



# **AuStar Gold Limited**

**ABN 70 107 180 441**

## **Half-Year Financial Report**

**For the half-year ended**

**31 December 2020**

## Table of Contents

---

Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Cash Flows	13
Consolidated Statement of Changes in Equity	14
Notes to the Consolidated Financial Statements	15
Directors' Declaration	20
Independent Auditor's Review Report	21

## Corporate Directory

---

### Directors

---

Mr Paul McNally                    Non-Executive Chairman  
Mr Christopher Wellesley       Non-Executive Director  
Mr Gareth Lewis                 Non-Executive Director

### Company Secretary

---

Ms Toni Griffith

### Principal Place of Business and Registered Office

---

6 Bridge Street  
Woods Point VIC

### Contact Details

---

Website: [www.austargold.com](http://www.austargold.com)  
Email: [info@austargold.com](mailto:info@austargold.com)

Tel:        +61 3 5777 8268

---

### Share Registry

---

Automic Registry Services  
Level 5  
126 Phillip Street  
Sydney NSW 2000  
Investor Services: [1300 288 664](tel:1300288664)  
[hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

### Auditors

---

Hall Chadwick  
40/2 Park Street  
Sydney NSW 2000

### Stock Exchange

---

Australian Securities Exchange  
Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

ASX Code: AUL, AULOD, AULOF

---

## Directors' Report

The Directors of AuStar Gold Limited ("AuStar" or "the Company") submit herewith the financial report of AuStar Gold Limited and its subsidiaries (the "Group") for the half-year ended 31 December 2020. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the Directors of the Company during or since the end of the half-year are:

Mr Paul McNally	Non- Executive Director
Mr Christopher Wellesley	Non- Executive Director
Mr Gareth Lewis	Non-Executive Director (appointed 12 January 2021)
Mr Matthew Gill	Non- Executive Director (resigned 12 January 2021)
Mr Philip Amery	Non- Executive Director (resigned 3 February 2021)

### PRINCIPAL ACTIVITIES

AuStar Gold Limited (ASX:AUL) is an ASX listed emerging gold miner with its principal projects (Morning Star Gold Mine and Rose of Denmark mine) located in Victoria. The Company is singularly focused on high quality gold projects, having low-cost, short start-up production capability.

Operational highlights during the half year included:

- Concentrate Sale Agreement concluded resulting in maiden shipment and payment received by the Company
- Regional exploration program expanded as AuStar Gold welcomed several new employees to the Mine Geology and Exploration team.
- Significant development occurred including mining breakthrough from 8 Level to 7 Level, establishing ores passes from 8 Level to 9 Level and setting up 9 Level as a trucking level with new rail infrastructure and bogger fleet.
- Subsequently, mining has moved from general development to stoping block development during the half year with the goal of increasing mining production with the opening up of additional sources of higher grade ore.
- Material investment in site infrastructure to improve availability, efficiency and ore recoverability.

#### AuStar's Tenement Schedule

Tenement	Project	Name	Grant Date	Expiry Date	Area	Interest (%)
MIN 5009	Morning Star	Morning Star	21/09/1990	21/09/2023	657 Ha	95
MIN 5299	Morning Star	Rose of Denmark	10/11/1981	30/08/2021	211 Ha	95
EL006321	Wood Point	Morning Star	27/08/2018	26/08/2023	566 km <sup>2</sup>	95
EL006364	Wood Point	Morning Star	27/08/2018	26/08/2023	101 km <sup>2</sup>	95

<sup>1</sup> Tenements 100% owned by Morning Star Gold NL. in turn held 95% by AuStar Gold Limited. ELA 6853 is not included in the above table as it is currently under application.

### PROJECT OVERVIEW

**Morning Star Gold Project** - the Company holds a 95% interest in Morning Star Gold NL, which in turn owns the Morning Star high-grade gold project. The Morning Star project has a number of positive characteristics which demonstrate its potential to create value for AuStar shareholders:

- A fully recommissioned gravity processing plant on site that utilises standard gravity methods to recover approximately 65 to 75% of gold from the Morning Star mine directly to bullion, with an additional 10 to 15% of fine free gold residing in the gold bearing concentrate tails (middlings).
- Mains power at the site (500 KVA line);
- A refurbished and recommissioned shaft (down to 300 metres below surface) with new winder also recommissioned for use.
- An existing paste plant attached to the gravity process plant for environmentally-friendly in-mine disposal of tailings;
- AuStar Gold is the dominant landholder in the district with 667 km<sup>2</sup> under tenement in a large region of historically-mined high grade reefs, supporting the expectation that new discoveries would be similarly high grade; and
- A local and corporate team with significant experience in the development, construction and mining of high grade underground gold deposits.

**Rose of Denmark Mine (RoD)** – The Rose of Denmark mine is approximately 22 km by road from the Morning Star processing plant and is located north and on the same line of workings as the operating A1 mine (ASX:KAU) and is located behind the township of Gaffneys Creek.

### OPERATIONS REVIEW

#### Mining and Milling

Mining activity in the half year commenced with the continuation of down-dip mining in McNally Reef below 7 Level. Down-dip development of McNally Reef had been presenting challenges to efficient mining over recent months because of the increasingly downward trajectory of the ore body.

With increased geological confidence in the extension of McNally Reef to 8 Level, priorities changed to completing development upwards from 8 Level to 7 Level, in order to provide for more efficient mining and to open up further modelled ore blocks.

Breakthrough to 7 Level was achieved during the half year. Production efficiencies from downward development to 8 and 9 Levels, with ore trucking and haulage from 9 Level, were realised midway through the period.

As a consequence of setting up mining from 8 Level, additional infrastructure work was carried out to ensure efficient mining, including establishing ore passes to 9 Level and setting up 9 Level as a trucking level (with new rail infrastructure and bogger fleet). This work was ongoing throughout the period alongside regular mine production and was completed in January.

The breakthrough has exposed multiple blocks of high-grade ore for future mining. Sampling grades have ranged from 0.1g/t up to **627g/t** Au (0.4m at 627g/t). There were also multiple high-grade faces identified during the half year via normal in-mine grade control geology, with face grades ranging from 0.28g/t up to 56.61g/t Au. (Refer ASX Release: Production and Geology Update, 27 November 2020).

During the half year the processing plant experienced several mechanical failures, leading to significant downtime – a disappointing outcome given prior operational challenges within the Morning Star plant.

## Directors' Report

---

New and refurbished components were sourced and fitted. This resulted in losses to production and reduced output.

Several operational bottlenecks were identified which have now been largely resolved. During rectification of these operational issues, commissioning of the additional recovery circuit within the mill continued and the new tailings disposal line to the Whitelaws void (via the 20MS01 hole) was successfully run into operation.

While realised Dore production was impacted during the half year, mine productivity was maintained and this has created substantial surface stockpiles capable of supporting extended processing operations for the foreseeable future.

Concentrates prepared during the period comprised two shipments – the first in July comprising 3,234 kg (dry weight) with an agreed assay of approximately 1,800 g/t gold and the second shipment was prepared in December for an early January shipment comprising in excess of 5,800 kg (dry weight) with an agreed average assay of approximately 1,650 g/t gold. Concentrate sales for the first shipment were included in revenue during the period.

### Exploration/Geology:

During the half year AuStar Gold welcomed several new employees to the Mine Geology and Exploration Team at the Morning Star Gold Mine to increase the capabilities of the team. The group is currently reviewing opportunities for future development of additional mining areas within the Morning Star Gold Mine, which include:

Level 2: "Age of Progress"

Level 4: "Dickenson and Shamrock Reef" extensions

Level 6: remnant Whitelaw Reef extensions

Level 7: McNally Reef Extension

Level 8: Maxwell Reef

Level 8: Stones Reef

Mapping and sampling commenced on 6 Level during the period, targeting mineralised structure interpreted to be extensions of the Whitelaw Reef. A total of 62 samples were collected from 6 Level returning assays of 0.05g/t to 32.60g/t Au (Refer ASX Release: Production and Geology Update, 27 November 2020).

There was further diamond drilling during the half year at 7 Level as well as the (surface) 20MS01 diamond drill hole, which identified multiple quartz reefs and a significant intercept of 0.8m at 13.32g/t Au from 75.9m includes 0.3m@ 33.4g/t Au, with visible gold evident.

4 Level South Ore Drive sampling highlighted multiple outstanding grades, with samples ranging from 0.01g/t to **3,140g/t Au**, indicating potential for future mining development (Refer ASX Release: Production and Geology Update, 27 November 2020).

These significant results and interpretations demonstrate potential to expand out from Dickenson's and Shamrock Reefs into further historical areas, which can define new geological targets within the mine.

### CORPORATE ACTIVITY

On 23 July 2020, the Company announced the recommencement of underground drilling at the Morning Star Mine addressing high priority target zones. This follows the appointment of Mr Jason Larocca to the position of Senior Geologist.

## **Directors' Report**

---

On 3 August 2020, the Company announced the conclusion of the maiden concentrate sale agreement with MCC Non-Ferrous Trading for the sale of the Company's high grade concentrate product.

On 12 August 2020, the Company issued a cleansing prospectus with primary purpose of removing any trading restrictions on the sale of shares issued by the Company prior to the closing date as a result of conversion of convertible notes and option exercise.

On 3 September 2020, the Company entered into a trading halt to consider, plan and execute a capital raise. The trading halt was lifted on 8 September 2020 with the announcement of a placement, entitlement and bonus issue. The prospectus for the entitlement and bonus offer was lodged with ASIC on 11 September.

On 21 September 2020 the completion of the placement was announced with 6,533,333 shares issued at \$0.30 per Share together with a 1 for 3 free attaching Option exercisable at \$0.60 on or before 31 December 2021. All shareholders on the register at 5pm, Thursday 17 September 2020 received a Bonus Issue of one Option for every ten shares held.

On 20 October 2020, the Company announced the successful closure of the entitlement offer, with 4,251.37 shares offered on a one for ten basis at \$0.30 per shares with 1 free attaching option for every three shares subscribed for. The allotment of shares and scale back of applications occurred on 22 October 2020.

The AGM was held on 27 November 2020, with all resolutions put to shareholders carried. Noting that resolution 6 included the forfeiture of 111,112 ordinary shares in the Company and payment of the amount called but unpaid in respect of those Shares be waived. The Form 484 to effect the forfeiture was submitted to ASIC and released to the market. Special resolution 8 proposed the amendment of the Company Constitution to enable a reasonable fee to be charged in connection with the registration of a transfer of Shares or other securities. The revised constitution was released to the market on 27 November 2020.

### **SUBSEQUENT TO END OF REPORTING PERIOD**

On 12 January 2021, the Board announced the resignation of Mr Matthew Gill and the appointment of Mr Gareth Lewis as non-executive director.

On 3 February 2021, the Board announced that White Rock Minerals (ASX:WRM) was to acquire 100% of the Company by way of scheme of arrangement in an all-share transaction under which, if implemented, AuStar Gold shareholders will receive 0.78 White Rock shares for every AuStar Gold share held.

On 3 February 2021, the Board announced the resignation of Mr Philip Amery as Chairman and the appointment of Paul McNally to the role.

On 22 February 2021, the Board announced the appointment of Mr Lionel Musson to the position of General Manager.

### **REVIEW OF RESULTS**

During the period the Group had cash outflows for operations totalling \$2,118,003 (2019: \$846,371) in relation to its gold projects.

## **Directors' Report**

---

The loss of the Group for the half-year ended 31 December 2020 after providing for income tax amounted to \$1,085,643 (31 December 2019: \$904,243). The significant items affecting the loss after tax were:

- Operating loss totaling \$346,139;
- Consultancy and legal expenses totaling \$125,243 associated with corporate activities;
- Director and key management personnel required for operating and corporate activities totaling-\$284,992.

No dividends were declared or paid during the half-year ended 31 December 2020.

### **SIGNIFICANT CHANGES IN AFFAIRS**

There has been no significant changes in the state of affairs during the period to 31 December 2020.



## Directors' Report

---

### Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this half-year financial report.

Signed in accordance with a resolution of directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Paul McNally  
**Director**

Dated this 16<sup>th</sup> day of March 2021

AUSTAR GOLD LIMITED  
ABN 70 107 180 441  
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF AUSTAR GOLD LIMITED

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Fx: (612) 9263 2800

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Austar Gold Limited. As the lead audit partner for the audit of the financial report of Austar Gold Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
Partner  
Dated: 16 March 2021

A Member of PrimeGlobal  
An Association of Independent  
Accounting Firms

 **PrimeGlobal**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
for the half-year ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
<b>Revenue</b>		
Gold sales revenue	2,046,428	3,172,638
Cost of sales	(2,392,567)	(3,503,427)
	<b>(346,139)</b>	<b>(330,789)</b>
<b>Gross loss</b>		
Interest income	691	3,471
Other Income	20,000	8,820
<b>Administrative and corporate expenses</b>		
Corporate Expenses	(100,958)	(85,118)
Consultancy and legal expenses	(125,243)	(288,340)
Compliance and regulatory expenses	(44,897)	(72,707)
Depreciation expense	(64,553)	(33,488)
Director and key management personnel related expenses	(284,992)	(139,930)
Exploration expenses	-	(251)
Promotion and communication costs	(65,000)	(4,071)
Interest expense	(74,552)	(11,840)
Provision for doubtful debts	-	50,000
	<b>(1,085,643)</b>	<b>(904,243)</b>
<b>Loss before income tax expense</b>		
Income tax expense	-	-
	<b>(1,085,643)</b>	<b>(904,243)</b>
<b>Loss after income tax expense</b>		
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive loss for the period</b>	<b>(1,085,643)</b>	<b>(904,243)</b>
<b>Total comprehensive loss for the period attributable to:</b>		
Non-controlling interest	(20,460)	(45,212)
Owners of AuStar Gold Limited	(1,065,183)	(859,031)
	<b>(1,085,643)</b>	<b>(904,243)</b>
<b>Basic and diluted loss per share (cents)</b>	(0.02)	(0.04)

*The accompanying notes form part of these financial statements.*

## Consolidated Statement of Financial Position

as at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
<b>Current assets</b>			
Cash and cash equivalents	2	332,752	155,361
Trade and other receivables	3	115,481	1,173
Other current assets		22,938	207,055
Inventories	4	1,665,460	735,740
<b>Total current assets</b>		<b>2,136,631</b>	<b>1,099,329</b>
<b>Non-current assets</b>			
Receivables		9,627	9,627
Property, plant and equipment		1,282,877	627,410
Exploration and evaluation expenditure		194,402	32,275
<b>Total non-current assets</b>		<b>1,486,906</b>	<b>669,312</b>
<b>Total assets</b>		<b>3,623,537</b>	<b>1,768,641</b>
<b>Current liabilities</b>			
Trade and other payables		932,109	1,170,301
Provisions		61,239	-
Borrowings	5	-	1,637,045
<b>Total current liabilities</b>		<b>993,348</b>	<b>2,807,346</b>
<b>Total liabilities</b>		<b>993,348</b>	<b>2,807,346</b>
<b>Net assets</b>		<b>2,630,189</b>	<b>(1,038,705)</b>
<b>Equity</b>			
Contributed equity	6	46,014,410	41,259,873
Reserves		2,514,327	2,514,327
Accumulated losses		(45,414,079)	(44,348,896)
<b>Equity attributable to the owners of the parent entity</b>		<b>3,114,658</b>	<b>(574,696)</b>
Non-controlling interests		(484,469)	(464,009)
<b>Total equity</b>		<b>2,630,189</b>	<b>(1,038,705)</b>

*The accompanying notes form part of these financial statements.*

**Consolidated Statement of Cash Flows**  
for the half-year ended 31 December 2020

	31 December 2020 \$	31 December 2019 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	2,049,962	3,219,442
Payments to suppliers	(4,114,837)	(3,927,244)
Payment for exploration and evaluation assets	-	(141,546)
Interest received	1,683	3,104
Interest paid	(54,811)	(127)
<b>Net cash used in operating activities</b>	<u>(2,118,003)</u>	<u>(846,371)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(720,021)	-
Payment for exploration and evaluation assets	(178,587)	-
Receipt from sale of tenements / return of bonds	-	2,515
<b>Net cash used in investing activities</b>	<u>(898,608)</u>	<u>2,515</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	3,633,412	-
Repayment of borrowings	(285,000)	-
Proceeds from borrowings	-	345,000
Payment of equity issue costs	(154,410)	-
<b>Net cash provided by financing activities</b>	<u>3,194,002</u>	<u>345,000</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	177,391	(498,856)
Cash and cash equivalents at the beginning of the period	<u>155,361</u>	<u>543,154</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>2 332,752</u>	<u>44,298</u>

*The accompanying notes form part of these financial statements.*

## Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2020

	Contributed equity	Reserves	Accumulated losses	Non- Controlling interests	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	41,259,873	2,225,584	(42,842,338)	(456,161)	186,958
Total comprehensive loss for the period	-	-	(859,031)	(45,212)	(904,243)
Shares issued	-	-	-	-	-
Share issue costs	-	-	-	-	-
Share based payment	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<u>41,259,873</u>	<u>2,225,584</u>	<u>(43,701,369)</u>	<u>(501,373)</u>	<u>(717,285)</u>
<b>Balance at 1 July 2020</b>	41,259,873	2,514,327	(44,348,896)	(464,009)	(1,038,705)
Total comprehensive loss for the period	-	-	(1,065,183)	(20,460)	(1,085,643)
Shares issued	4,938,958	-	-	-	4,938,958
Share issue costs	(184,421)	-	-	-	(184,421)
Share based payments	-	-	-	-	-
<b>Balance at 31 December 2020</b>	<u>46,014,410</u>	<u>2,514,327</u>	<u>(45,414,079)</u>	<u>(484,469)</u>	<u>2,630,189</u>

*The accompanying notes form part of these financial statements.*

## Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2020

---

### 1. Basis of preparation of half-year report

This consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by AuStar Gold Limited during the interim reporting half-year.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting half-year except for the adoption of new and amended standards as set out below.

In the reporting period, the Group has adopted all the new and revised accounting standards and Interpretations that are relevant to its operations and effective for the current financial year including AASB16 Leases. The adoption of the new and revised accounting standard and interpretation did not have any material effect on the financial results or financial position of the Group or the Company for the reporting period.

#### ***Going concern***

As at 31 December 2020 the Company had cash reserves of \$332,752, net working capital of \$1,143,283 and net assets of \$2,630,189. The Company incurred a loss for the half year ended 31 December 2020 of \$1,085,643 and had net cash outflows from operating activities of \$2,118,003.

The ability of the Company to continue as a going concern is principally dependent upon the following: -

- the ability of the Company to generate cash flow from mining operations;
- the ability of the Company to raise additional funding in the future; and
- the successful exploration and subsequent exploitation of the Company's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

Based on the success of capital raisings during the 2020 year, the capital investment in the mining process and processing plant and the previous successful exploration programmes, the Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

Demonstrating the capacity for repayment of borrowings, the Directors are confident of securing funds as and when necessary to meet the Company's obligations as and when they fall due.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

## Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2020

### 2. Cash and cash equivalents

For the purposes of the half-year statement of cash flows, cash and cash equivalents are comprised of the following:

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Cash at bank and in hand	332,752	155,361
	<u>332,752</u>	<u>155,361</u>

### 3. Trade and other receivables

Trade receivables	95,700	146,873
Other receivables	115,481	-
	<u>211,181</u>	<u>146,873</u>
Provision for impairment	(95,700)	(145,700)
	<u>115,481</u>	<u>1,173</u>

### 4. Inventories

Gold in concentrate	571,659	446,990
Run of Mine Stockpiles	932,121	151,587
Gold in process	137,150	82,772
Gold in vault and at refinery	24,530	54,391
	<u>1,665,460</u>	<u>735,740</u>

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method.

### 5. Borrowings

Borrowings	-	<u>1,637,045</u>
------------	---	------------------

During the period, the convertible notes, borrowings from two related parties and the insurance premium funding arrangement were converted to equity or repaid. There were nil borrowings at 31 December 2020.

### 6. Contributed equity

#### a) Issued capital

Ordinary shares, fully paid	46,014,410	41,259,873
	<u>46,014,410</u>	<u>41,259,873</u>



## Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2020

### 6. Contributed Equity (continued)

#### Movements in Share Capital

	Number	\$
<b>Balance at beginning of period</b>	33,903,630	41,259,873
Conversion of Notes (i)	7,100,126	1,305,547
Option Exercise (ii)	1,990,000	398,000
Share Placement (iii)	6,533,336	1,960,000
Entitlement Offer (iv)	4,251,378	1,275,411
Forfeiture of Shares (v)	(111,112)	-
Share Issue Costs (vi)	-	(184,421)
<b>Balance at end of period</b>	<b>53,667,358</b>	<b>46,014,410</b>

The following share issues were made during the period:

- (i) During the period, convertible notes issued in April 2020 and associated interest were converted into equity instruments during August and September. 7,100,126 fully paid ordinary shares were issued in the Company at \$0.20 per share.
- (ii) Free options attaching to the Convertible notes at (i) were exercised in August and September 2020. 1,990,000 fully paid ordinary shares were issued in the Company at \$0.20 per share.
- (iii) On 8 September, the Company announced, a share placement of 6,533,336 fully paid ordinary shares at \$0.30 per share.
- (iv) On 20 October, the Company announced the successful closure of the entitlement offer announced with the Placement specified at (iii). 4,251,378 fully paid ordinary shares were issued on a 10 for ten basis at \$0.30 per share issued to eligible shareholders.
- (v) At the Annual General Meeting held on 27 November, a resolution for the forfeiture of shares and the waiving of the called unpaid sum in connection with certain shares was considered and carried by shareholders. 111,112 shares were forfeited.
- (vi) Costs associated with the placement and entitlement offer totalled \$184,421 during the period.

#### b) Share options

Options		
Expiry Date	Exercise Price	Number
8-Sep-21	\$1.80	300,000
30-Nov-21	\$2.00	150,000
30-Jun-21	\$0.20	810,000
31-Dec-21	\$0.60	7,847,115
<b>Total</b>	<b>9,107,115</b>	

**Notes to the Consolidated Financial Statements**  
for the half-year ended 31 December 2020

	Exercise price	Expiry date	Balance at beginning of period Number	Granted during the period Number	Exercised during the period Number	Expired or forfeited during the period Number	Balance at end of period Number	Options exercisable at end of period Number
<b>31 December 2020</b>								
Unlisted options	1.80	08/09/21	300,000	-	-	-	300,000	300,000
Listed options	0.20	30/06/21	2,800,000	-	(1,990,000)	-	810,000	810,000
Unlisted options	2.00	30/11/21	150,000	-	-	-	150,000	150,000
Listed options	0.60	31/12/21	-	7,847,115	-	-	7,847,115	7,847,115
Listed options	1.00	30/09/20	3,276,982	-	-	(3,276,982)	-	-
			<b>6,526,982</b>	<b>7,847,115</b>	<b>(1,990,000)</b>	<b>(3,276,982)</b>	<b>9,107,115</b>	<b>9,107,115</b>

	Exercise price	Expiry date	Balance at beginning of year Number	Granted during the year Number	Exercised during the year Number	Expired or forfeited during the year Number	Balance at end of year Number	Options exercisable at end of year Number
<b>30 June 2020</b>								
Unlisted options	1.80	08/09/21	300,000	-	-	-	300,000	300,000
Listed options	0.20	30/06/21	-	2,800,000	-	-	2,800,000	2,800,000
Unlisted options	1.50	30/11/19	300,000	-	-	(300,000)	-	-
Unlisted options	2.00	30/11/21	150,000	-	-	-	150,000	150,000
Listed options	1.50	30/09/20	3,276,982	-	-	-	3,276,982	3,276,982
			<b>4,026,982</b>	<b>2,800,000</b>	-	<b>(300,000)</b>	<b>6,526,982</b>	<b>6,526,982</b>

**(c) Reserve**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>30 June 2020</b>
Share-based payments reserve	<u>2,514,327</u>	<u>2,514,327</u>

The Share based payment reserve is used to record the fair value of share-based payments made by the Company.

**7. Segment reporting**

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The consolidated entity operates as a single segment which is mineral exploration within Australia. The consolidated entity is domiciled in Australia. All revenue from external parties is generated from Australia only. Segment revenues are allocated based on the country in which the party is located.

**8. Contingent assets and liabilities**

The Company did not have any material contingent assets or liabilities as at 31 December 2020.

## Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2020

---

### 9. Commitments

#### *Exploration expenditure commitments*

	Consolidated	
	31 December 2020	30 June 2020
Within one year	684,950	902,900
After one year but not more than five years	900,900	1,511,500
	<u>1,585,850</u>	<u>2,414,400</u>

The above exploration expenditure commitments assume no relinquishments or reductions during the period.

### 10. Events subsequent to balance date

On 12 January 2021, the Board announced the resignation of Mr Matthew Gill and the appointment of Mr Gareth Lewis as non-executive director.

On 3 February 2021, the Board announced that White Rock Minerals (ASX:WRM) was to acquire 100% of the Company by way of scheme of arrangement in an all-share transaction under which, if implemented, AuStar Gold shareholders will receive 0.78 White Rock shares for every AuStar Gold share held.

On 3 February 2021 the Board announced the resignation of Mr Philip Amery and the appointment of Paul McNally to the role.

On 22 February 2021, the Board announced the appointment of Mr Lionel Musson to the position of General Manager.

## Directors' Declaration

---

The directors of the company declare that:

1. The financial statements and notes, as set out in this half-year financial report, are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Paul McNally  
**Director**

Dated this 16<sup>th</sup> day of March 2021

AUSTAR GOLD LIMITED  
 ABN 70 107 180 441  
 AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
 AUSTAR GOLD LIMITED AND CONTROLLED ENTITIES

**SYDNEY**

Level 40  
 2 Park Street  
 Sydney NSW 2000  
 Australia  
 Ph: (612) 9263 2600  
 Ex: (612) 9263 2800

**Report on the Half-year Financial Report**

*Conclusion*

We have reviewed the accompanying half-year financial report of Austar Gold Limited, which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Austar Gold Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Austar Gold Limited 's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

*Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial report, which indicates that the group incurred a net loss of \$1,085,643, and net cash outflows from operating activities of \$2,118,003 during the half-year ended 31 December 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Austar Gold Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the group's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A Member of PrimeGlobal  
 An Association of Independent  
 Accounting Firms

 PrimeGlobal

AUSTAR GOLD LIMITED  
ABN 70 107 180 441

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
AUSTAR GOLD LIMITED

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
Partner

Dated: 16 March 2021