

East Star Resources
("East Star" or "the Company")
Interim Results to 31 May 2021

East Star Resources Plc, a London listed natural resources company, is pleased to present its interim results for the six-month period ended 31 May 2021.

Highlights

- Successfully admitted to trading on the London Stock Exchange ("LSE") as of 4th May 2021
- Cash Balance at period of £2,053,719

Chairman Statement

I am pleased to present the interim financial statements to shareholders for the period from incorporation on 17 November 2020 to 31 May 2021.

During the period under review the Company was primarily concerned with listing on the standard segment of the London Stock Exchange. As alluded to above we were successfully able to list the Company on 4th May 2021 and enjoyed 2 months of trading before entering a temporary suspension to facilitate a potential RTO transaction.

On 19th July we were delighted to announce that East Star had entered into binding Heads of Terms ("Term Sheet") to acquire 100% of the share capital by way of a reverse takeover ("the Transaction") of Discovery Ventures Kazakhstan Limited ("DVK"), a private Kazakhstan registered company. DVK has negotiated the rights to certain prospective gold and base metals exploration licences in the Chu-ili and Rudny Altai mineral belts (the "Projects") through a joint venture agreement with Kazakhstan National Mining Company, Tau-Ken Samruk JSC ("TKS").

The Kazakhstan region has been overlooked as a mining destination for many years, but has a well-established history of gold and base metals success. Our vision is to build on this initial transaction and grow a portfolio of near-term production and high-impact exploration assets in a significant, but underdeveloped, mining-friendly jurisdiction. We are now conducting due diligence and hope to conclude the transaction as soon as possible

In spite of the challenges that have affected the world over the last 24 months our plans remained uninterrupted and I can confirm that fantastic progress towards our goals continues to be maintained.

I look forward to reporting our progress to you in the coming months and thank all shareholders for their continued support.

Financial Review

For the 6 months to 31 May 2021 the Company reported a net loss of £239,334, mostly relating to administrative expenses involved with listing. The Company maintained a strong balance sheet position at 31 May, most notably holding cash at period end of £2,053,719.

Directors

The following directors have held office during the period to 31 May 2021:

Mr Anthony Eastman (Executive Director)
Mr Charles Wood
Mr Sandy Barblett

Corporate Governance

The UK Corporate Governance Code (September 2014) ("the Code"), as appended to the Listing Rules, sets out the Principles of Good Corporate Governance and Code Provisions which are applicable to listed companies incorporated in the United Kingdom. As a standard listed company, the Company is not subject to the Code, but the Board recognises the value of applying the principles of the Code where appropriate and proportionate and has endeavoured to do so where practicable.

Responsibility Statement

The Directors are responsible for preparing the Unaudited Interim Condensed Financial Statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ("DTR") and with International Accounting Standard 34 on Interim Reporting ("IAS 34"). The directors confirm that, to the best of their knowledge, this condensed interim report has been prepared in accordance with IAS 34 as adopted by the European Union. The interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the six months ended 31 May 2020 and their impact on the condensed financial statements for the period, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- related party transactions that have taken place in the six months ended 31 May 2020 and that have materially affected the financial position or the performance of the business during that period. On behalf of the board

Charles Wood
Executive Director
29 September 2021

Enquiries

East Star Resources Plc - Charles Wood
Executive Director - +44 (0)20 3918 8792

Peterhouse Capital Limited - Lucy Williams / Duncan Vasey
Brokers to the company - +44 (0) 207 469 0936

**EAST STAR RESOURCES PLC - CONDENSED INTERIM FINANCIAL
STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM INCORPORATION TO 31 MAY 2021**

		Unaudited Period ended 31 May 2021
	Notes	£
Administrative expenses		(239,334)
Operating loss		(239,334)
Finance income/(expense)		-
Loss before taxation		(239,334)
Income tax	5	-
Loss for the period from continuing operations		(239,334)
Total loss for the year attributable to equity holders of the Company		
Other comprehensive loss		-
Total comprehensive loss attributable to equity holders of the Company		(239,334)
Basic earnings per ordinary share (pence)	6	(1.12)

The notes form an integral part of the Unaudited Condensed Interim Financial Statements.

**EAST STAR RESOURCES PLC - CONDENSED INTERIM FINANCIAL
STATEMENTS
STATEMENT OF FINANCIAL POSITION**

AS AT 31 MAY 2021

	Notes	Unaudited As at 31 May 2021 £
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		2,053,719
Trade & Other Receivables	7	7,460
TOTAL ASSETS		2,061,179
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	8	84,054
TOTAL LIABILITIES		84,054
NET ASSETS		1,977,125
EQUITY		
Share Capital	9	608,671
Share Premium	9	1,587,598
Share Based Payment Reserves	10	20,190
Retained Earnings		(239,334)
TOTAL EQUITY		1,977,125

The notes form an integral part of the Unaudited Condensed Interim Financial Statements.

EAST STAR RESOURCES PLC - CONDENSED INTERIM FINANCIAL STATEMENTS STATEMENT OF CASHFLOW

FOR THE PERIOD FROM INCORPORATION TO 31 MAY 2021

	Unaudited Period to 31 May 2021
	£
Cash flow from operating activities	
Loss before income tax	(239,334)
<i>Adjustments for:</i>	
Share based payment	20,190
<i>Changes in working capital:</i>	
Decrease / (increase) in other receivables	(7,460)
Increase / (decrease) in payables	77,912
Decrease / (increase) in other payables	6,142
Net cash used in operating activities	(142,550)
Cashflows from financing activities	
Proceeds from issue of ordinary shares	2,282,999
Share issue costs	(86,730)
Net cash used in financing activities	2,196,269
Net increase in cash and cash equivalents	
Net (decrease) / increase in cash held	2,053,719
Cash and cash equivalents at beginning of financial year	-
Cash and cash equivalents at end of financial year	2,053,719

EAST STAR RESOURCES PLC - CONDENSED INTERIM FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM INCORPORATION TO 31 MAY 2021

Ordinary Share capital	Share Premium	Share Based	Retained earnings	Total equity
---------------------------	------------------	----------------	----------------------	-----------------

				Payment Reserves	
	£	£	£	£	£
Comprehensive income for the period					
Profit for the period	-	-	-	(239,334)	(239,334)
Total comprehensive income for the period	-	-	-	(239,334)	(239,334)
Transactions with owners					
Ordinary Shares issued on incorporation (17 November 2020)	1,000	-	-	-	1,000
Ordinary Shares Issued (8 March 2021)	297,502		-	-	297,502
Ordinary Shares Issued (4 May 2021)	396,899	1,587,598	-	-	1,984,497
Broker Warrants Issued (4 May 2021)	-	-	20,190	-	20,190
Share Issue Costs	(86,730)	-	-	-	(86,730)
Total transactions with owners	608,671	1,587,598	20,190	(239,334)	1,977,125
As at 31 May 2021	608,671	1,587,598	20,190	(239,334)	1,977,125

EAST STAR RESOURCES PLC - CONDENSED INTERIM FINANCIAL STATEMENTS

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE PERIOD FROM INCORPORATION TO 31 MAY 2021

1 General information

The Company was incorporated on 17 November 2020 in England and Wales with Registered Number 13025608 under the Companies Act 2006, under the name Cawmed Resources Limited. The Company subsequently changed its name to East Star Resources Limited on 27 January 2021 and on 3rd March 2021 re-registered as a plc.

The address of its registered office is Eccleston Yards, 25 Eccleston Place, London SW1W 9NF, United Kingdom.

The principal activity of the Company is to seek suitable investment opportunities primarily in the natural resources sector.

The Company listed on the London Stock Exchange ("LSE") on 19th April 2021.

2 Accounting Policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

3 Basis of preparation

The Condensed Interim Financial Statements have been prepared in accordance with the Prospectus Rules and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the Companies Act 2006 applicable to companies reporting under IFRS. The Condensed Interim Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Statements." The Condensed Interim Financial Statements do not include all disclosures that would otherwise be required in a complete set of financial statements but have been prepared in accordance with the existing accounting policies of the Company.

The Interim Financial Statements for the period ended 31 May 2021 are unaudited.

The Company Financial Information has been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense.

The Historic Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Historic Financial Information is presented in £ unless otherwise stated, which is the Company's functional and presentational currency.

No comparative figures have been presented as the Interim Financial Information covers the full period from incorporation on 17 November 2020.

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the company has the adequate resources to continue in operational existence for the foreseeable future. The Company, therefore, continues to adopt the going concern basis in preparing its interim financial statements.

Accounting policies

The same accounting policies, presentation and methods of computation have been followed in these Condensed Interim Financial Statements as were applied in the preparation of the Company's historic financial information for the year period ended 31 December 2020, as included in the Prospectus dated 27 April 2021, except for the impact of the adoption of the Standards and interpretations described below and new accounting policies adopted as a result of changes in the Company.

Standards and interpretations adopted in the period

There were no new standards or interpretations adopted by the Company in the period.

Standards and interpretations issued and not yet effective:

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 3	Reference to Conceptual Framework	1 January 2022
IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IFRS 17	Insurance contracts	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2023

4 Critical accounting estimates and judgments

In preparing the Condensed Interim Financial Statements, the Directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future. Estimates and judgements are continuously evaluated based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may deviate from these estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

5 Income Tax

	31 May 2021 £
Current tax	-
Deferred tax	-
Income tax expense	-

Income tax can be reconciled to the loss in the statement of comprehensive income as follows:

	Period ended 31 May 2021 £
Loss before taxation	(239,334)
Tax at the UK corporation tax rate of 19%	(45,473)
Tax losses on which no deferred tax asset has been recognised	45,473
	-

6 Earnings per Ordinary Share

There were no potentially dilutive instruments in issue at the period end.

	As at 31 May 2021		
	Earnings £	Weighted average number of Ordinary Shares	Per- share amount (pence)
Basic earnings per Ordinary Share			
Earnings attributable to Shareholders	(239,334)	21,464,082	(1.12)

7 Trade and Other Receivables

	31 May 2021 £
Prepayments	7,460
	7,460

8 Trade & Other Payables

	31 May 2021 £
Trade Creditors	77,912
Other Payables	6,142
	84,054

9 Share Capital & Share Premium

	Ordinary Shares #	Share Capital £	Share Premium £	Total £ £
Issue of ordinary shares on incorporation ¹	100,000	1,000	-	1,000
Issue of ordinary shares ²	5,900,000	59,000	-	59,000
Issue of ordinary shares ³	23,850,217	238,502	-	238,502
Issue of ordinary shares ⁴	39,689,947	396,899	1,587,598	1,984,498
Share issue costs	-	(86,730)	-	(86,730)
At 31 May 2021	69,540,154	608,671	1,587,598	2,196,269

¹ On incorporation on 17 November 2020, the Company issued 100,000 ordinary shares of £0.01 at their nominal value of £0.01.

² On 8 March 2021, the Company issued 5,900,000 ordinary shares at their nominal value of £0.01.

³ On 8 March 2021, the Company issued 23,850,217 ordinary shares at their nominal value of £0.01

⁴ On admission to the Standard List of the LSE on 4 May 2021, 39,689,947 shares were issued at a placing price of £0.05.

10 Share Based Payment Reserves

	Total £
Broker placing warrants Issued ¹	20,190
At 31 May 2021	20,190

¹ On admission to LSE on 4 May 2021 1,200,000 brokers warrants were issued that entitle the warrant holder to subscribe for one Ordinary Share at £0.05 per ordinary share. The estimated fair values of options which fall under IFRS 2, and the inputs used in the Black-Scholes model to calculate those fair values are as follows:

Date of grant	Number of warrants	Share Price	Exercise Price	Expected volatility	Expected life	Risk free rate	Expected dividends
4 May 2021	1,200,000	£0.05	£0.05	50.00%	3	0.15%	0.00%

Warrants

	Number of Warrants	Exercise Price	Expiry date
On incorporation			
Issued on 16 March 2021	6,000,000	£0.05	4 May 2023
Issued on 23 April 2020	1,200,000	£0.05	4 May 2024
At 31 May 2021	7,200,000	£0.05	

The weighted average exercise price of the warrants exercisable at 31 May 2021 is £0.05.

The weighted average time to expiry of the warrants as at 31 May 2021 is 2.05 years.

The 6,000,000 warrants issued on 16 March 2021 were issued alongside the placing of ordinary shares and as such are not fair valued separately.

11 Related Party Transactions

On incorporation, the Company issued 100,000 Ordinary Shares of £0.01 at £0.01 per Ordinary Share for cash consideration of £1,000 to Orana Corporate LLP, an entity of which Directors Charlie Wood and Anthony Eastman are Partners. Subsequently these shares were transferred to Director Charlie Wood.

On 24 December 2020, Directors Ainslie Capital Limited and Tournesol Consulting Limited (entities associated with Directors Charlie Wood and Anthony Eastman respectively) each subscribed for 400,000 Ordinary Shares of £0.01 at £0.01 per Ordinary share (total of 800,000) for cash consideration, of which Charlie Wood had already received the 100,000 shares as referred above.

All of these shares are paid up subsequent to period end.

12 Ultimate Controlling Party

As at 31 May 2021, there was no ultimate controlling party of the Company.

13 Post Balance Sheet Events

Subsequent to period end, the Company announced it has entered into a binding Heads of Terms to acquire 100% of the share capital by way of a reverse takeover of Discovery Ventures Kazakhstan ("DVK"), a private Kazakhstan registered company. DVK has negotiated the rights to certain prospective gold and base metals exploration licences in the Chu-ili and Rudny Altai mineral belts (the "Projects") through a joint venture agreement with Kazakhstan National Mining Company, Tau-Ken Samruk JSC ("TKS"). As a result of this the Company has suspended trading on share since 19 July 2021.

The Company has also subscribed for four, 12-month convertible loan notes of US\$175,000 each issued by DVK, with the proceeds of which will be used to continue exploration on the Projects. As of 29 September 2021 the first 3 payments of \$US175,000 (totalling \$525,000 USD) have been transferred.

Other than above, there has been no significant change in either the financial performance or the financial position of the Company since 31 May 2021.

14 Approval of the Condensed Interim Financial Statements

The Condensed Interim Financial Statements were approved by the Board of Directors on 29 September 2021.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR KKLFLFKLFBBL