

DECEMBER 2022 QUARTERLY REPORT

Constellation Resources Limited (“Constellation” or “Company”) is pleased to present its Quarterly Report for the period ended 31 December 2022. The Company’s focus is magmatic nickel sulphides at the Orpheus Project in the Fraser Range of Western Australia and evaluating new opportunities in the resources sector.

KEY ACTIVITIES DURING AND SINCE THE QUARTER END

- Orpheus Project results from the previous quarter were reviewed in order to assist in target generation with the next steps to progress these targets currently being assessed.
- Several opportunities have been reviewed and the Company will continue in its efforts to identify and acquire suitable new opportunities in the resources sector, both domestically and overseas.
- Cash at bank of \$3.0 million and no debt as of 31 December 2022, well-funded for future activities.

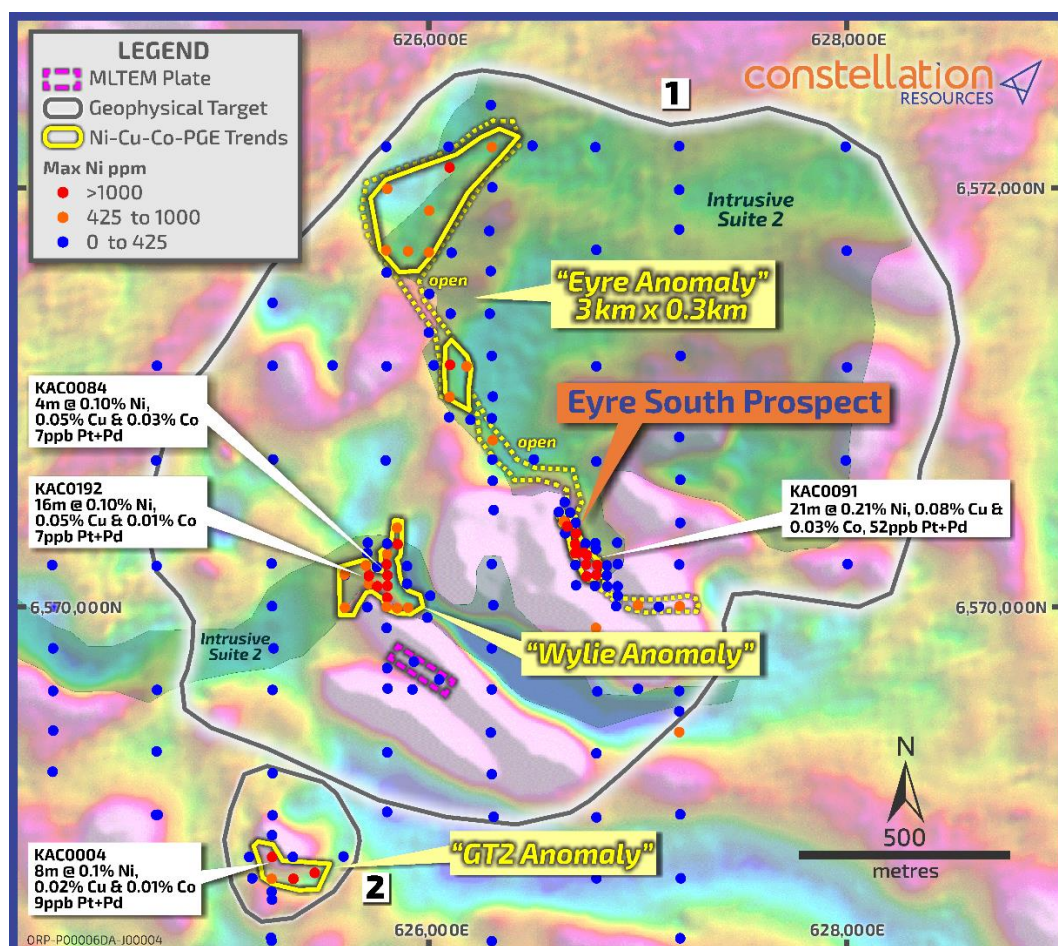


Figure 1: Location of AC drilling over first derivative aeromagnetics.

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Tenement E28/2403 – Geochemical Anomalies

The Company's aircore ("AC") drill program completed in the previous quarter was successful in extending the regolith nickel, copper, cobalt, platinum group elements (Ni-Cu-Co-PGE) geochemical footprints at both the Wylie and GT2 Anomalies. Optical petrology analysis from bottom of hole aircore chips have confirmed the presence of trace levels of magmatic nickel sulphides at the Eyre and Wylie Anomalies from multiple holes located directly below the regolith anomalism.

During the quarter, a detailed geochemical assessment was undertaken and the dimensions of the regolith footprints at the Eyre (3km by 0.3km), Wylie (0.5km x 0.5km) and GT2 (0.4km x 0.2km) anomalies were interpreted and remain open. The drill spacing of much of the established anomalies remain at a reconnaissance density, notionally at 100 metre centres (Figure 1 and 2). The next steps to progress these open ended geochemical targets continue to be reviewed.

The AC programs have established the important link between the regolith anomalism and the presence of magmatic nickel sulphides that are hosted in an olivine bearing mafic rocks. The correlation underpins the nickel sulphides prospectivity of the area.

CORPORATE

Business Development

Several opportunities have been reviewed during the quarter, and the Company will continue in its efforts to identify and acquire suitable new business opportunities in the resources sector, both domestically and overseas. However, no agreements have been reached or licences granted and the Directors are not able to assess the likelihood or timing of a successful acquisition or grant of any opportunities.

Capital Position

Constellation is in a strong financial position with cash at bank of approximately \$3.0 million and no debt as at 31 December 2022.

As at the date of this report, the Company has the following securities on issue:

Security Type	Number
Fully Paid Ordinary Shares	49,905,426
Unlisted options exercisable at \$0.40 to \$0.60 each, expiring 30 June 2023	1,300,000

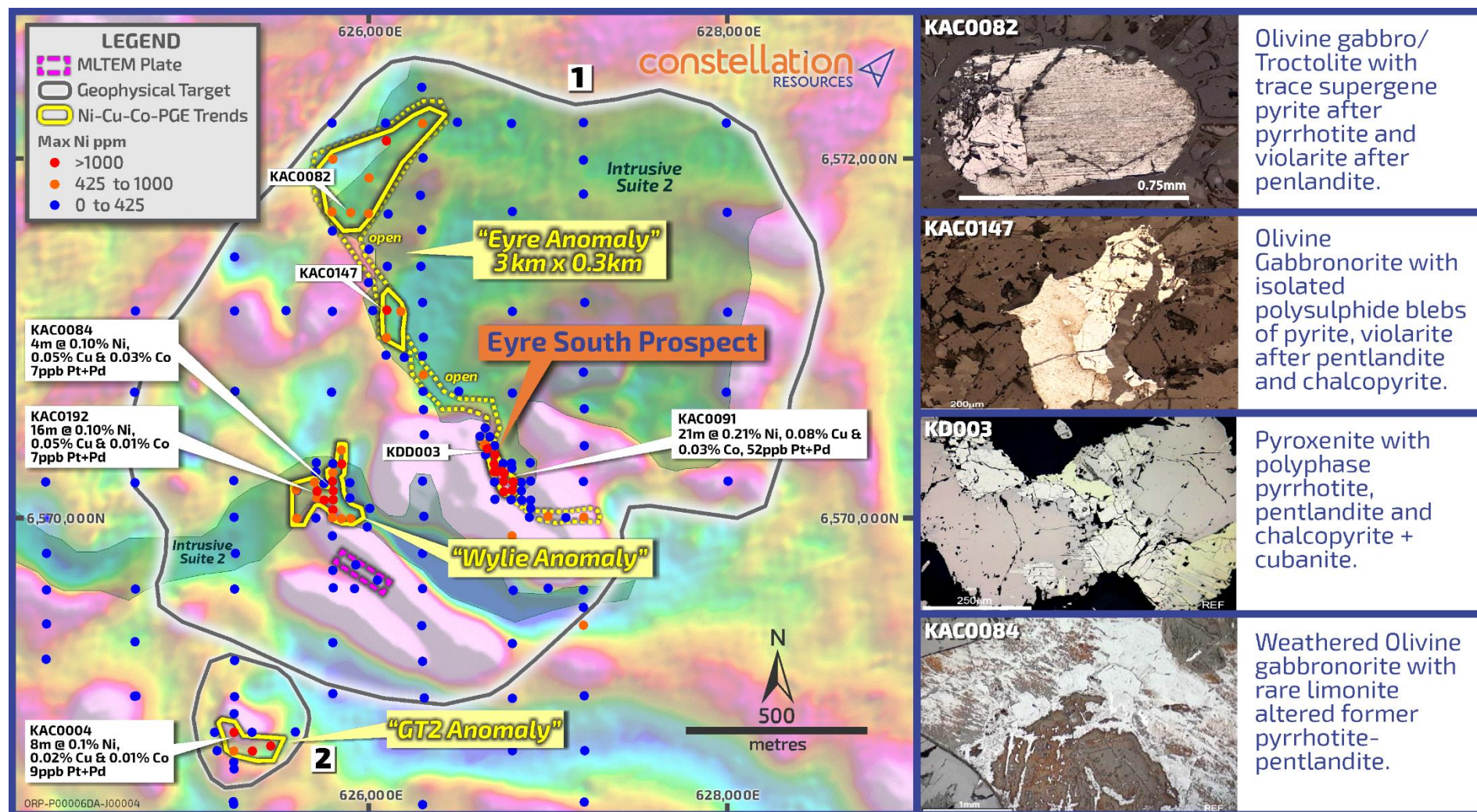


Figure 2: Regional scale opportunities within Eyre, Wylie and GT2 Anomalies over an aeromagnetic image, with selected AC drill and optical petrology results.

ABOUT THE FRASER RANGE TENEMENTS

The Company manages the Orpheus Project (Figure 3), comprising six tenements covering approximately 443km² in the Fraser Range province of Western Australia. In the Fraser Range, certain Proterozoic mafic/ultramafic intrusion suites are prospective to host nickel-copper sulphide mineralisation. The region is currently experiencing high levels of exploration activity for nickel following the Nova, Silver Knight, Mawson and Lantern discoveries.

The Orpheus Project includes a 70% interest in three mineral exploration licences (E28/2403, E63/1281 and E63/1282) and one mineral exploration licence application (E63/1695). The granted exploration licences form part of a joint venture between the Company (70%) and Enterprise Metals Limited ("Enterprise") (30%, ASX: ENT). Pursuant to the joint venture agreement, the Company is responsible for sole funding all joint venture activities on the tenements, which form part of the joint venture, up to completion of a bankable feasibility study.

Additionally, the Company has further 100% interests in two exploration licences (E28/2738 and E28/2957).

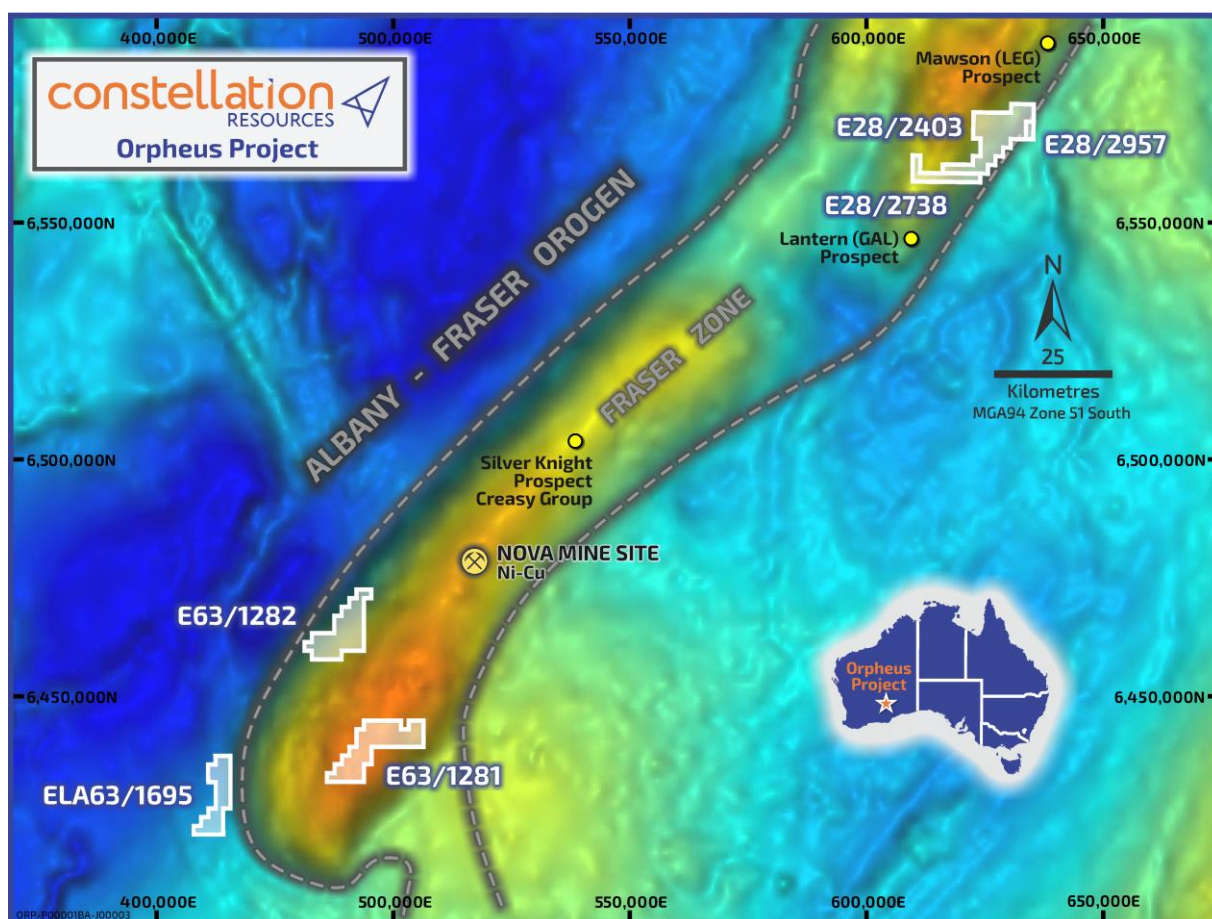


Figure 3: Tenement Plan – Orpheus Project.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is extracted from the following ASX announcements:

- *"Initial Fraser Range Diamond Drilling Completed"* – dated 23 November 2021;
- *"Diamond Drilling to Test Fraser Range Nickel Sulphide Target"* – dated 22 September 2021;
- *"June 2021 Quarterly Reports"* – dated 30 July 2021;
- *"Drilling Results Confirm Trace Magmatic Nickel Sulphides"* – dated 20 July 2021;
- *"Trace Magmatic Nickel Sulphides in Multiple Drill Holes"* - dated 22 April 2021; and
- *"Exploration Identifies Three Kilometre Ni-Cu-Co-PGE Target"* – dated 19 January 2021.

These announcements are available to view at the Company's website on www.constellationresources.com.au. The information in the original ASX Announcements that related to Exploration Results was based on, and fairly represents information compiled by Peter Muccilli, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Muccilli is a Technical Director of Constellation Resources Limited and a holder of shares and options in Constellation Resources Limited. Mr Muccilli has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). The Company confirms that it is not aware of any information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

FORWARD LOOKING STATEMENTS

Statements regarding plans with respect to Constellation's project are forward-looking statements. There can be no assurance that the Company's plans for development of its projects will proceed as currently expected. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

This announcement has been authorised for release by the Company's Managing Director, Peter Woodman.

Appendix 1: Disclosures in accordance with ASX Listing Rule 5.3

Summary of Mining Tenements

As at 31 December 2022, the Company has an interest in the following projects:

Project Name	Permit Number	Percentage Interest	Status
Fraser Range, Western Australia	E63/1281	70%	Granted
	E63/1282	70%	Granted
	E28/2403	70%	Granted
	E63/1695	70%	Application
	E28/2738	100%	Granted
	E28/2957	100%	Granted

No other interests in mining tenements were acquired or disposed of during the quarter.

Summary of Mining Exploration Activities Expenditure

Activity	Amount (\$A'000)
Consultants – Geophysical, Geochemistry, Field Team, Other	(30)
Field Supplies, Equipment Hire, Vehicles, Travel & Accommodation	(1)
Tenement Maintenance, Rents and Rates	(4)
Total as reported in Appendix 5B	(35)

There were no mining or production activities and expenses incurred during the quarter ended 31 December 2022

Related Party Payments

During the quarter ended 31 December 2022, the Company made payments of \$212,000 to related parties and their associates. These payments relate to existing remuneration arrangements (executive salaries, director fees and superannuation of \$140,000) and provision of a serviced office (\$72,000).

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CONSTELLATION RESOURCES LIMITED

ABN

57 153 144 211

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(35)	(135)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(141)	(285)
	(e) administration and corporate costs	(59)	(170)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	14	22
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Business development costs	(45)	(46)
1.9	Net cash from / (used in) operating activities	(266)	(614)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,324	3,672
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(266)	(614)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,058	3,058

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	27	4
5.2	Call deposits	3,031	3,320
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,058	3,324

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	212
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

	8. Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(266)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(266)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,058
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,058
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	11.5
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.