



CONSTELLATION RESOURCES LIMITED
INTERIM FINANCIAL REPORT FOR THE HALF
YEAR ENDED 31 DECEMBER 2019

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, 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 2, 267 St Georges Terrace
Perth WA 6000
AUSTRALIA
Tel: 1300 288 664

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The Directors of Constellation Resources Limited present their report on the Company (the “Company” or “Constellation”) for the half year ended 31 December 2019.

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 2019 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 is the majority owner of and manages the Orpheus Project, comprising six tenements covering approximately 558km² in the Fraser Range province of Western Australia. In the Fraser Range, certain mafic 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 and Mawson discoveries.

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 and application. The 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.

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
	ELA28/2957	100%	Application

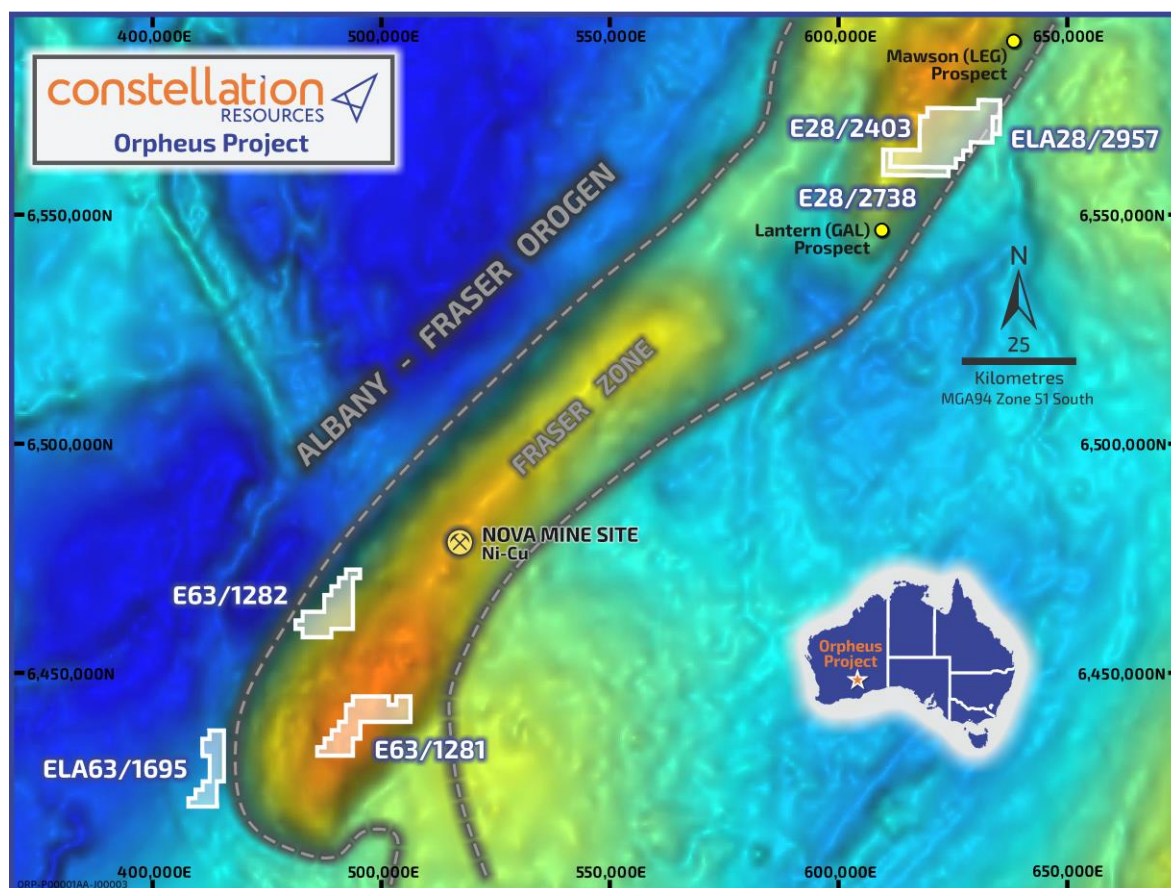


Figure 1: Tenement Plan – Orpheus Project

OPERATING AND FINANCIAL REVIEW (Continued)

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

- Detailed high-resolution airborne magnetic survey and semi-regional gravity survey completed over tenements E28/2403 and E28/2738;
- Processing and interpretation of surveys has led to the identification of ten high priority drill targets;
- Initial stages of air-core drill program commenced over these targets; and
- Continued review of historic and recent nickel exploration data at the Plato prospect on E63/1281 in order to refine potential drill targets.

AIRBORNE MAGNETIC AND GRAVITY SURVEYS COMPLETED

During the half year, the Company completed both a detailed high-resolution airborne magnetic survey and semi-regional gravity survey over tenements E28/2403 and E28/2738 are located on the eastern margin of the northern Fraser Range gravity high and sit in between Legend Mining Limited's (ASX: LEG) Mawson discovery and Galileo Mining Limited's (ASX: GAL) Lantern Prospect. The processing and interpretation of the datasets has led to the identification of ten high priority drill targets across the two tenements.

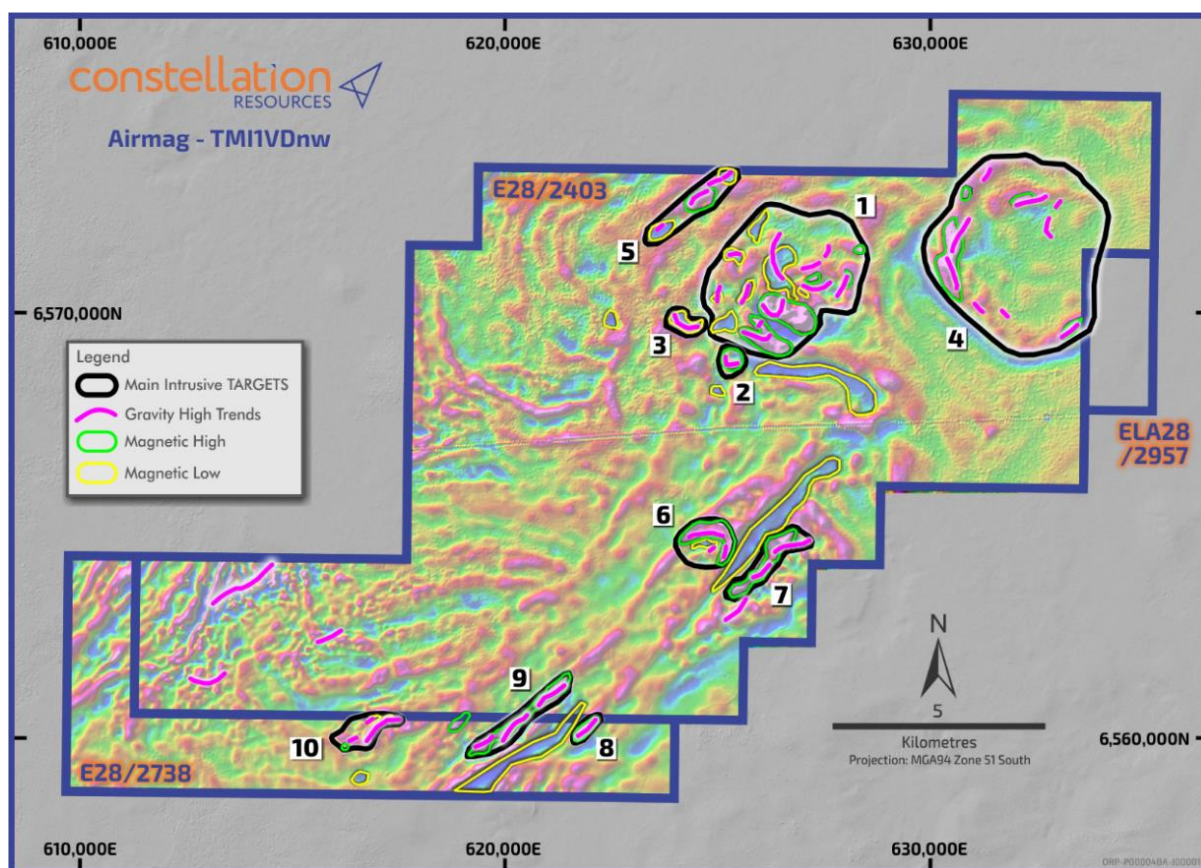


Figure 2: E28/2403, E28/2738 & ELA 28/2957 drill targets over new magnetic data

The Company's exploration focus is now on progressively air-core drill testing the selected targets. The initial drilling program will test the targets located north of the Trans-line Railway (Targets 1-5 in Figure 2). Drill hole positioning will be optimised by localised 3D inversion modelling of the magnetic/gravity data and joint compilation of the inversion outcomes.

The key aim of the drilling program is to confirm the presence of mafic intrusions, in particular, the intrusions with favourable litho-geochemical characteristics. If the drill program is successful in confirming a prospective intrusion, more detailed geophysical and drill programs will be undertaken, to determine if there are any economic concentrations of nickel sulphides hosted within the intrusion. The Company is in the process of selecting an appropriate drilling contractor and obtaining all necessary government approvals.

In conjunction with the above intended air-core drilling program, the Company is continuing its review of historic and recent nickel exploration data at the Plato prospect on E63/1281 in the southern area of the Fraser Range. The assessment of the data is being undertaken with a view to refine potential drill targets on the tenement.

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 2019 was \$450,484 (31 December 2018: \$456,232). 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 2019, the Company had a net current asset surplus of \$5,090,609 (30 June 2019: net current asset surplus of \$5,529,179). At 31 December 2019, the Company had cash reserves of \$5,152,066 (30 June 2019: \$5,589,116) and nil borrowings (30 June 2019: \$nil). At 31 December 2019, the Company had net assets of \$5,441,918 (30 June 2019: net assets of \$5,881,344).

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 2019 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2019, of the Company;
- the results of those operations, in financial years subsequent to 31 December 2019, of the Company; or
- the state of affairs, in financial years subsequent to 31 December 2019, of the Company.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half year ended 31 December 2019 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

10 February 2020

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is extracted from an announcement dated 20 January 2020. This announcement is available to view on constellationresources.com.au. The information in the original ASX Announcement was based on information compiled by Peter Muccilli of Unearthed Geological Consulting, who is a consultant to Constellation Resources Limited. Mr Muccilli is a Member of the Australian Institute of Mining and Metallurgy. 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 new information or data that materially affects the information included in the original market announcement. 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 announcement.

The information in this report that relates to Exploration Results is extracted from an announcement dated 29 October 2019. This announcement is available to view on constellationresources.com.au. The information in the original ASX Announcement was based on and fairly represents information compiled or reviewed 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'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. 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 announcement.

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 2019 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 10th day of February, 2020

CHARTERED ACCOUNTANTS & ADVISORS

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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



		Half Year Ended 31 December 2019	Half Year Ended 31 December 2018
	Notes	\$	\$
Interest Income		47,844	66,743
Exploration and evaluation expenses		(255,176)	(282,269)
Administration costs		(232,094)	(218,303)
Share based payments expenses	3,6	(11,058)	(22,403)
Loss before income tax	3	(450,484)	(456,232)
Income tax expense		-	-
Loss for the half year		(450,484)	(456,232)
Loss attributable to members of Constellation Resources Limited		(450,484)	(456,232)
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		(450,484)	(456,232)
Total comprehensive loss attributable to members of Constellation Resources Limited		(450,484)	(456,232)
Loss per share attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share (\$ per share)	8	(0.01)	(0.01)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019



		31 December 2019	30 June 2019
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		5,152,066	5,589,116
Other receivables		17,795	44,519
Total Current Assets		5,169,861	5,633,635
Non-Current Assets			
Property, plant and equipment		1,309	2,165
Exploration and evaluation assets	4	350,000	350,000
Total Non-Current Assets		351,309	352,165
TOTAL ASSETS		5,521,170	5,985,800
LIABILITIES			
Current Liabilities			
Trade and other payables		74,627	100,925
Provisions		4,625	3,531
Total Current Liabilities		79,252	104,456
TOTAL LIABILITIES		79,252	104,456
NET ASSETS		5,441,918	5,881,344
EQUITY			
Contributed equity	5	6,625,805	6,625,805
Reserves	6	1,305,258	1,294,200
Accumulated losses		(2,489,145)	(2,038,661)
TOTAL EQUITY		5,441,918	5,881,344

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



	Notes	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Other Equity Reserve \$	Total Equity \$
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	6	-	-	22,403	-	22,403
Balance at 31 December 2018		6,625,805	(1,460,897)	65,788	1,200,148	6,430,844
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 recorded directly in equity						
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

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



	Notes	Half Year Ended 31 December 2019 \$	Half Year Ended 31 December 2018 \$
Operating activities			
Interest received from third parties		54,056	45,585
Payments to employees and suppliers		(491,106)	(501,695)
Net cash flows used in operating activities		(437,050)	(456,110)
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)
Net cash flows from financing activities		-	6,525,705
Net increase/(decrease) in cash and cash equivalents		(437,050)	6,069,595
Cash and cash equivalents at the beginning of the half year		5,589,116	33,189
Cash and cash equivalents at the end of the half year		5,152,066	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 2019 was authorised for issue in accordance with a resolution of the Directors on 7 February 2020.

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 2019 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 2019 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 2019, except for those that have arisen as a result of new standards, amendments to standards and interpretations effective from 1 July 2019.

(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 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 16 *Leases*
- *Interpretation 23 Uncertainty over Income Tax Treatments*
- 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*
- AASB 2018-1 *Amendments – Annual Improvements 2015-2017 Cycle*
- AASB 2018-2 *Amendments – Plan Amendment, Curtailment or Settlement (AASB 119)*

The adoption of the aforementioned standards have resulted in no impact on interim financial statements of the Company as at 31 December 2019. A discussion on the adoption of AASB 16 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 2019, except for new standards, amendments to standards and interpretations effective 1 July 2019 as set out in note 1(b).

AASB 16 Leases

AASB 16 Leases has replaced the previous accounting requirements for leases under AASB 117 Leases. Under the previous requirements, leases were classified based on their nature as either finance leases which were recognised on the Statement of Financial Position, or operating leases, which were 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.

The Company's adoption of AASB 16 has resulted in no impact to the financial statements of the Company due to the fact that the Company has not entered into any transactions or arrangements that would be accounted for as a lease under the new standard.

(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 2019. 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 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	1 July 2020
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	1 July 2020
Conceptual Framework	1 January 2020	1 July 2020
2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	1 July 2020

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 2019 \$	Half Year Ended 31 December 2018 \$
Employee benefits expense included in profit or loss		
Wages, salaries and fees	158,000	152,251
Defined contribution plans	15,010	14,464
Share based payment expenses	11,058	22,403
	184,068	189,118

4. EXPLORATION AND EVALUATION ASSETS (NON-CURRENT)

	Notes	31 December 2019 \$	30 June 2019 \$
(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 2019 \$	30 June 2019 \$
(a) Issued Capital			
35,000,100 (30 June 2019: 35,000,100) Ordinary Shares	5(b)	6,625,805	6,625,805
		6,625,805	6,625,805

(b) Movements in Ordinary Shares were as follows:

Date	Details	Number of Ordinary Shares	Issue Price \$	\$
30 June 2019				
01-Jul-18	Opening Balance	100	-	100
18-Jul-18	Issue of ordinary shares	35,000,000	0.20	7,000,000
30-Jun-19	Share issue costs	-	-	(374,295)
30-Jun-19	Closing Balance	35,000,100	-	6,625,805
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

(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 2019	30 June 2019
	Note	\$	\$
Share-based payments reserve	6(b)	105,110	94,052
Other equity reserve	6(d)	1,200,148	1,200,148
		1,305,258	1,294,200

(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 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
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 11,666,402 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); and
 - 400,000 Unlisted Options exercisable at \$0.40 each on or before 9 April 2022 (vesting 9 April 2020).

An additional 3,000,000 Unlisted Options exercisable at \$0.20 each on or before 31 July 2021 are held by Apollo Minerals Limited. These unlisted option are not accounted for as share based payments. These options are held in escrow for a period of two years from the Company's quotation date at which point in time application will be made by the Company to the ASX 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. 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 2019 \$	Half Year Ended 31 December 2018 \$
Basic and diluted loss per share	(0.01)	(0.01)
	(0.01)	(0.01)

	Half Year Ended 31 December 2019 \$	Half Year Ended 31 December 2018 \$
Net loss attributable to members of the parent used in calculating basic and diluted earnings per share:	(450,484)	(456,232)
Earnings used in calculating basic and dilutive earnings per share	(450,484)	(456,232)

	Number of Ordinary Shares 31 Dec 2019	Number of Ordinary Shares 31 Dec 2018
Weighted average number of Ordinary Shares used in calculating basic and dilutive earnings per share	35,000,100	31,766,404

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 2019 \$	30 June 2019 \$
Commitments for exploration expenditure:		
Not longer than 1 year	125,750	273,500
Longer than 1 year and shorter than 5 years	43,333	86,149
	169,083	359,649

As at the date of this report, no material contingent assets or liabilities had been identified as at 31 December 2019 (30 June 2019: 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

As at the date of this report, there are no matters or circumstances which have arisen since 31 December 2019 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2019, of the Company;
- the results of those operations, in financial years subsequent to 31 December 2019, of the Company; or
- the state of affairs, in financial years subsequent to 31 December 2019, 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 2019 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 2019 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

10 February 2020

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 7 to 17, which comprises the statement of financial position as at 31 December 2019, 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 7 to 17 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 2019 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 2019 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

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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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Constellation Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

William Buck

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

CM

Conley Manifis
Director
Dated this 10th day of February, 2020