

Star Minerals Limited

ABN 53 648 048 631

Financial Report for the 4 month period ended - 30 June 2021

Star Minerals Limited
Corporate directory
For the period ended 30 June 2021

Directors	Mr Ian Stuart (appointed 2 June 2021) Mr Ashley Jones (appointed 18 February 2021) Mr Stephen Strubel (appointed 18 February 2021)
Company secretary	Mr Matthew Edmondson (appointed 18 February 2021)
Registered office	Suite 1 1 Tully Road East Perth WA 6004
Principal place of business	Suite 1 1 Tully Road East Perth WA 6004
Auditor	Elderton Audit Pty Ltd Level 2, 267 St Georges Terrace Perth WA 6000
Solicitors	Blackwall Legal LLP Level 26, 140 St Georges Terrace Perth WA 6000
Share Registry	Automic Group Perth Office: Level 2, 267 St Georges Terrace Perth WA 6000 1300 288 664
Website	www.starminerals.com.au

Star Minerals Limited
Directors' report
For the period ended 30 June 2021

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Star Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the 4 month period ended 30 June 2021.

Directors

The following persons were Directors of Star Minerals Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Ian Stuart - Non-executive Chairman (appointed 2 June 2021)
Ashley Jones - Independent Non-executive Director (appointed 18 February 2021)
Stephen Strubel - Non-executive Director (appointed 18 February 2021)
Matthew Edmondson - Non-executive Director (appointed 18 February 2021 and resigned 2 June 2021)

Principal activities

The Company carries on the business of mineral exploration, focused on the exploration and evaluation of the Tumblegum South Project and the West Bryah Project, located in central Western Australia.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Review of operations

The loss for the Group after providing for income tax amounted to \$15,111.

The Company was incorporated as Star Holdco Limited on 18 February 2021 and changed name to Star Minerals Limited on 22 February 2021.

On 23 February 2021, the Company acquired White Star Minerals Pty Ltd which was incorporated on 30 June 2020.

White Star Minerals Pty Ltd entered into a tenement transfer agreement with Bryah Resources Limited (ASX: BYH) and Australian Vanadium Limited (ASX: AVL) to acquire the tenement comprising the Tumblegum South Project. The project comprises a granted mining lease M51/888 to be acquired from Australian Vanadium Limited and an application for miscellaneous licence L51/112 to be acquired from Bryah Resources Ltd upon grant.

Star Minerals Ltd has entered into agreements with Bryah Resources Limited, Jalein Pty Ltd, Pet FC Pty Ltd and Pinny Pty Ltd to acquire the Tenements comprising the West Bryah Project. The West Bryah Project consists of 7 granted exploration licences covering a total of 565.6km² located approximately 140km north of Meekatharra in central Western Australia.

Bryah Resources Limited has agreed to transfer the license to the Group and Australian Vanadium Limited has agreed to transfer the mining lease to the Group for the consideration as mentioned below.

Consideration to Bryah Resources Ltd:

- 11 million fully paid ordinary shares in Parent entity;
- 3 million Class A Performance Rights in Parent entity (subject to Vesting conditions);
- 4 million Class B Performance Rights in Parent entity (subject to Vesting conditions); and
- \$500,000 reimbursement of expenditure incurred in conducting exploration works.

Consideration to Australian Vanadium Limited:

- Grant of Royalty by White Star Minerals Pty Ltd and \$5,000 reimbursement of expenditure.

Total consideration to other vendors:

- Pet FC Pty Ltd - 0.5 million fully paid ordinary shares in Parent entity
- Pinny Pty Ltd - 0.75 million fully paid ordinary shares in Parent entity
- Jalein Pty Ltd - 2.75 million fully paid ordinary shares in Parent entity

In addition to this the Group has entered into royalty deed agreements for the payment of royalty on the net return of 0.75%.

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Sale and transfer of tenements under the agreements is subject to the satisfaction of the following conditions by the sunset date:

- Star Minerals Ltd receiving conditional approval from ASX to admit its securities to official quotation on ASX on terms acceptable to the Star Minerals Ltd.
- Each party obtaining necessary authorities to give effect to the agreement.
- White Star Minerals Pty Ltd obtaining consent of the Minister under Mining Act for registration of transfer of mining lease and license.
- Bryah Resources Limited obtaining the approval of its shareholder for the effective disposal of its mineral rights over the mining lease and transfer of the license for the purposes of ASX listing Rule 11.4 and all other purposes.

There is notification for the extension of "Sunset Dates" for all tenement agreements from 31 May 2021 to 31 January 2022.

Details of tenements to be acquired

Tenement	Date of purchase agreement	Consideration payable	Tenement expiry date	Details of royalty deeds
Tumblegum South Project - granted mining lease M51/888	08/03/2021	to Australian Vanadium Limited	03/11/2041	0.75% net smelter return royalty on all products extracted or derived from the area.
Tumblegum South Project - miscellaneous licence L51/112	08/03/2021	to Bryah Resources Ltd	22/04/2042	N/A
West Bryah Project - granted exploration licence E52/3553	08/03/2021	to Pet FC Pty Ltd	30/07/2022	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3737	08/03/2021	to Pinny Pty Ltd	7/11/2024	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3739	08/03/2021	to Bryah Resources Ltd	7/11/2024	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3802	08/03/2021	to Jalein Pty Ltd	17/01/2026	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3803	08/03/2021	to Pinny Pty Ltd	18/05/2025	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3804	08/03/2021	to Pinny Pty Ltd	18/05/2025	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3809	08/03/2021	to Jalein Pty Ltd	02/06/2025	0.75% net smelter return royalty on all products extracted or derived from the area.

The Group's management strategy and its key objectives are to:

- Systematically undertake exploration of the projects aimed at the discovery and development of mineral resources; and
- Implement a growth strategy to seek out further exploration opportunities which complement the Group's focus on gold/base metals deposits.

Significant changes in the state of affairs

On 23 February 2021 the Company acquired White Star Minerals Pty Ltd.

There were no other significant changes in the state of affairs of the Group during the financial period.

Star Minerals Limited
Directors' report
For the period ended 30 June 2021

Events after the reporting period

On 5 July 2021 to correct a rounding error in the share register, the Company issued 1 ordinary share to Stephen Strubel, one of the original promoters and a director. The nominal issue price for this share was \$0.0002.

On 7 July 2021 the Company completed a \$250,000 capital raising and issued 5 million ordinary shares at \$0.05 per share to investors. Directors Ian Stuart and Ashley Jones participated in the capital raising on the same terms as other investors. The Borrowings (director loan) totalling \$11,919 were repaid after the capital raising was completed.

On 30 July 2021 Star Minerals Limited lodged an Initial Public Offering ("IPO") Prospectus (the "Prospectus") which included priority offers to the shareholders of Bryah Resources Limited (ASX: BYH) and Australian Vanadium Limited (ASX: AVL).

On 9 August 2021 Star Minerals Limited lodged a 2nd Replacement Prospectus.

On 1 September 2021 Star Minerals Limited lodged a 1st Supplementary Prospectus.

On 23 September 2021 Star Minerals Limited lodged a 2nd Supplementary Prospectus.

No other matters or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name: Ian Stuart
Title: Non-Executive Chairman
Qualifications: *B.Sc (Hons) F.FIN MAICD*
Experience and expertise: Mr Stuart is a geologist by profession with experience in both the finance and mining industries. He holds an Honours degree in Geology, is a Fellow of the Financial Services Institute of Australasia and a member of the Australian Institute of Company Directors. Ian has extensive experience in capital markets and is conversant with public company governance and management across international jurisdictions.

Mr Stuart is Non-Executive Chairman of Bryah Resources Limited (ASX: BYH).

Name: Ashley Jones
Title: Non-Executive Director
Qualifications: Mr Jones graduated in 1997 with a B.Sc. Hons in Geology from the University of Canterbury, New Zealand. He has a Master of Applied Finance in 2014 from Kaplan University, Australia and an MBA with Distinction from Imperial College London, UK in 2017. He is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and Member of the Financial Services Institute of Australasia (FINSIA).

Experience and expertise: Mr Jones is a geologist with over 20 years of a diverse range of exploration, mine geology and management experience in Australia and Africa. He has project development expertise in feasibility level projects with particular focus on resources and mine development. He was based in Africa for over 11 years exploring a range of commodities for ASX, AIM and TSX listed public companies.

Mr Jones currently provides technical direction for ASX companies Bryah Resources Limited and Australian Vanadium Limited.

Star Minerals Limited
Directors' report
For the period ended 30 June 2021

Name: Stephen Strubel
Title: Non-Executive Director
Qualifications: Mr Strubel completed a Bachelor of Business in Banking and Finance/International Trade and Graduate Certificate in Business (Finance) from Victoria University and has an MBA from the Australian Institute of Business. He is a Fellow of the Governance Institute of Australia.
Experience and expertise: Mr Strubel has worked in financial markets in Melbourne for approximately 10 years with Patersons Securities. Mr Strubel was a Director and Company Secretary of Pela Global Ltd (an unlisted mining exploration company with assets in Eastern Europe) for several years. He assisted with equity raisings throughout this time. He was also the past Company Secretary of ASX-listed Purifloh Ltd (ASX:PO3). Mr Strubel is currently a Corporate Consultant and Company Secretary to The Environmental Group Ltd (ASX: EGL).

Mr Strubel is the Executive Director & Company Secretary of Auric Mining Limited (ASX: AWJ) and is also an Executive Director of ChemX Materials Limited an unlisted public company.

Name: Matthew Edmondson
Title: Non-executive Director
Qualifications: Mr Edmondson holds a Bachelor of Commerce degree from the University of Western Australia and is a member of the Institute of Chartered Secretaries in Australia. Mr Edmondson is also an associate member of the Institute of Chartered Secretaries in Australia.
Experience and expertise: He has more than 20 years of experience in a variety of roles and industries involving accounting and corporate administration in the UK and Australia. Mr Edmondson is primarily focused on providing company secretarial services to ASX-listed companies.

Company secretary

Matthew Edmondson (appointed 18 February 2021).

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the period ended 30 June 2021, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Ian Stuart	-	-
Ashley Jones	5	5
Stephen Strubel	5	5
Matthew Edmondson	5	5

Held: represents the number of meetings held during the time the Director held office.

Remuneration of key management personnel

The Group did not pay any remuneration to Directors or other key management personnel during the four month period ended 30 June 2021.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Since the end of the financial period, the Company has incurred a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Star Minerals Limited
Directors' report
For the period ended 30 June 2021

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

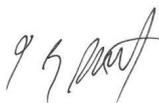
Elderton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Going concern

The financial report has been prepared on a going concern basis. Refer to note 1 'Significant accounting policies'.

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

On behalf of the Directors



Mr Ian Stuart
Non-executive Chairman

29 September 2021

ELDERTON

AUDIT PTY LTD

Auditor's Independence Declaration

To those charged with governance of Star Minerals Limited

As auditor for the audit of Star Minerals Limited for the four month period 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nick Hollens

Nick Hollens
Managing Director

Perth

29 September 2021

Star Minerals Limited
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For the period ended 30 June 2021

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General information

The financial statements cover Star Minerals Limited as a Group consisting of Star Minerals Limited and the entities it controlled at the end of, or during, the period. The entity was incorporated on 18 February 2021 and the financial statements cover the four month period from the date of incorporation. The financial statements are presented in Australian dollars, which is Star Minerals Limited's functional and presentation currency.

Star Minerals Limited is an unlisted public company limited by shares domiciled in Australia. Its registered office and principal place of business is:

Suite 1
1 Tully Road
East Perth
WA 6004

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 September 2021. The Directors have the power to amend and reissue the financial statements.

Star Minerals Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2021

	Note	Consolidated 4 month period ended 30 Jun 21 \$
Expenses		
Accounting, audit, legal and taxation expenses		(8,499)
Goodwill written off	16	(4,367)
Other expenses		<u>(2,245)</u>
Loss before income tax expense		(15,111)
Income tax expense	4	<u>-</u>
Loss after income tax expense for the period attributable to the owners of Star Minerals Limited		(15,111)
Other comprehensive income for the period, net of tax		<u>-</u>
Total comprehensive income for the period attributable to the owners of Star Minerals Limited		<u><u>(15,111)</u></u>
		Cents
Loss per share	20	(1.1)
Diluted loss per share	20	(1.1)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Star Minerals Limited
Consolidated statement of financial position
As at 30 June 2021

	Note	Consolidated 30 Jun 21 \$
Assets		
Current assets		
Cash and cash equivalents	5	240,393
Trade and other receivables	6	867
Total current assets		<u>241,260</u>
Total assets		<u>241,260</u>
Liabilities		
Current liabilities		
Trade and other payables	7	242,851
Borrowings	8	11,919
Total current liabilities		<u>254,770</u>
Total liabilities		<u>254,770</u>
Net (liabilities)/assets		<u><u>(13,510)</u></u>
Equity		
Issued capital	9	1,601
Accumulated losses		<u>(15,111)</u>
Total deficiency in equity		<u><u>(13,510)</u></u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Star Minerals Limited
Consolidated statement of changes in equity
For the period ended 30 June 2021

Consolidated	Issued capital \$	Retained profits \$	Total deficiency in equity \$
Balance at 18 February 2021	-	-	-
Loss after income tax expense for the period	-	(15,111)	(15,111)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	(15,111)	(15,111)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 9)	1,601	-	1,601
Balance at 30 June 2021	<u>1,601</u>	<u>(15,111)</u>	<u>(13,510)</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Star Minerals Limited
Consolidated statement of cash flows
For the period ended 30 June 2021

	Note	Consolidated 4 month period ended 30 Jun 21 \$
Cash flows from operating activities		
Payments to suppliers		<u>(8,126)</u>
Net cash used in operating activities	19	<u>(8,126)</u>
Cash flows from investing activities		
Payment for purchase of subsidiary, net of cash acquired	16	<u>(1)</u>
Net cash used in investing activities		<u>(1)</u>
Cash flows from financing activities		
Proceeds from issue of shares	9	1,601
Proceeds from shares yet to be issued		235,000
Proceeds from borrowings		<u>11,919</u>
Net cash from financing activities		<u>248,520</u>
Net increase in cash and cash equivalents		240,393
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
Cash and cash equivalents at the end of the financial period	5	<u><u>240,393</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

For the 4 month period ended 30 June 2021, the Group incurred a net loss of \$15,111, had operating cash outflows of \$8,126 and had net liabilities of \$13,510. As at 30 June 2021, the Group's cash and cash equivalents balance was \$240,393.

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

In arriving at this position, the directors considered the following:

- The net liabilities include a \$235,000 liability relating to share subscriptions received in advance from investors forming part of a capital raising completed subsequent to the end of the reporting period. On 7 July 2021, the Company completed a \$250,000 capital raising and issued 5 million ordinary shares to investors at \$0.05 per share,
- The net liabilities include an unsecured and non-interest bearing director loan of \$11,919 which was repaid in full from the proceeds of the capital raising referred to above, and
- The Company has executed purchase agreements with Bryah Resources Limited and Australian Vanadium Limited to acquire the Tumblegum South Gold and West Bryah exploration licences. The conditions precedent to execution of the agreements require the Company to undertake an IPO and to list on ASX by 31 January 2022. For further information refer to note 13 'Contingent liabilities'. Should the Company not achieve ASX listing by the due date, management will investigate other suitable projects.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The Group's current accounting period is from incorporation of Star Minerals Ltd on 18 February 2021 to 30 June 2021. Accordingly, there is no comparative period.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 15.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Star Minerals Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the period then ended. Star Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 1. Significant accounting policies (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference 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 recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 1. Significant accounting policies (continued)

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

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.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 1. Significant accounting policies (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Star Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

Based on the information used for internal reporting purposes by the chief operating decision maker (directors of the Company) the Company operated in one reportable segment during the period.

The reportable segment financial information is therefore the same as the statement of financial position and the statement of profit or loss and other comprehensive income.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 4. Income tax

	Consolidated 4 month period ended 30 Jun 21 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>	
Loss before income tax expense	(15,111)
Tax at the statutory tax rate of 26%	(3,929)
Current period tax losses not recognised	3,929
Income tax expense	<u><u>-</u></u>

	Consolidated 4 month period ended 30 Jun 21 \$
<i>Tax losses not recognised</i>	
Unused tax losses for which no deferred tax asset has been recognised	15,111
Potential tax benefit @ 26%	<u>3,929</u>

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 5. Current assets - cash and cash equivalents

	Consolidated 30 Jun 21 \$
Cash at bank	<u><u>240,393</u></u>

Note 6. Current assets - trade and other receivables

	Consolidated 30 Jun 21 \$
BAS receivable	<u><u>867</u></u>

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 7. Current liabilities - trade and other payables

	Consolidated 30 Jun 21 \$
Trade payables	7,851
Share subscriptions received in advance **	<u>235,000</u>
	<u><u>242,851</u></u>

Refer to note 11 for further information on financial instruments.

The share subscriptions received in advance form part of a \$250,000 capital raising completed on 7 July 2021. Refer to note 18 'Events after the reporting period'.

Note 8. Current liabilities - borrowings

	Consolidated 30 Jun 21 \$
Loan - from Director	<u>11,919</u>

Refer to note 11 for further information on financial instruments.

The director loan is non interest bearing, unsecured and repayable at call. The loan was repaid subsequent to the end of the period. Refer to note 14 'Related party transactions'.

Note 9. Equity - issued capital

	Consolidated 30 Jun 21 Shares	30 Jun 21 \$
Ordinary shares - fully paid	<u>8,000,000</u>	<u>1,601</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	18 February 2021	-		-
Issue share on incorporation	18 February 2021	1	\$1.0000	1
Issue shares to promoters	14 June 2021	<u>7,999,999</u>	\$0.0002	<u>1,600</u>
Balance	30 June 2021	<u><u>8,000,000</u></u>		<u><u>1,601</u></u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 9. Equity - issued capital (continued)

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period.

Note 10. Equity - dividends

There were no dividends paid, recommended or declared during the current financial period.

Note 11. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

The Group is not exposed to any significant market risk.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk. Borrowings relate to a non-interest bearing and unsecured loan from a director. Refer to note 14 'Related party transactions'.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 11. Financial instruments (continued)

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the Group are as follows:

Consolidated	30 Jun 21	
	Carrying amount	Fair value
	\$	\$
<i>Assets</i>		
Cash at bank	240,393	240,393
Other receivables	867	867
	<u>241,260</u>	<u>241,260</u>
<i>Liabilities</i>		
Trade payables	7,851	7,851
Borrowings (director loan)	11,919	11,919
	<u>19,770</u>	<u>19,770</u>

Note 12. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group was Nil.

Note 13. Contingent liabilities

Purchase of tenements

White Star Minerals Pty Ltd entered into a tenement transfer agreement with Bryah Resources Limited (ASX: BYH) and Australian Vanadium Limited (ASX: AVL) to acquire the tenement comprising the Tumblegum South Project. The project comprises a granted mining lease M51/888 to be acquired from Australian Vanadium Limited and an application for miscellaneous licence L51/112 to be acquired from Bryah Resources Ltd upon grant.

Star Minerals Ltd has entered into agreements with Bryah Resources Limited, Jalein Pty Ltd, Pet FC Pty Ltd and Pinny Pty Ltd to acquire the Tenements comprising the West Bryah Project. The West Bryah Project consists of 7 granted exploration licences covering a total of 565.6km² located approximately 140km north of Meekatharra in central Western Australia.

Bryah Resources Limited agreed to transfer the license to the Group and Australian Vanadium Limited has agreed to transfer the mining lease to the Group for the consideration as mentioned below.

Consideration to Bryah Resources Ltd:

- 11 million fully paid ordinary shares in Parent entity;
- 3 million Class A Performance Rights in Parent entity (subject to Vesting conditions);
- 4 million Class B Performance Rights in Parent entity (subject to Vesting conditions); and
- \$500,000 reimbursement of expenditure incurred in conducting exploration works.

Consideration to Australian Vanadium Limited:

- Grant of Royalty by White Star Minerals Pty Ltd and \$5,000 reimbursement of expenditure.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 13. Contingent liabilities (continued)

Total consideration to other vendors:

- Pet FC Pty Ltd - 0.5 million fully paid ordinary shares in Parent entity
- Pinny Pty Ltd - 0.75 million fully paid ordinary shares in Parent entity
- Jalein Pty Ltd - 2.75 million fully paid ordinary shares in Parent entity

In addition to this the Group has entered into royalty deed agreements for the payment of royalty on the net return of 0.75%.

Sale and transfer of tenements under the agreements is subject to the satisfaction of the following conditions by the sunset date:

- Star Minerals Ltd receiving conditional approval from ASX to admit its securities to official quotation on ASX on terms acceptable to the Star Minerals Ltd.
- Each party obtaining necessary authorities to give effect to the agreement.
- White Star Minerals Pty Ltd obtaining consent of the Minister under Mining Act for registration of transfer of mining lease and license.
- Bryah Resources Limited obtaining the approval of its shareholder for the effective disposal of its mineral rights over the mining lease and transfer of the license for the purposes of ASX listing Rule 11.4 and all other purposes.

There is notification for the extension of "Sunset Dates" for all tenement agreements from 31 May 2021 to 31 January 2022.

Details of tenements to be acquired

Tenement	Date of purchase agreement	Consideration payable	Tenement expiry date	Details of royalty deeds
Tumblegum South Project - granted mining lease M51/888	08/03/2021	to Australian Vanadium Limited	03/11/2041	0.75% net smelter return royalty on all products extracted or derived from the area.
Tumblegum South Project - miscellaneous licence L51/112	08/03/2021	to Bryah Resources Ltd	22/04/2042	N/A
West Bryah Project - granted exploration licence E52/3553	08/03/2021	to Pet FC Pty Ltd	30/07/2022	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3737	08/03/2021	to Pinny Pty Ltd	07/11/2024	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3739	08/03/2021	to Bryah Resources Ltd	07/11/2024	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3802	08/03/2021	to Jalein Pty Ltd	17/01/2026	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3803	08/03/2021	to Pinny Pty Ltd	18/05/2025	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3804	08/03/2021	to Pinny Pty Ltd	18/05/2025	0.75% net smelter return royalty on all products extracted or derived from the area.
West Bryah Project - granted exploration licence E52/3809	08/03/2021	to Jalein Pty Ltd	02/06/2025	0.75% net smelter return royalty on all products extracted or derived from the area.

Reimbursement of prospectus and offer costs

Upon receiving approval for its securities to be ASX listed, the Company will be liable to reimburse Bryah Resources Limited for costs of the offer totalling \$166,753. The Company will also be liable for legal fees totalling \$25,000.

There were no other contingent liabilities at the period end.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 14. Related party transactions

Parent entity

Star Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 17.

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 4 month period ended 30 Jun 21 \$
Payment for goods and services:	
Payment for services from key management personnel	-
Other transactions:	
On 23 February 2021 the Company acquired White Star Minerals Pty Ltd for consideration of \$1. At the time Stephen Strubel and Ashley Jones were Directors of White Star Minerals Pty Ltd and Ian Stuart was previously Director having resigned on 22 February 2021. Stephen Strubel was the sole shareholder of White Star Minerals Pty Ltd. Refer to note 16 'Business combinations'.	1
On 14 June 2021 the Company issued 7,999,999 ordinary shares at \$0.0002 each to promoter investors. Director Stephen Strubel participated in this share issue as a promotor and was issued 1,800,000 ordinary shares on the same terms as the other promoters.	
<i>Receivable from and payable to related parties</i>	
There were no trade receivables from or trade payables to related parties at the reporting date.	
<i>Loans to/from related parties</i>	
The following balances are outstanding at the reporting date in relation to loans with related parties:	
	Consolidated 30 Jun 21 \$
Current borrowings:	
Loan from Director to the Group - non-interest bearing, unsecured and repayable on demand. Refer to note 8 'Borrowings'.	11,919

* The loan was repaid subsequent to the end of the reporting period.

There were no other transactions with related parties during the financial period.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 15. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 4 month period ended 30 Jun 21 \$
Loss after income tax	(10,019)
Total comprehensive income	(10,019)

Statement of financial position

	Parent 30 Jun 21 \$
Total current assets	240,872
Total assets	240,873
Total current liabilities	242,466
Total liabilities	249,291
Equity	
Issued capital	1,601
Accumulated losses	(10,019)
Total deficiency in equity	<u>(8,418)</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021.

Contingent liabilities

As disclosed in note 13 'Contingent liabilities'.

Star Minerals Ltd has entered into agreements with Bryah Resources Limited, Jalein Pty Ltd, Pet FC Pty Ltd and Pinny Pty Ltd to acquire the Tenements comprising the West Bryah Project. The West Bryah Project consists of 7 granted exploration licences covering a total of 565.6km² located approximately 140km north of Meekatharra in central Western Australia.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 16. Business combinations

On 23 February 2021 the Company acquired White Star Minerals Pty Ltd which was incorporated on 30 June 2020. At the time of acquisition, director Stephen Strubel was the sole shareholder of White Star Minerals Pty Ltd.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	204
Other receivables	42
Trade payables	(112)
Loan from Directors	(4,500)
	<hr/>
Net (liabilities)/assets acquired	(4,366)
Goodwill	4,367
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>1</u>
Representing:	
Cash paid or payable to vendor	<u>1</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	<u>1</u>

Goodwill on acquisition of the subsidiary totalling \$4,367 was written off.

Note 17. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 30 Jun 21 %
White Star Minerals Pty Ltd	Australia	100.00%

Note 18. Events after the reporting period

On 5 July 2021 to correct a rounding error in the share register, the Company issued 1 ordinary share to Stephen Strubel, one of the original promoters and a director. The nominal issue price for this share was \$0.0002.

On 7 July 2021 the Company completed a \$250,000 capital raising and issued 5 million ordinary shares at \$0.05 per share to investors. Directors Ian Stuart and Ashley Jones participated in the capital raising on the same terms as other investors. The Borrowings (director loan) totalling \$11,919 were repaid after the capital raising was completed.

On 30 July 2021 Star Minerals Limited lodged an Initial Public Offering (“IPO”) Prospectus (the “Prospectus”) which included priority offers to the shareholders of Bryah Resources Limited (ASX: BYH) and Australian Vanadium Limited (ASX: AVL).

On 9 August 2021 Star Minerals Limited lodged a 2nd Replacement Prospectus.

On 1 September 2021 Star Minerals Limited lodged a 1st Supplementary Prospectus.

On 23 September 2021 Star Minerals Limited lodged a 2nd Supplementary Prospectus.

Star Minerals Limited
Notes to the consolidated financial statements
For the period ended 30 June 2021

Note 18. Events after the reporting period (continued)

No other matters or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 19. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 4 month period ended 30 Jun 21 \$
Loss after income tax expense for the period	(15,111)
Adjustments for:	
Impairment of goodwill	4,367
Change in operating assets and liabilities:	
Increase in trade and other receivables	(866)
Increase in trade and other payables	3,484
Net cash used in operating activities	<u>(8,126)</u>

Note 20. Earnings per share

	Consolidated 4 month period ended 30 Jun 21 \$
Loss after income tax attributable to the owners of Star Minerals Limited	<u>(15,111)</u>
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,383,460</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,383,460</u>
	Cents
Loss per share	(1.1)
Diluted loss per share	(1.1)

Star Minerals Limited
Directors' declaration
For the period ended 30 June 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Mr Ian Stuart
Non-executive Chairman

29 September 2021

ELDERTON

AUDIT PTY LTD

Independent Audit Report to the members of Star Minerals Limited

Report on the four month period Audit of the Financial Report

Opinion

We have audited the accompanying four month period financial report of Star Minerals Limited (the 'Company') and its controlled entities (collectively referred to as 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the four month period then ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying four month period financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the four month period then ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the 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 Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Group are responsible for the preparation of the four month period financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of four month period financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the four month period financial report, the directors are responsible for assessing the Group's ability 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 Group or to cease operations, or have 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 four month period 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Dick Hollens

Nick Hollens
Managing Director
Perth

29 September 2021