constellation
RESOURCES

Annual Report
2018

Constellation Resources Limited
ACN 153 144 211

Contents

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 Clint McGhie

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

The Directors of Constellation Resources Limited present their report on the Company (the "**Company**" or "**Constellation Resources**") for the year ended 30 June 2018.

DIRECTORS

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

Current Directors

Mr Ian Middlemas	Chairman (appointed 17 November 2017)
Mr Peter Woodman	Managing Director (appointed 9 April 2018)
Mr Robert Behets	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Unless otherwise stated, Directors held their office from 1 July 2017 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr Ian Middlemas *B.Com, CA*
Chairman

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of the Company on 17 November 2017. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Apollo Minerals Limited (July 2016 – present), Cradle Resources Limited (May 2016 – present), Paringa Resources Limited (October 2013 – present), Berkeley Energia Limited (April 2012 – present), Prairie Mining Limited (August 2011 – present), Salt Lake Potash Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Piedmont Lithium Limited (September 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present) and Syntonic Limited (April 2010 – June 2017).

Mr Peter Woodman *B.Sc. (Geology), MAusIMM*
Managing Director

Mr Woodman is a geologist with over 25 years' experience in exploration, development and operations in the resource sector. He is a graduate of the Australian National University and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr Woodman has worked for a number of mining companies during his extensive career in the resources sector and has been influential in major project acquisition and discovery. He has a strong background in management, exploration planning and execution, resource development and mining operations both in Australia and overseas.

Mr Woodman most recently held the position of Chief Geologist at Regis Resources Limited where he oversaw exploration and resource development activities for its WA and NSW Projects. Prior to his role with Regis Resources Limited, he held positions with Papillon Resources Limited, Sovereign Metals Limited, WCP Resources Limited (now named Piedmont Lithium Limited), Samantha Gold NL, Ranger Minerals NL, Hellman & Schofield Pty Ltd, Centamin Egypt Limited and Kingsgate Consolidated Limited.

Mr Woodman was appointed as Managing Director of the Company on 9 April 2018. During the three year period to the end of the financial year, Mr Woodman has held directorships in WCP Resources Limited (August 2010 – January 2016), Equatorial Resources Limited (April 2010 – January 2016) and Sovereign Metals Limited (May 2007 – January 2016).

Mr Robert Behets *B.Sc(Hons), FAusIMM, MAIG*
Non-Executive Director

Mr Behets is a geologist with over 28 years' experience in the mineral exploration and mining industry in Australia and internationally. He has had extensive corporate and management experience and has been Director of a number of ASX-listed companies in the resources sector including Mantra Resources Limited ("Mantra"), Papillon Resources Limited, and Berkeley Energia Limited. Mr Behets was instrumental in the founding, growth and development of Mantra, an African-focused uranium company, through to its acquisition by ARMZ for approximately A$1 billion in 2011. Prior to Mantra, he held various senior management positions during a long career with WMC Resources Limited.

Mr Behets has a strong combination of technical, commercial and managerial skills and extensive experience in exploration, mineral resource and ore reserve estimation, feasibility studies and operations across a range of commodities, including uranium, gold and base metals. He is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and was previously a member of the Australasian Joint Ore Reserve Committee ("JORC").

Mr Behets was appointed a Director of the Company on 30 June 2017. During the three year period to the end of the financial year, Mr Behets has held directorships in Apollo Minerals Limited (October 2016 – present), Equatorial Resources Limited (February 2016 – present), Berkeley Energia Limited (April 2012 - present), Piedmont Lithium Limited (February 2016 – May 2018) and Cradle Resources Limited (May 2016 – July 2017).

Mr Mark Pearce *B.Bus, CA, FCIS, FFin*
Non-Executive Director

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies and has worked for several large international Chartered Accounting firms. Mr Pearce is also a Fellow of the Governance Institute of Australia and a Fellow of the Financial Services Institute of Australasia.

Mr Pearce was appointed a Director of the Company on 29 July 2016. During the three year period to the end of the financial year, Mr Pearce has held directorships in Apollo Minerals Limited (July 2016 – present), Salt Lake Potash Limited (August 2014 – present), Prairie Mining Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Energy Limited (September 2005 – present), Piedmont Lithium Limited (September 2009 – August 2018) and Syntonic Limited (April 2010 – October 2016).

Mr Clint McGhie *B.Com, CA, ACIS, FFin*
Company Secretary

Mr McGhie is a Chartered Accountant and Chartered Secretary. He commenced his career at a large international Chartered Accounting firm, and has held the position of Company Secretary and/or Chief Financial Officer for a number of listed companies that operate in the resources sector.

Mr McGhie was appointed Company Secretary of Constellation Resources Limited on 29 July 2016.

PRINCIPAL ACTIVITIES

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

OPERATING AND FINANCIAL REVIEW

Corporate

With effect from 17 November 2017, Mr Ian Middlemas was appointed a Non-Executive Director and Chairman of the Company. With effect from 9 April 2018, Mr Peter Woodman was appointed Managing Director of the Company.

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.

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 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.

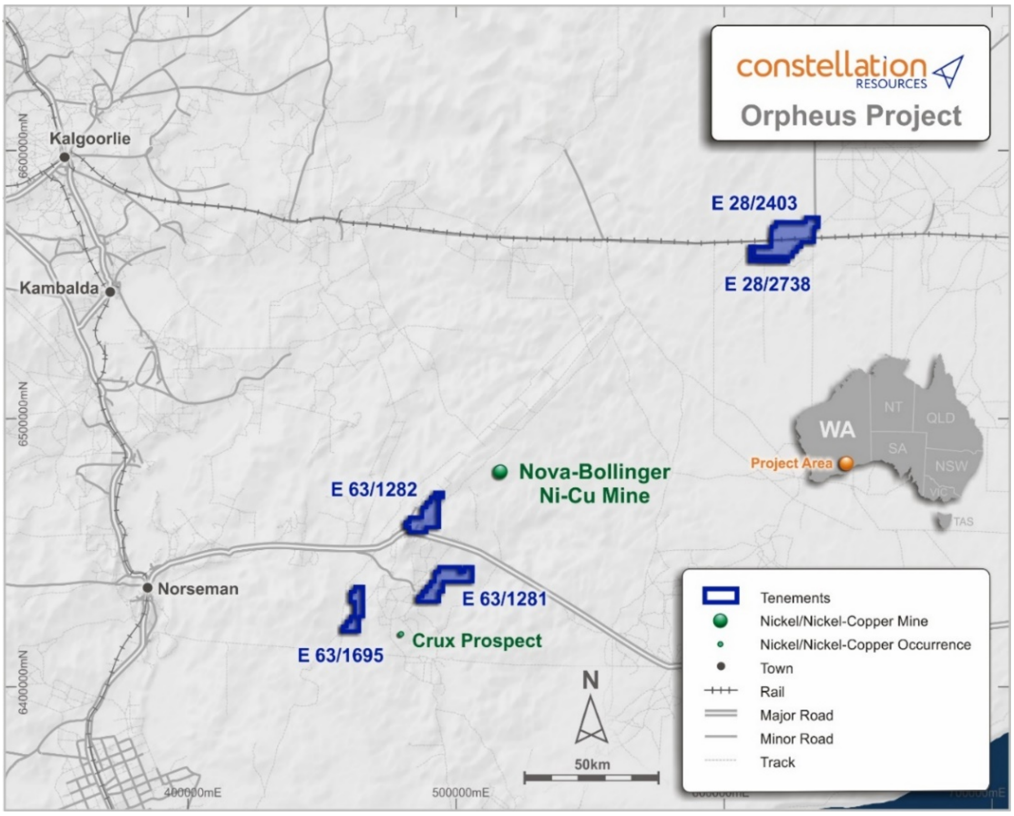

Figure 1: Tenement Plan – Orpheus Project

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.

The presence of elevated Ni-Co in soil samples and Ni-Cu-Co in rock chips adjacent to the HeliTEM anomaly indicates that undertaking a high powered ground EM survey to screen for potential buried magmatic Ni-Cu sulphides is warranted.

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.

Whilst some rare sub crop was located in the vicinity of target B3, the rocks were weathered and leached. Analytical results from one such area of sub crop did not return any anomalous values. Some iron rich lag was sampled in the vicinity of Targets B2 and B3 but again did not return any significant results.

Given the cover in the area and weathered and leached outcrop, ground EM is planned over these targets to adequately screen them for magmatic nickel-copper sulphide potential.

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.

Shallow air core drilling traverses over the 500m x 150m anomaly are also planned.

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.

A ground gravity survey was completed over the north eastern portion of E28/2403 by Atlas Geophysics in 2017 for Apollo Minerals Limited. The aim of the survey was to test for positive gravity anomalies that could represent prospective rock types for magmatic Ni-sulphide mineralisation under cover.

The results of the survey were encouraging, with Bouguer gravity anomalies coincident with the circular magnetic feature that constitutes the eastern target zone, and over the northern part of the central target zone.

The residual Bouguer anomalies have amplitudes of around 3 mGal, consistent with that expected for an ultramafic intrusive below a cover sequence of around 80 to 100m.

Four regional MLTEM (Moving Loop Electromagnetic) test lines are planned to cover the strongest parts of the gravity anomalies which would test for bed-rock conductors potentially associated with the thickest and/or shallowest parts of the intrusions, whilst providing some idea of the variation of background EM response from the cover and the presence of any regional formational conductors in the area. The survey is anticipated to commence in early September quarter.

Results of Operations

The net loss of the Company for the year ended 30 June 2018 was $417,066 (2017: $162,174). 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. In the current financial year, the net loss also includes impairment of the exploration and evaluation asset of $50,000 to record the asset at its recoverable amount based on an independent valuation.

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 loan balance forgiven of $1,200,148 has been recognised directly in equity.

Financial Position

As at 30 June 2018, the Company had a net current asset deficiency of $114,895 (2017: net current asset deficiency of $12,500). At 30 June 2018, the Company had cash reserves of $33,189 (2017: $nil), and borrowings of $100,000 (2017: $974,999). At 30 June 2018, the Company had net assets of $238,968 (2017: net liabilities $587,499).

Subsequent to 30 June 2018, the Company has listed on the Australian Securities Exchange through the issue of 35,000,000 ordinary shares in the Company at $0.20 per share amounting to a capital raising of $7,000,000 before costs.

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Future Developments and Results

The objective of the Company is to create long-term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits.

To date, the Company has not commenced production of any minerals, nor has it identified a Mineral Resource in accordance with the JORC Code. To achieve its objective, the Company currently has the following business strategy and prospect over the medium term; to conduct further field work to follow up targets identified at the Orpheus Project.

These activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely developments will be achieved.

EARNINGS PER SHARE

	2018 $	2017 $
Basic and diluted loss per share	**(4,171)**	**(1,622)**

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no known breaches of environmental laws and regulations by the Company during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

- Effective 21 November 2017, the Company changed from that of a proprietary company limited by shares to a public company limited by shares.

- 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), and
    - The Company issued to Apollo Minerals 3,000,000 options in consideration for Apollo Minerals forgiving all loan advances as noted above.

- 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.

There were no other significant changes in the state of affairs of the Company during the year ended 30 June 2018 not otherwise disclosed.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 6 July 2018, the Department of Mines, Industry Regulation and Safety granted the Company an exploration licence to tenement E28/2738.

During the year ended 30 June 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 of its securities occurring on 30 July 2018.

As at the date of this report, other than the above, there are no matters or circumstances which have arisen since 30 June 2018 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2018, of the Company;
- the results of those operations, in financial years subsequent to 30 June 2018, of the Company; or
- the state of affairs, in financial years subsequent to 30 June 2018, of the Company.

DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

	Shares[1]	Listed Options[2]	Unlisted Options[3]
Ian Middlemas	2,400,000	800,000	-
Robert Behets	600,000	199,999	-
Mark Pearce	1,000,000	333,331	-
Peter Woodman	500,000	166,666	1,000,000

Notes:
[1] 'Shares' means fully paid ordinary shares in the capital of the Company – issued subsequent to 30 June 2018.
[2] 'Listed Options' means a listed option to subscribe for one Share in the capital of the Company – issued subsequent to 30 June 2018.
[3] 'Unlisted Options' means an unlisted option to subscribe for one Share in the capital of the Company – issued 9 April 2018.

SHARE OPTIONS AND PERFORMANCE SHARES

At the date of this report the following options and performance shares have been issued over unissued Ordinary Shares of the Company:

- 11,666,402 Listed Options exercisable at $0.20 each on or before 31 July 2021;
- 3,000,000 Unlisted Options exercisable at $0.20 each on or before 31 July 2021*;
- 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.

* 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.

During the year ended 30 June 2018, no Ordinary Shares were issued as a result of the exercise of Listed or Unlisted Options. Subsequent to year end and up until the date of this report, no Ordinary Shares have been issued as a result of the exercise of Listed or Unlisted Options.

MEETINGS OF DIRECTORS

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows (there were no Board committees during the financial year):

Current Directors	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Mr Ian Middlemas	4	4
Mr Robert Behets	4	4
Mr Mark Pearce	4	4
Mr Peter Woodman	3	3

There were no Board committees during the financial year. The Board as a whole currently performs the functions of an Audit Committee, Risk Committee, Nomination Committee, and Remuneration Committee, however this will be reviewed should the size and nature of the Company's activities change.

REMUNERATION REPORT - AUDITED

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("KMP") of the Company.

Details of Key Management Personnel

The KMP of the Company during or since the end of the financial year were as follows:

Directors

Mr Ian Middlemas	Chairman (appointed 17 November 2017)
Mr Peter Woodman	Managing Director (appointed 9 April 2018)
Mr Robert Behets	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Other KMP

Mr Clint McGhie	Company Secretary

Unless otherwise disclosed, the KMP held their position from 1 July 2017 until the date of this report.

Remuneration Policy

The Company's remuneration policy for its KMP has been developed by the Board taking into account the size of the Company, the size of the management team for the Company, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors. In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

(a) the Company is currently focused on undertaking exploration, appraisal and development activities;

(b) risks associated with small cap resource companies whilst exploring and developing projects; and

(c) other than profit which may be generated from asset sales, the Company does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on the project.

Remuneration Policy for Executives

The Company's remuneration policy is to provide a fixed remuneration component and a performance based component (short term incentive and long term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salary, as well as employer contributions to superannuation funds and other non-cash benefits.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of Company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive

Some executives are entitled to an annual cash incentive payment upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful commencement and/or completion of exploration activities (e.g. commencement/completion of exploration programs within budgeted timeframes and costs), establishment of government relationships (e.g. establish and maintain sound working relationships with government and officialdom), development activities (e.g. completion of infrastructure studies and commercial agreements), corporate activities (e.g. recruitment of key personnel and representation of the company at international conferences) and business development activities (e.g. corporate transactions and capital raisings).

These measures were chosen as the Board believes they represent the key drivers in the short and medium term success of the Project's development. On an annual basis, subsequent to year end, the Board assesses performance against each individual executive's KPI criteria. During the 2018 financial year, no bonuses were approved, paid, or are payable.

Performance Based Remuneration – Long Term Incentive

The Board may issue incentive securities to some executives (if applicable) as a key component of the incentive portion of their remuneration, in order to attract and retain the services of any executives and to provide an incentive linked to the performance of the Company. The Board considers that for each executive who may receive securities in the future, their experience in the resources industry will greatly assist the Company in progressing its projects to the next stage of development and the identification of new projects. As such, the Board believes that the number of incentive securities to be granted to any executives will be commensurate to their value to the Company.

The Board has a policy of granting incentive securities to executives (if applicable) with exercise prices at and/or above market share price (at the time of agreement). As such, incentive securities granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the incentive securities granted.

Other than service-based vesting conditions, there are not expected to be additional performance criteria if incentive securities are granted to executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the executives and the performance and value of the Company are closely related. If other forms of incentive securities are issued, then performance milestones may be applied.

During the year ended 30 June 2018, the Company issued 1,000,000 incentive options to Mr Peter Woodman as part of his remuneration as Managing Director.

The Company's Securities Trading Policy prohibits KMP's from entering into arrangements to limit their exposure to Incentive Securities granted as part of their remuneration package.

Remuneration Policy for Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, incentive securities have been used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Total Directors' fees paid to all Non-Executive Directors are not to exceed $250,000 per annum. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors may in limited circumstances receive incentive securities in order to secure their services.

Non-Executive Director fees will commence upon listing of the Company on the Australian Securities Exchange. Fees for the Chairman are presently $36,000 and fees for other Non-Executive Directors are $20,000 per annum. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

Relationship between Remuneration of KMP and Shareholder Wealth

During the Company's project identification, acquisition, exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly the Company does not currently have a policy with respect to

REMUNERATION REPORT – AUDITED (CONTINUED)

the payment of dividends and returns of capital. Therefore there is no relationship between the Board's policy for determining the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous financial years.

The Board did not determine the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and the previous four financial years. Discretionary annual cash bonuses, when applicable, will be based on achieving various non-financial key performance indicators to be determined by the Board. However, as noted above, KMP's may receive Incentive Securities in the future which generally will only be of value should the value of the Company's shares increase sufficiently to warrant exercising the Incentive Securities.

Relationship between Remuneration of KMP and Earnings

As discussed above, the Company is currently undertaking new project acquisition, exploration and development activities, and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly the Board does not consider earnings during the current and previous four financial years when determining the nature and amount of remuneration of KMP.

In addition to a focus on operating activities, the Board is also focused on finding and completing new business and other corporate opportunities. The Board considers that the prospects of the Company and resulting impact on shareholder wealth will be enhanced by this approach. Accordingly, a bonus may be paid upon the successful completion of a new business or corporate transaction. No bonuses were paid or are payable in respect to the current financial year.

Where required, KMP receive superannuation contributions, currently equal to 9.5% of their salary, and do not receive any other retirement benefit.

All remuneration provided to KMP is valued at cost to the company and expensed. Incentive securities are valued using the Black Scholes option or Binomial valuation methodology. The value of these incentive securities is expensed over the vesting period.

Remuneration of Key Management Personnel

Details of the nature and amount of each element of the remuneration of each director and KMP of the Company for the years ended 30 June 2018 and 30 June 2017 are as follows:

	Short-term		Post-employment	Share based Payments	Total	Performance Related
	Salary & Fees	Other	Super-annuation benefits	Value of Unlisted Securities		
2018	$	$	$	$	$	%
Directors						
Mr Ian Middlemas[1]	-	-	-	-	-	-
Mr Peter Woodman[2]	54,796	-	5,203	43,385	103,384	42
Mr Robert Behets[3]	-	-	-	-	-	-
Mr Mark Pearce[4]	-	-	-	-	-	-
Other KMP						
Mr Clint McGhie[5]	-	-	-	-	-	-
Total	**54,796**	**-**	**5,203**	**43,385**	**103,384**	**42**

2017	Short-term Salary & Fees $	Short-term Other $	Post-employment Super-annuation benefits $	Share based Payments Value of Unlisted Securities $	Total $	Performance Related %
Directors						
Mr Robert Behets[3]	-	-	-	-	-	-
Mr Mark Pearce[4]	-	-	-	-	-	-
Other KMP						
Mr Clint McGhie[5]	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Notes:
[1] Mr Middlemas was appointed as Chairman on 17 November 2017. Mr Middlemas' fees are effective from 30 July 2018 upon listing of the Company on the Australian Securities Exchange.
[2] Mr Woodman was appointed as Managing Director on 9 April 2018.
[3] Mr Behets was appointed as Non-Executive Director on 30 June 2017. Mr Behets' fees are effective 30 July 2018 upon listing of the Company on the Australian Securities Exchange.
[4] Mr Pearce was appointed as Non-Executive Director on 29 July 2016. Mr Pearce's fees are effective 30 July 2018 upon listing of the Company on the Australian Securities Exchange.
[5] Mr McGhie provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd ('Apollo'). Apollo will be paid A$180,000 per annum for the provision of serviced office facilities and administrative, accounting and company secretarial services to the Company. This fee will commence from 1 August 2018.

Shareholdings of Key Management Personnel

No ordinary shares were held in the company by directors or KMP of the Company during or as at the year ended 30 June 2018 and 30 June 2017.

Option Holdings and Incentive Securities Granted to Key Management Personnel

Details of the relevant incentive securities granted to each director and KMP of the Company for the year ended 30 June 2018 are as follows:

2018	Held at 1 July 2017 (#)	Granted as Remuneration (#)	Options exercised (#)	Options forfeited (#)	Net Change Other (#)	Held at 30 June 2018 (#)	Vested and exercisable (#)
Directors							
Mr Ian Middlemas	-	-	-	-	-	-	-
Mr Robert Behets	-	-	-	-	-	-	-
Mr Mark Pearce	-	-	-	-	-	-	-
Mr Peter Woodman	-	1,000,000	-	-	-	1,000,000	300,000
Other KMP							
Mr Clint McGhie	-	-	-	-	-	-	-
	-	**1,000,000**	**-**	**-**	**-**	**1,000,000**	**300,000**

No incentive securities were held or issued to directors or KMP of the Company for the year ended 30 June 2017.

REMUNERATION REPORT – AUDITED (CONTINUED)

Options Granted to Key Management Personnel

Details of the values of Incentive Options granted, exercised or lapsed for each KMP during the 2018 financial year are as follows (no options were granted in the financial year ended 30 June 2017):

2018	Value of Options Granted during the Year $	Value of Options exercised during the year $	Value of Options included in remuneration for the year $	Remuneration for the year that consists of Options %
Directors				
Mr Peter Woodman	111,118	-	43,385	42%
Total	**111,118**	**-**	**43,385**	**42%**

Details of Incentive Options granted by the Company to each KMP during the financial year are as follows:

2018	Options Granted	Grant Date	Vesting Date	Expiry Date	Exercise Price $	Grant Date Fair Value[1] $	No. Vested as at 30 June 2018	% vested in year	% forfeited in year
Director									
Mr Peter Woodman	300,000	09/04/2018	09/04/2018	09/04/2021	$0.25	$0.1113	300,000	100%	-
	300,000	09/04/2018	09/10/2019	09/10/2021	$0.30	$0.1126	-	-	-
	400,000	09/04/2018	09/04/2020	09/04/2022	$0.40	$0.1098	-	-	-

Notes:

[1] For details on the valuation of Incentive Options and Performance Rights, including models and assumptions used, please refer to Note 17 of the financial statements.

There were no incentive securities that lapsed for any KMP of the Company during the 2018 and 2017 financial years.

Employment Contracts with Key Management Personnel

Mr Ian Middlemas, Non-Executive Chairman, has a letter of appointment confirming the terms and conditions of his appointment as a non-executive director and chairman of the Company. Mr Middlemas receives a fee of $36,000 per annum plus superannuation. Mr Middlemas' fees will commence upon listing of the Company on the Australian Securities Exchange.

Mr Robert Behets, Non-Executive Director, has a letter of appointment confirming the terms and conditions of his appointment as a non-executive director of the Company. Mr Behets receives a fee of $20,000 per annum plus superannuation. Mr Behets' fees will commence upon listing of the Company on the Australian Securities Exchange.

Mr Mark Pearce, Non-Executive Director, has a letter of appointment confirming the terms and conditions of his appointment as a non-executive director of the Company. Mr Pearce receives a fee of $20,000 per annum plus superannuation. Mr Pearce's fees will commence upon listing of the Company on the Australian Securities Exchange.

Mr Peter Woodman, Managing Director, has a letter of appointment confirming the terms and conditions of his appointment as managing director dated 9 April 2018. Mr Woodman receives a salary of $240,000 per annum plus superannuation. Subject to the satisfaction of key performance indicators to be set by the Board, Mr Woodman will be entitled to a cash bonus of up to $60,000 per annum. Given the current nature, size and opportunities of the Company, these key performance indicators may include measures such as successful completion of exploration activities (i.e within budgeted timeframes and costs), development activities (such as completion of technical assessments and technical studies), corporate activities and business development activities.

Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a Director and beneficial shareholder, has been engaged by the Company for the provision of serviced office facilities, company secretarial services and administration services. The amount to be paid for these services is based on a monthly retainer of $15,000 due and payable in advance and is able to be terminated by either party with one month's notice. Provision of services commenced 1 August 2018. This item will be recognised as an expense in the Statement of Profit and Loss and Other Comprehensive Income. No amount has been recognised as at and for the financial year ended 30 June 2018. Additionally, an amount of $25,000 will be paid to Apollo Group as a once off fee for assistance in the Company's listing on the Australian Securities Exchange.

Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2018 (2017: Nil).

End of the audited Remuneration Report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial year, no amounts have been paid by the Company in relation to the above indemnities. During the financial year, no insurance premiums were paid by the Company (2017: $nil) to insure against a liability incurred by a person who is or has been a director or officer of the Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a part for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

Non-audit services provided by our auditors William Buck and related entities for the financial year ended 30 June 2018 amounted to $6,000.

TENEMENT SCHEDULE

Tenements held as at the date of the Directors' Report are listed in the table below:

Reference	Project	State	Status	Interest
E28/2403	Orpheus Project	Western Australia	Granted	70%
E63/1281	Orpheus Project	Western Australia	Granted	70%
E63/1282	Orpheus Project	Western Australia	Granted	70%
E28/2738	Orpheus Project	Western Australia	Granted	100%
E63/1695	Orpheus Project	Western Australia	Application	70%

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 15 of the Directors' Report.

This report is made in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

For and on behalf of the Directors

PETER WOODMAN
Managing Director

12 September 2018

Competent Person Statement

The information in this report that relates to Exploration Results is extracted from the Company's Prospectus lodged with ASIC on 4 May 2018. This Prospectus is available to view on www.constellationresources.com.au. The information in the Prospectus that related to Exploration Results was based on, and fairly represents, information compiled by Mr Andrew Boyd, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Boyd is a consultant of the Company and a director of Cairn Consulting Limited and is also an indirect holder of shares and options in Constellation Resources Limited. Mr Boyd 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 Prospectus. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Prospectus.

constellation RESOURCES

William Buck

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 year ended 30 June 2018 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

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

CMJ

Conley Manifis
Director

Dated this 12th day of September 2018

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Continuing Operations			
Exploration and evaluation expenses	2	(257,420)	(154,674)
Administration costs	2	(66,261)	(7,500)
Share based payments expenses	17	(43,385)	-
Impairment expenses	8	(50,000)	-
Loss before income tax		**(417,066)**	**(162,174)**
Income tax expense	3	-	-
Loss for the year		**(417,066)**	**(162,174)**
Loss attributable to members of Constellation Resources Limited		**(417,066)**	**(162,174)**
Other comprehensive income, net of income tax:			
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		**(417,066)**	**(162,174)**
Total comprehensive loss attributable to members of Constellation Resources Limited		**(417,066)**	**(162,174)**
Basic and diluted loss per share attributable to the ordinary equity holders of the company ($ per share)	16	(4,171)	(1,622)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 $	2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	33,189	-
Trade and other receivables	5	3,614	-
Prepayments	6	252,435	-
Total Current Assets		**289,238**	**-**
Non-Current Assets			
Property, plant and equipment	7	3,863	-
Exploration and evaluation assets	8	350,000	400,000
Total Non-Current Assets		**353,863**	**400,000**
TOTAL ASSETS		**643,101**	**400,000**
LIABILITIES			
Current Liabilities			
Trade and other payables	9	304,133	12,500
Borrowings	10	100,000	-
Total Current Liabilities		**404,133**	**12,500**
Non-Current Liabilities			
Borrowings	11	-	974,999
Total Non-Current Liabilities		**-**	**974,999**
TOTAL LIABILITIES		**404,133**	**987,499**
NET ASSETS/(LIABILITIES)		**238,968**	**(587,499)**
EQUITY			
Contributed equity	12	100	100
Reserves	13	1,243,533	-
Accumulated losses	14	(1,004,665)	(587,599)
TOTAL EQUITY		**238,968**	**(587,499)**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Contributed Equity $	Accumulated Losses $	Share Based Payment Reserve $	Other Equity Reserve $	Total Equity $
2017					
Balance at 1 July 2016	**100**	**(425,425)**	**-**	**-**	**(425,325)**
Net loss for the year	-	(162,174)	-	-	(162,174)
Total comprehensive income/(loss) for the year	**-**	**(162,174)**	**-**	**-**	**(162,174)**
Transactions with owners recorded directly in equity	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2017	**100**	**(587,599)**	**-**	**-**	**(587,499)**
2018					
Balance at 1 July 2017	**100**	**(587,599)**	**-**	**-**	**(587,499)**
Net loss for the year	-	(417,066)	-	-	(417,066)
Total comprehensive income/(loss) for the year	**-**	**(417,066)**	**-**	**-**	**(417,066)**
Transactions with owners recorded directly in equity					
Share based payment expense	-	-	43,385	-	**43,385**
Debt forgiveness (refer note 13(d))	**-**	**-**	**-**	1,200,148	**1,200,148**
Balance at 30 June 2018	**100**	**(1,004,665)**	**43,385**	**1,200,148**	**238,968**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
Operating activities			
Payments to employees and suppliers		(287,716)	(159,474)
Net cash flows used in operating activities	15(a)	**(287,716)**	**(159,474)**
Investing activities			
Payment for property, plant and equipment		(4,244)	-
Payment for acquisition of exploration assets		-	-
Net cash flows used in investing activities		**(4,244)**	**-**
Financing activities			
Proceeds from working capital facility		100,000	-
Payments financed through loan from Apollo Minerals		225,149	159,474
Net cash flows from financing activities		**325,149**	**159,474**
Net increase/(decrease) in cash and cash equivalents		33,189	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year	15(b)	**33,189**	**-**

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of Constellation Resources Limited ("Constellation Resources" or "Company") for the year ended 30 June 2018 are stated to assist in a general understanding of the financial report.

Constellation Resources is a Company limited by shares, incorporated and domiciled in Australia.

The financial report of the Company for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 12 September 2018.

(a) Basis of Preparation

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 financial report has also been prepared on a historical cost basis, except for other financial assets at fair value through profit or loss and available-for-sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars.

(b) Going Concern

The financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations.

The Company currently has no source of operating cash inflows other than interest income and funds sourced through capital raising activities. As at 30 June 2018, the Company has $33,189 in cash and cash equivalents (30 June 2017: $nil) and a net working capital deficiency (current assets less current liabilities) of $114,895 (2017: deficiency of $12,500).

Subsequent to 30 June 2018, the Company has listed on the Australian Securities Exchange through the issue of 35,000,000 ordinary shares in the Company at $0.20 per share amounting to a capital raising of $7,000,000 before costs. As such, the Directors believe that the Company has sufficient cash resources to allow it to meet minimum exploration expenditure commitments on existing tenements and undertake continuing activities designed to advance the Orpheus Project and operate corporately for at least the next 12 months. For this reason, the financial statements are prepared on a going concern basis.

(c) 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 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 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses* which clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not effected by possible future changes in the carrying amount or expected manner of recovery of the asset;
- AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107* which amend existing presentation and disclosure requirements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes; and
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2016-2016 Cycle* which clarify the existing disclosure requirements and scope of *AASB 12 Disclosure of Interest in Other Entities* to apply to interests that are classified as held for sale or distribution.

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 annual reporting period ended 30 June 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 9 *Financial Instruments*, and relevant amending standards	1 January 2018	1 July 2018
AASB 15 *Revenue from Contracts with Customers*, and relevant amending standards	1 January 2018	1 July 2018
AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	1 January 2018	1 July 2018
AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018	1 July 2018
AASB 16 *Leases*	1 January 2019	1 July 2019

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(e) Interests in Joint Ventures

The Company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements. Details of the Company's interests in joint ventures are shown at Note 20.

(f) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due and are interest free.

(g) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 *Exploration for and Evaluation of Mineral Resources*, which is the Australian equivalent of IFRS 6.

Exploration and evaluation expenditure encompasses expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation expenditure incurred by the Company subsequent to the acquisition of the rights to explore is expensed as incurred, up until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(h) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

(i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Revenue Recognition

Revenues are recognised at the fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(k) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

(l) Employee Entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within 12 months have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(m) Earnings per Share

Basic earnings per share (“EPS”) is calculated by dividing the net profit attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Use and Revision of Accounting Estimates

The preparation of the financial report requires management to make judgements, 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. The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described Note 1(w).

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The chief operating decision maker has been identified as the Board of Directors, taken as a whole. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the Board of Directors.

The Company aggregates two or more operating segments when they have similar economic characteristics.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

(q) Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(r) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

(s) Issued Capital

Ordinary Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the year but not distributed at reporting date.

(u) Share-Based Payments

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using the Black Scholes option pricing model.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where ordinary shares are issued, the transaction is recorded at fair value based on the quoted price of the ordinary shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

(v) Property, Plant and Equipment

(i) *Cost and valuation*

All classes of property, plant and equipment are measured at cost.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount. Where it is expected that a liability for capital gains tax will arise, this expected amount is disclosed by way of note.

(ii) *Depreciation*

Depreciation is provided on a straight-line basis on all property, plant and equipment.

	2018	2017
Major depreciation periods are:		
Computer Equipment	3 years	3 years

(w) Significant judgements and key assumptions

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

(i) *Key judgements*

The Company capitalises expenditure incurred in the acquisition of rights to explore and records this as an asset where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves (Note 1(g)). There are areas of interest from which no reserves have been extracted, but the directors are of the continued belief that such expenditure should not be written off since the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Such capitalised expenditure is carried at reporting date at $350,000 (2017: $400,000).

The Company recognises share based payments in accordance with the policy at Note 1(u).

2. EXPENSES

	2018 $	2017 $
Employee benefits expense included in profit or loss		
Wages, salaries and fees	54,796	-
Defined contribution plans	5,203	-
Share based payment expenses	43,385	-
	103,384	**-**

3. INCOME TAX

	2018 $	2017 $
(a) Recognised in the Statement of Comprehensive Income		
Deferred income tax		
Origination and reversal of temporary differences	(89,012)	(33,962)
Adjustments in respect of income tax of previous years	2,694	-
Deferred tax assets not brought to account	86,318	33,962
Income tax expense reported in the statement of comprehensive income	**-**	**-**
(b) Reconciliation Between Tax Expense and Accounting Loss Before Income Tax		
Accounting loss before income tax	(417,066)	(162,174)
At the domestic income tax rate of 27.5% (2017: 27.5%)	(114,693)	(44,598)
Expenditure not allowable for income tax purposes	25,681	-
Adjustments in respect of income tax of previous years	2,694	-
Effect of decrease in Australian income tax rate[1]	-	10,636
Deferred tax assets not brought to account	86,318	33,962
Income tax expense attributable to loss	**-**	**-**
(c) Deferred Tax Assets and Liabilities		
Deferred income tax at 30 June relates to the following:		
Deferred Tax Liabilities		
	-	**-**
Deferred Tax Assets		
Accrued expenditure	7,425	3,437
Tax losses available to offset against future taxable income	240,482	158,152
Deferred tax assets not brought to account	(247,907)	(161,589)
	-	**-**

Note:

[1] From the 2016–17 income tax year, the small business company tax rate has been reduced to 27.5% in accordance with enacted tax legislation.

(c) Deferred Tax Assets and Liabilities (Continued)

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

4. CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank and on hand	33,189	-
	33,189	**-**

5. TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
GST receivable	3,614	-
	3,614	**-**

6. PREPAYMENTS

	2018 $	2017 $
Prepaid Initial Public Offering Costs	252,435	-
	252,435	**-**

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 fund all Initial Public Offering expenses in connection with the Company's proposed admission to the Australian Securities Exchange. The balance as at 30 June 2018 includes $241,635 paid on the Company's behalf by Apollo Minerals (a corresponding amount has been recognised in Trade and other payables) and $10,800 paid directly by the Company. The balance will be transferred to equity upon the Company's admission to the Australian Securities Exchange.

7. PROPERTY, PLANT AND EQUIPMENT

	2018 $	2017 $
Computer Equipment		
At cost	4,244	-
Accumulated depreciation and impairment	(381)	-
Carrying amount at 30 June	**3,863**	**-**
Reconciliation		
Carrying amount at 1 July	-	-
Additions	4,244	-
Depreciation	(381)	-
Carrying amount at 30 June	**3,863**	**-**

8. EXPLORATION AND EVALUATION ASSETS (NON-CURRENT)

	Notes	2018 $	2017 $
(a) Exploration and evaluation assets by area of interest			
Orpheus Project (Fraser Range - Western Australia)	8(b)	350,000	400,000
Total exploration and evaluation assets		**350,000**	**400,000**
(b) Reconciliation of carrying amount:			
Carrying amount at beginning of year		400,000	400,000
Impairment of carrying value[2]		(50,000)	-
Balance at end of financial year[1]		**350,000**	**400,000**

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.

2 During the financial year ended 30 June 2018, 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.

9. TRADE AND OTHER PAYABLES

	2018 $	2017 $
Trade payables	21,044	-
Accrued expenses	283,089	12,500
	304,133	**12,500**

10. BORROWINGS (CURRENT)

	2018 $	2017 $
Working capital facility	100,000	-
	100,000	**-**

On 30 April 2018, the Company entered into a working capital facility agreement with Apollo Minerals Limited ("Apollo Minerals") (parent entity). Under the terms of the agreement, Apollo Minerals advanced $100,000 to the Company to enable the Company to meet certain operating expenses. No interest is payable on the funds advanced and the balance is repayable on demand by Apollo Minerals. Subsequent to year end, the Company has repaid the balance to Apollo Minerals.

11. BORROWINGS (NON-CURRENT)

	2018 $	2017 $
Owing to Apollo Minerals Limited	-	974,999
	-	**974,999**

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, and
- The Company issued to Apollo Minerals 3,000,000 options in consideration for Apollo Minerals forgiving all loan advances as noted above.

The balance of the loan as at the date of forgiveness was $1,200,148.

12. CONTRIBUTED EQUITY

	Notes	2018 $	2017 $
(a) Issued Capital			
100 (2017: 100) Ordinary Shares	12(b)	100	100
		100	**100**

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

Date	Details	Number of Ordinary Shares	Issue Price $	$
2017				
1-Jul-16	Opening Balance	100	-	100
30-Jun-17	Closing Balance	**100**	**-**	**100**
2018				
01-Jul-17	Opening Balance	100	-	100
30-Jun-18	Closing Balance	**100**	**-**	**100**

12. CONTRIBUTED EQUITY (CONTINUED)

(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.

(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.

13. RESERVES

	Note	2018 $	2017 $
Share-based payments reserve	13(b)	43,385	-
Other equity reserve	13(d)	1,200,148	-
		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 13(d).

(b) Movements in the share-based payments reserve during the past two years were as follows:

Date	Details	Number of Incentive Options	$
1 Jul 2016	Opening balance	-	-
30 Jun 2017	Closing balance	**-**	**-**
1 Jul 2017	Opening balance	-	-
9 Apr 2018	Grant of Incentive Options	1,000,000	-
30 Jun 2018	Share-based payment expense	-	43,385
30 Jun 2018	Closing balance	**1,000,000**	**43,385**

(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 financial 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. Refer to note 11 for further information regarding the issue. 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.

14. ACCUMULATED LOSSES

	2018 $	2017 $
Balance at 1 July	(587,599)	(425,425)
Net loss for the year	(417,066)	(162,174)
Balance at 30 June	**(1,004,665)**	**(587,599)**

15. STATEMENT OF CASH FLOWS RECONCILIATION

	2018 $	2017 $
(a) **Reconciliation of the Net Loss After Tax to the Net Cash Flows from Operations**		
Loss for the year	(417,066)	(162,174)
Adjustment for non-cash income and expense items		
Depreciation of plant and equipment	381	-
Share based payment expense	43,385	-
Impairment losses	50,000	-
Change in operating assets and liabilities		
Increase in trade and other receivables	(3,614)	-
Increase in trade and other payables	291,633	2,700
Increase in prepayments	(252,435)	-
Net cash outflow from operating activities	**(287,716)**	**(159,474)**
(b) **Reconciliation of Cash**		
Cash at bank and on hand	33,189	-
Balance at 30 June	**33,189**	**-**

(c) Non-cash financing and investing activities

All expenditure incurred by the Company until 30 April 2018 was settled by the Company's parent (Apollo Minerals Limited) and recorded through a loan account. As at 30 April 2018, the balance of the borrowing to Apollo Minerals Limited was $1,200,148 at which point the parties entered into a Debt for Equity Subscription Agreement and the amount was forgiven. Refer to note 11 and 13(d) for further details.

16. EARNINGS PER SHARE

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

	2018 **$**	2017 $
Basic and diluted loss per share	(4,171)	(1,622)
	(4,171)	**(1,622)**

	2018 $	2017 $
Net loss attributable to members of the parent used in calculating basic and diluted earnings per share:	(417,066)	(162,174)
Earnings used in calculating basic and dilutive earnings per share	(417,066)	**(162,174)**

	Number of Ordinary Shares 2018	Number of Ordinary Shares 2017
Weighted average number of Ordinary Shares used in calculating basic and dilutive earnings per share	100	100

(a) Non-Dilutive Securities

As at reporting date, 4,000,000 Unlisted Options (which represent 4,000,000 potential Ordinary Shares) were considered non-dilutive as they would decrease the loss per share.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2018

Since 30 June 2018, the Company has issued the following securities:

- 35,000,000 Ordinary Shares were issued, refer to note 26.
- 11,666,402 Listed Options exercisable at $0.20 each on or before 31 July 2021.

Other than as outlined above, there have been no other conversions to, calls of, or subscriptions for Ordinary Shares or issues of potential Ordinary Shares since the reporting date and before the completion of this financial report.

17. SHARE BASED PAYMENTS

(a) Recognised Share-based Payment Expense

From time to time, the Company provides incentive options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options or rights granted, and the terms of the options or rights granted are determined by the Board. Shareholder approval is sought where required.

During the past two years, the following equity-settled share-based payments have been recognised:

	2018 $	2017 $
Expense arising from equity-settled share-based payment transactions	**43,385**	**-**

(b) Summary of Unlisted Options Granted as Share-based Payments

The following Incentive options were granted as share-based payments during the past two financial years:

Series	Security Type	Number	Grant Date	Expiry Date	Vesting Date	Exercise Price $	Fair Value $
Series 1	Options	300,000	9-Apr-18	9-Apr-21	-	$0.25	$0.1113
Series 2	Options	300,000	9-Apr-18	9-Oct-21	9-Oct-19	$0.30	$0.1126
Series 3	Options	400,000	9-Apr-18	9-Apr-22	9-Apr-20	$0.40	$0.1098

The following table illustrates the number and weighted average exercise prices (WAEP) of Unlisted Options granted as share-based payments at the beginning and end of the financial year:

	2018 Number	2018 WAEP	2017 Number	2017 WAEP
Outstanding at beginning of year	-	-	-	-
Lapsed during the year	-	-	-	-
Granted during the year	1,000,000	$0.33	-	-
Outstanding at end of year	**1,000,000**	**$0.33**	-	-

The outstanding balance of options issued as share based payments as at 30 June 2018 is represented by:

- 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.

(c) Weighted Average Remaining Contractual Life

At 30 June 2018, the weighted average remaining contractual life of Unlisted Options on issue that had been granted as share-based payments was 3.3 years.

(d) Range of Exercise Prices

At 30 June 2018, the range of exercise prices of Unlisted Options on issue that had been granted as share-based payments was $0.25 to $0.40.

(e) Weighted Average Fair Value

The weighted average fair value of Incentive Options granted as share-based payments by the Company during the year ended 30 June 2018 was $0.1111.

(f) Option Pricing Models

The fair value of Incentive Options granted is estimated as at the date of grant using the Black Scholes option valuation model taking into account the terms and conditions upon which the Incentive Options were granted. The table below lists the inputs to the valuation model used for share options granted by the Company during the last two years:

Inputs	Series 1	Series 2	Series 3
Exercise price	A$0.25	A$0.30	A$0.40
Grant date share price	A$0.20	A$0.20	A$0.20
Dividend yield[1]	-	-	-
Volatility	95%	95%	95%
Risk-free interest rate	2.16%	2.22%	2.22%
Grant date	9-Apr-18	9-Apr-18	9-Apr-18
Issue date	9-Apr-18	9-Apr-18	9-Apr-18
Vesting date	9-Apr-18	9-Oct-19	9-Apr-20
Expiry date	9-Apr-21	9-Oct-21	9-Apr-22
Expected life of option[2]	3.00 years	3.50 years	4.00 years
Fair value at grant date	A$0.1113	A$0.1126	A$0.1098

Notes:

[1] The dividend yield reflects the assumption that the current dividend payout will remain unchanged.
[2] The expected life of the options is based on the expiry date of the options.

18. RELATED PARTIES

(a) Key Management Personnel

Transactions with Key Management Personnel are included at Note 19.

(b) Transactions with Related Parties

All expenditure incurred by the Company until 30 April 2018 was settled by the Company's parent (Apollo Minerals Limited) and recorded through a loan account. The loan was interest free and repayable on the demand however a letter was obtained from Apollo Minerals Limited as at 30 June 2017 whereby it was acknowledged the loan would not be called for a period of 12 months. As at 30 April 2018, the balance of the borrowing to Apollo Minerals Limited was $1,200,148 at which point the parties entered into a Debt for Equity Subscription Agreement and the amount was forgiven. Refer to note 11 and 13(d) for further details.

19. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

The KMP of the Company during or since the end of the financial year were as follows:

Current Directors

Mr Ian Middlemas	Chairman (appointed 17 November 2017)
Mr Peter Woodman	Managing Director (appointed 9 April 2018)
Mr Robert Behets	Non-Executive Director
Mr Mark Pearce	Non-Executive Director

Other KMP

Mr Clint McGhie	Company Secretary

Unless otherwise disclosed, the KMP held their position from 1 July 2017 until the date of this report.

(b) Remuneration of Key Management Personnel

	2018 $	**2017** **$**
Short-term employee benefits	54,796	-
Post-employment benefits	5,203	-
Share-based payments	43,385	-
	103,384	**-**

(c) Loans from Key Management Personnel

No loans were provided to or received from Key Management Personnel during the year ended 30 June 2018 (2017: Nil).

(d) Other Transactions

Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a Director and beneficial shareholder, has been engaged by the Company for the provision of serviced office facilities, company secretarial services and administration services. The amount to be paid for these services is based on a monthly retainer of $15,000 due and payable in advance and is able to be terminated by either party with one month's notice. Provision of services will commence 1 August 2018. This item will be recognised as an expense in the Statement of Profit and Loss and Other Comprehensive Income. No amount has been recognised as at and for the financial year ended 30 June 2018. Additionally, an amount of $25,000 will be paid to Apollo Group as a once off fee for assistance in the Company's listing to the Australian Securities Exchange.

20. INTERESTS IN JOINT VENTURES

The Company has interests in the following joint venture operations:

			Interest		Carrying Amount	
Name	Principal Activities	Country	2018 %	2017 %	2018 $	2017 $
Orpheus Project	Exploration for nickel, copper and gold in the Fraser Range	Australia	70	70	350,000	400,000

Orpheus Project

Constellation Resources has a 70% interest in the unincorporated Orpheus Joint Venture with Enterprise Metals Limited (30% interest). The Orpheus Joint Venture area consists of four tenements (E28/2403, E63/1281, E63,1282 and E63/1695) in the prospective Fraser Range province.

Constellation Resources is required to sole fund all joint venture activities until the date it delivers a Bankable Feasibility Study for a Mining Area to Enterprise Metals Limited.

21. 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.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and borrowings. The main risk arising from the Company's financial instruments is liquidity risk.

This note presents information about the Company's exposure to the above risk, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Company manages its exposure to key financial risks in accordance with the Company's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Company's financial risk management policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Company does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Company's financial risks as summarised below.

(a) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

2018	≤6 Months A$	6-12 Months A$	1-5 Years A$	≥5 Years A$	Total A$
Financial Liabilities					
Trade and other payables	304,133	-	-	-	304,133
Borrowings	100,000				100,000
	404,133	**-**	**-**	**-**	**404,133**

2017	≤6 Months A$	6-12 Months A$	1-5 Years A$	≥5 Years A$	Total A$
Financial Liabilities					
Trade and other payables	12,500	-	-	-	12,500
Borrowings	-	-	974,999	-	974,999
	12,500	**-**	**974,999**	**-**	**987,499**

(b) Commodity Price Risk

The Company is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Company's control. As the Company is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

(c) Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while financing the development of its projects through primarily equity based financing. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of the Company, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares.

The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year. During the next 12 months, the Company will continue to explore project financing opportunities, primarily consisting of additional issues of equity should it be required.

(d) Fair Value

The Company uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The net fair value of financial assets and financial liabilities approximates their carrying value as at 30 June 2018 and 30 June 2017. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

The quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.

(e) Interest Rate Risk

The Company does not have any long-term borrowing or long term deposits as at 30 June 2018, which would expose it to significant cash flow interest rate risk. Cash and cash equivalents as at 30 June 2018 are held in a no interest cheque account. As at 30 June 2017, the Company had a non-current borrowing from its parent entity Apollo Minerals Limited. Interest was not payable on the borrowing.

The Company currently does not engage in any hedging or derivative transactions to manage interest rate risk.

(f) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	2018 $	**2017** **$**
Financial assets		
Cash and cash equivalents	33,189	-
Trade and other receivables	3,614	-
	36,803	**-**

The Company does not have any customers and accordingly does not have any significant exposure to bad or doubtful debts. Trade and other receivables comprise primarily GST refunds. At 30 June 2018 none (2017: none) of the Company's receivables are past due. No impairment losses on receivables have been recognised. With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

23. COMMITMENTS

Management have identified the following material commitments for the Company as at 30 June 2018 and 30 June 2017:

	2018 $	**2017** **$**
Commitments for exploration expenditure:		
Not longer than 1 year	373,201	167,219
Longer than 1 year and shorter than 5 years	313,289	599,250
	686,490	**766,469**

24. CONTINGENT ASSETS AND LIABILITIES

As at the date of this report, no contingent assets or liabilities had been identified as at 30 June 2018 (2017: nil).

25. AUDITORS' REMUNERATION

	2018 $	2017 $
Amounts received or due and receivable by William Buck for:		
• an audit or review of the financial report of the Company	13,000	5,000
• other services in relation to the Company	6,000	-
	19,000	5,000

26. EVENTS SUBSEQUENT TO REPORTING DATE

On 6 July 2018, the Department of Mines, Industry Regulation and Safety granted the Company an exploration licence to tenement E28/2738.

During the year ended 30 June 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 of its securities occurring on 30 July 2018.

As at the date of this report, other than the above, there are no matters or circumstances which have arisen since 30 June 2018 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2018, of the Company;
- the results of those operations, in financial years subsequent to 30 June 2018, of the Company; or
- the state of affairs, in financial years subsequent to 30 June 2018, of the Company.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Constellation Resources Limited:

1. In the opinion of the directors:

   (a) the attached financial statements, notes and the additional disclosures included in the directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

      (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and

      (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company); and

   (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.

2. The attached financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements.

3. The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

On behalf of the Board

PETER WOODMAN
Managing Director

12 September 2018

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 year ended 30 June 2018 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

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

CM

Conley Manifis
Director

Dated this 12th day of September 2018

CHARTERED ACCOUNTANTS & ADVISORS

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Constellation Resources Limited

Independent auditor's report to members

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SHARE BASED PAYMENT	
Area of focus **Refer also to remuneration report, notes 1 (u) and 17**	**How our audit addressed it**
The Company entered into a share-based payment arrangement during the year. The options were issued to provide long term incentives for the Managing Director to deliver long term shareholder returns. The above arrangement required significant judgements and estimations by management, including the following: — The evaluation of the grant date for the arrangement, and the evaluation of the fair value of the underlying share price of the company as at the grant date; — The evaluation of key inputs into the Black Scholes option pricing model, including the significant judgment of the forecast volatility of the share option over its exercise period. The results of this share-based payment arrangement materially affect the disclosures.	Our audit procedures included: — Evaluating the fair values of the share-based payment arrangement by agreeing assumptions to third party evidence. In determining the grant dates, we evaluated what were the most appropriate dates based on the terms and conditions of the share-based payment arrangements. — For the specific application of the Black Scholes model, we assessed the experience of the company secretary who advised the value of the arrangement. We retested some of the assumptions used in the model and recalculated those fair values. We considered that the forecast volatility applied in the model to be appropriately reasonable and within industry norms. — We also reconciled the vesting of the share-based payment arrangement to disclosures made in the notes to the financial report.

Constellation Resources Limited

Independent auditor's report to members

CARRYING VALUE OF EXPLORATION COST	
Area of focus **Refer also to notes 1(g) and 8**	**How our audit addressed it**
The Company has incurred exploration costs for the Orpheus Project located in the Fraser Range area. There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate and that capitalised costs exceed the value in use. An impairment review is only required if an impairment trigger is identified. Due to the nature of the mining industry, indicators of impairment applying the value in use model include: — Significant decrease seen in global mineral prices — Changes to exploration plans — Loss of rights to tenements — Changes to reserve estimates — Costs of extraction and production	Our audit procedures included: — A review of the directors' assessment of the criteria for the capitalisation of exploration expenditure and evaluation of whether there are any indicators of impairment to capitalised costs. — A review of the independent valuation of the Orpheus Project. — Assessing the viability of the tenements and whether there were any indicators of impairment to those costs capitalised in the current period. — We assessed the adequacy of the Company's disclosures in respect of the transactions.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Constellation Resources Limited

Independent auditor's report to members

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf

This description forms part of our independent auditor's report.

Constellation Resources Limited

Independent auditor's report to members

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 8 to 13 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Constellation Resources Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

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

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Director

Dated this 12th day of September 2018

Constellation Resources Limited ("Constellation" or "Company") believes corporate governance is important for the Company in conducting its business activities.

The Board of the Company has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company.

These documents are available in the Corporate Governance section of the Company's website, www.constellationresources.com.au. These documents are reviewed annually to address any changes in governance practices and the law.

The Company's Corporate Governance Statement 2018, which explains how Constellation complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' in relation to the year ended 30 June 2018, is available in the Corporate Governance section of the Company's website, www.constellationresources.com.au and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

In addition to the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3rd Edition' the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which currently only undertakes mineral exploration and development activities;
- cost verses benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board's experience in the resources sector;
- organisational reporting structure and number of reporting functions, operational divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively small market capitalisation and economic value of the entity; and
- direct shareholder feedback.

The shareholder information set out below was applicable as at 31 August 2018.

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES (ORDINARY SHARES)

The names of the twenty largest holders of listed securities are listed below:

Name	No of Ordinary Shares Held	Percentage of Issued Shares
Pershing Australia Nominees Pty Ltd <Argonaut Account>	2,769,004	7.91
Arredo Pty Ltd	2,400,000	6.86
Zero Nominees Pty Ltd	1,200,000	3.43
Pershing Australia Nominees Pty Ltd <Patersons Securities A/C>	800,000	2.29
Mr Thomas Francis Corr	675,000	1.93
Mr Mark Pearce	600,000	1.71
Cantori Pty Ltd <Cantori Superfund A/C>	523,913	1.50
Verve Investments Pty Ltd	510,000	1.46
Mr Peter Woodman	500,000	1.43
Aegean Capital Pty Ltd <The Spartacus A/C>	500,000	1.43
Dog Meat Pty Ltd <DM A/C>	500,000	1.43
Mark Stuart Savage	500,000	1.43
Mr Robert Arthur Behets & Mrs Kristina Jane Behets <Behets Family A/C>	500,000	1.43
DRFT Management Pty Ltd <D Roberts Invest No 2 A/C>	480,000	1.37
HSBC Custody Nominees (Australia) Limited	465,381	1.33
AWJ Family Pty Ltd <Angus W Johnson Family A/C>	447,209	1.28
AWJ Family Pty Ltd <A W Johnson Family A/C>	426,694	1.22
Hopetoun Consulting Pty Ltd <M Syme Super Fund A/C>	420,000	1.20
GP Securities Pty Ltd	414,634	1.18
Aristo Capital Pty Ltd <Odyssey A/C>	400,000	1.14
6466 Investments Pty Ltd	399,716	1.14
E-Mines <SIRET: 537 837 882 00019>	375,000	1.07
Worldpower Pty Ltd	370,000	1.06
Mr Kevin Mark Johnson	350,000	1.00
Total Top 20	**16,526,551**	**47.22**
Others	18,473,549	52.78
Total Ordinary Shares on Issue	**35,000,100**	**100.0**

2. DISTRIBUTION OF EQUITY SECURITIES (ORDINARY SHARES)

Analysis of numbers of holders by size of holding:

Distribution	Number of Shareholders	Number of Shares
1 – 1,000	1	100
1,001 – 5,000	32	100,092
5,001 – 10,000	49	444,515
10,001 – 100,000	335	11,722,310
More than 100,000	58	22,733,083
Totals	**475**	**35,000,100**

There were 5 holders of less than a marketable parcel of ordinary shares.

3. TWENTY LARGEST HOLDERS OF LISTED SECURITIES (OPTIONS)

The names of the twenty largest holders of listed securities are listed below:

Name	No of Options Held	Percentage of Issued Options
Pershing Australia Nominees Pty Ltd <Argonaut Account>	805,736	6.91
Arredo Pty Ltd	800,000	6.86
Zero Nominees Pty Ltd	400,000	3.43
Mr Kevin Mark Johnson	340,980	2.92
Pershing Australia Nominees Pty Ltd <Patersons Securities A/C>	266,666	2.29
Mr Muhammad Patel	250,001	2.14
Mr Mark Pearce	199,999	1.71
Verve Investments Pty Ltd	167,589	1.44
Mr Peter Woodman	166,666	1.43
Mark Stuart Savage	166,666	1.43
Dog Meat Pty Ltd <DM A/C>	166,666	1.43
Mr Robert Arthur Behets & Mrs Kristina Jane Behets <Behets Family A/C>	166,666	1.43
HSBC Custody Nominees (Australia) Limited	155,126	1.33
Beelong Pty Ltd <Johnson Super Fund A/C>	150,000	1.29
AWJ Family Pty Ltd <Angus W Johnson Family A/C>	149,069	1.28
Aukera Capital Pty Ltd <Aukera Discretionary A/C>	147,270	1.26
AWJ Family Pty Ltd <A W Johnson Family A/C>	142,231	1.22
Hopetoun Consulting Pty Ltd <M Syme Super Fund A/C>	139,999	1.20
GP Securities Pty Ltd	138,211	1.18
Aristo Capital Pty Ltd <Odyssey A/C>	133,333	1.14
E-Mines <SIRET: 537 837 882 00019>	125,000	1.07
Worldpower Pty Ltd	123,332	1.06
Eaglestein Pty Ltd <Seamac Superannuation A/C>	109,499	0.94
Total Top 20	**5,410,705**	**46.38**
Others	6,255,697	53.62
Total Ordinary Shares on Issue	11,666,402	**100.0**

4. DISTRIBUTION OF EQUITY SECURITIES (OPTIONS)

Analysis of numbers of holders by size of holding:

Distribution	Number of Option Holders	Number of Options
1 – 1,000	4	3,512
1,001 – 5,000	48	147,715
5,001 – 10,000	174	1,325,560
10,001 – 100,000	159	4,778,910
More than 100,000	23	5,410,705
Totals	**408**	**11,666,402**

There were 50 holders of less than a marketable parcel of listed options.

5. VOTING RIGHTS

See Note 12(c) of the Notes to the Financial Statements.

6. SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder notices have been received from the following:

Substantial Shareholder	Number of Shares
Arredo Pty Ltd	2,400,000

7. RESTRICTED SECURITIES

The following securities are considered restricted and in escrow for a period of 24 months from the date of official quotation of the Company's securities to the Australian Securities Exchange being 30 July 2018:

- 3,000,000 Unlisted Options exercisable at $0.20 each on or before 31 July 2021;
- 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.

8. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of Constellation Resources Limited's listed securities.

9. UNQUOTED SECURITIES

The names of the security holders holding 20% or more of an unlisted class of security at 31 August 2018, other than those securities issued or acquired under an employee incentive scheme, are listed below:

Holder	$0.20 Options Expiring 31-Dec-21	$0.25 Options Expiring 9-Apr-21	$0.30 Options Expiring 9-Oct-21	$0.40 Options Expiring 9-Apr-22
Mr Peter Woodman	-	300,000	300,000	400,000
Apollo Minerals Limited	3,000,000	-	-	-
Total	**3,000,000**	**300,000**	**300,000**	**400,000**
Total holders	*1*	*1*	*1*	*1*

10. MINERAL RESOURCES STATEMENT

To date, the Company has not reported any Mineral Resources or Ore Reserves for its exploration projects.

11. CASH USE

The Company has used its cash and assets in a form readily convertible to cash that it had at time of admission to the Australian Securities Exchange (26 July 2018) through to the date of this report in a way that is consistent with its business objectives.

12. EXPLORATION INTERESTS

Reference	Project	State	Status	Interest
E28/2403	Orpheus Project	Western Australia	Granted	70%
E63/1281	Orpheus Project	Western Australia	Granted	70%
E63/1282	Orpheus Project	Western Australia	Granted	70%
E28/2738	Orpheus Project	Western Australia	Granted	100%
E63/1695	Orpheus Project	Western Australia	Application	70%

13. FORWARD LOOKING STATEMENTS

This report may include forward-looking statements. These forward-looking statements are based on Constellation'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 Constellation, which could cause actual results to differ materially from such statements. Constellation 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.

14. COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is extracted from the Company's Prospectus lodged with ASIC on 4 May 2018. This Prospectus is available to view on www.constellationresources.com.au. The information in the Prospectus that related to Exploration Results was based on, and fairly represents, information compiled by Mr Andrew Boyd, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Boyd is a consultant of the Company and a director of Cairn Consulting Limited and is also an indirect holder of shares and options in Constellation Resources Limited. Mr Boyd 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 Prospectus. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Prospectus.

constellationresources.com.au

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