



CONSTELLATION RESOURCES LIMITED
INTERIM FINANCIAL REPORT FOR THE HALF
YEAR ENDED 31 DECEMBER 2018

ABN: 57 153 144 211

CORPORATE DIRECTORY

DIRECTORS:

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

COMPANY SECRETARY:

Mr Lachlan Lynch

REGISTERED AND PRINCIPAL OFFICE:

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

AUDITOR:

William Buck Audit (WA) Pty Ltd

SOLICITORS:

DLA Piper

BANKERS:

Australia and New Zealand Banking Group Limited

STOCK EXCHANGE LISTING:

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

SHARE REGISTER:

Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000
AUSTRALIA
Tel: 1300 288 664

CONTENTS

Page

Directors' Report	1
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	18
Independent Auditor's Review Report	19

The Directors of Constellation Resources Limited present their report on the Company (the “Company” or “Constellation”) for the half year ended 31 December 2018.

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 Robert Behets	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Unless otherwise stated, Directors held their office from 1 July 2018 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

Corporate

On 4 May 2018, the Company lodged a Prospectus with the Australian Securities and Investment Commission and the Australian Securities Exchange for the offer of up to 35,000,000 shares at an issue price of \$0.20 each, together with one free attaching listed option for every three shares, to raise up to \$7,000,000 before costs.

On 18 July 2018, the Company issued 35,000,000 ordinary shares at \$0.20 and 11,666,402 listed options exercisable at \$0.20 each on or before 31 July 2021 raising \$7,000,000 prior to costs pursuant to the Prospectus. On 26 July 2018, the Company was granted admission to the Australian Securities Exchange with official quotation occurring on 30 July 2018. The \$7,000,000 raised (before costs) is being directed towards the Company's exploration programs planned to evaluate the potential of the Orpheus Project in the Fraser Range.

With effect from 24 October 2018, Mr Lachlan Lynch was appointed Company Secretary of the Company following the resignation of Mr Clint McGhie.

Operations

Orpheus Project – Fraser Range

Constellation holds the Orpheus Project (the “Project”), which comprises five tenements covering approximately 552km² in a prospective portion of the Fraser Range province of south eastern Western Australia (Figure 1). The Orpheus Project includes a 70% interest in three mineral exploration licences and one mineral exploration licence application, and a 100% interest in a further mineral exploration licence. The three exploration licences form part of a joint venture between Constellation (70%) and Enterprise Metals Limited (30%, ASX: ENT).

The Fraser Range province is considered prospective for nickel, copper and gold, and has attracted significant exploration since the discovery of Independence Group NL's (ASX: IGO) Nova-Bollinger nickel and copper deposit in 2012. The bulk of the Project is strategically located along strike and mid-way between the Nova deposit to the northeast and Independence Company's Crux nickel prospect to the southwest. Recent work has confirmed a number of targets within the Orpheus Project tenements and Constellation plans to undertake systematic exploration to assess these targets.

Recent field work on E63/1281 and E63/1282 has confirmed three targets that require further ground work as a priority and include two nickel-copper sulphide targets and one gold target. Two priority nickel-copper sulphide targets have been identified on E28/2403 as a result of recent gravity surveys.

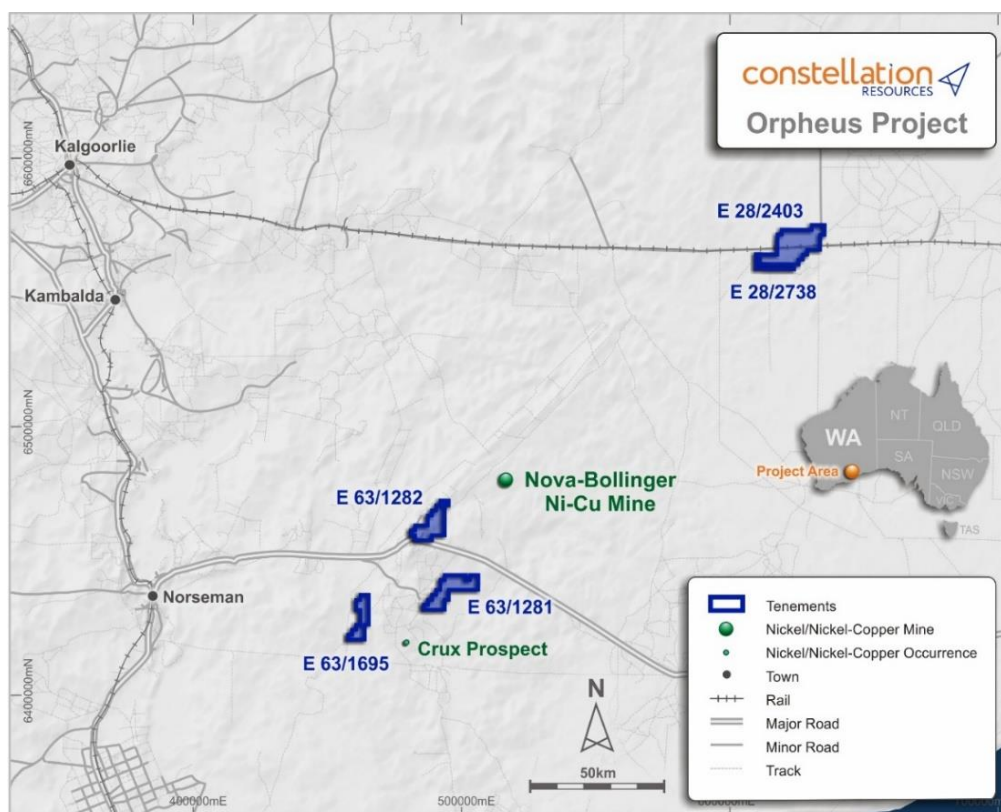


Figure 1: Tenement Plan – Orpheus Project

OPERATING AND FINANCIAL REVIEW (Continued)

E63/1281 - Nickel

A review during the 2017 financial year of the airborne electromagnetic (“HeliTEM”) survey identified a new conductive anomaly within the data set that has the potential to be related to a bedrock mineralised source below the conductive cover. The HeliTEM anomaly shows no correlation to early time results related to surface conditions and develops at a mid-time well above the system noise level and continues with a well-defined decay to the latest times.

The target identified on E63/1281 for ground electromagnetic (“EM”) follow-up from the HeliTEM survey is associated with elevated Ni-Cu-Co rock chips at surface. Soil sampling on an E-W grid with samples 50m apart on 100m traverses was completed in December 2017 and identified a coincident Ni-Co anomaly on the eastern portion of the sampled area. A ground EM survey conducted over the HeliTEM anomaly during the half year ended 31 December 2018 returned subtle anomalism that is under review for further work.

A review of the airborne magnetics over E63/1281 has outlined a number of possible prospective mafic intrusions which are displayed as a discrete magnetic lows that cross cut the general NE magnetic orientation. The interpreted paleochannels may mask some of the potential mafic intrusions to historic airborne EM and geochemical sampling and therefore they remain an exploration target for nickel/copper mineralisation. Planned Ground EM surveys for some of these targets were delayed due to the unavailability of equipment and contractors resulting in the surveys being completed in February 2019. Data interpretation is currently being undertaken to determine subsequent work programs.

E63/1282 - Nickel

During the 2017 review, several HeliTEM targets were identified on E63/1282 for ground EM follow-up. All targets are under shallow cover and any sub crop found was weathered and leached. Ground EM surveys completed over these targets during the half year ended 31 December 2018 did not return any anomalism.

E63/1282 - Gold

This is a ~3km long gold in soil anomaly (up to 13ppb Au) identified from historic sampling associated with a well-defined NE-SW trending magnetic anomaly and follow-up work by Apollo Minerals Limited in August 2017 returned results up to 27ppb gold in soil samples.

Soil sampling in December 2017 was completed over this target on a 100m x 50m E-W grid and has confirmed the presence of the historic gold in soil anomaly, outlining a coherent 500m x 150m gold anomaly in the centre of the sampled area. There are also a number of other anomalous gold in soil areas identified from this survey.

During the half year ended 31 December 2018, the gold target and surrounding area were inspected and preparations have been made to conduct a heritage survey prior to drilling. A heritage survey is planned for the first half of calendar year 2019 with shallow air core drilling traverses over the 500m x 150m anomaly to follow subsequent to heritage clearance.

E28/2403 - Nickel

On E28/2403 three conceptual magnetic targets were covered by a gravity survey on a 400m x 400m grid in 2017. This was subsequently followed up by an infill gravity survey on a 200m x 200m spacing over two anomalies of interest.

Four regional moving loop electromagnetic ("MLTEM") test lines were completed during the half year ended 31 December 2018 to cover the strongest parts of the gravity anomalies. Although these test lines did not return any significant anomalism, they did indicate that ground EM was effective in "seeing" to basement and therefore can be used for direct drill targeting for massive nickel sulphides.

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 2018 was \$456,232 (31 December 2017: \$194,786). This loss is predominately comprised of exploration and evaluation expenditure and is 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 period subsequent to the acquisition of the rights to explore up to the successful completion of definitive feasibility studies for each separate area of interest.

Financial Position

As at 31 December 2018, the Company had a net current asset surplus of \$6,077,837 (30 June 2018: net current asset deficiency of \$114,895). At 31 December 2018, the Company had cash reserves of \$6,102,784 (30 June 2018: \$33,189), and nil borrowings (30 June 2018: \$100,000). At 31 December 2018, the Company had net assets of \$6,430,844 (30 June 2018: net assets of \$238,968).

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

As at the date of this report, there are no matters or circumstances which have arisen since 31 December 2018 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2018, of the Company;
- the results of those operations, in financial years subsequent to 31 December 2018, of the Company; or
- the state of affairs, in financial years subsequent to 31 December 2018, of the Company.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2018 required under s307C of the Corporations Act 2001 has been received and can be found on page 5 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

6 March 2019

COMPETENT PERSONS STATEMENT

The information in this report that related to Exploration Results is based on, and fairly represents, information compiled by Mr Peter Woodman, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Woodman is a holder of shares and options in, and is the Managing Director of, Constellation Resources Limited. Mr Woodman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 Resources and Ore Reserves'. Mr Woodman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 2018 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

CM

Conley Manifis
Director
Dated this 6th day of March, 2019

CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151
PO Box 748
South Perth WA 6951
Telephone: +61 8 6436 2888
williambuck.com

William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide. Liability limited by a scheme approved under Professional Standards Legislation other than for acts or omissions of financial services licensees.



**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018



		Half Year Ended 31 December 2018	Half Year Ended 31 December 2017
	Notes	\$	\$
Interest Income		66,743	-
Exploration and evaluation expenses		(282,269)	(134,036)
Administration costs		(218,303)	(10,750)
Share based payments expenses	3,6	(22,403)	-
Impairment expenses	4	-	(50,000)
Loss before income tax		(456,232)	(194,786)
Income tax expense		-	-
Loss for the half year		(456,232)	(194,786)
Loss attributable to members of Constellation Resources Limited		(456,232)	(194,786)
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		(456,232)	(194,786)
Total comprehensive loss attributable to members of Constellation Resources Limited		(456,232)	(194,786)
Loss per share attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share (\$ per share)	9	(0.01)	(1,948)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018



		31 December 2018	30 June 2018
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		6,102,784	33,189
Trade and other receivables		37,723	3,614
Prepayments		-	252,435
Total Current Assets		6,140,507	289,238
Non-Current Assets			
Property, plant and equipment		3,007	3,863
Exploration and evaluation assets	4	350,000	350,000
Total Non-Current Assets		353,007	353,863
TOTAL ASSETS		6,493,514	643,101
LIABILITIES			
Current Liabilities			
Trade and other payables		62,670	304,133
Borrowings		-	100,000
Total Current Liabilities		62,670	404,133
TOTAL LIABILITIES		62,670	404,133
NET ASSETS		6,430,844	238,968
EQUITY			
Contributed equity	5	6,625,805	100
Reserves	6	1,265,936	1,243,533
Accumulated losses		(1,460,897)	(1,004,665)
TOTAL EQUITY		6,430,844	238,968

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018



	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Other Equity Reserve \$	Total Equity \$
2017					
Balance at 1 July 2017	100	(587,599)	-	-	(587,499)
Net loss for the half year	-	(194,786)	-	-	(194,786)
Total comprehensive income/(loss) for the half year	-	(194,786)	-	-	(194,786)
Transactions with owners recorded directly in equity	-	-	-	-	-
Balance at 31 December 2017	100	(782,385)	-	-	(782,285)
2018					
Balance at 1 July 2018	100	(1,004,665)	43,385	1,200,148	238,968
Net loss for the half year	-	(456,232)	-	-	(456,232)
Total comprehensive income/(loss) for the half year	-	(456,232)	-	-	(456,232)
Transactions with owners recorded directly in equity					
Issue of ordinary shares	7,000,000	-	-	-	7,000,000
Share issue costs	(374,295)	-	-	-	(374,295)
Share based payments expense	-	-	22,403	-	22,403
Balance at 31 December 2018	6,625,805	(1,460,897)	65,788	1,200,148	6,430,844

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018



	Notes	Half Year Ended 31 December 2018 \$	Half Year Ended 31 December 2017 \$
Operating activities			
Interest received from third parties		45,585	-
Payments to employees and suppliers		(501,695)	(108,962)
Net cash flows used in operating activities		(456,110)	(108,962)
Financing activities			
Proceeds from issue of ordinary shares	5	7,000,000	-
Share issue costs	5	(374,295)	-
Repayment of working capital facility		(100,000)	-
Payments financed through loan from Apollo Minerals		-	108,962
Net cash flows from financing activities		6,525,705	108,962
Net increase/(decrease) in cash and cash equivalents		6,069,595	-
Cash and cash equivalents at the beginning of the year		33,189	-
Cash and cash equivalents at the end of the year		6,102,784	-

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 2018 was authorised for issue in accordance with a resolution of the Directors on 6 March 2019.

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 2018 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 2018 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. The financial statements comprise the financial statements of the Company. 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 2018, except for those that have arisen as a result of new standards, amendments to standards and interpretations effective from 1 January 2018, as outlined in note 1(b).

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") 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 relevant to its operations and effective for the current annual reporting period. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Company include:

- AASB 9 *Financial Instruments*, and relevant amending standards
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

The adoption of the aforementioned standards have resulted in an immaterial impact on interim financial statements of the Company as at 31 December 2018. A discussion on the impact of the adoption of AASB 9 is included in note 1(c).

(c) Changes in Accounting Policies

The accounting policies adopted in the preparation of 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 2018, except for new standards, amendments to standards and interpretations effective 1 January 2018 as set out in note 1(b). The Company has set out below the main changes due to the adoption of AASB 9.

Impact of Changes – AASB 9 Financial Instruments

The Company has adopted AASB 9 from 1 July 2018 which have resulted in changes to accounting policies and the analysis for possible adjustments to amounts recognised in the Interim Financial Reports. In accordance with the transitional provisions in AASB 9, the reclassifications and adjustments are not reflected in the statement of financial position as at 30 June 2018 but recognised in the opening balance sheet as at 1 July 2018. The Company has not recognised a loss allowance on trade and other receivables following assessment of the impact of the new impairment model introduced by AASB 9.

Classification and Measurement

On 1 July 2018, the Company has assessed which business models apply to the financial instruments held by the Company and have classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

On adoption of AASB 9, the Company classified financial assets and liabilities as measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. There were no changes in the measurement of the Company's financial instruments.

There was no impact on the statement of comprehensive income or the statement of changes in equity on adoption of AASB 9 in relation to classification and measurement of financial assets and liabilities.

The following table summarises the impact on the classification and measurement of the Company's financial instruments at 1 July 2018:

Presented in statement of financial position	Financial Asset	AASB 139	AASB 9	Reported \$	Restated \$
Cash and cash equivalents	Bank deposits	Loans and receivables	Amortised Cost	No change	No change
Trade and other receivables	Loans and receivables	Loans and receivables	Amortised Cost	No change	No change
Trade and other payables	Loans and payables	Amortised Cost	Amortised Cost	No change	No change

The Company does not currently enter into any hedge accounting and therefore there is no impact to the Company's Interim Financial Reports.

Impairment

AASB 9 introduces a new expected credit loss ("ECL") impairment model that requires the Company to adopt an ECL position across the Company's financial assets from 1 July 2018. The Company's receivables balance consists of GST refunds from the Australian Tax Office and interest receivables from recognised Australian banking institutions. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, an impairment loss would be considered immaterial.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Given the Company's receivables are from the Australian Tax Office and recognised Australian banking institutions, the Company has assessed that the risk of default is minimal and as such, no impairment loss has been recognised against these receivables as at 31 December 2018.

(d) 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 2018. 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
AASB 16 Leases	1 January 2019	1 July 2019
<i>Interpretation 23 Uncertainty over Income Tax Treatments</i>	1 January 2019	1 July 2019
AASB 2017-7 Amendments – Long-term Interests in Associates and Joint Venture Amendments to IAS 28 and Illustrative Example – Long-term Interests in Associates and Joint Ventures	1 January 2019	1 July 2019
AASB 2018-1 Amendments – Annual Improvements 2015-2017 Cycle	1 January 2019	1 July 2019
AASB 2018-2 Amendments – Plan Amendment, Curtailment or Settlement (AASB 119)	1 January 2019	1 July 2019

AASB 16 Leases

AASB 16 Leases will replace existing accounting requirements for leases under AASB 117 Leases. Under current requirements, leases are classified based on their nature as either finance leases which are recognised on the Statement of Financial Position, or operating leases, which are not recognised on the Statement of Financial Position.

Under AASB 16 Leases, the Company's accounting for operating leases as a lessee will result in the recognition of a right-of-use (ROU) asset and an associated lease liability on the Statement of Financial Position. The lease liability represents the present value of future lease payments, with the exception of short-term and low value leases. An interest expense will be recognised on the lease liabilities and a depreciation charge will be recognised for the ROU assets. There will also be additional disclosure requirements under the new standard.

Based on the Company's assessment to date, the adoption of AASB 16 is expected to have an immaterial impact on the financial statements of the Company due to the minimal number, if any, of non-cancellable leases currently entered into by the Company which would not fall under a short-term or low value exception.

Transition

The Company will initially apply AASB 16 on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under AASB 117, the Company can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Company is assessing the potential impact of using these practical expedients.

Based on the current assessment and conditions of the Company, it is expected that the adoption of AASB 16 will have minimal impact if any on the financial statements of the Company. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend however on future economic conditions, including the Company's borrowing rate, the composition of the Company's lease portfolio, the extent to which the Company elects to use practical expedients and recognition exemptions, and the new accounting policies, which are subject to change until the Company presents its first financial statements that include the date of initial application.

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. EXPENSES

	Half Year Ended 31 December 2018 \$	Half Year Ended 31 December 2017 \$
Employee benefits expense included in profit or loss		
Wages, salaries and fees	152,251	-
Defined contribution plans	14,464	-
Share based payment expenses	22,403	-
	189,118	-

4. EXPLORATION AND EVALUATION ASSETS (NON-CURRENT)

	Notes	31 December 2018 \$	30 June 2018 \$
(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	400,000
Impairment of carrying value ⁽²⁾		-	(50,000)
Balance at end of the half year ⁽¹⁾		350,000	350,000

Notes:

- 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.
- During the half year ended 31 December 2017, impairment of the exploration and evaluation asset of \$50,000 was recognised to record the asset at its recoverable amount based on an independent valuation obtained by Apollo Minerals Limited.

5. CONTRIBUTED EQUITY

	Notes	31 December 2018 \$	30 June 2018 \$
(a) Issued Capital			
35,000,100 (30 June 2018: 100) Ordinary Shares	5(b)	6,625,805	100
		6,625,805	100

On 4 May 2018, the Company lodged a Prospectus with the Australian Securities and Investment Commission and the Australian Securities Exchange for the offer of up to 35,000,000 shares at an issue price of \$0.20 each, together with one free attaching listed option for every three shares, to raise up to \$7,000,000 before costs.

On 18 July 2018, the Company issued 35,000,000 ordinary shares at \$0.20 and 11,666,402 listed options exercisable at \$0.20 each on or before 31 July 2021 raising \$7,000,000 prior to costs pursuant to the Prospectus. On 26 July 2018, the Company was granted admission to the Australian Securities Exchange with official quotation occurring on 30 July 2018. The \$7,000,000 raised (before costs) is being directed towards the Company's exploration programs planned to evaluate the potential of the Orpheus Project in the Fraser Range. As at 31 December 2018, no options have been exercised.

(b) Movements in Ordinary Shares During the Past Two Years Were as Follows:

Date	Details	Number of Ordinary Shares	Issue Price \$	\$
30 June 2018				
01-Jan-18	Opening Balance	100	-	100
30-Jun-18	Closing Balance	100	-	100
31 December 2018				
01-Jul-18	Opening Balance	100	-	100
18-Jul-18	Issue of ordinary shares	35,000,000	0.20	7,000,000
31-Dec-18	Share issue costs	-	-	(374,295)
31-Dec-18	Closing Balance	35,000,100	-	6,625,805

(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. Subsequent to listing on the Australian Securities Exchange, the Company will hold annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018
(Continued)



(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 2018	30 June 2018
	Note	\$	\$
Share-based payments reserve	6(b)	65,788	43,385
Other equity reserve	6(d)	1,200,148	1,200,148
		1,265,936	1,243,533

(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	\$
30 June 2018			
1-Jan-2018	Opening balance	-	-
9-Apr-2018	Grant of Incentive Options	1,000,000	43,385
30-Jun-2018	Closing balance	1,000,000	43,385
31 December 2018			
1-Jul-2018	Opening balance	1,000,000	43,385
31-Dec-2018	Share-based payment expense	-	22,403
31-Dec-2018	Closing balance	1,000,000	65,788

(c) Terms and Conditions of Unlisted Incentive Options

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

- Each Unlisted Option entitles the holder to the right to subscribe for one Ordinary Share upon the exercise of each Unlisted Option;
- The Unlisted Options outstanding at the end of the half year have the following exercise prices and expiry dates:
 - 300,000 Unlisted Options exercisable at \$0.25 each on or before 9 April 2021;
 - 300,000 Unlisted Options exercisable at \$0.30 each on or before 9 October 2021; and
 - 400,000 Unlisted Options exercisable at \$0.40 each on or before 9 April 2022.
- The Unlisted 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 Unlisted Options rank equally with the then Ordinary Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Ordinary Shares issued upon the exercise of the Unlisted Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Unlisted Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- No application for quotation of the Unlisted Options will be made by the Company.

An additional 3,000,000 Unlisted Options exercisable at \$0.20 each on or before 31 July 2021 are held by Apollo Minerals Limited. The options are held in escrow for a period of two years from the Company's listing date at which point in time application will be made by the Company to the Australian Securities Exchange for official quotation.

(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. 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 2018	30 June 2018
	\$	\$
Commitments for exploration expenditure:		
Not longer than 1 year	348,500	373,201
Longer than 1 year and shorter than 5 years	118,083	313,289
	466,583	686,490

As at the date of this report, no material contingent assets or liabilities had been identified as at 31 December 2018 (30 June 2018: nil).

9. 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 2018 \$	Half Year Ended 31 December 2017 \$
Basic and diluted loss per share	(0.01)	(1,948)
	(0.01)	(1,948)

	Half Year Ended 31 December 2018 \$	Half Year Ended 31 December 2017 \$
Net loss attributable to members of the parent used in calculating basic and diluted earnings per share:	(456,232)	(194,786)
Earnings used in calculating basic and dilutive earnings per share	(456,232)	(194,786)

	Number of Ordinary Shares 31 Dec 2018	Number of Ordinary Shares 31 Dec 2017
Weighted average number of Ordinary Shares used in calculating basic and dilutive earnings per share	31,766,404	100

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

As at the date of this report, there are no matters or circumstances which have arisen since 31 December 2018 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2018, of the Company;
- the results of those operations, in financial years subsequent to 31 December 2018, of the Company; or
- the state of affairs, in financial years subsequent to 31 December 2018, 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 2018 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 2018 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

6 March 2019

Constellation Resources Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Constellation Resources Limited (the company) on pages 6 to 18, which comprises the statement of financial position as at 31 December 2018, 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.

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 on pages 6 to 18 is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the company's financial position as at 31 December 2018 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.

Responsibilities of the Directors' 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 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 Half-Year Financial Report

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 financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the company's financial position as at 31 December 2018 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 the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151
PO Box 748
South Perth WA 6951
Telephone: +61 8 6436 2888
williambuck.com

Constellation Resources Limited

Independent auditor's review report to members

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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

William Buck

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

CM

Conley Manifis
Director

Dated this 6th day of March, 2019