

10 September 2020

ASX ANNOUNCEMENT

Sale of Munda Gold Project

Estrella Resources Ltd (**ASX:ESR**) (**'Estrella'** or **'the Company'**) is pleased to provide shareholders with an update on the sale of the Munda Gold Project at Widgiemooltha to Widgie Gold Pty Ltd, a wholly owned subsidiary of Auric Mining Limited ("Auric"), as announced on 13 July 2020.

A number of the key conditions precedent to the Binding Letter of Offer ("Offer Letter") have now been completed or waived. Auric are satisfied with the outcome of their due diligence on the Munda Gold Project and waived the condition precedent for Estrella to provide Auric with invoices to support the upfront cash consideration as reimbursement of Estrella's previous exploration costs.

The parties have now executed a formal tenement sale agreement ("TSA"). As part of signing the TSA, the Company and Auric have agreed to increase the upfront purchase consideration to \$1,237,000 cash (ex GST) (previously \$1,090,000 (ex GST)) to reflect added value since executing the Offer Letter because of the termination of an existing third-party royalty at the Munda Gold Project. Auric will reimburse Estrella the costs paid to terminate the royalty agreement plus a contribution to legal expenses. The parties have also agreed to revise the timing of the deferred consideration payments such that:

- \$350,000 cash (ex GST) on the Munda Project reaching a total combined gold mined and unmined inferred resource (at a cut-off of 1.0 g/t) of 75,000 ounces post the date of settlement, will not be payable earlier than 1 April 2021; and
- \$300,000 cash (ex GST) on the Munda Project reaching a total combined gold mined and unmined inferred resource (at a cut-off of 1.0 g/t) of 100,000 ounces post the date of settlement, will not be payable earlier than 1 October 2021.

Settlement of the sale of the Munda Gold Project is now only subject to completion of the following key conditions being satisfied:

- ESR shareholders approving the disposal of the Munda Gold Project at the Company's AGM to be held on 25 September 2020; and
- ESR obtaining all necessary third-party consents to the transfer of the Munda Gold Project.



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The Directors and Officers of the Company continue to recommend to shareholders that they vote in favour of the resolution to sell the Munda Gold Project. The Company anticipates settlement to occur on or before 29 September 2020 after receiving shareholder approval at the AGM.

ENDS

The Board of Estrella Resources Limited has authorised for this announcement to be released to ASX.

FURTHER INFORMATION CONTACT

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