



CONSTELLATION RESOURCES LIMITED
INTERIM FINANCIAL REPORT FOR THE HALF
YEAR ENDED 31 DECEMBER 2020

ABN: 57 153 144 211

CORPORATE DIRECTORY

DIRECTORS:

Mr Ian Middlemas – Chairman
Mr Peter Woodman – Managing Director
Mr Peter Muccilli – Technical Director
Mr Robert Behets – Non-Executive Director
Mr Mark Pearce – Non-Executive Director

COMPANY SECRETARY:

Mr Lachlan Lynch

REGISTERED AND PRINCIPAL OFFICE:

Level 9, 28 The Esplanade, Perth WA 6000
Tel: +61 8 9322 6322
Fax: +61 8 9322 6558

AUDITOR:

William Buck Audit (WA) Pty Ltd

SOLICITORS:

Thomson Geer

BANKERS:

Australia and New Zealand Banking Group Limited
National Australia Bank

STOCK EXCHANGE LISTING:

Australian Securities Exchange
Fully Paid Ordinary Shares (ASX Code: **CR1**)
Listed Options (ASX Code: **CR1O**)

SHARE REGISTER:

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000
AUSTRALIA
Tel: 1300 288 664

CONTENTS

	Page
Directors' Report	1
Auditor's Independence Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	17
Independent Auditor's Review Report	18

DIRECTORS' REPORT



The Directors of Constellation Resources Limited present their report on the Company (the "Company" or "Constellation") for the half year ended 31 December 2020.

DIRECTORS

The names and details of the Company's directors in office at any time during, or since the end of, the half year are as follows:

Current Directors

Mr Ian Middlemas	Chairman
Mr Peter Woodman	Managing Director
Mr Peter Muccilli	Technical Director (appointed 22 July 2020)
Mr Robert Behets	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Unless otherwise stated, Directors held their office from 1 July 2020 until the date of this report.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the half year consisted of the exploration for minerals, including the Orpheus Project.

OPERATING AND FINANCIAL REVIEW

Operations

Orpheus Project – Fraser Range

The Company manages the Orpheus Project (Figure 1), comprising six tenements covering approximately 558km² in the Fraser Range province of Western Australia. In the Fraser Range, certain Proterozoic mafic/ultramafic intrusion suites are prospective to host nickel-copper sulphide mineralisation. The region is currently experiencing high levels of exploration activity for nickel following the Nova, Silver Knight, Mawson and Lantern discoveries.

The Orpheus Project includes a 70% interest in three mineral exploration licences (E28/2403, E63/1281 and E63/1282) and one mineral exploration licence application (E63/1695). The three granted exploration licences form part of a joint venture between the Company (70%) and Enterprise Metals Limited ("Enterprise") (30%, ASX: ENT). Pursuant to the joint venture agreement, the Company is responsible for sole funding all joint venture activities on the tenements, which form part of the joint venture, up to completion of a bankable feasibility study.

Additionally, the Company has further 100% interests in two exploration licences (E28/2738 and E28/2957).

As at the date of this report, the Company has an interest in the following projects:

Project Name	Permit Number	Percentage Interest	Status
Fraser Range, Western Australia	E63/1281	70%	Granted
	E63/1282	70%	Granted
	E28/2403	70%	Granted
	E63/1695	70%	Application
	E28/2738	100%	Granted
	E28/2957	100%	Granted

OPERATING AND FINANCIAL REVIEW (Continued)

Highlights during and subsequent to the end of the half year include:

- Completion of maiden reconnaissance air-core ("AC") program comprising 121 holes totalling 15,102 metre undertaken on five of ten high priority geophysical targets identified across the Company's northern tenements (Figure 3). A follow-up infill program comprising 16 holes totalling 1,552 metre was also completed late in the half-year to further refine Nickel-Copper-Cobalt- Platinum Group Elements ("Ni-Cu-Co-PGE") anomalism.
- Assays returned several encouraging Ni-Cu-Co-PGE results. Key results include (Figure 2):
 - KAC0091: 21m @ 0.21% Ni, 0.08% Cu, 0.03% Co, 52ppb (Pt+Pd), 12ppb Au from 93m including:**
 - 4m @ 0.26% Ni, 0.13% Cu, 0.05% Co, 88ppb (Pt+Pd) and 11ppb Au from 93m; and
 - 4m @ 0.31% Ni, 0.08% Cu, 0.03% Co, 24ppb (Pt+Pd) and 9ppb Au from 109m.
 - KAC0124: 18m @ 0.21% Ni, 0.02% Cu and 0.05% Co, 14 ppb (Pt+Pd) from 87m includes:**
 - 2m @ 0.47% Ni, 0.26% Cu and 0.08% Co, 11 ppb (Pt+Pd) from 97m
- AC drilling results to date have defined a highly prospective Ni-Cu-Co-PGE geochemical target that is interpreted to be **over three kilometres in strike and up to 400 metres wide** – named the Eyre Anomaly.
- Optical petrological examination from selected AC samples in three infill drillholes (KAC0124, KAC0131 and KAC0135) has indicated the presence of trace magmatic nickel sulphides in favourable peridotite and pyroxenite (both olivine bearing) host rocks.
- Strong evidence for magmatic nickel sulphides as being the source of the Eyre Anomaly which supports the prospectivity of the other established Ni-Cu-Co-PGE anomalies as a pathfinder to nickel sulphides in the basement intrusive.
- High priority follow-up infill AC drilling planned in the coming months to improve definition of the grade distribution at each of the established Ni-Cu-Co-PGE geochemical footprints, with the northern Eyre Anomaly being a priority.
- Experienced nickel executive Peter Muccilli appointed as a Technical Director in July 2020.

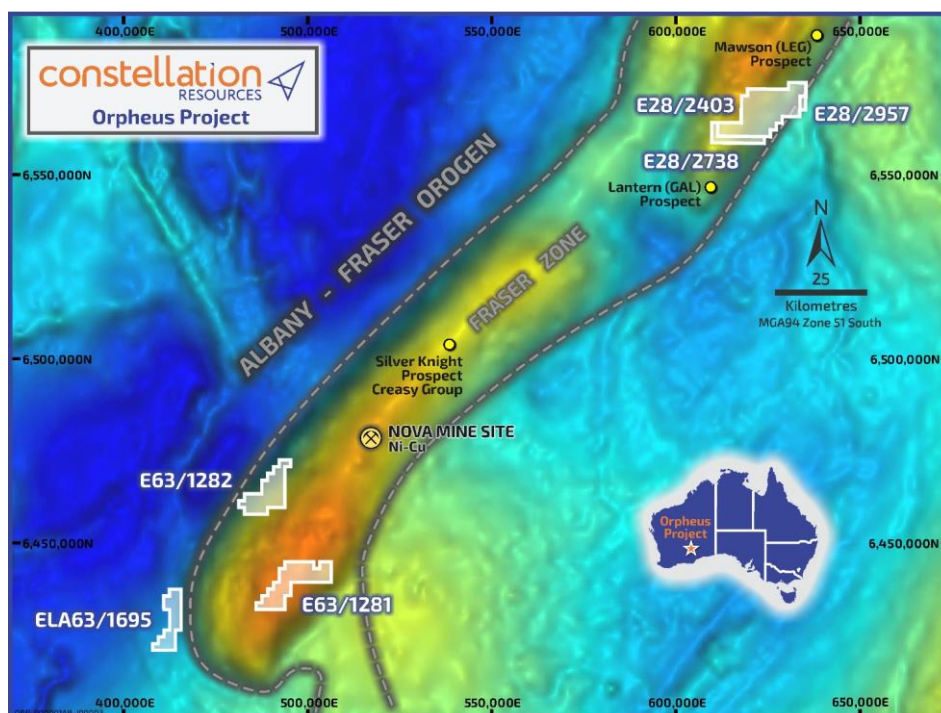


Figure 1: Tenement Plan – Orpheus Project.

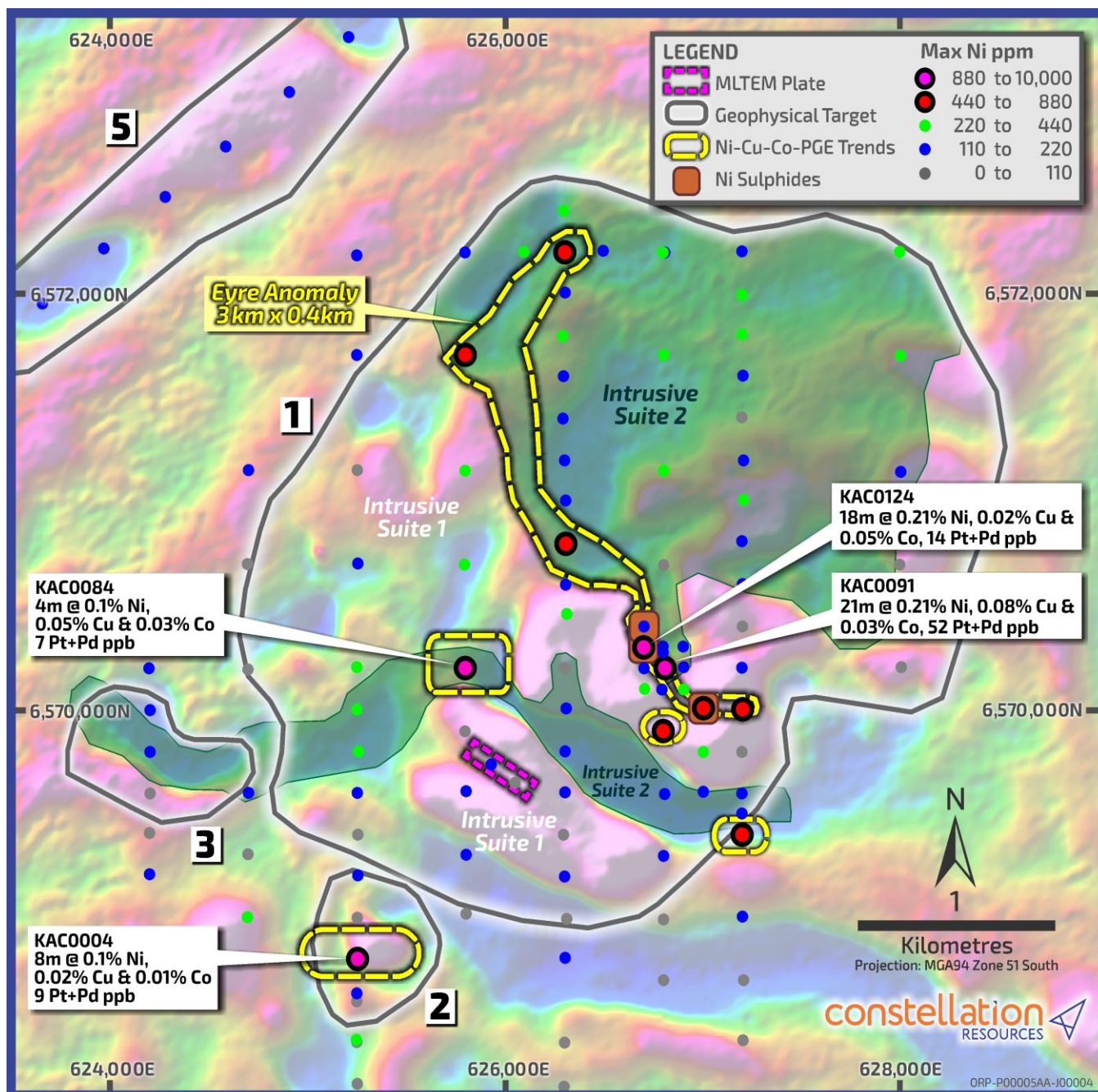


Figure 2: AC drill results including Eyre Anomaly, geochemical footprints, MLTEM anomaly over first derivative aeromagnetics.

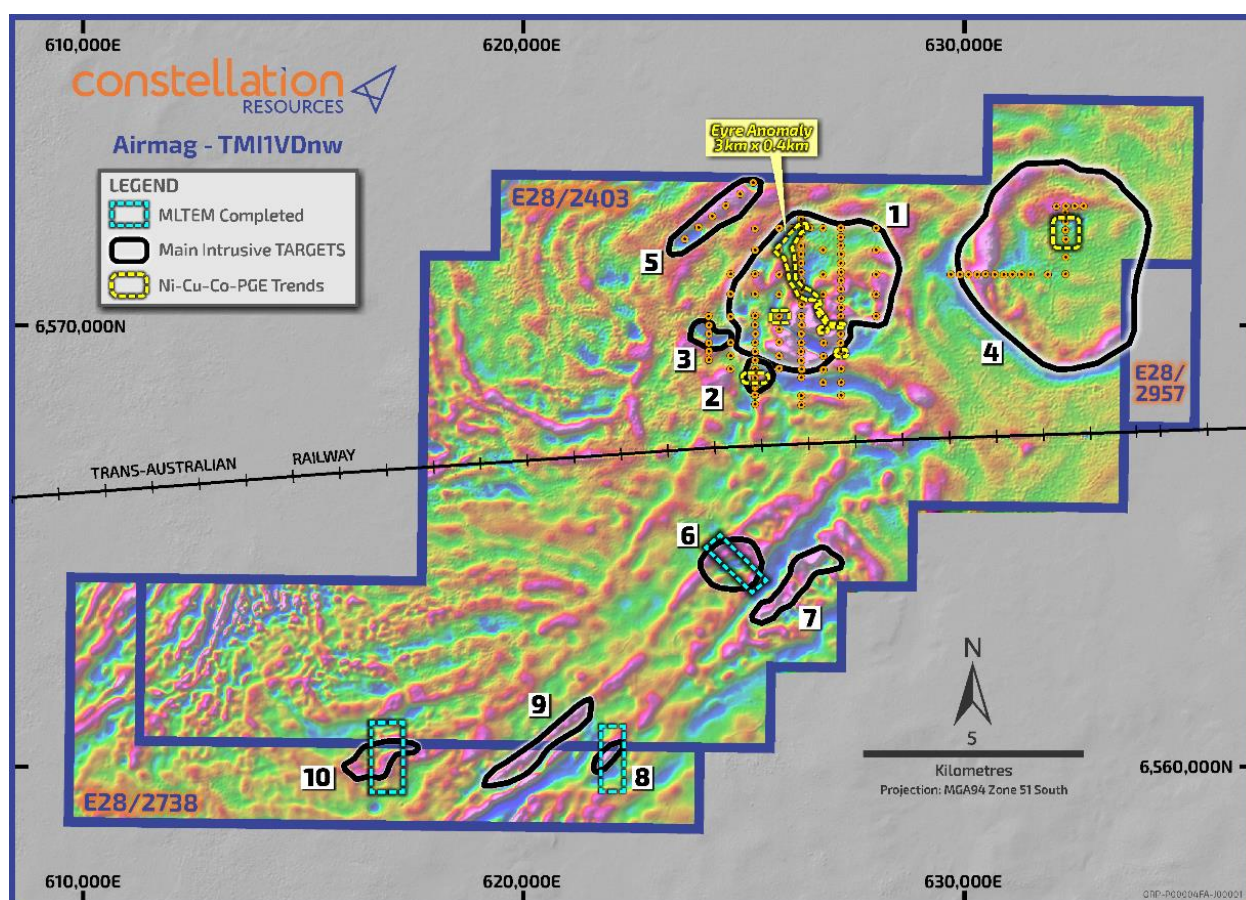


Figure 3: Geophysical targets over magnetic image including Eyre Anomaly and location of MLTEM survey.

Business Development

Several opportunities have been reviewed during the half year, and the Company will continue in its efforts to identify and acquire suitable new business opportunities in the resources sector, both domestically and overseas. However, no agreements have been reached or licences granted and the Directors are not able to assess the likelihood or timing of a successful acquisition or grant of any opportunities.

Results of Operations

The net loss of the Company for the half year ended 31 December 2020 was \$896,374 (31 December 2019: \$450,484). This loss is predominately comprised exploration and evaluation expenditure of \$583,954 (31 December 2019: \$255,176) attributable to the Company's accounting policy of expensing exploration and evaluation expenditure (other than expenditures incurred in the acquisition of the rights to explore) incurred by the Company. In the current half year, the net loss also includes share based payments expenses totalling \$98,086 (31 December 2019: \$11,058) relating to incentive options. The fair value of the incentive options is recognised over the vesting period of the option.

Financial Position

As at 31 December 2020, the Company had a net current asset surplus of \$3,301,989 (30 June 2020: net current asset surplus of \$4,101,122). At 31 December 2020, the Company had cash reserves of \$3,461,439 (30 June 2020: \$4,313,710) and nil borrowings (30 June 2020: \$nil). At 31 December 2020, the Company had net assets of \$3,656,630 (30 June 2020: net assets of \$4,451,586).

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 1 February 2021, the Company issued 50,000 fully paid ordinary shares upon the exercise of listed options raising \$10,000.

As at the date of this report, there are no other matters or circumstances which have arisen since 31 December 2020 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2020, of the Company;
- the results of those operations, in financial years subsequent to 31 December 2020, of the Company; or
- the state of affairs, in financial years subsequent to 31 December 2020, of the Company.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2020 required under s307C of the Corporations Act 2001 has been received and can be found on page 6 of the Directors' Report.

This report is made in accordance with a resolution of the Directors.

For and on behalf of the Directors,



PETER WOODMAN
Managing Director

17 February 2021

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is extracted from announcements dated 19 January 2021, 8 December 2020, 14 July 2020 and 20 January 2020. These announcements are available to view at the Company's website on www.constellationresources.com.au. The information in the original ASX Announcements that related to Exploration Results was based on, and fairly represents information compiled by Peter Muccilli, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Muccilli is a Technical Director of Constellation Resources Limited and a holder of options in Constellation Resources Limited. Mr Muccilli has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). The Company confirms that it is not aware of any information or data that materially affects the information included in the original market announcements. 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 announcements.

FORWARD LOOKING STATEMENTS

Statements regarding plans with respect to Constellation's project are forward-looking statements. There can be no assurance that the Company's plans for development of its projects will proceed as currently expected. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CONSTELLATION RESOURCES LIMITED

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director
Dated this 17th day of February, 2021

ACCOUNTANTS & ADVISORS

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



		Half Year Ended 31 December 2020	Half Year Ended 31 December 2019
	Notes	\$	\$
Interest Income		14,248	47,844
Other Income	3	52,524	-
Exploration and evaluation expenses		(583,954)	(255,176)
Administration costs		(281,106)	(232,094)
Share based payments expenses	3,6	(98,086)	(11,058)
Loss before income tax		(896,374)	(450,484)
Income tax expense		-	-
Loss for the half year		(896,374)	(450,484)
Loss attributable to members of Constellation Resources Limited		(896,374)	(450,484)
Other comprehensive income, net of income tax:			
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive loss for the half year		(896,374)	(450,484)
Total comprehensive loss attributable to members of Constellation Resources Limited		(896,374)	(450,484)
Loss per share attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share (\$ per share)	8	(0.03)	(0.01)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020



		31 December 2020	30 June 2020
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		3,461,439	4,313,710
Other receivables		1,069	76,407
Total Current Assets		3,462,508	4,390,117
Non-Current Assets			
Property, plant and equipment		4,641	463
Exploration and evaluation assets	4	350,000	350,000
Total Non-Current Assets		354,641	350,463
TOTAL ASSETS		3,817,149	4,740,580
LIABILITIES			
Current Liabilities			
Trade and other payables		145,825	276,312
Provisions		14,694	12,683
Total Current Liabilities		160,519	288,995
TOTAL LIABILITIES		160,519	288,995
NET ASSETS		3,656,630	4,451,585
EQUITY			
Contributed equity	5	6,629,138	6,625,805
Reserves	6	1,409,354	1,311,268
Accumulated losses		(4,381,862)	(3,485,488)
TOTAL EQUITY		3,656,630	4,451,585

The accompanying notes form part of these financial statements.

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



	Notes	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Other Equity Reserve \$	Total Equity \$
2019						
Balance at 1 July 2019		6,625,805	(2,038,661)	94,052	1,200,148	5,881,344
Net loss for the half year		-	(450,484)	-	-	(450,484)
Total comprehensive income/(loss) for the half year		-	(450,484)	-	-	(450,484)
Transactions with owners in their capacity as owners						
Share based payments expense	6	-	-	11,058	-	11,058
Balance at 31 December 2019		6,625,805	(2,489,145)	105,110	1,200,148	5,441,918
2020						
Balance at 1 July 2020		6,625,805	(3,485,488)	111,120	1,200,148	4,451,585
Net loss for the half year			(896,374)	-	-	(896,374)
Total comprehensive income/(loss) for the half year		-	(896,374)	-	-	(896,374)
Transactions with owners in their capacity as owners						
Share based payments expense	6	-	-	98,086	-	98,086
Issue of shares upon exercise of options	5	3,333	-	-	-	3,333
Balance at 31 December 2020		6,629,138	(4,381,862)	209,206	1,200,148	3,656,630

The accompanying notes form part of these financial statements.

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



	Notes	Half Year Ended 31 December 2020 \$	Half Year Ended 31 December 2019 \$
Operating activities			
Interest received from third parties		18,440	54,056
COVID-19 cash flow boost		66,868	-
Payments to employees and suppliers		(935,314)	(491,106)
Net cash flows used in operating activities		(850,006)	(437,050)
Investing activities			
Purchase of property, plant and equipment		(5,598)	-
Net cash flows used in investing activities		(5,598)	-
Financing activities			
Proceeds from issue of ordinary shares on exercise of options	5	3,333	-
Net cash flows from financing activities		3,333	-
Net decrease in cash and cash equivalents		(852,271)	(437,050)
Cash and cash equivalents at the beginning of the half year		4,313,710	5,589,116
Cash and cash equivalents at the end of the half year		3,461,439	5,152,066

The accompanying notes form part of these financial statements.

CORPORATE INFORMATION

Constellation Resources is a Company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded. The principal activity of the Company during the half year consisted of the exploration for minerals, including the Orpheus Project.

The financial report of the Company for the half year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Directors on 17 February 2021.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose financial report for the interim half year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Constellation Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") and interpretations adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. For the purposes of preparing the financial statements, the Company is a for-profit entity. The principal accounting policies adopted in the preparation of the financial report have been consistently applied to all the periods presented, unless otherwise stated. The significant accounting judgements, estimates and assumptions adopted in the half-year financial report are consistent with those applied in the preparation of the Company's annual financial report for the year ended 30 June 2020, except for those that have arisen as a result of new standards, amendments to standards and interpretations effective from 1 July 2020.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, including AASB 134 which ensures compliance with International Financial Reporting Standard ("IFRS") IAS 34 "*Interim Financial Reporting*" as issued by the International Accounting Standards Board.

In the current half year, the Company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are mandatory for the current annual reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the reporting period ended 31 December 2020. Those which may be relevant to the Company are set out in the table below, but these are not expected to have any significant impact on the Company's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Company
<i>AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 January 2022	1 July 2022
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	1 January 2023	1 July 2023
<i>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date</i>	1 January 2023	1 July 2023

2. SEGMENT INFORMATION

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

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

3. INCOME AND EXPENSES

	Half Year Ended 31 December 2020 \$	Half Year Ended 31 December 2019 \$
Other Income		
COVID-19 cash flow boost	52,524	-
	52,524	-
Employee benefits expense included in profit or loss		
Wages, salaries and fees	330,549	158,000
Defined contribution plans	22,661	15,010
Share based payment expenses	98,086	11,058
	451,296	184,068

4. EXPLORATION AND EVALUATION ASSETS (NON-CURRENT)

	Notes	31 December 2020 \$	30 June 2020 \$
(a) Exploration and evaluation assets by area of interest			
Orpheus Project (Fraser Range - Western Australia)	4(b)	350,000	350,000
Total exploration and evaluation assets		350,000	350,000
(b) Reconciliation of carrying amount:			
Carrying amount at beginning of year		350,000	350,000
Balance at end of the half year ⁽¹⁾		350,000	350,000

Notes:

- 1 The ultimate recoupment of costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

5. CONTRIBUTED EQUITY

	Notes	31 December 2020 \$	30 June 2020 \$
(a) Issued Capital			
35,016,766 (30 June 2020: 35,000,100) Ordinary Shares	5(b)	6,629,138	6,625,805
		6,629,138	6,625,805

(b) Movements in Ordinary Shares were as follows:

Date	Details	Number of Ordinary Shares	Issue Price \$	\$
31 December 2019				
01-Jul-19	Opening Balance	35,000,100	-	6,625,805
31-Dec-19	Closing Balance	35,000,100		6,625,805
31 December 2020				
01-Jul-20	Opening Balance	35,000,100	-	6,625,805
30-Jul-20	Issue of shares on exercise of options	16,666	0.20	3,333
31-Dec-20	Closing Balance	35,016,766		6,629,138

(c) Rights Attaching to Ordinary Shares

The rights attaching to fully paid ordinary shares ("**Ordinary Shares**") arise from a combination of the Company's Constitution, statute and general law. Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001 or Listing Rules).

(i) Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the Corporations Act 2001 and any rights attached to any special class of shares.

(ii) Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is 2 shareholders.

(iii) Voting

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) Changes to the Constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RESERVES

		31 December 2020	30 June 2020
	Note	\$	\$
Share-based payments reserve	6(b)	209,206	111,120
Other equity reserve	6(d)	1,200,148	1,200,148
		1,409,354	1,311,268

(a) Nature and Purpose of Reserves

(i) Share-based payments reserve

The share-based payments reserve is used to record the fair value of Unlisted Options, issued by the Company.

(ii) Other equity reserve

Refer to note 6(d).

(b) Movements in the share-based payments reserve were as follows:

Date	Details	Number of Incentive Options	\$
31 December 2020			
1-Jul-2020	Opening balance	1,000,000	111,120
20-Jul-2020	Issue of incentive options	1,300,000	-
31-Dec-2020	Share-based payment expense	-	98,086
31-Dec-2020	Closing balance	2,300,000	209,206
31 December 2019			
1-Jul-2019	Opening balance	1,000,000	94,052
31-Dec-2019	Share-based payment expense	-	11,058
31-Dec-2019	Closing balance	1,000,000	105,110

(c) Terms and Conditions of Listed and Unlisted Options

The Options are granted based upon the following terms and conditions:

- Each Option entitles the holder to the right to subscribe for one Ordinary Share upon the exercise of each Option;
- The Options are exercisable at any time prior to the Expiry Date, subject to vesting conditions being satisfied (if applicable);
- Ordinary Shares issued on exercise of the Options rank equally with the then Ordinary Shares of the Company;
- Application will be made by the Company to Australian Securities Exchange ("ASX") for official quotation of the Ordinary Shares issued upon the exercise of the Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- At the end of the half year, the Company has on issue 14,649,736 listed options quoted on the ASX;
- The Unlisted Options outstanding at the end of the half year have the following exercise prices, vesting and expiry dates:
 - 300,000 Unlisted Options exercisable at \$0.25 each on or before 9 April 2021 (vested 9 April 2018);
 - 300,000 Unlisted Options exercisable at \$0.30 each on or before 9 October 2021 (vested 9 October 2019);
 - 400,000 Unlisted Options exercisable at \$0.40 each on or before 9 April 2022 (vested 9 April 2020);

- 433,333 Unlisted Options exercisable at \$0.40 each on or before 30 June 2023 (vesting immediately);
- 433,333 Unlisted Options exercisable at \$0.50 each on or before 30 June 2023 (vesting 20 July 2021); and
- 433,334 Unlisted Options exercisable at \$0.60 each on or before 30 June 2023 (vesting 20 July 2022).

(d) Other Equity Reserve

On 30 April 2018, the Company entered into a Debt for Equity Subscription Agreement with its parent entity Apollo Minerals Limited ("Apollo Minerals"). Under the terms of the agreement, Apollo Minerals agreed to forgive all loan advances made to the Company in relation to exploration activities at the Orpheus Project. The balance of the loan as at the date of forgiveness was \$1,200,148. As the transaction was between a parent entity and subsidiary, the forgiven amount has been recognised directly in equity.

7. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Due to their short-term nature, the carrying amounts of current receivables and current payables is assumed to approximate their fair value.

8. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	Half Year Ended 31 December 2020 \$	Half Year Ended 31 December 2019 \$
Basic and diluted loss per share	(0.03)	(0.01)
	(0.03)	(0.01)

	Half Year Ended 31 December 2020 \$	Half Year Ended 31 December 2019 \$
Net loss attributable to members of the parent used in calculating basic and diluted earnings per share:	(896,374)	(450,484)
Earnings used in calculating basic and dilutive earnings per share	(896,374)	(450,484)

	Number of Ordinary Shares 31 Dec 2020	Number of Ordinary Shares 31 Dec 2019
Weighted average number of Ordinary Shares used in calculating basic and dilutive earnings per share	35,014,139	35,000,100

(a) Non-Dilutive Securities

As at reporting date, 14,649,736 Listed Options and 2,300,000 Unlisted Options (which represent 16,949,736 potential Ordinary Shares) were considered non-dilutive as they would decrease the loss per share.

9. COMMITMENTS

As a condition of retaining the current rights to tenure to exploration tenements, the Company is required to pay an annual rental charge and meet minimum expenditure requirements for each tenement. These obligations are not provided for in the financial statements and are at the sole discretion of the Company:

	31 December 2020	30 June 2020
	\$	\$
Commitments for exploration expenditure:		
Not longer than 1 year	260,000	245,000
Longer than 1 year and shorter than 5 years	127,500	180,625
	387,500	425,625

As at the date of this report, no material contingent assets or liabilities had been identified as at 31 December 2020 (30 June 2020: nil).

10. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the current or previous half-year.

11. EVENTS SUBSEQUENT TO REPORTING DATE

On 1 February 2021, the Company issued 50,000 fully paid ordinary shares upon the exercise of listed options raising \$10,000.

As at the date of this report, there are no other matters or circumstances which have arisen since 31 December 2020 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2020, of the Company;
- the results of those operations, in financial years subsequent to 31 December 2020, of the Company; or
- the state of affairs, in financial years subsequent to 31 December 2020, of the Company.

DIRECTORS' DECLARATION



In accordance with a resolution of the Directors of Constellation Resources Limited, I state that:

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto for the half year ended 31 December 2020 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its 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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Board

A handwritten signature in blue ink, appearing to read "P. Woodman".

PETER WOODMAN
Managing Director

17 February 2021

Independent auditor's review report

To the shareholders of Constellation Resources Limited

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Constellation Resources Limited at the half-year's end or from time to time during the half year, 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, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 Constellation Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the 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 Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the

ACCOUNTANTS & ADVISORS

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Corporations Act 2001 including giving a true and fair view of the Company'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*.

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.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director
Dated this 17th day of February, 2021