



Estrella Resources Limited and its controlled entities

ABN 39 151 155 207

Interim Financial Report

For the half year ended 31 December 2020

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DIRECTORS' REPORT

The Directors present their report together with the financial report of Estrella Resources Limited ("the Company") and its wholly owned subsidiaries (together referred hereafter as "the Group" or "the consolidated entity") for the half-year ended 31 December 2020 and the independent auditors' review report thereon.

The Directors of the Company at any time during or since the end of the half-year are:

Leslie Pereira	- Non-executive Chairman
Christopher Daws	- Managing Director (appointed 18 November 2020)
John Kingswood	- Non-executive Director
Stephen Brockhurst	- Non-executive Director
Neil Hutchison	- Non-executive Director (appointed 18 November 2020)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the reporting period were to explore nickel projects in Western Australia.

REVIEW OF OPERATIONS

Work Summary

The focus of fieldwork and studies during the half-year were the Carr Boyd Nickel Project and Spargoville Nickel Projects after the successful divestment of the Munda Gold Project.

CARR BOYD NICKEL PROJECT, WA 100%

The Company considerably strengthened its exploration efforts at the Carr Boyd Nickel Project over the half-year after successfully intersecting significant massive nickel and copper sulphides at depth within the T5 prospect area.

A significant drill intersection of massive Ni-Cu (\pm PGE) bearing sulphides was returned from diamond core hole CBDD030 which was drilled 300m south of the original T5 discovery zone at the Company's flagship Carr Boyd Project. The T5 Prospect is located 1.1km NE of the historic Carr Boyd mine and was identified in 2019 following RC drilling of a HP FLTEM anomaly¹.

¹ Assay Results Confirm New Sulphide Nickel Discovery Zone at Carr Boyd Rocks - 8 July 2019



Figure 1. Ni-Cu bearing massive sulphide zone in diamond drill hole CBDD030 drilled 300m south of the T5 Ni-Cu discovery zone (436.7m-437.6m shown).

Diamond core hole CBDD030 was collared 300m south of the T5 zone, testing the Carr Boyd Layered Intrusions contact at depth, below and south of the previously identified mineralisation. The hole successfully intersected the basal contact of the layered mafic/ultramafic intrusion, returning a significant ~15m wide zone of sulphide mineralisation starting from 430.55m downhole, and contains a 2.9m thick core zone of massive Ni-Cu sulphide mineralisation from 435.9m depth (Figures 1 & 2). CBDD030 intersected the intrusion contact at a depth of 368m, was completely blind and is open in all directions. This provides massive opportunity to drill out and expand this zone of mineralisation. The sulphide zone forms unique magmatic nickel sulphide textures comprising pyrrhotite, pentlandite and chalcopyrite (Figure 2), with assays confirming the high-grade nature of the Ni-Cu sulphides¹.



Figure 2. Unique magmatic sulphide textures showing breccia rip up clasts within the massive sulphide, interstitial sulphide/crystal intergrowth at the margin, and chalcopyrite segregation within the crystallised host gabbro. Coarse blebs of matrix sulphide are observed between the crystallising host rock (436.7m-441.1m shown).

DIRECTORS' REPORT

The Company has completed 12 diamond holes (Table 1) for a total of 5,810m at the end of the December half year.

Table 1: Drill hole collar and survey details as at the end of the December 2020

Hole ID	Final Depth	Easting	Northing	Dip	Azimuth	Status
CBDD0028	251.0m	367045	6673940	-60	090	Completed
CBDD0029	603.8m	367000	6673940	-70	090	Completed
CBDD0030	495.7m	367025	6673640	-65	090	Completed
CBDD0031	591.8m	366925	6674240	-65	090	Completed
CBDD032	335.6m	367279	6673941	-65	270	Completed
CBDD033	450.0m	367397	6673658	-65	270	Completed
CBDD034	412.0m	367361	6673941	-65	270	Completed
CBDD035	581.7m	367442	6673659	-65	270	Completed
CBDD036	576.8m	367420	6673620	-65	270	Completed
CBDD037	420.8m	367419	6673620	-60	270	Completed
CBDD039	609.7m	367450	6673710	-65	270	Completed
CBDD041	480.7m	367400	6673500	-60	270	Completed

This is a significant breakthrough in the development of the T5 Prospect that was initially investigated in mid-2019 through drill testing of a High-Powered Fixed Loop TEM survey target located to the north of the historical intersections around GD124. Our current work is now beginning to unlock the real potential of the Carr Boyd Project.

Work was completed to rapidly expand the exploration program at Carr Boyd following this significant development and included significantly upgrading support infrastructure, personnel and support so that we can quickly determine the extent of this discovery. Environmental works were also conducted to clean up from decades of past exploration and mining by other companies.

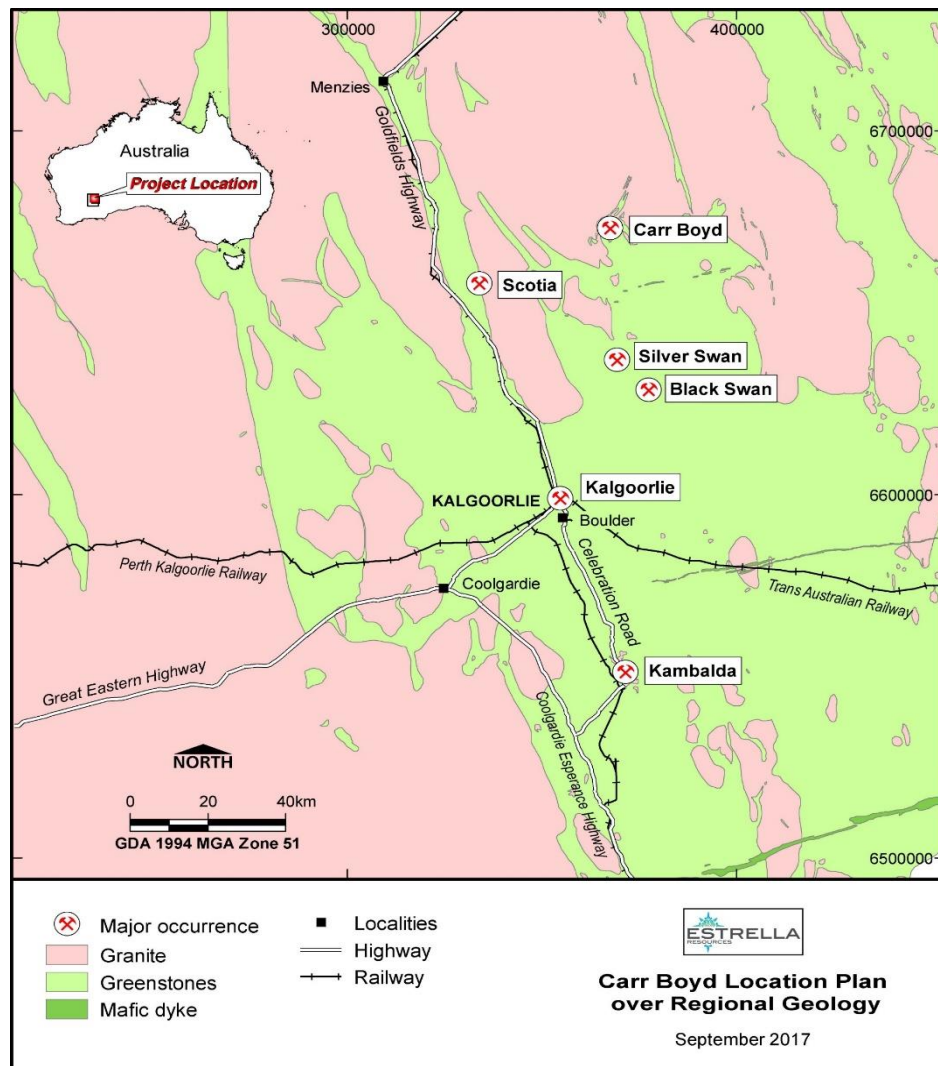


Figure 4. Location of Carr Boyd relation to commercial centres and other major Ni projects.

MUNDA GOLD PROJECT, WA

The Company undertook a successful sales process of the Munda Gold Project with numerous offers being made. Auric Mining Limited was the strongest bidder and the Company entered into a Tenement Sale Agreement. Shareholders approved the divestment on the 25 September 2020 and completion of the sale took place during the half-year with an upfront cash consideration received of \$1,247,000 (ex GST) from Auric Mining Limited. Following settlement Auric updated the Munda resource to greater than 100,000oz triggering the deferred consideration milestone payment of \$650,000 (ex GST) which was received subsequent to the half year end and bringing the total consideration received from the sale of Munda to \$1,897,000 (ex GST).

SPARGOVILLE NICKEL RIGHTS PROJECT, 100% WA

The Company has been progressing the potential development of the high grade 5A nickel sulphide deposit during the half-year with Permit of Work application and Exploration Notification being finalised for the extraction of a bulk sample of the 5A ore for metallurgical testing. In light of the recent strength in the nickel market and the positive outlook, the Company has undertaken steps towards commercialisation of the 5A nickel sulphide Mineral Resource with discussions ongoing regarding the treatment of potential high grade nickel sulphide ore recovered from shallow open pit mining.

DIRECTORS' REPORT

Due to tight constraints of the current land tenure with the proposed mining area the Company has been in discussions with adjacent landholders for the use of their land to allow the full extraction of the identified 5A ore. Previous drilling has highlighted high grade nickel mineralisation very close to surface and a simple pit cut back of the historic 5A mine has strong merit in light of the current nickel market.

The 5A nickel sulphide deposit is one of a number of significant nickel sulphide occurrences that make up the Company's 100% owned Spargoville Nickel Rights Project which was purchased at a time when nickel projects were not in favour and nickel prices were much lower.

5A Nickel Sulphide Deposit

October 2019 Mineral Resource Estimate - Min Type (0.5% Ni Cut-off)

Type	Indicated Mineral Resource				
	Tonnage	Ni	Cu	Ni	Cu
	kt	%	%	t	t
Disseminated	37	0.7	0.05	250	20
Matrix/Breccia	20	2.1	0.17	430	30
Semi-massive/Massive	12	8.1	0.63	950	70
Total	69	2.4	0.19	1,630	130

Type	Inferred Mineral Resource				
	Tonnage	Ni	Cu	Ni	Cu
	kt	%	%	t	t
Disseminated	41	0.7	0.10	270	40
Matrix/Breccia	17	2.5	0.13	410	20
Semi-massive/Massive	1	7.6	0.35	60	
Total	58	1.3	0.11	730	70

Type	Total Mineral Resource				
	Tonnage	Ni	Cu	Ni	Cu
	kt	%	%	t	t
Disseminated	78	0.7	0.08	520	60
Matrix/Breccia	37	2.3	0.16	840	60
Semi-massive/Massive	13	8.0	0.61	1,000	80
Total	127	1.9	0.15	2,370	190

DIRECTORS' REPORT

Competent Person Statement

The information in this announcement relating to Exploration Results for the Carr Boyd Layered Complex (CLBC) is based on information compiled by Mr. Neil Hutchison, who is a director of Estrella Resources, and a member of The Australasian Institute of Geoscientists.

The information in this announcement relating to the Spargoville 5A Mineral Resources is based on information compiled under supervision by Mr Shaun Searle of Ashmore Advisory Pty Ltd, who is a consultant to Estrella Resources, and a member of The Australasian Institute of Geoscientists.

Mr Hutchison and Mr Searle both have sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity they are 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".

Both Mr. Hutchison and Mr. Searle consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.

RESULTS

The profit for the half year ended 31 December 2020 attributable to the Group was \$828,404 (2019: loss \$345,886).

CORPORATE

As at 31 December 2020 the Group had \$3,200,631 in cash and the Company had the following securities on issue:

- 899,512,241 fully paid ordinary shares;
- 263,589,058 listed options exercisable at \$0.02 on or before 27 June 2031 July 2023;
- 227,110,662 listed options exercisable at \$0.05 on or before 27 June 2021;
- 4,500,000 unlisted options exercisable at \$0.05 on or before 15 May 2021;
- 11,500,000 unlisted options exercisable at \$0.03 on or before 20 November 2022; and
- 4,850,000 unlisted options exercisable at \$0.20 on or before 17 November 2023.

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the half-year the Company issued 8,549,500 ordinary shares on exercise of 8,500,000 options exercisable at \$0.02 (ESROA) and 49,500 options exercisable at \$0.05 (ESRO).

On 29 January 2021 the Company issued 11,750,000 unquoted options exercisable at \$0.20 expiring 17 November 2023, following shareholder approval at the Company's shareholder meeting on 28 January 2021. Included in this option issue were 10,750,000 options issued to Directors.

Other than as outlined above, there are no other events subsequent to the end of the period that would have had a material effect on the company's financial statements at 31 December 2020.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration forms part of the directors' report for the half-year ended 31 December 2020.

Signed in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Christopher Daws
Managing Director
10 March 2021

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Estrella Resources Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 10 March 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	31 December 2019 \$
Interest Income	1,076	575
Gain on disposal of tenements	1,411,511	-
Other income	-	-
Personnel costs and director fees	(125,992)	(143,835)
Legal Fees	(9,188)	(9,834)
Exploration costs written off	-	-
Consulting fees	(106,767)	(48,960)
Share Based Payments	(156,411)	(63,970)
Depreciation	(13,362)	(3,597)
Finance costs	(43,816)	-
Other expenses	(128,647)	(76,266)
PROFIT / (LOSS) BEFORE INCOME TAX	828,404	(345,886)
Income tax benefit	-	-
PROFIT / (LOSS) FOR THE PERIOD	828,404	(345,886)
Other Comprehensive Loss	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	828,404	(345,886)
Basic earnings / (loss) per share (cents)	0.11	(0.07)
Diluted earnings / (loss) per share (cents)	0.08	(0.07)

The consolidated statement of profit or loss and other comprehensive Income should be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020	30 June 2020
		\$	\$
Current Assets			
Cash and cash equivalents		3,200,631	36,479
Trade and other receivables		978,602	17,124
Total Current Assets		4,179,233	53,603
Non-Current Assets			
Plant & equipment		360,212	13,923
Financial assets		50,000	-
Exploration and evaluation expenditure	2	6,986,873	4,586,994
Total Non-Current Assets		7,397,085	4,600,917
Total Assets		11,576,318	4,654,520
Current Liabilities			
Trade and other payables		1,013,692	206,230
Provisions		49,142	40,150
Borrowings		359,402	400,474
Total Current Liabilities		1,422,236	646,854
Total Liabilities		1,422,236	646,854
Net Assets		10,154,082	4,007,666
Equity			
Share capital	3	23,047,494	17,905,893
Reserves	3	770,291	593,880
Accumulated losses		(13,663,703)	(14,492,107)
Total Equity		10,154,082	4,007,666

The consolidated statement of financial position should be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Issued Capital	Accumulated Losses	Option Reserve	Convertible Note Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2019	17,863,248	(14,133,555)	723,034	-	4,452,727
Comprehensive loss					
Loss for the period	-	(345,886)	-	-	(345,886)
Total comprehensive loss for the period	-	(14,479,441)	-	-	-
Transactions with owners, in their capacity as owners					
Shares issued	42,645	-	-	-	42,645
Share based payment	-	-	63,970	-	63,970
Options expired	-	84,700	(84,700)	-	-
Total transactions with owners, in their capacity as owners	42,645	-	(20,731)	-	-
Balance at 31 December 2019	17,905,893	(14,394,741)	702,304	-	4,213,456
Balance at 1 July 2020	17,905,893	(14,492,107)	535,880	58,000	4,007,666
Comprehensive loss					
Profit for the period	-	828,404	-	-	828,404
Total comprehensive loss for the period	-	828,404	-	-	828,404
Transactions with owners, in their capacity as owners					
Shares issued	5,457,541	-	-	-	5,457,541
Options issued	-	-	20,000	-	20,000
Share based payment	-	-	156,411	-	156,411
Share issue costs	(315,940)	-	-	-	(315,940)
Option Expired	-	-	-	-	-
Total transactions with owners, in their capacity as owners	5,141,601	-	176,411	-	5,318,012
Balance at 31 December 2020	23,047,494	(13,663,703)	712,291	58,000	10,154,082

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(371,516)	(244,216)
Interest received	1,076	575
	<u>(3,000)</u>	<u>-</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(373,440)</u>	<u>(243,641)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(2,378,492)	(306,473)
Receipts for investments	(50,000)	-
Payment for plant and equipment	(354,871)	-
Proceeds from sale of exploration rights	1,243,906	250,000
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,539,457)</u>	<u>(56,473)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	5,446,702	-
Proceeds from issue of options	20,000	-
Repayment of borrowings	(50,000)	-
Proceeds from borrowings	-	23,958
Costs of issue of shares	(339,653)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>5,077,049</u>	<u>23,958</u>
Net increase / (decrease) in cash held	3,164,152	(276,156)
Cash at the beginning of the financial period	<u>36,479</u>	<u>279,170</u>
CASH AT THE END OF THE FINANCIAL PERIOD	<u><u>3,200,631</u></u>	<u><u>3,014</u></u>

The consolidated statement of cash flows should be read in conjunction with the attached notes to the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The consolidated half-year financial report does not include all of the information required for a full annual financial report. The half-year financial report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2020. This report must also be read in conjunction with any public announcements made by Estrella Resources Limited and its controlled entities during the half-year.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

These interim financial statements were authorised for issue on 10 March 2021.

(B) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(C) ACCOUNTING POLICIES

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(D) NEW AND REVISED STANDARDS AND AMENDMENTS THEREOF AND INTERPRETATIONS EFFECTIVE FOR THE CURRENT HALF-YEAR THAT ARE RELEVANT TO THE CONSOLIDATED ENTITY

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2020 \$	30 June 2020 \$
Exploration and evaluation assets		
Balance at the beginning of period	4,586,994	4,332,162
Exploration costs capitalised	2,669,526	504,832
Disposal of tenements	(269,647)	(250,000)
Impairment of exploration expenditure	-	-
Balance at the end of reporting period	<u>6,986,873</u>	<u>4,586,994</u>

During the period the Group disposed of the Munda Gold Project to Auric Mining Limited for upfront cash consideration of \$1,247,000 (ex GST) (which included reimbursement for termination of existing royalty of \$147,000), plus deferred consideration of \$650,000 (ex GST) on the Munda Gold Project meeting a total combined gold mined and unmined inferred resource of 100,000oz post the date of settlement. Following settlement Auric advised the Group that the milestone inferred resource of 100,000oz had been achieved. As at 31 December 2020, the \$650,000 deferred consideration has been recognised within trade and other receivable.

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Company conducts impairment testing on an annual basis when indicators of impairment are present at the reporting date.

3. SHARE CAPITAL & RESERVES

	31 December 2020 \$	30 June 2020 \$
Issued capital	(a) 23,047,494	17,905,893
Option reserve	(b) 712,291	535,880
Convertible note reserve	<u>58,000</u>	<u>58,000</u>

(a) Reconciliation of movement during the period:

	Shares	\$
Opening balance on 1 July 2020	534,647,797	17,905,893
Placement – 7 August 2020	75,000,000	525,000
Placement – 30 September 2020	125,000,000	875,000
Conversion of convertible note – 6 November 2020	1,083,836	10,838
Option conversions during the period	163,780,608	4,046,703
Share issue costs	-	(315,940)
Closing balance on 31 December 2020	<u>899,512,241</u>	<u>23,047,494</u>

(b) Movement in option reserve

	31 December 2019 \$
Opening balance on 1 July 2020	535,880
Options placement	20,000
Share based payment	<u>156,411</u>
Closing Balance on 31 December 2020	<u>712,291</u>

(c) Outstanding Share Options

As at 31 December 2020 the company had the following share options outstanding:

Expiry Date and Price	Type	Number
OPTIONS EXP 15/05/21 @ \$0.05	Unlisted Option	4,500,000
OPTIONS EXP 20/11/22 @ \$0.03	Unlisted Option	11,500,000
OPTIONS EXP 17/11/23 @0.20	Unlisted Option	4,850,000
OPTIONS EXP 31/07/23 @ \$0.02	Listed Option	263,589,058
OPTIONS EXP 27/06/21 @ \$0.05	Listed Option	227,110,662
		<u>511,549,720</u>

4. SHARE BASED PAYMENTS

There were the following share based payments during the period:

	31 December 2020	31 December 2019
	\$	\$
Options		
Options issued to employees and consultants pursuant to the ESOP (a)	156,411	-
Options issued to KMP and employees pursuant to the ESOP	-	63,970
Ordinary Shares		
4,264,505 Ordinary shares at a deemed issue price of \$0.01 per share to suppliers in lieu of services	-	42,645

The fair value of ordinary shares issued were determined by reference to the market price.

a) Employee share option plan

The Employee Share Option Plan (**ESOP**) was approved by shareholder on 25 September 2020. During the reporting period, 4,850,000 options were issued under the ESOP (2019: 14,000,000).

Grant Date/entitlement	Number of Instruments	Grant Date	Fair value per instrument \$	Value \$
Unlisted options issued to employees and consultants exercisable at \$0.20 on or before 17 November 2023	4,850,000	18/11/2020	0.0619	300,264

The options issued during the period were calculated using the Black-scholes option pricing model with the following inputs:

	Options granted
Expected volatility (%)	100%
Risk free interest rate (%)	0.8%
Weighted average expected life of options (years)	3
Expected dividends	-
Option exercise price (\$)	\$0.20
Share price at grant date (\$)	\$0.12
Fair value of option (\$)	\$300,264
Number of options	4,850,000
Expiry date	17/11/2023

2,600,000 options vest 12 months from the date of issue and 2,250,000 vest immediately.

5. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The consolidated entity operates in one segment, being exploration for mineral resources. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the consolidated entity. The consolidated entity operates in Australia.

6. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors, there were no significant changes in contingent assets or liabilities during the period ended 31 December 2020.

7. COMMITMENTS

In the opinion of the directors, there were no significant changes in commitments during the period ended 31 December 2020.

8. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the half-year the Company issued 8,549,500 ordinary shares on exercise of 8,500,000 options exercisable at \$0.02 (ESROA) and 49,500 options exercisable at \$0.05 (ESRO).

On 29 January 2021 the Company issued 11,750,000 unquoted options exercisable at \$0.20 expiring 17 November 2023, following shareholder approval at the Company's shareholder meeting on 28 January 2021. Included in this option issue were 10,750,000 options issued to Directors.

Other than as outlined above there are no other events subsequent to the end of the period that would have a material effect on the company's financial statements at 31 December 2020.

9. INTEREST IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 1:

Controlled entities	Country of incorporation	Percentage owned	Percentage owned
		31 December 2020	30 June 2020
WA Nickel Pty Ltd	Australia	100%	100%
Carr Boyd Nickel Pty Ltd	Australia	100%	100%
Estrella Resources (Chile) SpA	Chile	100%	100%

In the opinion of the Directors of Estrella Resources Limited:

(a) The attached financial statements and notes:

- (i) comply with Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of the consolidated entity's performance, for the half-year ended on that date.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



Christopher Daws
Managing Director
10 March 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ESTRELLA RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Estrella Resources Limited which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Estrella Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Estrella Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Estrella Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

Al Whyte

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 10 March 2021

DIRECTORS

Christopher Daws (Managing Director)
Leslie Pereira (Non-Executive Director)
John Kingswood (Non-Executive Director)
Stephen Brockhurst (Non-Executive Director)
Neil Hutchison (Non-Executive Director)

COMPANY SECRETARY

Stephen Brockhurst

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BANKERS

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