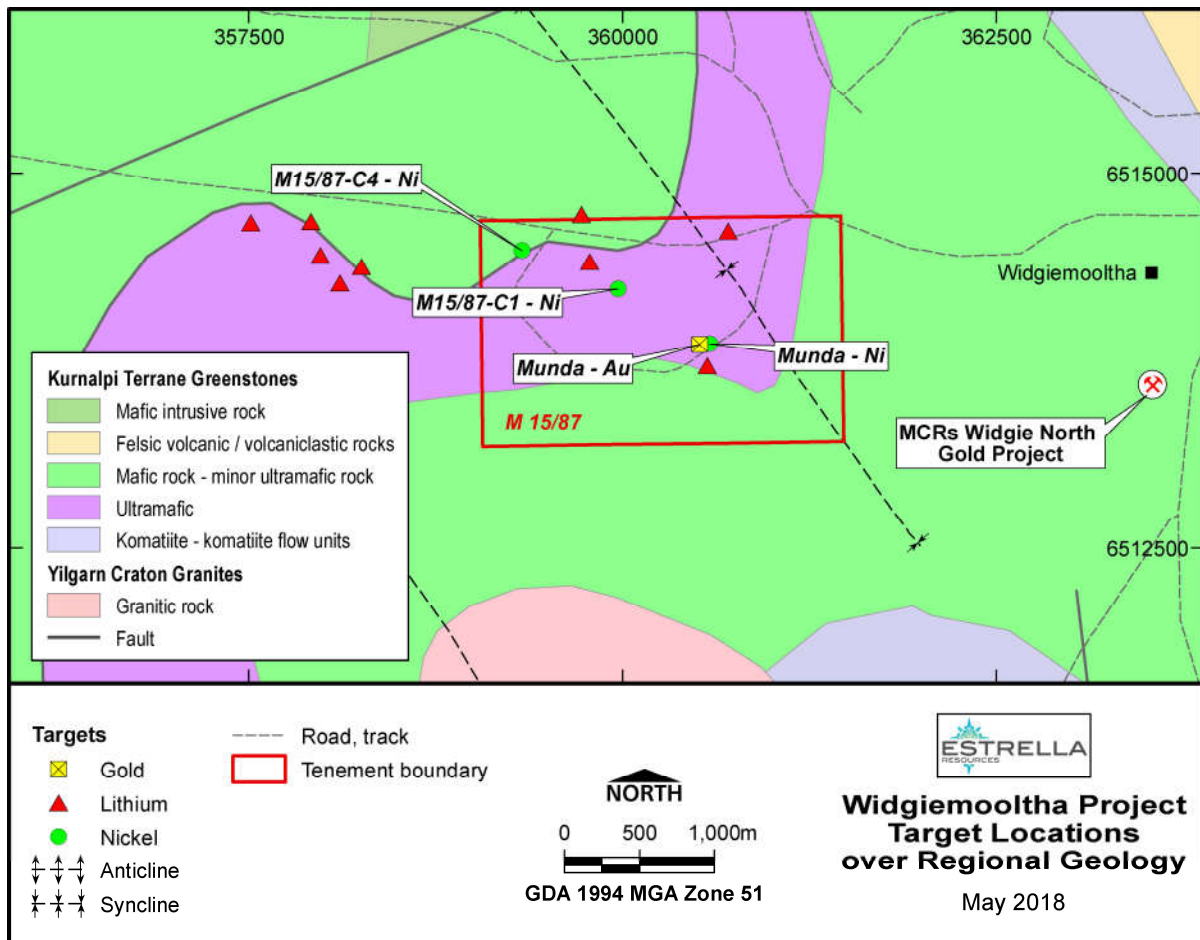


Figure 3. Geological map showing the location of the Munda project, exploration targets on M15/87, and other relevant nearby landmarks.

### THE GOLD ROAD AHEAD.....

Munda is conveniently located, approximately 4.3km west of the township of Widgiemooltha and 3km west of Mincor Resources' Widgiemooltha Gold Project. Numerous gold toll milling facilities exist within economic trucking distance of the Munda gold project.

The Munda open cut gold project was only partially developed by Resolute Gold Mines Limited before a dramatic fall in the gold price in 1999/2000 saw its premature closure prior to the bulk of gold resources being accessed. Resolute had planned to recover 18,000 ounces of gold (valued at approximately A\$30.4M at today's gold price of A\$1,690) from the Munda open cut mine to a depth of 60 metres below surface with the extraction of approximately 120,000t @ 4.94g/t Au<sup>2</sup>, the dramatic fall in the gold price saw the mine only reach a depth of approximately 15 metres below surface.

With the strength in the gold price the Company is looking at its options to unlock the potential of the high-grade Mineral Resource.

<sup>2</sup>Information obtained from RSG NOI Munda Open Pit Project June 1999

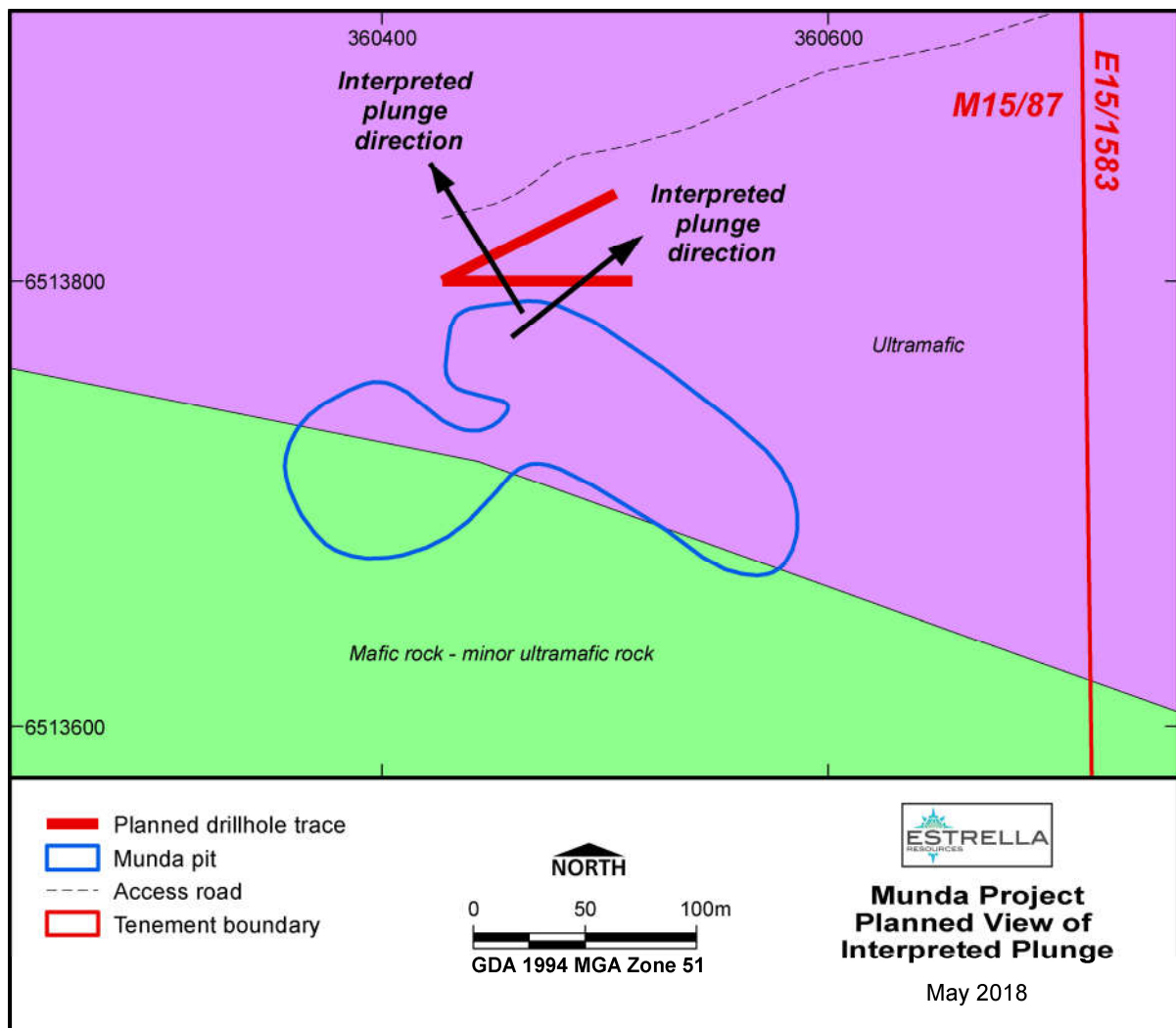


Figure 4. Map showing layout of proposed drilling at Munda and the interpreted plunging shoot directions

The Company plans to test a new “plunging shoot” structural interpretation to the high-grade gold mineralisation. The additional drilling and assay information obtained from this work will be used to update the current JORC2012 Mineral Resource of 511,000t @ 2.82g/t Au for 46,337 ounces Au.\*

Table 1. Munda Gold Mineral Resource Estimate\*

| Resources    |                     |                 | Metal Grade   | Contained Metal |
|--------------|---------------------|-----------------|---------------|-----------------|
| Category     | Cut off<br>(Au g/t) | Tonnage<br>(Kt) | Gold<br>(g/t) | Gold<br>(oz)    |
| Inferred     | 1                   | 511             | 2.82          | 46,337          |
| <b>Total</b> | <b>1</b>            | <b>511</b>      | <b>2.82</b>   | <b>46,337</b>   |

\*Refer to ESR announcement “ESR to Acquire Munda Gold and Spargoville Nickel Projects” 04 September 2017



## GOLD MARKET.....

The price of gold has risen dramatically since the Munda gold mine was forced to close in the year 2000. At the time of mine closure the price of gold was less than A\$520 per ounce and today it exceeds A\$1,690 per ounce with price support coming from world instability and inflationary fears.



Figure 5. Chart of gold price 1998-2018 showing mine open and closure by Resolute Mining during a period of depressed gold prices

## Competent Person Statement

The information in this announcement relating to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Luke Marshall, who is a consultant to Apollo Phoenix Resources and Estrella Resources, and a member of The Australasian Institute of Geoscientists. Mr Marshall 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 Marshall 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

**Christopher J. Daws**  
**Chief Executive Officer**  
**Estrella Resources Limited**  
[info@estrella.com.au](mailto:info@estrella.com.au)