



Estrella Resources Limited and its controlled entities

ABN 39 151 155 207

Interim Financial Report

For the half year ended 31 December 2021

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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 2021 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
John Kingswood	- Non-executive Director
Stephen Brockhurst	- Non-executive Director
Neil Hutchison	- Non-executive Director

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 with limited drill targeting work on the Spargoville Nickel Project along with progressing plans to mine the deposit.

CARR BOYD NICKEL PROJECT, WA 100%

The Company considerably strengthened its exploration efforts at the Carr Boyd Nickel Project over the half-year utilising one diamond drill rig and one RC rig.

Work predominantly involved mapping and drill testing of the Carr Boyd basal contact so as to identify and narrow down exploration targets. Three main areas were identified (Figure 1), including the previously discovered T5 mineralisation. These areas are the T5-Broonhill Pyroxenites, the Mossgiel Pyroxenites and the Gossan Hill Pyroxenites.

RC drilling at Broonhill and diamond drilling at Mossgiel identified that the pyroxenites are fertile, carrying nickel sulphides, and hence the basal contacts in those areas are highly prospective for additional massive sulphide discoveries.

A total of 11 diamond holes with 3 wedges were drilled for +6,000m of drilling into T5 and Mossgiel. A total of 53 RC holes for +11,000m targeted the T5 and Broonhill Prospects (Table 1).

Additional work involving the CSIRO was commenced, looking at classifying and dating the Carr Boyd Intrusion and also looking at the source of the Carr Boyd Deposit and its relationship to the T5 Basal Contact Mineralisation.

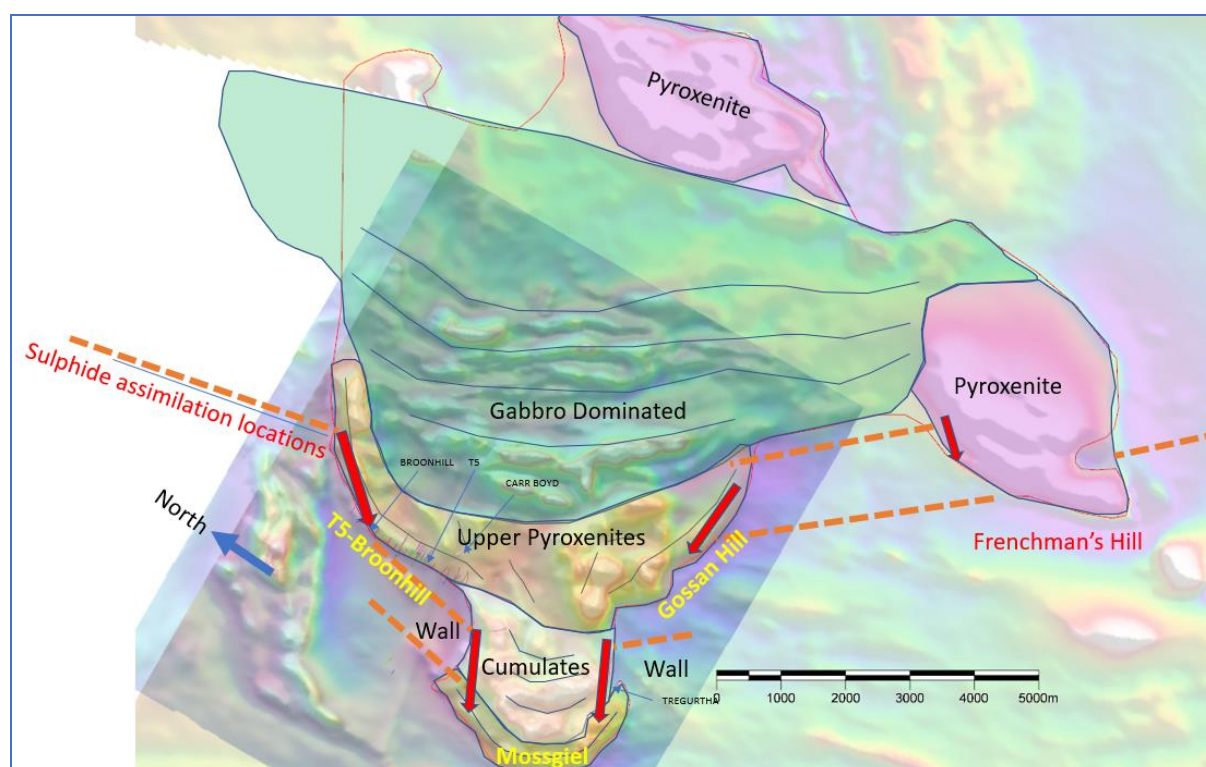


Figure 1. Working Exploration Model depicting the Carr Boyd Igneous. Paleo-gravity is towards the bottom of the image. This means that Broonhill-T5, Mossgiel and Gossan Hill are likely to be true basal contact positions and therefore highly prospective.

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

Hole	Type	Depth	mE	mN	mRL	Tenement	Prospect
CBDD056	DD	877.5	367392.6	6672993	427.3	M31/12	Carr Boyd
CBDD056A	DD	831.8	367392.6	6672993	427.3	M31/12	Carr Boyd
CBDD057	RC / DD	606.7	367370	6673580	431.9	M31/12	T5
CBDD058	DD	260.2	365265	6670955	429.6	E29/982	Mossgiel
CBDD059	DD	288.7	365266	6670955	429.6	E29/982	Mossgiel
CBDD060	RC / DD	741.6	367372	6673580	431.9	M31/12	T5
CBDD061	DD	462.6	365560	6670955	434.5	E29/982	Mossgiel
CBDD062	DD	672.9	367414	6673750	433.6	M31/12	T5
CBDD062A	DD	540.8	367414	6673750	433.6	M31/12	T5
CBDD062B	DD	441.8	367414	6673750	433.6	M31/12	T5
CBDD063	DD	283.4	365354	6670550	427	E29/982	Mossgiel
CBP044	RC	336	367759	6673129	429.16	M31/12	Carr Boyd
CBP045	RC	194	367189	6673901	440.213	M31/12	T5
CBP046	RC	240	367229	6673843	438.25	M31/12	T5
CBP047	RC	240	367244	6673752	436.945	M31/12	T5
CBP048	RC	239	367245	6673648	435.656	M31/12	T5
CBP049	RC	222	367277	6673567	433.829	M31/12	T5
CBP050	RC	288	367246	6673511	434.13	M31/12	T5
CBP051	RC	288	367254	6673346	432.31	M31/12	T5
CBP052	RC	285	367307	6673163	429.51	M31/12	Carr Boyd
CBP053	RC / DD	582.3	367296	6673123	429.12	M31/12	Carr Boyd
CBP054	RC / DD	351.6	367294	6672915	426.5	M31/12	Carr Boyd
CBP055	RC	59	367175	6674017	438.9	E31/726	T5
CBP056	RC	227	367221	6674015	441.2	E31/726	T5
CBP057	RC	203	367222	6674014	441.2	E31/726	T5
CBP058	RC	167	367201	6674136	443.3	E31/726	T5

DIRECTORS' REPORT

CBP059	RC	236	367260	6674140	442.6	E31/726	T5
CBP060	RC	95	367183	6674383	445	E31/726	Broonhill
CBP061	RC	107	367232	6674382	444	E31/726	Broonhill
CBP062	RC	167	367289	6674384	443.8	E31/726	Broonhill
CBP063	RC	181	367300	6674386	443.8	E31/726	Broonhill
CBP064	RC	179	367290	6674383	443.8	E31/726	Broonhill
CBP065	RC	185	367248	6674667	446	E31/726	Broonhill
CBP066	RC	77	367299	6674629	447.1	E31/726	Broonhill
CBP067	RC	107	367377	6674630	447.2	E31/726	Broonhill
CBP068	RC	143	367463	6674629	444.8	E31/726	Broonhill
CBP069	RC	215	367463	6674630	444.8	E31/726	Broonhill
CBP070	RC	101	367310	6674869	444.2	E31/726	Broonhill
CBP071	RC	119	367374	6674869	442.6	E31/726	Broonhill
CBP072	RC	150	367443	6674869	442	E31/726	Broonhill
CBP073	RC	125	367597	6674932	440	E31/726	Broonhill
CBP074	RC	197	367649	6674933	442	E31/726	Broonhill
CBP075	RC	257	367709	6674933	444	E31/726	Broonhill
CBP076	RC	371	367729	6674933	444	E31/726	Broonhill
CBP077	RC	346	367481	6674383	440	E31/726	Broonhill
CBP078	RC	281	367533	6674625	442	E31/726	Broonhill
CBP079	RC	324	367528	6674625	442	E31/726	Broonhill
CBP080	RC	359	367729	6674933	444	E31/726	Broonhill
CBP081	RC	317	367738	6674930	444	E31/726	Broonhill
CBP082	RC	127	367689	6675115	450	E31/726	Broonhill
CBP083	RC	239	367732	6675115	450.8	E31/726	Broonhill
CBP084	RC	239	367819	6675116	449.7	E31/726	Broonhill
CBP085	RC	233	367857	6675115	448.5	E31/726	Broonhill
CBP086	RC	131	367758	6675343	444.4	E31/726	Broonhill
CBP087	RC	131	367779	6675265	445.6	E31/726	Broonhill
CBP088	RC	125	367799	6675189	446.1	E31/726	Broonhill
CBP089	RC	167	367821	6675121	445	E31/726	Broonhill
CBP090	RC	191	367866	6675120	447.9	E31/726	Broonhill
CBP091	RC	173	368987	6676163	431.4	E31/726	Broonhill
CBP092	RC	239	368988	6676081	430.9	E31/726	Broonhill
CBP093	RC	125	368635.6	6675878	430.9	E31/726	Broonhill
CBP094	RC	191	368637.1	6675786	429.9	E31/726	Broonhill
CBP095	RC	187	368384	6675701	433	E31/726	Broonhill
CBP096	RC	83	368384	6675591	432.2	E31/726	Broonhill

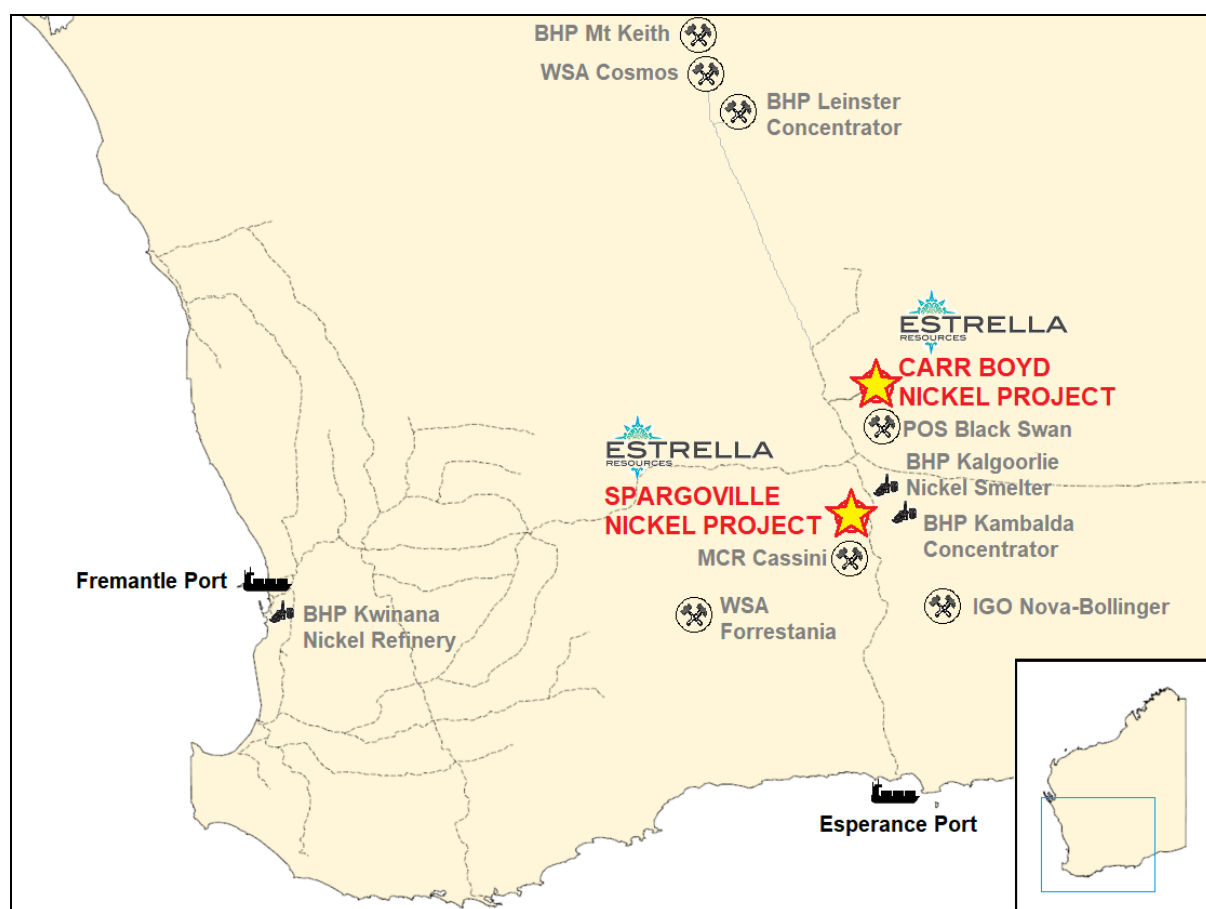


Figure 2. Location of Carr Boyd relation to commercial centres and other major Ni projects.

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.

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

Competent Person Statement

The information in this announcement relating to Exploration Results is based on information compiled by Steve Warriner, who is the Exploration Manager of Estrella Resources, and a member of The Australasian Institute of Geoscientists. Mr. Warriner 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. Warriner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

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 Warriner 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 loss for the half year ended 31 December 2021 attributable to the Group was \$1,129,406 (2020: profit \$828,404).

CORPORATE

As at 31 December 2021 the Group had \$5,102,954 in cash and the Company had the following securities on issue:

- 1,177,043,740 fully paid ordinary shares;
- 239,363,575 listed options exercisable at \$0.02 on or before 27 June 2031 July 2023;
- 5,000,000 unlisted options exercisable at \$0.05 on or before 1 June 2022;
- 10,000,000 unlisted options exercisable at \$0.10 on or before 30 June 2022
- 11,500,000 unlisted options exercisable at \$0.03 on or before 20 November 2022; and
- 16,600,000 unlisted options exercisable at \$0.20 on or before 17 November 2023.

EVENTS SUBSEQUENT TO REPORTING DATE

On 20 January 2022 the Company announced that it had launched a sales process for the Spargoville Nickel Project Rights. The sales process was initiated having received a number of unsolicited approaches to acquire or JV the Project.

On 21 January 2022 the Company issued 14,000,000 unquoted options exercisable at \$0.06 and expiring 21 January 2025 pursuant to the Company's Employee Share Option Plan.

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 2021.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration forms part of the directors' report for the half-year ended 31 December 2021.

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



Christopher Daws
Managing Director
8 March 2022



RSM Australia Partners

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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 2021, 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: 8 March 2022

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	31 December 2021	31 December 2020
	\$	\$
	<hr/>	<hr/>
Interest Income	1,260	1,076
Gain on disposal of tenements	-	1,411,511
Personnel costs and director fees	(205,310)	(125,992)
Legal Fees	(19,517)	(9,188)
Exploration costs written off	(6,155)	-
Consulting fees	(303,507)	(106,767)
Share Based Payments	(359,802)	(156,411)
Depreciation	(60,611)	(13,362)
Finance costs	(23,114)	(43,816)
Other expenses	(152,650)	(128,647)
	<hr/>	<hr/>
(LOSS) / PROFIT BEFORE INCOME TAX	(1,129,406)	828,404
Income tax benefit	-	-
(LOSS) / PROFIT FOR THE PERIOD	<hr/> (1,129,406) <hr/>	<hr/> 828,404 <hr/>
Other Comprehensive Loss	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	<hr/> (1,129,406) <hr/>	<hr/> 828,404 <hr/>
Basic (loss) / earnings per share (cents)	(0.10)	0.11
Diluted (loss) / earnings per share (cents)	(0.10)	0.08

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 2021

	Note	31 December 2021 \$	30 June 2021 \$
Current Assets			
Cash and cash equivalents		5,102,954	3,548,908
Trade and other receivables		554,688	261,338
Financial assets at fair value through profit or loss		<u>83,214</u>	<u>65,662</u>
Total Current Assets		<u>5,740,856</u>	<u>3,875,908</u>
Non-Current Assets			
Plant & equipment		464,915	392,477
Exploration and evaluation expenditure	2	<u>15,150,887</u>	<u>11,152,025</u>
Total Non-Current Assets		<u>15,615,802</u>	<u>11,544,502</u>
Total Assets		<u>21,356,658</u>	<u>15,420,410</u>
Current Liabilities			
Trade and other payables		800,475	1,058,171
Provisions		179,530	275,326
Borrowings		<u>185,387</u>	<u>69,695</u>
Total Current Liabilities		<u>1,165,392</u>	<u>1,403,192</u>
Total Liabilities		<u>1,165,392</u>	<u>1,403,192</u>
Net Assets		<u>20,191,266</u>	<u>14,017,218</u>
Equity			
Share capital	3	34,360,409	27,535,256
Reserves	3	1,504,986	1,026,685
Accumulated losses		<u>(15,674,129)</u>	<u>(14,544,723)</u>
Total Equity		<u>20,191,266</u>	<u>14,017,218</u>

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 2021

	Issued Capital	Accumulated Losses	Option Reserve	Convertible Note Reserve	Total Equity
	\$	\$	\$	\$	\$
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)
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
Balance at 1 July 2021	27,535,256	(14,544,723)	968,684	58,000	14,017,217
Comprehensive loss					
Loss for the period	-	(1,129,406)	-	-	(1,129,406)
Total comprehensive loss for the period	-	(1,129,406)	-	-	(1,129,406)
Transactions with owners, in their capacity as owners					
Shares issued	-	-	-	-	-
Options issued	7,650,204	-	-	-	7,650,204
Share based payment	-	-	359,802	-	359,802
Share issue costs	(825,051)	-	118,500	-	(706,551)
Total transactions with owners, in their capacity as owners	6,825,153	-	478,302	-	7,303,455
Balance at 31 December 2021	34,360,409	(15,674,129)	1,446,986	58,000	20,191,266

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	31 December 2021 \$	31 December 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(746,825)	(371,516)
Interest received	1,260	1,076
Interest paid	-	(3,000)
NET CASH USED IN OPERATING ACTIVITIES	(745,565)	(373,440)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(4,066,294)	(2,378,492)
Payments for investments	(56,015)	(50,000)
Payments for plant and equipment	(133,048)	(354,871)
Proceeds from sale of exploration rights	-	1,243,906
NET CASH USED IN INVESTING ACTIVITIES	(4,255,357)	(1,539,457)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	7,341,219	5,446,702
Proceeds from issue of options	-	20,000
Repayment of borrowings	-	(50,000)
Costs of issue of shares	(786,251)	(339,653)
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,554,968	5,077,049
Net increase in cash held	1,554,046	3,164,152
Cash at the beginning of the financial period	3,548,908	36,479
CASH AT THE END OF THE FINANCIAL PERIOD	5,102,954	3,200,631

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 2021. 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 8 March 2022.

(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 2021	30 June 2021
	\$	\$
Exploration and evaluation assets		
Balance at the beginning of period	11,152,025	4,586,994
Exploration costs capitalised	3,998,862	6,843,764
Disposal of tenements	-	(278,733)
Balance at the end of reporting period	<u>15,150,887</u>	<u>11,152,025</u>

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 2021	30 June 2021
	\$	\$
Issued capital	(a) 34,360,409	27,535,256
Option reserve	(b) 1,446,968	968,685
Convertible note reserve	<u>58,000</u>	<u>58,000</u>

(a) Reconciliation of movement during the period:

	Shares	\$
Opening balance on 1 July 2021	1,005,696,722	27,535,256
Placement of ESRO underwritten options	144,668,333	7,233,417
Conversion of convertible note during the period	11,678,685	116,787
Option conversions during the period	15,000,000	300,000
Share issue costs	-	(825,051)
Closing balance on 31 December 2021	<u>1,177,043,740</u>	<u>34,360,409</u>

(b) Movement in option reserve

	31 December 2021
	\$
Opening balance on 1 July 2021	968,684
Share based payment during the period	478,302
Closing Balance on 31 December 2021	<u>1,446,986</u>

(c) Outstanding Share Options

As at 31 December 2021 the company had the following share options outstanding:

Expiry Date and Price	Type	Number
OPTIONS EXP 1/06/22 @ \$0.05	Unlisted Option	5,000,000
OPTIONS EXP 30/06/21 @0.10	Unlisted Option	10,000,000
OPTIONS EXP 20/11/22 @ \$0.03	Unlisted Option	11,500,000
OPTIONS EXP 17/11/23 @0.20	Unlisted Option	16,600,000
OPTIONS EXP 31/07/23 @ \$0.02	Listed Option	239,363,575
		<u>282,463,575</u>

4. SHARE BASED PAYMENTS

The share based payment expense for the period is for options issued during the period and vesting of options issued in previous reporting periods

	31 December 2021	31 December 2020
	\$	\$
Options		
Options issued to employees and consultants	148,802	156,411
Options issued to corporate advisors (a)	211,000	-
Options issued to underwriters (b)	118,500	-

a) Options issued to corporate advisors

During the reporting period, 10,000,000 options were issued to Henslow Pty Ltd pursuant to a corporate advisory agreement.

Grant Date/entitlement	Number of Instruments	Grant Date	Fair value per instrument \$	Value \$
Unlisted options issued for corporate broking services	10,000,000	1/7/2021	0.0211	211,000

b) Options issued to underwriters

During the reporting period, 5,000,000 options were issued to Henslow Pty Ltd pursuant to an underwriting agreement.

Grant Date/entitlement	Number of Instruments	Grant Date	Fair value per instrument \$	Value \$
Unlisted options issued for underwriting services	5,000,000	6/7/2021	0.0237	118,500

The options issued during the period were calculated using the Hoadley's Trinomial Barrier option pricing model with the following inputs:

	Options granted
Expected volatility (%)	195%
Risk free interest rate (%)	0.06%/0.07%
Weighted average expected life of options (years)	0.9 – 1.0
Expected dividends	-
Option exercise price (\$)	\$0.05/\$0.10
Share price at grant date (\$)	\$0.046 / \$0.047

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 2021.

7. COMMITMENTS

In the opinion of the directors, there were no significant changes in commitments during the period ended 31 December 2021.

8. EVENTS SUBSEQUENT TO REPORTING DATE

On 20 January 2022 the Company announced that it had launched a sales process for the Spargoville Nickel Project Rights. The sales process was initiated having received a number of unsolicited approaches to acquire or JV the Project.

On 21 January 2022 the Company issued 14,000,000 unquoted options exercisable at \$0.06 and expiring 21 January 2025 pursuant to the Company's Employee Share Option Plan.

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 2021.

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	
		31 December 2021	30 June 2021
WA Nickel Pty Ltd	Australia	100%	100%
Carr Boyd Nickel Pty Ltd	Australia	100%	100%
Estrella Resources (Chile) SpA	Chile	100%	100%

10. DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2021. The Directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2021.

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 2021 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
8 March 2022



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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 2021, 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 2021 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 2021 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



ALASDAIR WHYTE
Partner

Perth, WA
Dated: 8 March 2022

DIRECTORS

Christopher Daws (Managing Director)
Leslie Pereira (Non-Executive Chairman)
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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