



Estrella Resources Limited and its controlled entities

ABN 39 151 155 207

Interim Financial Report

For the half year ended 31 December 2018

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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 2018 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 Director (<i>appointed 1 February 2019</i>)
John Kingswood	- Non-executive Director
Stephen Brockhurst	- Non-executive Director
Raymond Shorrocks	- Non-executive Director (<i>resigned 1 February 2019</i>)

REVIEW OF OPERATIONS

Work Summary

The focus of fieldwork during the half was the Carr Boyd Layered Complex (CBLC), and the Spargoville Nickel Project.

At Carr Boyd, Phase II and III ground HPEM surveying over the northern CBLC and the Fosters Hill area was completed.

At Spargoville, drilling was completed on two high priority drill targets. One was sampling the high-grade mineralisation beneath the 5A open pit for metallurgical testwork and economic evaluations. The other was an EM target located between the 5A and 5B mines. Both objectives were successfully completed.

Ground HPEM Surveying at Carr Boyd

Phase II and Phase III moving loop HPEM surveys extending north from the Phase I survey were completed during the half, screening the interpreted basal contact position and immediate footwall sequence to over 4km north of the Carr Boyd Mine.

There are several historic high priority exploration targets and prospects in this area based on surface geochemistry, downhole geochemistry, aero-magnetics, ground gravity, and interpreted geology datasets. HPEM has now defined two significant conductors indicative of the presence of well-developed sulphides associated with two of the exploration targets, Target A and Target 5.

The Fosters Hill survey was also completed as part of the Phase II program.



The first known report of this target appears in an internal company report written for Titan Resources in 2004. It is described again in an internal company report written for Yilgarn Mining in 2008.

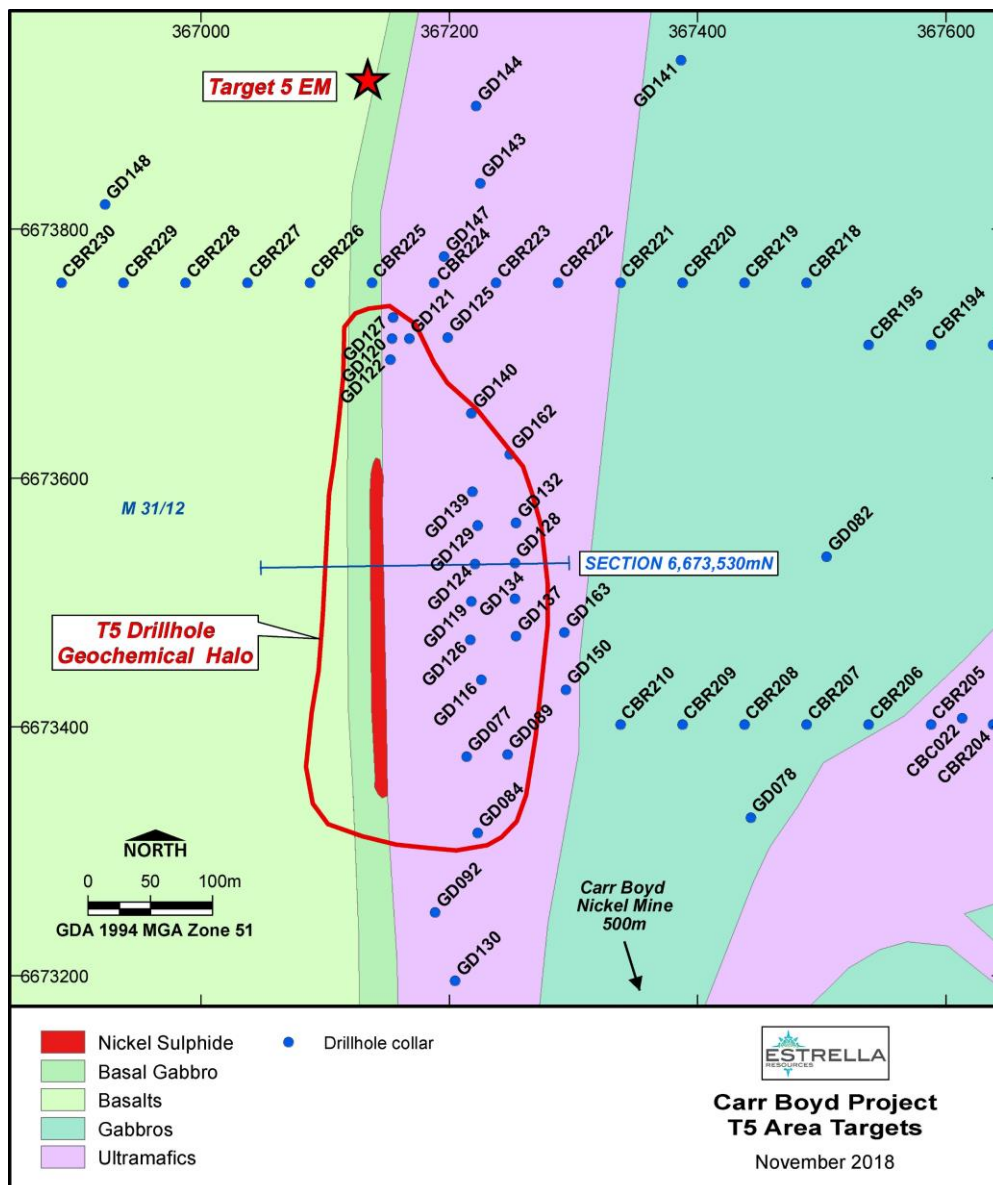


Figure 2. Geological map showing the location of the T5 EM conductor, The T5 geochemical halo and nickel sulphide location, drillhole collar locations, and distance to the Carr Boyd Mine.

The EM conductor is discrete and moderately to highly conductive. The modelled conductance is 3000 – 5000S, making this a very high priority drill target.

Historic drilling returned many anomalous results over a 450m strike length of the interpreted basal contact at Target 5. The best of which was 3.35m at 0.79% Ni and 0.35% Cu, including 0.61m at 2.12% Ni and 0.56% Cu from 100.89m in GD124*. This occurs in a zone of disseminated and matrix sulphide on the interpreted basal contact of the CBLC. This is very positive support for the EM conductor located approximately 300m along strike to the north.

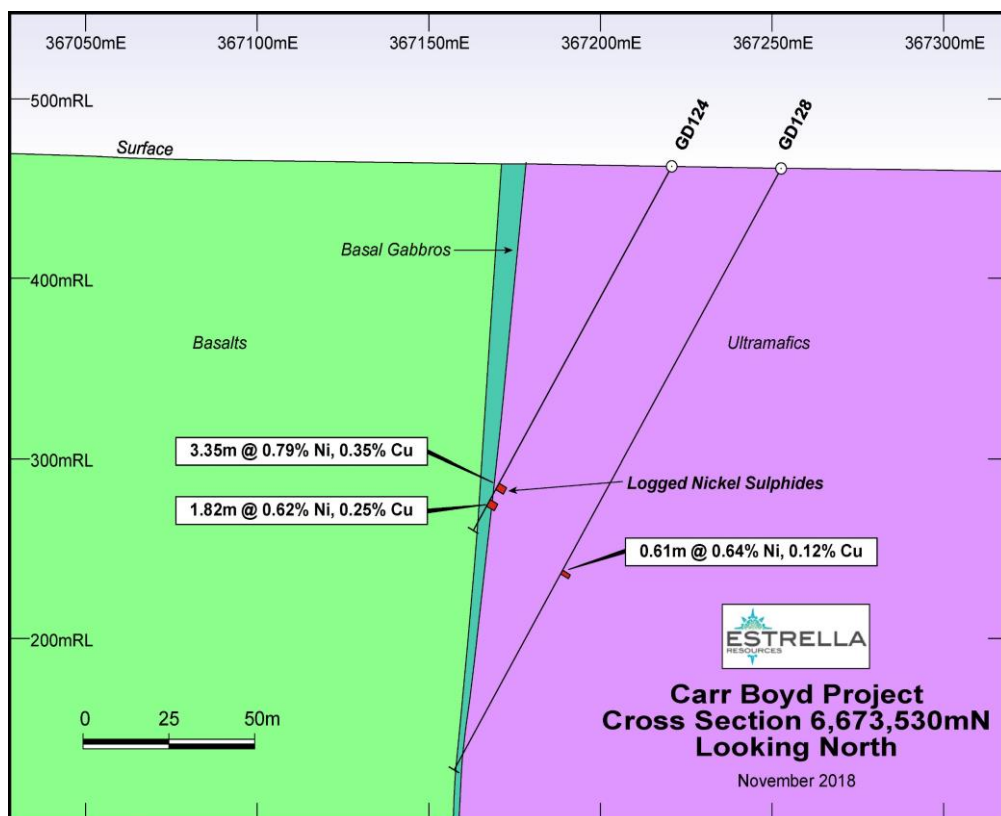


Figure 3. Key cross section through Target 5 showing the location of nickel sulphide intercepts.

*Refer to ESR announcement "EM Confirms Two High Priority Targets at Carr Boyd" 26 November 2018

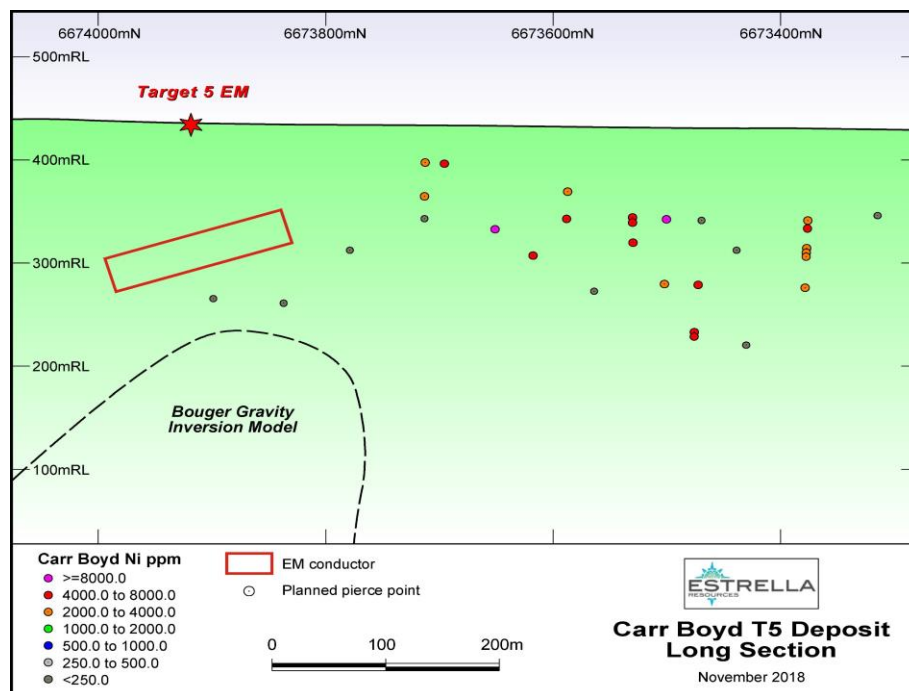


Figure 4. Long section of Target 5 showing drillhole pierce points coloured by nickel grade, the EM model, and a bouger gravity inversion model located at depth. For summary of drillholes refer to Refer to ESR announcement "EM Confirms Two High Priority Targets at Carr Boyd" 26 November 2018

Target A

This is a conceptual satellite style target located on an interpreted fault outside of the CBLC, in the footwall sequence. The target area also appears in the Titan and Yilgarn Mining reports, although the newly defined EM conductor is located approximately 200m further west, on a different magnetic feature.

A diamond drillhole spudded by Defiance Mining in 1997, DD97CB043 appears to target the conductor position, suggesting it was detected by a SiroTEM survey completed at that time. Interrogation of the available datasets suggests the hole did not intersect the conductor, although more investigation is required to confirm this.

The aim is to locate the hole collar in the field and have it picked up by a licensed surveyor. If the hole can be re-entered and gyro surveyed that will also be completed. As geological logs are not available for the hole, the core will be re logged and physical property tests carried out on it to determine the best course of action for the EM target.

About the Project and the CBLC

The CBLC is a 75km² layered mafic igneous complex, which hosts several occurrences of nickel and copper sulphides. The most significant occurrence discovered to date is at the Carr Boyd Rocks mine, where mineralisation is hosted by bronzitite breccias (pyroxenites) emplaced within the gabbroic sequence of the Complex. The CBLC is in a Tier 1 jurisdiction approximately 80km north north-east of Kalgoorlie Western Australia. An all-weather haul road accessible by Estrella under a granted miscellaneous license connects the Project to the Goldfields Highway via Scotia.

A "Voisey Bay" style model has not been adequately explored within the CBLC. This represents a compelling exploration target opportunity which the Company will continue to aggressively pursue.

Spargoville 5A Target

Recent drilling has exceeded the Company expectations at 5A. Assay results returned from the Company's maiden drilling program have been consistently higher than historic drilling. The presence of elevated platinum group and cobalt mineralisation in the results is also a very encouraging development for the project.

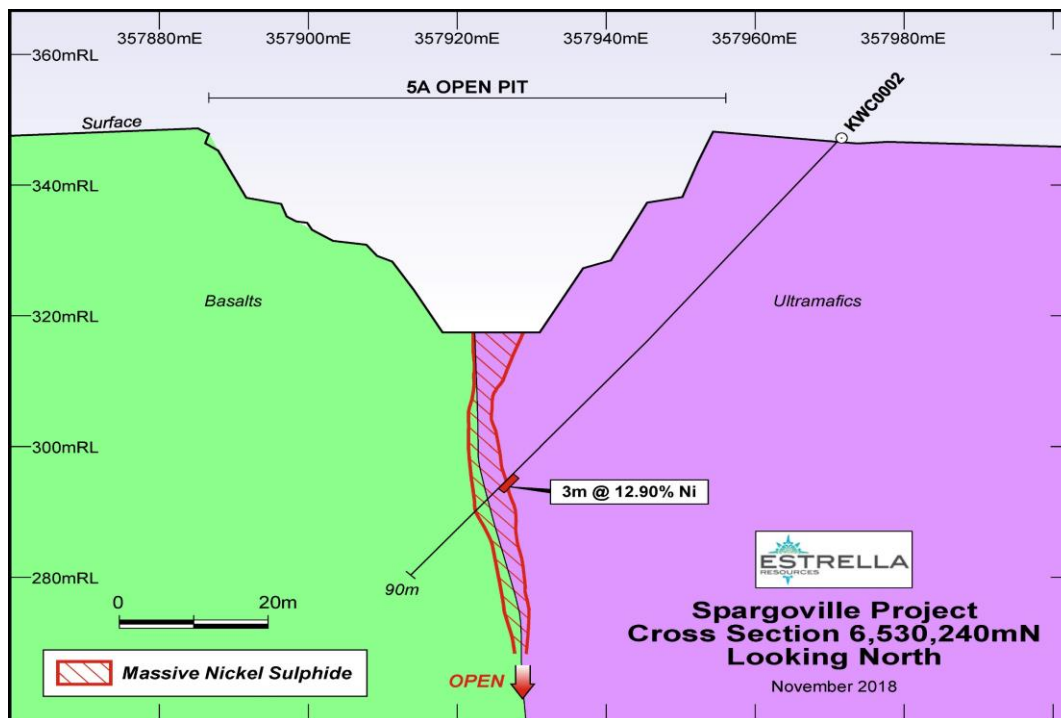


Figure 5. Cross Section section of Spargoville 5A showing the drill hole trace for RC hole KWC0002. Note historic drilling has been left off the cross section for clarity (refer to ESR announcement "Spectacular Maiden Drill Results Spargoville" 6 December 2018).

Bulk samples will be collected from the drill spoils to conduct metallurgical test work. There have been significant advances in metallurgical technology and the Company is excited by the significant platinum group element grades and the potential economics of the project.

The high-grade nickel sulphide mineralisation appears to be open at depth. Recent interrogation of historic geophysical datasets has revealed the presence of several high priority EM targets, which will be targeted by future drilling. Updates on these geophysical targets will be provided once the interrogation process is completed.

DIRECTORS' REPORT

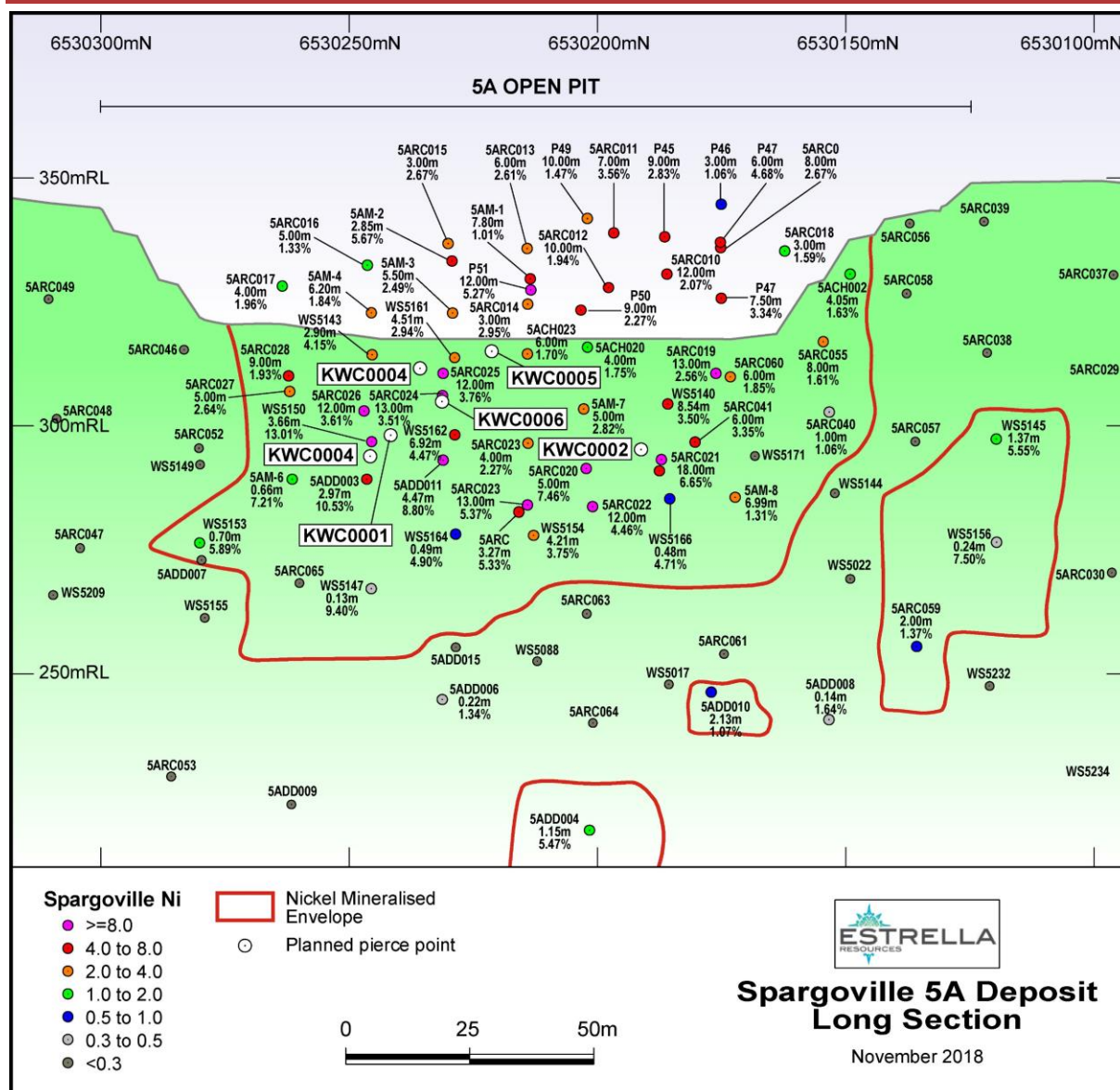


Figure 6. Long section of Spargoville 5A showing the pierce point locations of the new RC holes, KWC0001, KWC0002, KWC0003, and KWC0005 (refer to ESR announcement "Spectacular Maiden Drill Results Spargoville" 6 December 2018)

M15/96-C1 Target

An EM survey completed by Consolidated Minerals in 2010 on neighbouring tenement M15/96 identified this EM conductor, which is located close the eastern boundary of M15/395. KWC0003 targeted this conductor, which was found to be caused by a sulphidic black shale horizon in ultramafics and no follow up work will be required.

There are several historic EM targets within the Spargoville Project tenure which the Company is currently interrogating and further updates will be provided once this is completed.

DIRECTORS' REPORT

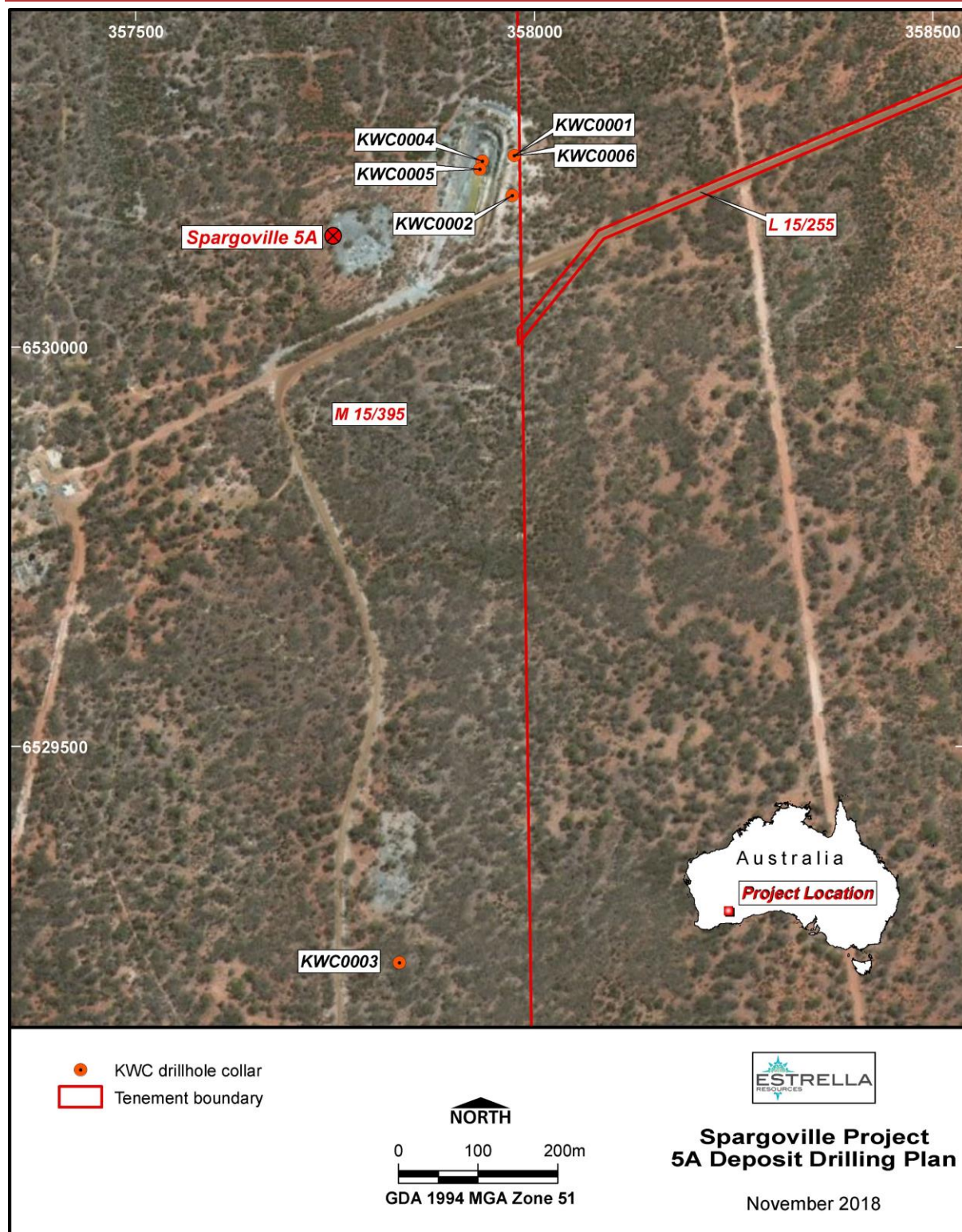


Figure 7. Plan showing the location of the 5A drill target and KWC0003, targeting the M15/96-C1 EM target

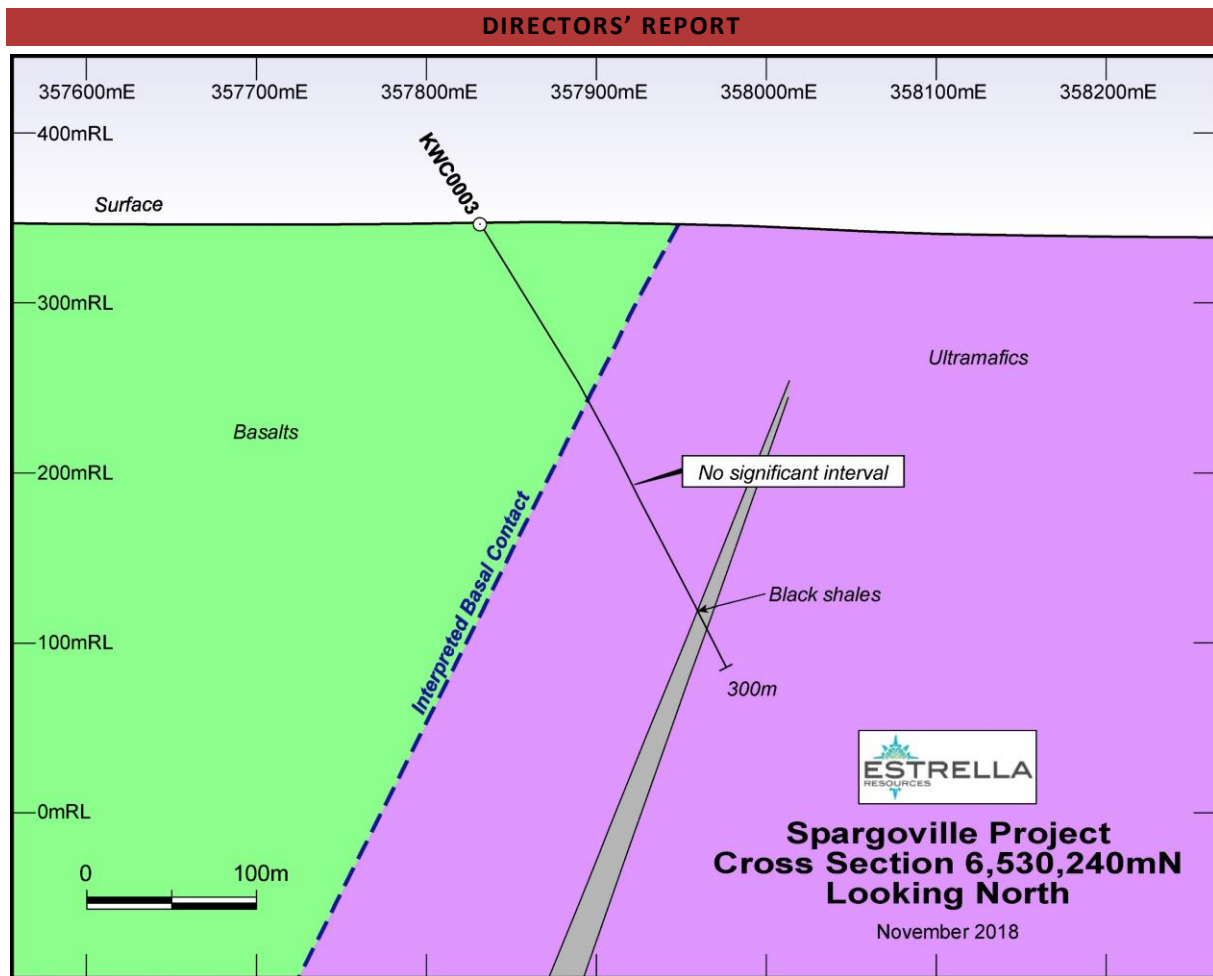


Figure 8. Cross section of the M15/96 C1 target, showing the position of the black shale horizon intersected by KWC0002.

Munda Project

The planned drilling at Munda was put on hold while The Company focussed on Carr Boyd and Spargoville this half.

The Company plans to test a new “plunging shoot” structural interpretation to the high-grade gold mineralisation. The additional drilling and assay information obtained from this work will be used to update the current JORC2012 Mineral Resource of 511,000t @ 2.82g/t Au for 46,337 ounces Au (Refer to ESR announcement “ESR to Acquire Munda Gold and Spargoville Nickel Projects” 04 September 2017).

DIRECTORS' REPORT

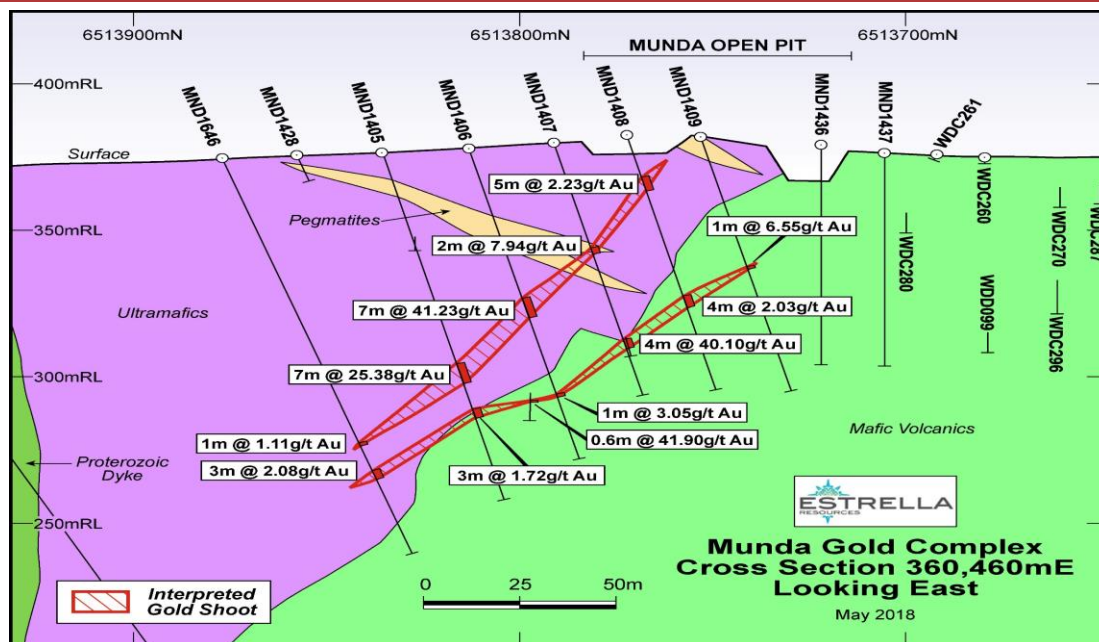


Figure 9. Cross section of Munda showing some of the thicker higher grade gold intercepts and interpreted gold shoots. Refer to ESR announcement "ESR to Acquire Munda Gold and Spargoville Nickel Projects" 04 September 2017

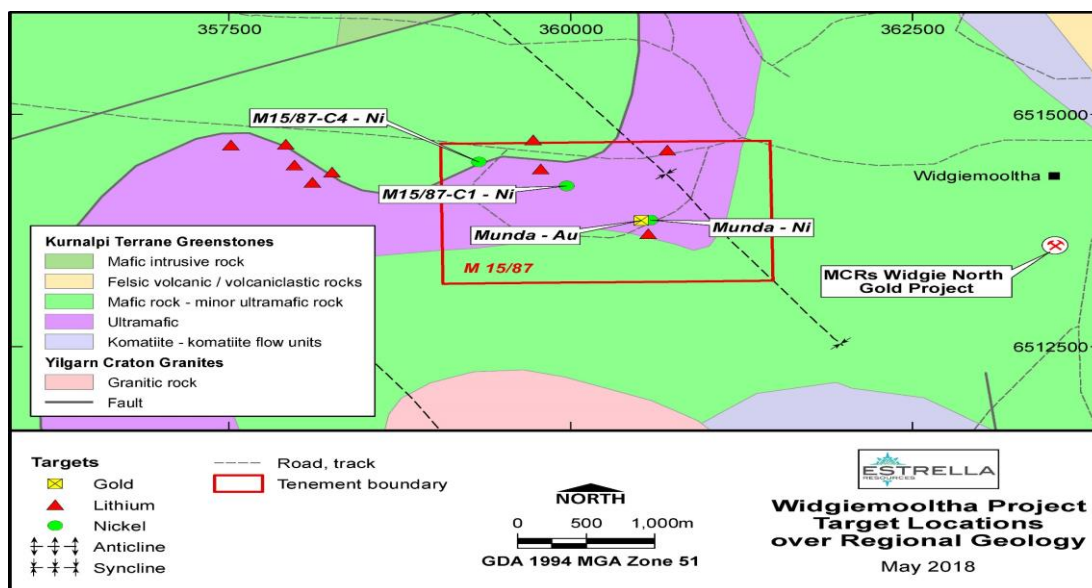


Figure 10. Geological map showing the location of the Munda project, exploration targets on M15/87, and other relevant nearby landmarks.

Competent Person Statement

The information in this announcement relating to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Luke Marshall, who is a consultant to Estrella Resources and a member of The Australasian Institute of Geoscientists. Mr Marshall 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 Marshall 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

RESULTS

The loss for the half year ended 31 December 2018 attributable to the Group was \$291,577 (2017: \$767,686).

CORPORATE

At the end of the period the Group had \$282,115 in cash and the Company had the following securities on issue:

- 491,883,292 fully paid ordinary shares;
- 183,961,097 listed options exercisable at \$0.05 on or before 27 June 2021;
- 1,375,000 unlisted options exercisable at \$0.40 on or before 13 November 2019;
- 8,250,000 unlisted options exercisable at \$0.024 on or before 31 March 2020;
- 5,500,000 unlisted options exercisable at \$0.05 on or before 15 May 2021; and
- 17,000,000 unlisted options exercisable at \$0.05 on or before 27 June 2021.

EVENTS SUBSEQUENT TO REPORTING DATE

On 1 February 2019 Leslie Pereira was appointed a Director of the Company and Mr Raymond Shorrocks resigned as a Director.

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 2018.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration forms part of the directors' report for the half-year ended 31 December 2018.

Signed in accordance with a resolution of the Directors



John Kingswood
Director
 11 March 2019

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 2018, 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: 11 March 2019

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

	31 December 2018 \$	31 December 2017 \$
Interest Income	2,019	3,715
Other income	45,000	
Personnel costs	(75,050)	(17,415)
Legal Fees	(16,750)	(13,217)
Exploration costs written off	(14,386)	(1,597)
Directors fees	(59,998)	(59,998)
Consulting fees	(61,040)	(73,548)
Depreciation	(5,453)	(27,209)
Acquisition costs	-	(489,611)
Other expenses	(105,919)	(88,806)
LOSS BEFORE INCOME TAX	(291,577)	(767,686)
Income tax benefit	-	-
LOSS FOR THE PERIOD	(291,577)	(767,686)
Other Comprehensive Loss	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(291,577)	(767,686)
Basic and diluted loss per share (cents)	(0.06)	(0.21)

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 2018

	Note	31 December 2018 \$	30 June 2018 \$
Current Assets			
Cash and cash equivalents		282,115	446,364
Trade and other receivables		82,629	26,074
Total Current Assets		<u>364,744</u>	<u>472,438</u>
Non-Current Assets			
Plant & equipment		26,197	23,929
Exploration and evaluation expenditure	2	4,191,134	3,794,667
Total Non-Current Assets		<u>4,217,331</u>	<u>3,818,596</u>
Total Assets		<u>4,582,075</u>	<u>4,291,034</u>
Current Liabilities			
Trade and other payables		239,399	255,961
Provisions		19,814	16,164
Total Current Liabilities		<u>259,213</u>	<u>272,125</u>
Total Liabilities		<u>259,213</u>	<u>272,125</u>
Net Assets		<u>4,322,862</u>	<u>4,018,909</u>
Equity			
Share capital	3	17,464,355	17,032,787
Reserves	3	661,496	774,854
Accumulated losses		(13,802,989)	(13,788,732)
Total Equity		<u>4,322,862</u>	<u>4,018,909</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 2018

	Issued Capital	Accumulated Losses	Option Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2018	17,032,787	(13,788,732)	774,854	4,018,909
Comprehensive loss				
Loss for the period	-	(291,577)	-	(291,577)
Total comprehensive loss for the period	-	(291,577)	-	(291,577)
Transactions with owners, in their capacity as owners				
Shares issued	500,000	-	-	500,000
Options issued	-	-	163,962	163,962
Share issue costs	(68,432)	-	-	(68,432)
Options expired	-	277,320	(277,320)	-
Total transactions with owners, in their capacity as owners	431,568	277,320	(113,358)	595,530
Balance at 31 December 2018	17,464,355	(13,802,989)	661,496	4,322,862
Balance at 1 July 2017	14,042,219	(11,008,289)	606,419	3,640,349
Comprehensive loss				
Loss for the period	-	(767,686)	-	(767,686)
Total comprehensive loss for the period	-	(767,686)	-	(767,686)
Transactions with owners, in their capacity as owners				
Shares issued	1,360,000	-	-	1,360,000
Share issue costs	(83,638)	-	-	(83,638)
Total transactions with owners, in their capacity as owners	1,276,362	-	-	1,276,362
Balance at 31 December 2017	15,318,581	(11,775,975)	606,419	4,149,025

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

	31 December 2018 \$	31 December 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(356,777)	(102,690)
Interest received	2,019	3,715
NET CASH USED IN OPERATING ACTIVITIES	<u>(354,758)</u>	<u>(98,975)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(421,301)	(245,407)
Receipts from exploration grants	24,000	-
Payments for pre-acquisition exploration costs	-	(665,611)
Payment for plant and equipment	(7,720)	(55,871)
NET CASH USED IN INVESTING ACTIVITIES	<u>(405,021)</u>	<u>(966,889)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	500,000	1,360,000
Proceeds from issue of options	163,962	-
Costs of issue of shares	(68,432)	(83,638)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>595,530</u>	<u>1,276,362</u>
Net (decrease) / increase in cash held	(164,249)	210,498
Cash at the beginning of the financial period	446,364	910,767
Cash acquired on acquisition of subsidiary	-	-
CASH AT THE END OF THE FINANCIAL PERIOD	<u><u>282,115</u></u>	<u><u>1,121,265</u></u>

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The consolidated half-year financial report does not include all of the information required for a full annual financial report. The half-year financial report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2018. 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 11 March 2019.

(A) GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$291,577 and had net cash outflows from operating and investing activities of \$354,758 and \$405,021 respectively for the half year ended 31 December 2018. As at that date, the consolidated entity had net current assets of \$105,531. The consolidated entity has prepared budgets and forecasts for the following 12 months and has determined further capital will be required if the consolidated entity is to continue at the planned level of operations.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

1. The Company has been successful in raising capital whenever it has approached the markets in the past and the directors are confident in the ability to continue to raise additional funds on a timely basis, as and when required; and
2. The consolidated entity has the ability to further scale back certain parts of their activities so as to conserve cash.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 2018 \$	30 June 2018 \$
Exploration and evaluation assets		
Balance at the beginning of year	3,794,667	2,846,352
Acquisition of Carr Boyd Nickel	-	1,285,109
Acquisition of WA Nickel	-	915,205
Disposal of Mt Edwards Lithium	-	(3,085,395)
Exploration costs capitalised	410,853	1,833,396
Impairment of exploration expenditure	(14,386)	-
Balance at the end of reporting period	<u>4,191,134</u>	<u>3,794,667</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 2018	30 June 2018
	\$	\$
Issued capital	(a) 17,464,355	17,032,787
Option reserve	(b) 661,496	774,854

(a) Reconciliation of movement during the period:

	Shares	\$
Opening balance	471,883,292	17,032,787
Share placement 21 August 2018	20,000,000	500,000
Costs of securities issued	-	(68,432)
	491,883,292	17,464,355

(b) Movement in option reserve

	31 December 2018
	\$
Opening balance	774,854
Entitlement options issued	163,962
Options exercised	-
Options expired	(277,320)
Closing Balance	661,496

(c) Outstanding Share Options

As at 31 December 2018 the company had the following share options outstanding:

Expiry Date and Price	Type	Number
OPTIONS EXP 13/11/19 @ \$0.40	Unlisted Option	1,375,000
OPTIONS EXP 31/03/20 @ \$0.024	Unlisted Option	8,250,000
OPTIONS EXP 15/05/21 @ \$0.05	Unlisted Option	5,500,000
OPTIONS EXP 27/06/21 @ \$0.05	Unlisted Option	17,000,000
OPTIONS EXP 27/06/21 @ \$0.05	Listed Option	183,961,097
		216,086,097

4. 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.

5. COMMITMENTS AND CONTINGENT LIABILITIES

In the opinion of the directors, there were no significant changes in commitments or contingent liabilities during the period ended 31 December 2018.

6. EVENTS SUBSEQUENT TO REPORTING DATE

On 1 February 2019 Leslie Pereira was appointed a Director of the Company and Mr Raymond Shorrocks resigned as a Director.

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 2018.

7. INTEREST IN CONTROLLED ENTITIES

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

Controlled entities	Country of incorporation	Percentage owned	Percentage owned
		31 December 2018	30 June 2018
WA Nickel Pty Ltd	Australia	100%	100%
Carr Boyd Nickel Pty Ltd	Australia	100%	100%
Estrella Resources (Chile) SpA	Chile	100%	100%

In the opinion of the Directors of Estrella Resources Limited:

- (a) The attached financial statements and notes:
- (i) comply with Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2018 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 the Directors.



John Kingswood
Director
11 March 2019

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

We have reviewed the accompanying half-year financial report of Estrella Resources Limited 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 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 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 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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Liability limited by a scheme approved under Professional Standards Legislation

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 2018 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*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of \$291,577 and had net cash outflows from operating and investing activities of \$354,758 and \$405,021 respectively for the half-year ended 31 December 2018. As at that date, the consolidated entity had net current assets of \$105,531. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

RSM

RSM AUSTRALIA PARTNERS

ALWhte

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 11 March 2019

DIRECTORS

John Kingswood (Non-Executive Director)
Leslie Pereira (Non-Executive Director)
Stephen Brockhurst (Non-Executive Director)

CHIEF EXECUTIVE OFFICER

Christopher Daws

COMPANY SECRETARY

David McEntaggart

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