

Constellation Resources Limited

ACN 153 144 211

Prospectus

For an offer of 35,000,000 Shares at an issue price of A\$0.20 each, together with one free attaching Option for every three Shares issued to raise A\$7,000,000 (before costs)

This Prospectus has been issued to provide information on the offer of 35,000,000 Shares to be issued at a price of A\$0.20 per Share, together with one free attaching Option for every three Shares issued to raise A\$7,000,000 (before costs) (**Offer**). The minimum subscription under the Offer is A\$7,000,000.

The Offer comprises:

- (a) a priority offer to Eligible Apollo Minerals Shareholders (**Apollo Minerals Priority Offer**); and
- (b) an offer made by the Company at the Directors' sole discretion (**General Offer**).

It is proposed that the Apollo Minerals Priority Offer will close at 5.00pm (AEST) on 14 June 2018 and the General Offer will close at 5.00pm (AEST) on 5 July 2018.

The Directors reserve the right to close the Apollo Minerals Priority Offer or the General Offer earlier or to extend their respective closing dates without notice. Applications must be received before these times.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

An investment in the Securities offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 8 for a summary of the key risks associated with an investment in the Securities.

Corporate Directory

Directors

Ian Middlemas

Non-Executive Chairman

Peter Woodman

Managing Director

Robert Behets

Non-Executive Director

Mark Pearce

Non-Executive Director

Company Secretary

Clint McGhie

Registered Office

Level 9, BGC Centre, 28 The Esplanade, Perth WA 6000

Share Register*

Automic Pty Ltd

50 Holt Street, Surry Hills NSW 2010

Proposed Stock Exchange Listing

Australian Securities Exchange (ASX)

Proposed ASX Codes: CR1 and CR10

Australian Legal Adviser

DLA Piper Australia

Level 31, Central Park, 152-158 St Georges Terrace

Perth WA 6000 Australia

Auditor*

William Buck Audit (WA) Pty Ltd

3/15 Labouchere Road, South Perth WA 6151

Investigating Accountant

William Buck Consulting (WA) Pty Ltd

3/15 Labouchere Road, South Perth WA 6151

Independent Technical Expert

CSA Global Pty Ltd

Level 2, 3 Ord Street, West Perth WA 6005

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

IMPORTANT NOTICE

This Prospectus is dated, and was lodged with ASIC on, 4 May 2018. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is thirteen (13) months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within seven (7) days of the date of this Prospectus for Official Quotation of the Shares and the Options the subject of the Offer.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offer.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.constellationresources.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia.

The electronic copy of this Prospectus available from the Company's website will not include an Application Form. The Company will provide all Eligible Apollo Minerals Shareholders with a personalised Apollo Minerals Priority Offer Application Form which accompanies this Prospectus. Eligible Apollo Minerals Shareholders will only be able to accept the Apollo Minerals Priority Offer by completing the personalised Apollo Minerals Priority Offer Application Form which accompanies this Prospectus or by making payment using BPAY® (refer to Section 2.7 for further information). The Company will invite certain members of the public to participate in the General Offer and will provide those persons with a General Offer Application Form together with a copy of this Prospectus.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offer should complete the Application Form. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Foreign Investors

No action has been taken to register or qualify the Securities the subject of this Prospectus, or the Offer, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Speculative Investment

The Securities offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 8 for details relating to the key risks applicable to an investment in the Securities.

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Privacy Statement

To apply for Securities, you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. The Corporations Act and taxation law requires some of this personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a Securityholder, the Corporations Act requires the Company to include information about the Securityholder (including name, address and details of the Securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Securityholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Securityholders) and compliance by the Company with its legal and regulatory requirements.

Competent Persons Statement

The information in the Independent Technical Report in Section 6 that relates to the Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on, and fairly represents, information compiled and conclusions derived by Mr Tony Donaghy (with respect to

nickel), a Registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario, a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time, and information compiled and conclusions derived by Mr Marcus Willson (with respect to gold), a Member of the Australian Institute of Geoscientists, both are Competent Persons.

Mr Donaghy and Mr Willson are independent consultants and employed by CSA Global Pty Ltd, independent mining industry consultants, who were engaged to prepare the Independent Technical Report.

Mr Donaghy and Mr Willson have sufficient experience that is relevant to the Technical Assessment of the Mineral Assets (nickel and gold respectively) under consideration, the style of mineralisation and types of deposit under consideration, and to the activity being undertaken to qualify as Practitioners as defined in the 2015 edition of the 'Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets', and as Competent Persons as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Donaghy and Mr Willson consent to the inclusion in Section 6 of the Independent Technical Report of the matters based on their information in the form and context in which it appears.

The information included in the Company Overview in Section 3 which relates to Exploration Results is based on, and fairly represents, information compiled by Mr Andrew Boyd, a Competent Person, who is a Member of the Australian Institute of Geoscientists. Mr Boyd is a consultant of the Company and a director of Cairn Consulting Limited. As at the date of this Prospectus, Mr Boyd's spouse holds 450,000 Apollo Minerals Shares and, on that basis, will have an Entitlement to 90,000 Shares and 30,000 Options under the Apollo Minerals Priority Offer. Mr Boyd has sufficient experience which is relevant to the style of mineralisation and type 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'. Mr Boyd consents to the inclusion in the Company Overview in Section 3 of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 8. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "\$" or "A\$" are references to Australian dollars.

Time

All references to time in this Prospectus are references to AEST, being the time in Sydney, Australia, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 12.

Proximate Statements

The Investment Overview in Section 1 and the Company Overview in Section 3 contain references to other parties either nearby or proximate to the Orpheus Project and includes references to topographical or geological similarities to that of the Orpheus Project. It is important to note that such discoveries or geological similarities do not in any way guarantee that the Company will have any success at all or similar successes in delineating a Mineral Resource on the Orpheus Project.

INDICATIVE TIMETABLE

Event	Date
Lodgement of Prospectus with ASIC	4 May 2018
Apollo Minerals Priority Offer Record Date	10 May 2018 (5.00pm AEST)
Exposure Period ends	11 May 2018
Opening Date of the Offer	14 May 2018
Prospectus with Apollo Minerals Priority Offer Application Form dispatched	18 May 2018
Apollo Minerals Priority Offer Closing Date	14 June 2018 (5.00pm AEST)
General Offer Closing Date (Closing Date)	5 July 2018 (5.00pm AEST)
Despatch of holding statements	23 July 2018
Expected date for quotation on ASX	24 July 2018

The above dates are indicative only and may change without notice. The Company reserves the right to amend the timetable at any time. If ASIC extends the Exposure Period, other dates in the timetable (other than the Apollo Minerals Priority Offer Record Date), will be extended by a corresponding period.

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1. Investment Overview

The information below is a selective overview only. Prospective investors should read this Prospectus in full before deciding whether to invest in the Securities the subject of the Offer.

Topic	Summary	More Information
A. Company and Project Overview		
Who is issuing this Prospectus?	<p>Constellation Resources Limited (Company or Constellation Resources), is a public company incorporated in Australia with ACN 153 144 211.</p> <p>The Company was incorporated on 9 September 2011 and is currently a wholly-owned subsidiary of Apollo Minerals Limited (ACN 125 222 924) (Apollo Minerals).</p> <p>Apollo Minerals was incorporated in Australia on 3 May 2007 and is an ASX-listed diversified mineral exploration company with interests in projects in France, Spain and Australia.</p>	Section 3
What does the Company do?	<p>The Company holds an interest in the following tenements:</p> <ul style="list-style-type: none"> • three granted mineral exploration licences (E63/1281, E63/1282 and E28/2403); and • two applications for mineral exploration licences (E63/1695 and E28/2738), <p>(together, the Orpheus Project).</p> <p>The Company holds a 70% interest in four of the tenements (E63/1281, E63/1282, E63/1695 and E28/2403) (Joint Venture Tenements), with the remaining 30% interest in the Joint Venture Tenements held by ASX-listed Enterprise Metals Limited (ACN 123 567 073) (ENT) pursuant to the Joint Venture Agreement. The Company holds a 100% interest in the remaining tenement (E28/2738), which is not subject to the Joint Venture Agreement.</p> <p>The Orpheus Project is located in the Albany-Fraser Orogen, commonly referred to as the Fraser Range province, which is considered prospective for nickel, copper and gold.</p> <p>Pursuant to the Joint Venture Agreement between the Company and ENT, the Company is responsible for sole funding all Joint Venture Activities on the Joint Venture Tenements up to the date it delivers a BFS to ENT in respect of an area on the Joint Venture Tenements that is subject to a decision to mine. Following a decision to mine, the parties will jointly fund all mining activities in proportion to their respective interests in the Joint Venture Tenements.</p> <p>Refer to Section 9.1 for further details on the Joint Venture Agreement.</p>	Sections 3 and 9.1
What is the Orpheus Project?	<p>The Orpheus Project comprises three mineral exploration licences and two mineral exploration licence applications covering approximately 552km² in a prospective portion of the Albany-Fraser Orogen, host to Independence Group</p>	Section 3.2

Topic	Summary	More Information
	<p>NL's (ASX: IGO) major Nova-Bollinger nickel and copper deposit.</p> <p>Recent field assessment has confirmed three priority targets (two nickel-copper sulphide targets and one gold target) on tenements E63/1281 and E63/1282.</p> <p>Gravity surveys completed in 2017 have resulted in the identification of two priority nickel-copper sulphide targets on E28/2403.</p> <p>Following completion of the Offer, the Company plans to undertake systematic exploration activities on the Orpheus Project to determine the Orpheus Project's potential.</p>	
B. Business Model		
What is the Company's business model?	<p>Upon completion of the Offer and admission of the Company to the Official List, the Company will be a publicly listed junior explorer, with an interest in the Orpheus Project.</p> <p>The Company aims to progressively transition from being a junior explorer to, subject to the results of exploration activities, technical studies and the availability of suitable funding, exploiting the value of mineral projects by undertaking project development, construction and mining activities by:</p> <ul style="list-style-type: none"> • conducting systematic exploration activities on mineral projects, with the aim of discovering a mineral deposit; • following discovery, delineating a mineral resource estimate on the mineral deposit; • undertaking economic and technical assessments of the projects in line with standard industry practice (for example completion of a scoping study, then a prefeasibility study followed by a definitive feasibility study); • undertaking project development and construction; and • ultimately exploitation of the project through mining operations. 	Section 3.4
How does the Company generate revenue?	<p>Following completion of the Offer, the Company will seek to explore and, subject to the presence of economic mineral deposits, develop the Orpheus Project.</p> <p>At the date of this Prospectus, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Orpheus Project is successfully developed.</p>	Section 3.4
What are the key business objectives of the Company?	<p>Following completion of the Offer, the Company's key objectives as a mineral exploration entity will be:</p> <ul style="list-style-type: none"> • to undertake follow up exploration on a number of priority targets identified at the Orpheus Project from a recent review of available data and field work; 	Section 3.5

Topic	Summary	More Information
	<ul style="list-style-type: none"> • subject to results of the exploration activities, progress technical studies on the Orpheus Project; • investigate and evaluate further exploration and acquisition opportunities in relation to new mineral projects; and • to assess opportunities to enter into new joint venture arrangements in respect to the Orpheus Project and other new mineral projects. <p>The Directors are satisfied that on completion of the Offer, the Company will have sufficient funds to carry out its stated objectives.</p>	
C. Key Strengths and Key Risks		
What are the key strengths of the Company?	<p>The Directors are of the view that the key strengths of the Company are as follows:</p> <ul style="list-style-type: none"> • Location/Exploration Potential of the Orpheus Project – The Orpheus Project is located in the Albany-Fraser Orogen, which is considered prospective for nickel, copper and gold. • Experienced Project Development Team – The Board has extensive experience in mineral exploration, project development, mining and financing in the resources industry. • Exploration Program Commenced – Field assessment has confirmed three priority targets (two nickel-copper sulphide targets and one gold target) on tenements E63/1281 and E63/1282. Gravity surveys have resulted in the identification of two priority nickel-copper sulphide targets on E28/2403. 	Section 3.6
What are the key risks of investing in the Company?	<p>Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are described in Section 8.</p> <ul style="list-style-type: none"> • Tenure, access and grant of applications: Mining and exploration tenements (assuming all are granted) are subject to periodic renewal. There is no guarantee that current or future tenements and/or applications for tenements will be approved. Tenements E63/1695 and E28/2738 are still under application. There can be no assurance that these tenement applications which are currently pending will be granted. There can be no assurance that, if the tenements are granted, they will be granted in their entirety. <p>The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister, the Company's ability to meet the conditions imposed by relevant authorities including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. The imposition of new conditions or the inability to meet</p>	Section 8

Topic	Summary	More Information
	<p>those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <ul style="list-style-type: none"> • Commercial risks of mineral exploration and extraction: The Orpheus Project Tenements are at an early stage of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Orpheus Project Tenements or any other tenements that may be acquired in the future, will result in the discovery of any economic deposits. Even if the Company identifies a viable deposit at the Orpheus Project or elsewhere, there is no guarantee that such ore deposits will be capable of being exploited economically. <p>Although five priority targets have been identified to date, there can be no certainty that a Mineral Resource will be identified at these targets, or even if a Mineral Resource is identified at the targets, it will be sufficient to undertake profitable mining activities.</p> <ul style="list-style-type: none"> • Limited operating history independent of Apollo Minerals: The Company does not have any significant operating history independent of Apollo Minerals on which it can base the evaluation of its prospects. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Orpheus Project or any tenements which are subsequently applied for or acquired. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses. • The Company has no history of earnings and no production revenues: The Company is a mineral exploration company, has no history of earnings, and does not have any producing mining operations. The Company has experienced losses from exploration activities and until such time as the Company carries on mining production activities, it expects to continue to incur losses. No assurance can be given that the Company will ever identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities. • Joint Venture and contractual risk: Four of the tenements comprising the Orpheus Project are subject to the Joint Venture Agreement. The ability of the Company to achieve its stated objectives will depend on the performance by the Company and ENT of their respective obligations under the Joint Venture Agreement. <p>If the Company is unable to satisfy its undertakings under the Joint Venture Agreement, the Company's interest in the Orpheus Project may be jeopardised. If any party defaults in the performance of its obligations under the Joint Venture Agreement, it may be necessary for either party to approach a court</p>	

Topic	Summary	More Information
	<p>to seek a legal remedy, which could be costly for the Company.</p> <ul style="list-style-type: none"> • Future capital requirements: The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. 	
D. Directors and Related Party Interests and Arrangements		
Who are the Directors?	<p>The Directors are:</p> <ul style="list-style-type: none"> • Mr Ian Middlemas – Non-Executive Chairman; • Mr Peter Woodman – Managing Director; • Mr Robert Behets – Non-Executive Director; and • Mr Mark Pearce – Non-Executive Director. 	Section 4.1
Who are the other key management personnel?	<p>Other Key Management Personnel (KMP) and consultants are:</p> <ul style="list-style-type: none"> • Mr Andrew Boyd – Technical Consultant (Exploration); • Mr Jim McKinnon-Matthews – Technical Consultant (Exploration); and • Mr Clint McGhie – Company Secretary. 	Section 4.2
What benefits are being paid to Directors?	<p>From the Listing Date, the Directors are entitled to the following remuneration and fees:</p> <ul style="list-style-type: none"> • Mr Ian Middlemas – will receive director fees of A\$36,000 per annum plus statutory superannuation (currently at 9.5%); • Mr Peter Woodman – will receive an annual salary of A\$240,000 plus statutory superannuation (currently at 9.5%). Subject to the satisfaction of certain key performance indicators, to be set by the Board, Mr Woodman will also be entitled to a cash bonus of up to A\$60,000 per annum. • Mr Robert Behets – will receive director fees of A\$20,000 per annum plus statutory superannuation (currently at 9.5%); and • Mr Mark Pearce – will receive director fees of A\$20,000 per annum plus statutory superannuation (currently at 9.5%). 	Sections 9.4, 9.5, 9.7 and 10.6

Topic	Summary	More Information
<p>What contracts and/or arrangements with related parties is the Company a party to?</p>	<ul style="list-style-type: none"> • Debt Forgiveness Agreement with Apollo Minerals – pursuant to which Apollo Minerals agreed to forgive all outstanding loans to the Company (other than under the Working Capital Facility), in relation to exploration activities at the Orpheus Project in consideration for 3,000,000 Options. • Working Capital Facility with Apollo Minerals – pursuant to which Apollo Minerals has advanced A\$100,000 to the Company to be utilised for certain operating expenses. No interest is payable in respect of the funds advanced, and the Company must repay Apollo Minerals A\$100,000 on the completion of the Offer. • Letter of Appointment – Managing Director – pursuant to which Mr Peter Woodman has been appointed Managing Director. Mr Woodman will be paid an annual salary of A\$240,000 plus superannuation and has been issued 1,000,000 Incentive Options. Subject to the satisfaction of certain key performance indicators, to be set by the Board, Mr Woodman will also be entitled to a cash bonus of up to A\$60,000 per annum. Given the current nature, size and opportunities of the Company, these key performance indicators may include measures such as successful completion of exploration activities (i.e. within budgeted timeframes and costs), development activities (such as completion of technical assessments and technical studies), corporate activities and business development activities; • Apollo Group Services Agreement – pursuant to which Apollo Group Pty Ltd, a company controlled by Mr Mark Pearce, Director, has agreed to provide the Company with administration services, company secretarial services and serviced office facilities. • Non-Executive Director Appointment Letters – the Company has entered into Non-Executive Director appointment letters with each of Messrs Ian Middlemas, Robert Behets and Mark Pearce. • Deeds of Indemnity – the Company has entered into deeds of indemnity and insurance with each of the Directors. 	<p>Sections 9.2 to 9.7</p>
<p>What interests do Directors have in the securities of the Company?</p>	<p>At the date of this Prospectus, other than Mr Peter Woodman who holds 1,000,000 Incentive Options, none of the Directors have an interest in Securities. However, the Directors and their associated entities intend to apply for their full respective Entitlements under the Apollo Minerals Priority Offer.</p> <p>The expected interests of the Directors following completion of the Offer are detailed in Section 10.5.</p>	<p>Sections 10.3 10.5 and 10.10</p>

Topic	Summary	More Information
<p>Are the Directors participating in the Offer?</p>	<p>The Directors and their associated entities intend to participate in the Apollo Minerals Priority Offer by applying for their Entitlement on the following basis:</p> <ul style="list-style-type: none"> • Mr Ian Middlemas – 2,400,000 Shares and 800,000 Options; • Mr Peter Woodman – 240,000 Shares and 80,000 Options; • Mr Robert Behets – 600,000 Shares and 200,000 Options; and • Mr Mark Pearce – 1,000,000 Shares and 333,333 Options. <p>In addition, Mr Mark Pearce and his associated entities intend to participate in the General Offer to the extent of up to 250,000 Shares and up to 83,333 Options, and Mr Peter Woodman and his associated entities intend to apply for up to 260,000 Shares and 86,666 Options.</p> <p>The expected interests of the Directors, following completion of the Offer, are detailed in Section 10.5.</p>	<p>Section 10.5</p>
<p>Who are the significant existing Shareholders of the Company and what will their interests be after completion of the Offer?</p>	<p>The Company is currently a wholly-owned subsidiary of Apollo Minerals. At the date of this Prospectus, Apollo Minerals has an interest in 100% of the issued Shares of the Company, being 100 Shares. The Company has also issued 3,000,000 Options to Apollo Minerals and 1,000,000 Incentive Options to Mr Peter Woodman.</p> <p>Assuming that existing Eligible Apollo Minerals Shareholders subscribe for their full Entitlement, on completion of the Offer, the following persons (including their associates) will have an interest in 5% or more of the Shares on issue:</p> <ul style="list-style-type: none"> • BlackRock Group will have an interest in 3,160,000 Shares comprising 9.03% of the total issued share capital of the Company (on an undiluted basis) and 6.23% of the total issued share capital of the Company (on a fully diluted basis); • Juniper Capital Partners Limited will have an interest in 2,625,000 Shares comprising 7.50% of the total issued share capital of the Company (on an undiluted basis) and 5.18% of the total issued share capital of the Company (on a fully diluted basis); • Arredo Pty Ltd (an entity controlled by Director, Mr Ian Middlemas) will have an interest in 2,400,000 Shares comprising 6.86% of the total issued share capital of the Company (on an undiluted basis) and 4.74% of the total issued share capital of the Company (on a fully diluted basis); and • Mr Richard Shemesian and his associated entities will have an interest in 1,973,758 Shares comprising 5.64% of the total issued share capital of the Company (on an undiluted basis) and 3.90% of the total issued share capital of the Company (on a fully diluted basis). 	<p>Section 10.10</p>

Topic	Summary	More Information
	<p>Mr Shemesian has indicated to the Company an intention to exercise 500,000 Apollo Minerals Options prior to the Apollo Minerals Priority Offer Record Date which, upon issue of the resulting Apollo Minerals Shares, would give him an Entitlement to an additional 100,000 Shares and 33,333 Options. If this additional Entitlement was subscribed for, it would result in Mr Shemesian and his associated entities having an interest in 2,073,758 Shares comprising 5.93% of the total issued share capital of the Company (on an undiluted basis) and 4.09% of the total issued share capital of the Company (on a fully diluted basis).</p>	
E. Financial Information		
<p>What are the Company's financial prospects and position?</p>	<p>The Company's pro forma statement of financial position as at 31 December 2017 has net assets of A\$6,947,375 including net tangible assets of A\$6,597,375.</p> <p>This takes into account a range of subsequent events and transactions, as detailed in Section 5, and is made up of total assets of A\$6,965,000 (including cash of A\$6,615,000) and total liabilities of A\$17,625.</p> <p>Relevant financial information in respect of the Company, including a pro forma statement of financial position detailing the effect of the Offer, is in Section 5.</p> <p>Section 5 also contains statements of financial position, statements of profit or loss and other comprehensive income and statements of cash flows for the financial years ended 30 June 2016, 30 June 2017, and for the half year ended 31 December 2017.</p>	<p>Section 5</p>
<p>What is the Company's dividend policy?</p>	<p>The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.</p> <p>While it is the aim of the Company that, in the longer term, its financial performance and position will enable the payment of dividends, at the date of this Prospectus, the Company does not intend, or expect, to declare or pay any dividends in the immediately foreseeable future, given that its focus will be on long term growth.</p>	<p>Section 3.8</p>
F. Summary of the Offer		
<p>What is the Offer and what are its key terms?</p>	<p>The Company is offering 35,000,000 new Shares at an issue price of A\$0.20 each, together with one free attaching Option exercisable at A\$0.20 on or before 31 July 2021 for every three Shares issued (being 11,666,666 Options), to raise A\$7,000,000 (before associated costs).</p> <p>The Offer is subject to a Minimum Subscription of A\$7,000,000 (before associated costs) (being 35,000,000 Shares and 11,666,666 Options).</p> <p>The Offer comprises the Apollo Minerals Priority Offer and the General Offer.</p>	<p>Sections 2.1 and 2.2</p>

Topic	Summary	More Information
	<p>(a) Apollo Minerals Priority Offer</p> <p>Under the Apollo Minerals Priority Offer, approximately 33,500,235 Shares and 11,166,745 Options have been set aside for Eligible Apollo Minerals Shareholders to be allocated on a 1 for 5 basis pro rata to the number of Apollo Minerals Shares held by each Eligible Apollo Minerals Shareholder on the Apollo Minerals Priority Offer Record Date to raise up to approximately A\$6,700,047 (before associated costs). Fractional entitlements to Shares and Options under the Apollo Minerals Priority Offer will be disregarded.</p> <p>(b) General Offer</p> <p>Under the General Offer, members of the general public, who are invited by the Company to participate in the General Offer, will be able to apply for all Securities offered pursuant to the Offer that are not subscribed for pursuant to the Apollo Minerals Priority Offer.</p> <p>The Company intends to close the Apollo Minerals Priority Offer 21 days prior to the close of the General Offer in order to facilitate this process.</p> <p>If the Apollo Minerals Priority Offer is fully subscribed, approximately 1,499,765 Shares and 499,922 Options will be available under the General Offer. If no Securities are subscribed for under the Apollo Minerals Priority Offer, 35,000,000 Shares and 11,666,666 Options will be available for subscription under the General Offer.</p> <p>To the extent that, between the date of this Prospectus and the Apollo Minerals Priority Offer Record Date, any Apollo Minerals Options are exercised, the Directors reserve the right to increase the number of Shares and Options offered under the Apollo Minerals Priority Offer up to the maximum number of Shares (35,000,000 Shares) and Options (11,666,666 Options) being offered under the Offer, and to reduce the number of Shares and Options being offered under the General Offer by a corresponding number.</p>	
Who is eligible to participate in the Offer?	<p>The Apollo Minerals Priority Offer is open to all Eligible Apollo Minerals Shareholders (as outlined below).</p> <p>The General Offer is open to those people who are invited by the Company to participate in the General Offer.</p>	Sections 2.7 and 2.12
Who are Eligible Apollo Minerals Shareholders?	<p>Eligible Apollo Minerals Shareholders are those persons who as at the Apollo Minerals Priority Offer Record Date:</p> <p>(a) are registered holders of at least 12,500 Apollo Minerals Shares; and</p> <p>(b) have a registered address in Australia.</p> <p>The Directors' rationale for setting a shareholding threshold of 12,500 Apollo Minerals Shares for Eligible</p>	Section 2.7

Topic	Summary	More Information
	<p>Apollo Minerals Shareholders is to ensure that:</p> <p>(a) Applicants under the Apollo Minerals Priority Offer will have a Marketable Parcel of Shares (i.e. a holding of Shares of at least A\$500) on admission of the Company to the Official List; and</p> <p>(b) the Company is not required to pay fees, in connection with the administration of small holdings of Shares, that the Directors consider to be disproportionate.</p>	
<p>What is the Minimum Subscription under the Offer?</p>	<p>The Minimum Subscription under the Offer is 35,000,000 Shares and 11,666,666 free attaching Options to raise A\$7,000,000 (before costs).</p>	<p>Section 2.2</p>
<p>What consideration has Apollo Minerals received?</p>	<p>The Company has issued 3,000,000 Options to Apollo Minerals in consideration for forgiving all loan advances made to the Company, in relation to exploration activities on the Orpheus Project, pursuant to the terms of the Debt Forgiveness Agreement.</p> <p>Apollo Minerals will also be entitled to reimbursement, out of the proceeds of the Offer, of all of the expenses which Apollo Minerals incurs in connection with the listing process. At the date of this Prospectus, these costs are estimated to be A\$320,000 and have been accounted for in the expenses of the Offer as set out in Section 10.9. In addition, on completion of the Offer, the Company will repay Apollo Minerals A\$100,000 advanced under the Working Capital Facility.</p> <p>In addition to the 3,000,000 Options it holds, Apollo Minerals currently holds 100% of the issued Shares of the Company, being 100 Shares. Following completion of the Offer, Apollo Minerals' interest in Securities will not change, and Apollo Minerals will not have any other rights or interests in the Company (other than the reimbursement of costs connected with the listing process).</p>	<p>Sections 9.2 and 9.3</p>
<p>What is the effect of the Offer on the capital structure of the Company?</p>	<p>The Shares issued under the Offer will represent 99.99% of the issued share capital of the Company following the Offer on an undiluted basis and 69.08% of the issued share capital of the Company following the Offer on a fully diluted basis.</p>	<p>Section 2.5</p>
<p>Is the Offer underwritten?</p>	<p>The Offer is not underwritten.</p>	<p>Section 2.15</p>
<p>How do I apply for Securities?</p>	<p>(a) Apollo Minerals Priority Offer</p> <p>Only Eligible Apollo Minerals Shareholders can apply for Securities under the Apollo Minerals Priority Offer. An Eligible Apollo Minerals Shareholder is a person who, on the Apollo Minerals Priority Record Date, has a registered address in Australia and holds at least 12,500 Apollo Minerals Shares. The Company will send all Eligible Apollo Minerals Shareholders a personalised Priority Offer Application Form together with a copy of this Prospectus.</p>	<p>Section 2.7</p>

Topic	Summary	More Information
	<p>Applications under the Apollo Minerals Priority Offer must be made by completing the personalised Apollo Minerals Priority Offer Application Form or making a payment by BPAY®, in accordance with the instructions accompanying the Apollo Minerals Priority Offer Application Form.</p> <p>(b) General Offer</p> <p>Applications under the General Offer can be made by those people who are invited by the Company to participate in the General Offer by completing the General Offer Application Form or applying online.</p> <p>To the extent permitted by law, a completed Application Form lodged together with the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form.</p>	
<p>What is the allocation policy?</p>	<p>(a) Apollo Minerals Priority Offer</p> <p>Applicants under the Apollo Minerals Priority Offer will be allocated Securities in accordance with their Entitlement.</p> <p>(b) General Offer</p> <p>The Directors will allocate Securities at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward. The Directors reserve their right to reject any Application under the General Offer or to issue fewer Securities than the number applied for by an Applicant under the General Offer.</p>	<p>Sections 2.7 and 2.10</p>
<p>What is the cost of the Offer?</p>	<p>The expenses of the Offer are estimated to be approximately A\$320,000.</p>	<p>Section 10.9</p>
<p>G. Use of Proceeds</p>		
<p>How will the proceeds of the Offer be used?</p>	<p>The Offer proceeds will be used:</p> <ul style="list-style-type: none"> • to fund exploration activities at the Orpheus Project, with an initial focus on the priority targets already identified, which subject to the outcome of the exploration activities may include geochemical surveys, airborne and ground electromagnetic (EM) surveys, drilling, assaying, and Mineral Resource estimation; • subject to successfully identifying a Mineral Resource from the exploration activities, to fund staged technical studies on the Orpheus Project; • to fund the examination of new mineral projects and to undertake initial exploration activities on tenement applications, if granted; • to pay for administration and corporate costs; • to pay for the costs of the Offer (which includes 	<p>Section 2.4</p>

Topic	Summary	More Information
	<p>reimbursement of Apollo Minerals for costs it has incurred in connection with the listing process);</p> <ul style="list-style-type: none"> • to repay Apollo Minerals the funds advanced under the Working Capital Facility; and • for general working capital. 	
H. Other Information		
<p>How will the Company report to Securityholders on the performance of its activities?</p>	<p>The Company will send to its Shareholders an annual report (unless a Shareholder has elected not to receive an annual report) and will also release information to Securityholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules.</p> <p>Further information regarding the Company will be available on the ASX announcements platform at www.asx.com.au and will also be available on the Company's website at www.constellationresources.com.au.</p>	<p>Section 10.11</p>
<p>How can I obtain further information?</p>	<p>Further information can be obtained by reading this Prospectus and consulting your professional advisors. You can also contact the Company Secretary on +61 8 9322 6322.</p>	<p>Corporate Directory</p>

2. Details of the Offer

2.1 The Offer

This Prospectus invites investors to apply for 35,000,000 new Shares at an issue price of A\$0.20 each to raise A\$7,000,000 (before associated costs). For every three Shares issued, the Applicant will receive one new free attaching Option (**Offer**). Fractional entitlements to Options will be disregarded.

The Offer consists of the Apollo Minerals Priority Offer and the General Offer.

(a) Apollo Minerals Priority Offer

Of the 35,000,000 Shares and 11,666,666 Options being offered under the Offer, approximately 33,500,235 Shares and 11,166,745 free attaching Options are being offered in priority to Eligible Apollo Mineral Shareholders (**Apollo Minerals Priority Offer**).

Each Eligible Apollo Minerals Shareholder will be entitled to apply for Shares under the Apollo Minerals Priority Offer on a 1 for 5 basis, pro rata to the number of Apollo Minerals Shares held by each Eligible Apollo Minerals Shareholder on the Apollo Minerals Priority Offer Record Date (**Entitlement**). For every three Shares issued, the Applicant will receive one free attaching Option. Fractional entitlements to Shares and Options under the Apollo Minerals Priority Offer will be disregarded.

For example, if an Eligible Apollo Minerals Shareholder holds 50,000 Apollo Minerals Shares, they will have an Entitlement to apply for 10,000 Shares and 3,333 Options under the Apollo Minerals Priority Offer.

All Eligible Apollo Minerals Shareholders will be sent a copy of this Prospectus, together with a personalised Apollo Minerals Priority Offer Application Form setting out their Entitlement.

(b) General Offer

The General Offer comprises an offer to those members of the general public, who are invited by the Company to participate, to apply for all Securities offered pursuant to the Offer that are not subscribed for pursuant to the Apollo Minerals Priority Offer by the Apollo Minerals Priority Offer Closing Date (**General Offer**).

If the Apollo Minerals Priority Offer is fully subscribed, approximately 1,499,765 Shares and 499,922 Options will be available for subscription under the General Offer. If no Shares are subscribed for under the Apollo Minerals Priority Offer, 35,000,000 Shares and 11,666,666 free attaching Options will be available for subscription under the General Offer.

To the extent that, between the date of this Prospectus and the Apollo Minerals Priority Offer Record Date, any Apollo Minerals Options are exercised, the Directors reserve the right to increase the number of Shares and Options offered under the Apollo Minerals Priority Offer up to the maximum number of Shares (35,000,000 Shares) and Options (11,666,666 Options) being offered under the Offer, and to reduce the number of Shares and Options being offered under the General Offer by a corresponding number.

All Shares offered under this Prospectus will rank equally with the existing Shares on issue. Refer to Section 10.1 for details of the rights and liabilities attaching to Shares.

Refer to Section 10.2 for details of the rights and liabilities attaching to the Options issued under the Offer.

Refer to Section 2.7 for details on how to apply for Securities under the Offer.

2.2 Minimum Subscription

The minimum subscription under the Offer is 35,000,000 Shares together with 11,666,666 free attaching Options to raise A\$7,000,000 (before associated costs) (**Minimum Subscription**).

None of the Securities offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest) in accordance with the requirements of the Corporations Act.

2.3 Purpose of Prospectus

The purpose of this Prospectus is to:

- (a) raise A\$7,000,000 (before associated costs) pursuant to the Offer;
- (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List;
- (c) position the Company to seek to achieve the objectives detailed in Section 3.5;
- (d) provide the Company with access to equity capital markets for future funding needs;
- (e) ensure that the on-sale of the Shares and Options do not breach section 707(3) of the Corporations Act; and
- (f) ensure that the on-sale of the underlying Shares to be issued upon the exercise of the Options is in accordance with ASIC Corporations Instrument 2016/80.

2.4 Use of Proceeds

During the period prior to the date of this Prospectus, the Company has been funded by loans from Apollo Minerals (refer to Sections 9.2 and 9.3). Consequently, at the date of this Prospectus, the Company has limited cash reserves.

The following table shows the expected use of funds in the two-year period following the Listing Date:

Item	A\$7,000,000 Raised	% of Funds
Cash reserves as at the date of this Prospectus	75,000	
Funds raised from the Offer	7,000,000	
Total Funds Available	7,075,000	100.0
Allocation of Funds		
Exploration expenditure ¹	4,402,000	62.2
Business development and activities on tenements under application	499,000	7.1
General and administrative costs ²	683,000	9.7
Repayment of advance under Working Capital Facility to Apollo Minerals ³	100,000	1.4
Expenses of the Offer ⁴	320,000	4.5
Cash Reserves and Working Capital ⁵	1,071,000	15.1
Total Funds Allocated	7,075,000	100.0

Notes:

1. Refer to Section 3.3 for further details of the proposed exploration program and budget and to the Independent Technical Report in Section 6.
2. General and Administrative Costs includes Directors' fees, company secretarial fees, serviced office fees, insurance, accounting, audit, legal and listing fees, and other items of a general administrative nature.
3. Refer to Section 9.3 for further details.
4. Refer to Section 10.9 for further details.
5. Cash Reserves and Working Capital may be used in connection with any project such as investments and acquisitions, or in connection with any other item in the table above, as determined by the Board at the relevant time.

The above table is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 8), actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect

the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results from the respective exploration activities. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain projects reflecting a change in emphasis.

The Directors consider that, following completion of the Offer, the Company will have sufficient working capital to meet its stated objectives and satisfy its working capital requirements for a period of at least two years following the Listing Date. Refer to Section 3.3 for further details on the Company's proposed exploration program.

The Company may seek to pursue further acquisitions which complement the Orpheus Project and there may be a need to direct funds for that purpose or to raise additional equity capital. The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred which are not included in these summaries.

2.5 Capital Structure

On the basis that the Company completes the Offer on the terms in this Prospectus, the Company's capital structure will be as follows:

	Shares	Options ^{1, 3}	Incentive Options ^{2, 3}
On issue as at the date of this Prospectus	100	3,000,000	1,000,000
Securities issued under the Offer	35,000,000	11,666,666	-
Total following completion of the Offer	35,000,100	14,666,666	1,000,000

Notes:

1. Exercisable at A\$0.20 on or before 31 July 2021 and otherwise on the terms set out in Section 10.2.
2. Refer to Section 10.3 for terms and conditions of Incentive Options.
3. In accordance with their terms, each Option and Incentive Option entitles the holder to one Share upon exercise. Accordingly, if all Options and Incentive Options are exercised, it will result in the issue of a further 15,666,666 Shares. Assuming all Options and Incentive Options are exercised and no further issues of Shares occurs, the total number of Shares on issue will be 50,666,766 Shares.

2.6 Forecasts

Mineral exploration is inherently uncertain. Consequently, there are significant uncertainties associated with forecasting future revenues (if any) and expenses associated with the Company's proposed activities.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 3 for further information in respect to the Company's existing activities.

2.7 How to Apply

Accompanying and forming part of this Prospectus is an Application Form for use if you wish to apply for Securities under the Offer. To participate in the Offer, the relevant Application Form must be

completed and received, together with the Application Monies, in accordance with the instructions on the reverse side of the Application Form.

(a) **Apollo Minerals Priority Offer**

Only Eligible Apollo Minerals Shareholders may apply for Securities under the Apollo Minerals Priority Offer. An Eligible Apollo Minerals Shareholder is a person who, on the Apollo Minerals Priority Offer Record Date, has a registered address in Australia and holds at least 12,500 Apollo Minerals Shares (which will ensure that all Applicants under the Apollo Minerals Priority Offer will have a Marketable Parcel of Shares (i.e. a holding of Shares of at least A\$500) on admission of the Company to the Official List).

All Eligible Apollo Minerals Shareholders will be issued an Apollo Minerals Priority Offer Application Form, together with a copy of this Prospectus, detailing their Entitlement under the Apollo Minerals Priority Offer.

An Eligible Apollo Minerals Shareholder who wishes to apply for Shares under the Apollo Minerals Priority Offer must apply for at least 2,500 Shares under the Apollo Minerals Priority Offer so as to ensure that the Applicant will have a Marketable Parcel of Shares (i.e. a holding of Shares of at least A\$500) on admission of the Company to the Official List). Applications for less than 2,500 Shares under the Apollo Minerals Priority Offer will not be accepted.

An Eligible Apollo Minerals Shareholder cannot apply for more Shares than their Entitlement under the Apollo Minerals Priority Offer.

Applications under the Apollo Minerals Priority Offer will only be accepted if made using the same name as the registered Eligible Apollo Minerals Shareholder.

Paper Applications

Completed Apollo Minerals Priority Offer Application Forms should be received by the Company, together with the Application Monies in full, prior to 5.00pm (AEST) on the Apollo Minerals Priority Offer Closing Date at the relevant address as follows:

By Post To:	Or Delivered To:
Constellation Resources Limited C/- Automic Pty Ltd PO Box 2226 Strawberry Hills NSW 2012	Constellation Resources Limited C/- Automic Pty Ltd Level 3, 50 Holt Street Surry Hills NSW 2010

Applicants should make their cheques payable in A\$, based on an issue price of A\$0.20 per Share. All cheques should be made payable to "Constellation Resources Limited – Subscription Account" and be crossed "Not Negotiable".

Payment by BPAY®

In relation to the Apollo Minerals Priority Offer, for payment by BPAY®, Eligible Apollo Minerals Shareholders are requested to follow the instructions on the Apollo Minerals Priority Offer Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®, you do not need to submit the Apollo Minerals Priority Offer Application Form but are taken to have made the declarations on that Apollo Minerals Priority Offer Application Form.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEST) on the Apollo Minerals Priority Offer Closing Date for the Apollo Minerals Priority Offer. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your Entitlement will be refunded (without interest) in accordance with the requirements of the Corporations Act.

(b) **General Offer**

The General Offer is only open to those members of the public who are invited by the Company to participate in the General Offer.

Paper Applications

A person who is invited and wishes to apply for Securities under the General Offer can complete the General Offer Application Form attached to or accompanying this Prospectus.

Applications must be for a minimum of 10,000 Shares (i.e. A\$2,000) and, thereafter, in multiples of 2,500 Shares (i.e. A\$500). Applications for less than the minimum accepted Application of 10,000 Shares will not be accepted. The Company reserves the right to issue to an Applicant a lesser number of Securities than the number applied for or reject an Application. Any Application Monies received for more than your final allocation of Securities will be refunded (without interest) in accordance with the requirements of the Corporations Act.

Completed General Offer Application Forms should be received by the Company, together with the Application Monies in full, prior to 5.00pm (AEST) on the Closing Date at the relevant address as follows:

By Post To:	Or Delivered To:
Constellation Resources Limited C/- Automic Pty Ltd PO Box 2226 Strawberry Hills NSW 2012	Constellation Resources Limited C/- Automic Pty Ltd Level 3, 50 Holt Street Surry Hills NSW 2010

Applicants should make their cheques payable in A\$, based on an issue price of A\$0.20 per Share. All cheques should be made payable to "Constellation Resources Limited – Subscription Account" and be crossed "Not Negotiable".

Online Applications and Payment by BPAY®

Alternatively, a person who is invited and wishes to apply for Securities under the General Offer may apply for Securities online using the URL link included in the invitation. An Applicant must comply with the instructions on the website. An Applicant paying the Application Monies by BPAY® must use the unique BPAY® customer reference number provided.

If you require assistance in completing any of the Applications, please contact the Company on + 61 8 9322 6322 or the Share Registry on 1300 288 664.

An original completed and lodged Application Form (or a paper copy of the Application Form from the Electronic Prospectus), together with a cheque for the Application Monies (if applicable), in the case of a paper Application, or BPAY® payment in the case of any Application completed by BPAY® payment of Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Application Form or the number of Securities represented by the BPAY® payment. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Securities.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

2.8 CHESSE

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESSE**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Operating Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESSE. CHESSE allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESSE, the Company will operate an electronic

issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates of title to Securityholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Securities issued to them. A holding statement will also provide details of a Securityholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Securities held by Securityholders. Securityholders may also request statements at any other time (although the Company may charge an administration fee).

2.9 ASX Listing and Official Quotation

Within 7 days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares and Options, including those offered by this Prospectus, to be granted Official Quotation (apart from any Securities that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Securities offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Securities offered pursuant to this Prospectus.

2.10 Allotment

Application Monies will be held in trust for Applicants until the allotment of the Securities. Any interest that accrues will be retained by the Company. No allotment of Securities under this Prospectus will occur unless:

- (a) the Minimum Subscription is achieved (refer to Section 2.2); and
- (b) ASX grants conditional approval for admission of the Company to the Official List (refer to Section 2.9).

The Company reserves the right to reject any Application or to issue a lesser number of Securities than those applied for, save in respect of an Application made by an Eligible Apollo Minerals Shareholders in respect of their Entitlement.

Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.

Subject to the matters in Section 2.9, Securities under the Offer are expected to be issued as soon as practicable after the Closing Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Securities issued under the Offer. Applicants who sell Securities before they receive their holding statements do so at their own risk.

2.11 Risk Factors of an Investment in the Company

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. Section 8 details the key risk factors which prospective investors should be aware of. Prospective investors should consider these risks carefully before deciding whether to invest in the Company.

2.12 Overseas Applicants

No action has been taken to register or qualify the Securities, or the Offer, or otherwise to permit the public offering of the Securities, in any jurisdiction outside of Australia.

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

2.13 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities, pursuant to the Offer, from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

2.14 Restricted Securities

None of the Securities issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. However, ASX may determine that the Options and Incentive Options currently on issue, and held by Apollo Minerals and Mr Peter Woodman, respectively, may be classified as restricted securities and may be required to be held in escrow for up to 24 months from the Listing Date. The Company has received in-principle advice from ASX that the 100 existing Shares held by Apollo Minerals will not be classified as restricted securities.

The Company will announce to the ASX full details (quantity and duration) of the Securities (if any) required to be held in escrow prior to the Securities commencing trading on ASX.

2.15 Underwriting

Neither the Apollo Minerals Priority Offer nor the General Offer is underwritten.

2.16 Commission

No commissions are payable in respect to Securities issued pursuant to the Apollo Minerals Priority Offer. However, the Company reserves the right to pay a commission of up to 5% (exclusive of GST) of amounts subscribed through any Australian financial services licensee in respect of any Applications for the General Offer lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee. Payment will be made at the Directors' sole discretion and subject to the receipt of a proper tax invoice from the Australian financial services licensee.

2.17 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

2.18 Paper Copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Application Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Company Secretary on +61 8 9322 6322 for further details.

2.19 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Company Secretary on +61 8 9322 6322.

3. Company Overview

3.1 Background

Constellation Resources (formerly named “Fraser Range Exploration Pty Ltd”) is a wholly owned subsidiary of Apollo Minerals. Constellation Resources was incorporated in Australia on 9 September 2011 as a proprietary company limited by shares. Apollo Minerals was incorporated in Australia on 3 May 2007 and is an ASX-listed diversified mineral exploration company with interests in projects in France, Spain and Australia. The Directors, other than Mr Peter Woodman, are also directors of Apollo Minerals.

On 13 February 2015, Apollo Minerals announced that it had (via Constellation Resources) entered into an agreement to acquire a 70% interest in the Joint Venture Tenements and to form an unincorporated joint venture with ASX-listed company, ENT to explore the Joint Venture Tenements (see Sections 3.2 and 9.1 for further details of the Joint Venture Agreement). The Company completed its acquisition of its 70% interest in the Joint Venture Tenements on 31 March 2015.

Constellation Resources was converted from a proprietary company limited by shares into an unlisted public company on 28 December 2017. At the date of this Prospectus, the Company is a wholly owned subsidiary of Apollo Minerals and does not have any subsidiaries. On 23 April 2018, Apollo Minerals announced that, following a review by the board of Apollo Minerals, it would demerge Constellation Resources, which would include providing Eligible Apollo Minerals Shareholders with access to the Apollo Minerals Priority Offer.

The rationale for the spin-out is that, as Apollo Minerals is now focused on its other projects, primarily the Couflens Project located in France and the Aurenere Project located in Spain, the ongoing exploration and development of the Orpheus Project is best undertaken by a listed company focusing its resources on that project.

Following completion of the Offer, Constellation Resources will continue to be a mineral exploration company, whose primary focus is to explore for, and ultimately develop economic mineral deposits.

3.2 Orpheus Project

(a) Overview / Background

The Orpheus Project comprises five tenements covering approximately 552km² in a prospective portion of the Albany-Fraser Orogen (**AFO**), commonly referred to as the Fraser Range province, host to Independence Group NL’s (ASX: IGO) major Nova-Bollinger nickel and copper deposit.

As outlined in Section 3.1, effective from 31 March 2015, the Company entered into the Joint Venture Agreement with ENT and has a 70% interest in the Joint Venture Tenements which comprise four of the five Orpheus Project Tenements. The Company holds a 100% interest in the remaining Orpheus Project Tenement (E28/2738), which is not subject to the Joint Venture Agreement.

Constellation Resources is required to sole fund all activities on the Joint Venture Tenements until completion of a BFS.

The AFO is considered prospective for nickel, copper and gold, and has attracted significant exploration since the discovery of the Nova deposit in 2012 in mafic and ultramafic rock types.

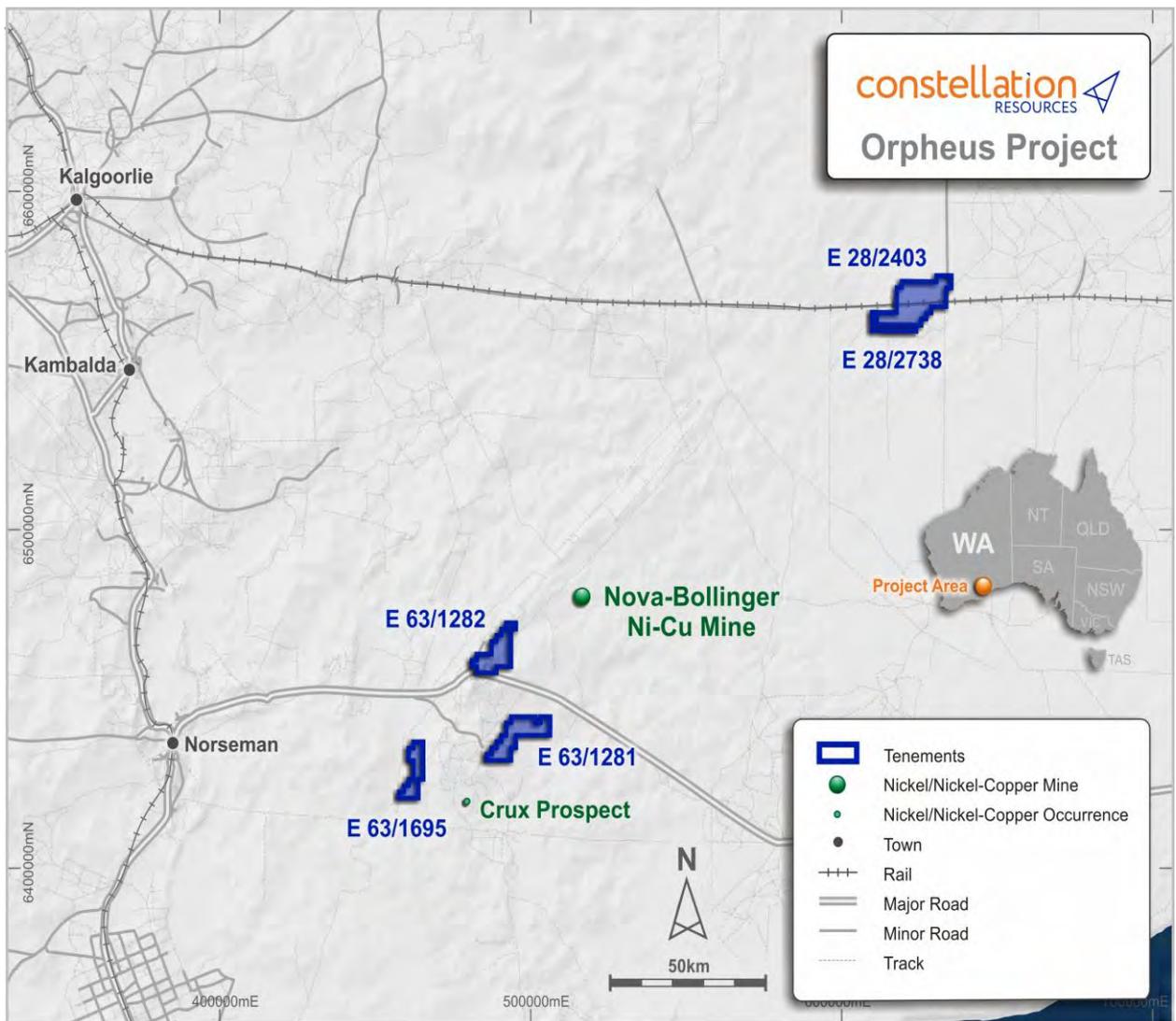


Figure 1: Orpheus Project Location

(b) Location and Access

The Orpheus Project is located within the Fraser Range area of south-eastern Western Australia (Figure 1), spread along an axis from approximately 100km east of Norseman to 280km east of Kalgoorlie. Combined, the Orpheus Project Tenements cover an area of approximately 552km². The Orpheus Project Tenements are covered by a combination of pastoral leases and Vacant Crown Land. E63/1281 is on the Southern Hills Station pastoral lease; E63/1282 is on the Fraser Range Station pastoral lease; E28/2403 and E28/2738 are on the Kanandah Station pastoral lease, with the northern most portion of E28/2403 on Vacant Crown Land; and E63/1695 lies within the Dundas Nature Reserve.

Access to tenements E63/1281, E63/1282 and E63/1695 can be gained via the Eyre Highway and local station tracks on the pastoral leases. E63/1281 and E63/1282 straddle the highway. Access to E28/2403 and E28/2738 is via service tracks to the Trans Pacific Railway and local station tracks, just east of the Kitchener Railway siding. E28/2403 straddles the main rail line.

(c) Orpheus Project Tenements

Details of the Orpheus Project Tenements are set out in the table below:

Tenement Number	Percentage Interest	Area	Status
E63/1281	70%	127.1km ²	Granted
E63/1282	70%	105.4km ²	Granted
E28/2403	70%	213.9km ²	Granted
E63/1695 ⁽¹⁾	70%	71.3km ²	Application
E28/2738 ⁽²⁾	100%	34.1km ²	Application
Total		551.8km ²	

Notes:

1. Exploration licence E63/1695 is in application pending grant by the Western Australian Department of Mines, Industry Regulation and Safety.
2. Exploration licence E28/2738 is in application pending grant by the Western Australian Department of Mines, Industry Regulation and Safety. Should this application be granted, it will not be part of the Joint Venture and the Joint Venture Agreement will not apply.

(d) Joint Venture Agreement

The Company holds a 70% interest in the Joint Venture Tenements, pursuant to the Joint Venture Agreement with ENT, who holds the remaining 30% interest in the Joint Venture Tenements.

Pursuant to the Joint Venture Agreement, the Company has been appointed manager of the Joint Venture and is required to sole fund all activities on the Joint Venture Tenements until completion of a BFS. Upon completion of a BFS, ongoing expenditure within the area the subject of the decision to mine (**Mining Area**) will be funded by each of the Company and ENT in proportion to their respective interests in the Joint Venture.

Activities outside of the Mining Area will continue to be funded by the Company until such areas are incorporated into the Mining Area.

Refer to Section 9.1 for further details on the Joint Venture Agreement.

(e) Exploration History

E63/1281

Previous exploration activity on E63/1281 includes:

- Newmont Pty Ltd (1965-1975): Regional geological mapping and aeromagnetic survey, limited auger drilling;
- Growth Resources NL (1987-1991): Literature review, aeromagnetic survey, rock chip and soil geochemical sampling, rotary air blast (**RAB**) drilling;
- Gold Partners NL (1997-1998): Landsat image purchase/processing, regolith mapping;
- Resolute Gold Ltd (1999): Limited soil geochemical sampling; and
- ENT (2010-2015); the Company 70% / ENT 30% JV (2015-2017): rock chip and soil geochemical sampling, ground and airborne electromagnetic (**EM**) surveys, induced polarisation (**IP**) surveys, reverse circulation (**RC**) and diamond drilling (**Plato**).

The Plato target represents the only system identified so far in the Orpheus Project area demonstrated to host magmatic nickel-copper sulphide mineralisation and has been the subject of extensive surface geochemistry, surface geophysics and reconnaissance level RC and diamond drilling.

The disseminated to blebby magmatic nickel sulphide system discovered at Plato is strong encouragement for further exploration activity in the area. The presence of good nickel tenor sulphides in olivine-bearing mafic to ultramafic lithologies demonstrates that the process of forming magmatic nickel sulphides has occurred in the system. This is a significant step in the geological process that may eventually lead to formation of an economic accumulation of the sulphides, although such accumulation processes are not automatically guaranteed to have occurred.

E63/1282

Previous exploration activity on E63/1282 includes:

- Newmont Pty Ltd (1965-1975): Regional geological mapping and aeromagnetic survey;
- Growth Resources NL (1987-1991): Literature review, aeromagnetic survey, rock chip and soil sampling;
- Main Roads Department: RAB drilling (geology only);
- Gold Partners NL (1997-1998): Landsat image purchase/processing, regolith mapping;
- Mark Creasy (1998): Soil sampling;
- Resolute Gold Ltd (1999): Soil sampling; and
- ENT (2010-2015) and the Company 70% / ENT 30% JV (2015-2017): rock chip and soil geochemical sampling, airborne EM surveys.

The tenement is still at a very early stage of exploration. There has been only a rudimentary first-pass of exploration activity targeted at nickel-copper sulphide mineralisation. No direct bedrock sampling or ground geophysical surveys have been conducted. The tenement is underlain by extensive mafic-ultramafic intrusive rocks as evidenced by the outcropping lithologies along the prominent Fraser Range.

E28/2403 and E28/2738

Previous exploration activity on E28/2403 and E28/2738 includes:

- Ponton Minerals Pty Ltd (2008-2013): soil sampling, soil geochemistry infill sampling; and
- the Company 70% / ENT 30% JV (2017) and in relation to E28/2403 only: ground gravity surveys.

The tenements are still at a very early stage of exploration. There has been only a rudimentary first-pass of exploration activity targeted at nickel-copper sulphide mineralisation. No direct bedrock sampling has been undertaken, and ground geophysical surveys conducted are limited to gravity surveys of the northern portion of E28/2403. The tenements are believed to be underlain by the Fraser Zone. This interpretation is corroborated by potential buried dense mafic-ultramafic intrusive complexes from interpretation of the detailed gravity data collected to date in the northern portion of E28/2403.

Soil geochemistry is unlikely to be effective in this area due to the depth of the transported cover material over the entire area.

E63/1695

Previous exploration of E63/1695 has been limited and includes soil sampling, auger drilling, regional airborne magnetics undertaken by AngloGold Ashanti Ltd in 2012.

Section 2.5 of the Independent Technical Report in Section 6 provides further information on the previous exploration of the Orpheus Project.

(f) **Regional Geology and Mineralisation**

The Orpheus Project is located within the arcuate belt of rocks comprising the AFO that extends approximately 1,200km along the southern and south-eastern margin of the Yilgarn Craton (Figure 2). It is characterised by high-metamorphic grade mafic and felsic gneisses together with voluminous granite and mafic-ultramafic intrusive plutons and complexes.

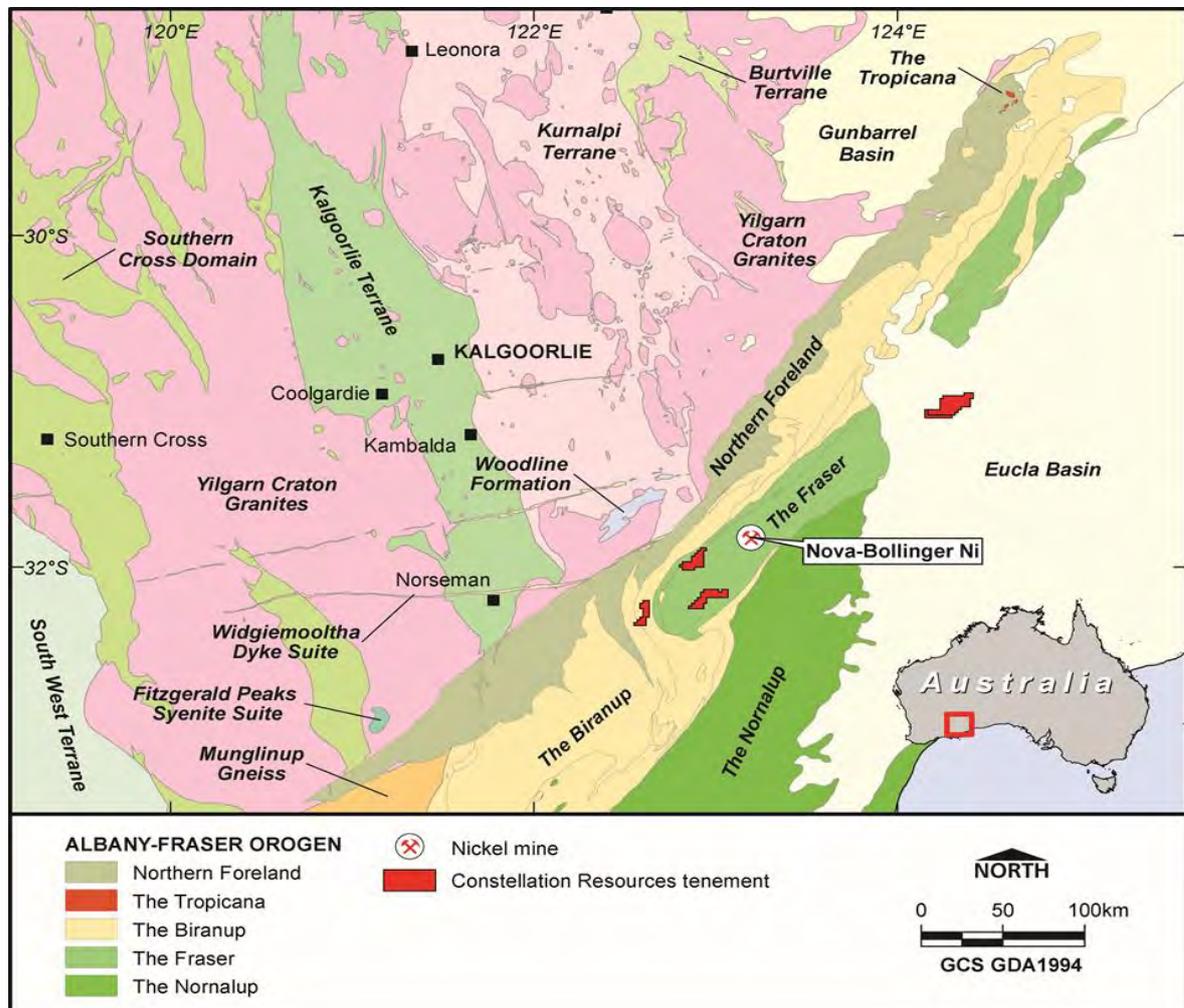


Figure 2: Regional Geology of the Albany-Fraser Orogen

The AFO comprises two main tectonic units, the Northern Foreland and the Kepa Kurl Booya Province, that reflect its relationship to the Yilgarn Craton.

The Northern Foreland originated as part of the Archean Yilgarn Craton and comprises tectonically reworked slivers of the Yilgarn crust. The Kepa Kurl Booya Province is defined as the crystalline basement of the AFO. It includes four fault-bound geographical and structural zones (Tropicana, Biranup, Fraser, and Nornalup).

Two major tectonic events have been recognised in the AFO: (i) the recently defined Palaeoproterozoic Biranup Orogeny that covers the period 1,710–1,650 million years before present (Ma); and (ii) the Mesoproterozoic AFO, which took place in two stages: 1,345–1,260 Ma (Stage I) and 1,215–1,140 Ma (Stage II).

Stage I is dominantly represented by voluminous mafic and felsic magmatism forming both the Recherche Supersuite and the mafic-ultramafic magmatic rocks of the Fraser Zone, and was accompanied by high-temperature metamorphism and deformation.

The Orpheus Project area is dominated by two of the main regional tectonostratigraphic packages of the AFO, the Biranup Zone and the Fraser Zone.

The Biranup Zone is a belt of predominantly mid-crustal rocks that lies along the entire southern and south-eastern margin of the Yilgarn Craton. The Biranup Zone is dominated by intensely deformed orthogneiss, metagabbro, and paragneiss, with ages ranging from 1,800 Ma to 1,625 Ma. There are fragments of Archaean granite, and possibly greenstones, within the Biranup Zone.

The Fraser Zone is dominated by high-grade metagabbroic rocks that have a strong, distinct, geophysical signature in both aeromagnetic and gravity data.

The Fraser Zone contains the 1290-1305 Ma Fraser Range Metamorphics, which are dominated by sheets of metagabbroic rocks, interlayered with sheets of granitic material, and layers or slivers of metasedimentary rocks.

The AFO Fraser Zone mafic-ultramafic intrusive suites have long been viewed as prospective for potential nickel-copper-cobalt magmatic sulphide systems dating back to the 1960's, culminating in the discovery in 2012 of the Nova-Bollinger nickel-copper-cobalt deposit. The Nova-Bollinger system is currently being mined by IGO.

The Nova-Bollinger magmatic sulphide system sits within the Fraser Zone of the AFO (Figure 2). The Fraser Zone is interpreted to represent the product of significant mafic-ultramafic intrusion into the middle to upper crust. The prominent expression of the Fraser Zone in regional gravity data is interpreted to represent the effect of significant volumes of dense mafic-ultramafic lithologies within the zone. Such intrusion of significant volumes of mafic-ultramafic lithologies is thought to be a key regional exploration criterion for magmatic nickel sulphide systems.

The mineralisation at Nova-Bollinger occurs within mafic gneissic granulitic rocks in two distinct subhorizontal lenses connected by a narrow sulphide breccia zone.

The mineralisation exhibits disseminated, net, matrix, massive, and breccia textures, with the more massive zones generally located toward the base and the more disseminated zones located stratigraphically above this toward the top of each lens.

Subsequent to the discovery of Nova-Bollinger, other explorers in the region have detected disseminated nickel-copper sulphide mineralised mafic intrusive rocks within the Fraser Zone and Fraser Zone correlates, albeit uneconomic to date. Such exploration results confirm the widespread nature of the nickel sulphide mineralised systems in the AFO. Regional exploration has successfully used a combination of aeromagnetic and gravity data to focus on anomalies possibly representing buried mafic-ultramafic complexes, followed up by ground geochemical sampling and geophysics.

The most important gold deposit in the region is the Tropicana gold deposit operated by AngloGold Ashanti Ltd (70%), in joint venture with IGO (30%).

The mineral deposit is hosted in tectonically reworked Archaean rocks that form the eastern margin of the Yilgarn Craton, on the margin of the AFO.

Section 2.4 of the Independent Technical Report in Section 6 provides further information on the regional geology for the Orpheus Project.

(g) **Targets and Exploration Potential**

Recent field work on E63/1281 and E63/1282 has confirmed three targets that require further ground work as a priority and include two nickel-copper sulphide targets and one gold target. Two priority nickel-copper sulphide targets have been identified on E28/2403 as a result of recent gravity surveys.

E63/1281

Within E63/1281, previous drilling has intersected disseminated to blebby magmatic nickel-copper sulphides (uneconomic) at the Plato prospect. This represents a significant proof of concept for the exploration rationale searching for magmatic nickel-copper sulphides in the area.

Target 1281_HeliTEM is an interpreted basement derived conductor identified through a reinterpretation of the airborne electromagnetic (**HeliTEM**) survey flown over E63/1281 in 2013. This

potential HeliTEM anomaly is located 10km to the northeast of the known magmatic nickel-copper sulphide mineralisation at the Plato prospect.

Outcrops of metamorphosed mafic (gabbro), quartzite, intermediate to felsic gneiss, ironstone and very leached sub-crop were observed in the vicinity of the anomaly during field assessment. Soil, rock chip, float and coarse lag samples were taken in this area. Two iron rich rock samples returned elevated values for nickel, copper and cobalt.

This area was followed up with soil sampling on an east-west grid with samples 50m apart on 100m traverses. Elevated nickel and cobalt values were returned and a coincident nickel-cobalt anomaly identified in the north-eastern portion of the sampled area (Figures 3 and 4). There is a strong correlation with nickel and cobalt in these results that does not appear to be related to scavenging from iron and/or manganese however, there is no obvious correlation with copper suggesting there is no clear nickel-copper sulphide signature in the samples.

Further sampling of subcrop and outcrop within the target area confirmed the elevated nickel-cobalt-copper results in rock chips from previous sampling and the presence of mafic intrusive rock types.

The magnetics in this area exhibit a subtle oval shaped north-south trending feature that may be indicating the presence of a gabbroic intrusion (Figures 3 and 4).

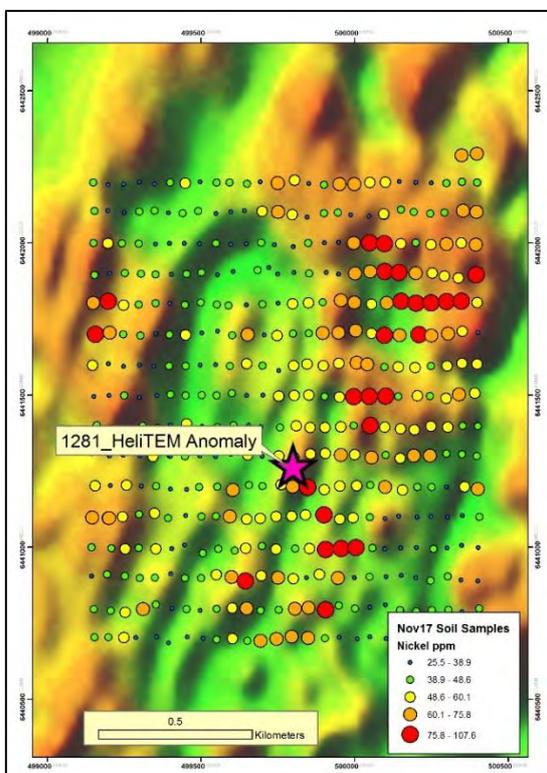


Figure 3: Nickel-in-soils over 1281_HeliTEM Target (TMI RTP magnetic image background)

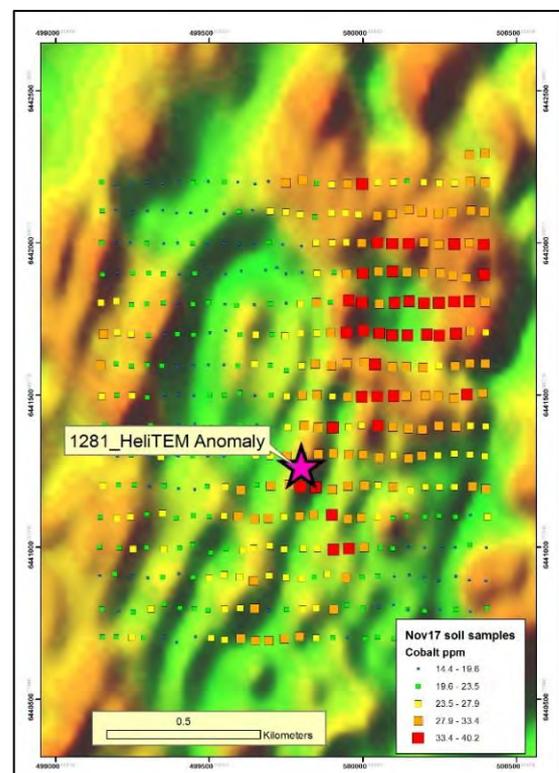


Figure 4: Cobalt-in-soils over 1281_HeliTEM target (TMI RTP magnetic image background)

High-powered ground EM is planned to fully assess the presence of elevated nickel-cobalt-copper values in rock chips adjacent to the HeliTEM anomaly.

E63/1282

Target 1282_HeliTEM is an interpreted basement derived conductor identified through a reinterpretation of the HeliTEM survey flown over E63/1282 in 2013. The anomaly is located close to a major structural boundary highlighted in the magnetics (Figure 5).

Field verification of this anomaly confirmed it to be entirely under cover. Subcrop 200m to the south indicated the cover is not thick in this area. Ground based EM is planned over this target.

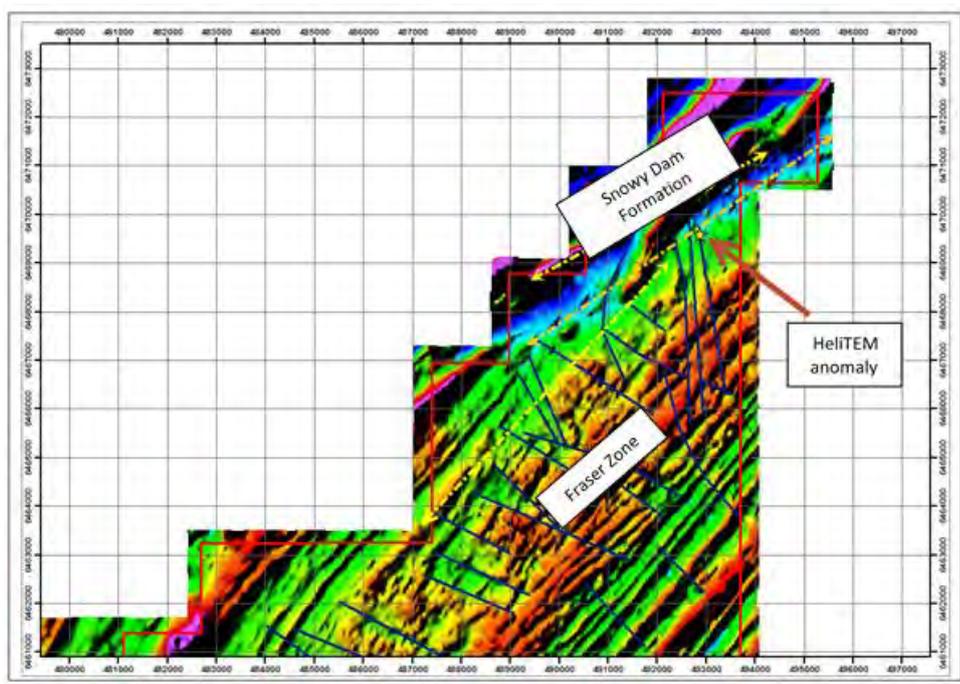


Figure 5: Total magnetic intensity showing HelITEM anomaly (Target 1282_HelITEM) and general trends of the Snowy Dam Formation and Fraser Zone proper, with anomaly lying on the nominal boundary between the two (secondary interpreted structures in blue)

Target 1282_Gold is a gold-in-soil anomaly identified from wide spaced soil sampling associated with a well-defined northeast-southwest trending magnetic anomaly under thin cover.

Detailed follow-up soil sampling was completed on a 100m x 50m east-west grid and has confirmed the presence of the historic gold-in-soil anomaly outlining a coherent 500m x 150m gold anomaly in the centre of the sampled area (Figure 6).

Drill testing of this coherent anomaly is planned.

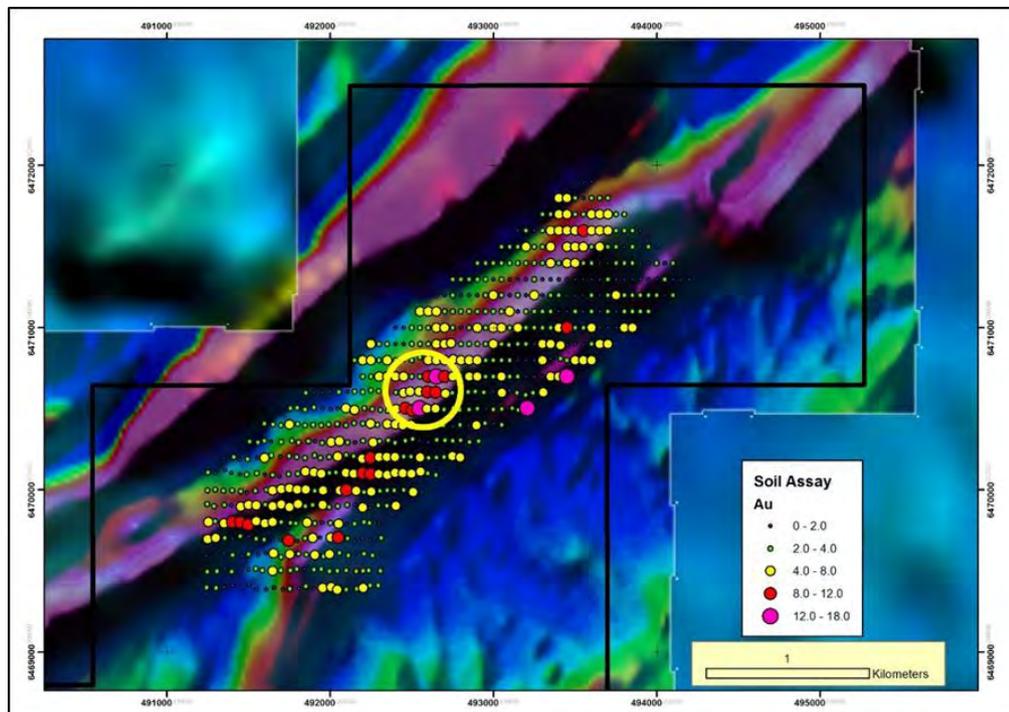


Figure 6: Target 1282_Gold locations on Regional TMI RTP magnetics 500m x 150m target highlighted in yellow

E28/2403

On E28/2403 three conceptual magnetic targets were covered by a gravity survey on a 400m x 400m grid in 2017. This was subsequently followed up by an infill gravity survey on a 200m x 200m spacing over two anomalies of interest.

The aim of the survey was to delineate local positive gravity anomalies that could represent either magmatic nickel-sulphide mineralisation or host rocks to mineralisation. The results of the survey determined Bouguer gravity anomalies (A1 and A2; Figure 7), coincident with magnetic features previously interpreted to potentially represent buried mafic-ultramafic intrusive complexes.

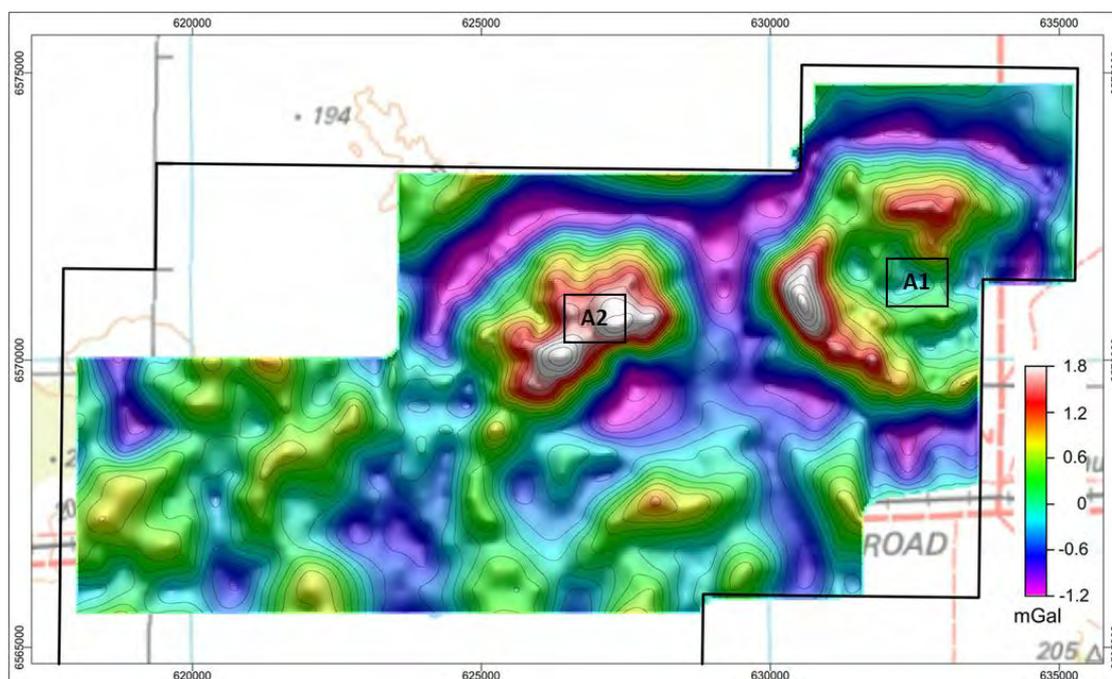


Figure 7: Residual Bouguer anomaly map of the northern portion of E28/2403. Image is sun-shaded from the north and has a linear colour stretch. Contour interval is 0.2 mGal (2 gu)

These residual Bouguer anomalies have amplitudes of around 3 mGal, consistent with that expected for an ultramafic intrusive below a cover sequence of around 80m to 100m (Figure 7). These two targets, which are interpreted to represent potential buried dense mafic-ultramafic intrusive complexes beneath cover are priorities for ground based EM follow-up work.

3.3 Proposed Exploration Program and Budget

The table below outlines the current proposed expenditures in relation to exploration activities for the next two years. Further details on the exploration programs and budgeted expenditures are also outlined in sections 3 and 5 of the Independent Technical Report included in Section 6.

The aim for the next two years of exploration at the Orpheus Project is to:

- (a) refine and subsequently drill test existing geophysical (magnetic, gravity and EM) targets for Nova style nickel-copper sulphide mineralisation;
- (b) refine and subsequently drill test the existing gold-in-soil anomaly for Proterozoic gold mineralisation; and
- (c) generate further targets for drilling through focused and targeted regional exploration.

The Company's proposed budget for its exploration program is detailed below:

Item	Expenditure (A\$)		
	Year 1	Year 2	Total
Activity			
Exploration			
Staff, contractors and consultants	503,000	563,000	1,066,000
Geological Mapping and geochemical surveys	70,000	-	70,000
Geophysics survey	290,000	90,000	380,000
Drilling (aircore, RC and diamond)	268,000	2,099,000	2,367,000
Field support costs	101,000	150,000	251,000
Subtotal – Exploration	1,232,000	2,902,000	4,134,000
Studies			
Metallurgical testwork	-	50,000	50,000
Project studies	-	50,000	50,000
Subtotal – Studies	-	100,000	100,000
Project Maintenance			
Tenement management (rents, rates)	49,000	49,000	98,000
Heritage surveys	70,000	-	70,000
Subtotal – Project Maintenance	119,000	49,000	168,000
TOTAL FUNDS ALLOCATED	1,351,000	3,051,000	4,402,000

The above table is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 8), actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results from the respective exploration activities. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain projects reflecting a change in emphasis.

The table above only includes expenditure on granted tenements and does not include any expenditure in relation to tenements which are currently under application. Potential expenditure on tenements under application has been included as part of the line item “business development and activities on tenements under application” in the use of proceeds table in Section 2.4, which has been budgeted at A\$159,000 in year one and A\$340,000 in year two.

3.4 Business Model

The Company is a speculative mineral exploration company. Upon completion of the Offer and admission of the Company to the Official List, the Company will be a publicly listed junior explorer, holding an interest in the speculative mineral exploration project, the Orpheus Project.

Although the Company will be well funded to conduct its stated objectives for the next two years, the Company has no history of earnings, and does not have any producing mining operations. The Company has experienced losses from exploration activities and until such time as the Company carries on mining production activities, it expects to continue to incur losses. It is likely that the Company will require additional funding in the future, and as such the intention is to add Shareholder value and also progressively reduce risks associated with its current or any new mineral projects that may be acquired.

The Company aims to achieve this by progressively transitioning from being a junior explorer to, subject to the results of exploration activities, technical studies and the availability of suitable funding, exploiting the value of mineral projects by undertaking project development, construction and mining activities by:

- (a) conducting systematic exploration activities on mineral projects, with the aim of discovering a mineral deposit;
- (b) following discovery, delineating a Mineral Resource estimate on the mineral deposit;
- (c) undertaking economic and technical assessments of the projects in line with standard industry practice (for example completion of a scoping study, then a prefeasibility study followed by a definitive feasibility study);
- (d) undertaking project development and construction; and
- (e) ultimately exploitation of the project through mining operations.

As the development of relevant projects progress, the Company may also consider corporate actions that may also provide the opportunity to increase Shareholder value, which may include joint ventures, asset sales (whole or part), strategic partnerships or product off-take arrangements.

The Company also intends to continue identifying, evaluating and, if warranted, acquiring additional resource projects and assets in Australia and/or overseas, if the Board considers that they have the potential to add Shareholder value. The Company will consider acquiring these additional interests by way of direct project acquisition, farm in, joint venture or direct equity in the project owners, and may include minerals or prospectivity for minerals in addition to nickel, copper and gold.

3.5 Strategy and Objectives

As discussed above, the primary objective of the Company is to create value for Shareholders through the exploration, discovery and development of mineral deposits.

Following admission of the Company to the Official List, the Company proposes to undertake the exploration programs discussed in Section 3.3 and further explained in the Independent Technical Report in Section 6. The results of the exploration programs will determine the economic viability and potential timing for the commencement of additional technical studies, including studies that assess the economic viability of the Orpheus Project, and ultimately the commencement of mining operations.

In summary the Company's objectives are to:

- (a) undertake follow-up exploration on a number of priority targets identified at the Orpheus Project from a review of available data and field work;
- (b) subject to results of the exploration activities, progress technical studies on the Orpheus Project;
- (c) assess opportunities for business development and new venture activities to potentially add additional mineral projects; and
- (d) assess opportunities to enter into joint venture arrangements in respect to the Orpheus Project and other new mineral projects.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

3.6 Key Strengths

The Board considers that Company has a number of competitive strengths as follows:

- (a) **Location/exploration potential of Orpheus Project** – The Orpheus Project is located in the Albany-Fraser Orogen, which is considered prospective for nickel, copper and gold;
- (b) **Experienced Orpheus Project development team** – The Board has extensive experience in mineral exploration, project development, mining and financing in the resources industry;
- (c) **Exploration program commenced** – Field assessment has confirmed three priority targets (two nickel-copper sulphide targets and one gold target) on tenements E63/1281 and E63/1282. Gravity surveys have resulted in the identification of two priority nickel-copper sulphide targets on E28/2403; and
- (d) **Company has sufficient funding to achieve its objectives** – On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives set out in Section 3.5.

3.7 Financial Information

The Company has no operating history independent of Apollo Minerals. Accordingly, the Company is not in a position to disclose key financial ratios or other financial information, other than its statement of profit or loss and other comprehensive income, statement of cash flows and pro-forma statement of financial position which is included in the Investigating Accountant's Report, which is set out in Section 5.

3.8 Dividend Policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.

At the date of issue of this Prospectus, the Company does not intend to declare or pay any dividends in the immediately foreseeable future. However, it is the aim of the Company that, in the longer term, its financial performance and position will enable the payment of dividends.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

4. Board, Management and Corporate Governance

4.1 Directors' Profiles

The names and details of the Directors in office at the date of this Prospectus are:

- (a) **Ian Middlemas** *B.Com, CA*
Non-Executive Chairman

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

Mr Middlemas was appointed as Chairman on 17 November 2017. Mr Middlemas holds directorships in Apollo Minerals Limited, Berkeley Energia Limited, Cradle Resources Limited, Paringa Resources Limited, Prairie Mining Limited, Salt Lake Potash Limited, Equatorial Resources Limited, Piedmont Lithium Limited, Sovereign Metals Limited, Odyssey Energy Limited, and previously held directorships in Syntonic Limited (April 2010 – June 2017) and Papillon Resources Limited (May 2011 – October 2014).

Mr Middlemas resides in Perth.

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

Mr Woodman is a geologist with over 25 years' experience in exploration, development and operations in the resources sector. He is a graduate of the Australian National University and is a corporate member of the Australian Institute of Mining and Metallurgy.

Mr Woodman has worked for a number of mining companies during his extensive career in the resources sector and has been influential in major project acquisition and discovery. He has a strong background in management, exploration planning and execution, resource development and mining operations both in Australia and overseas.

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

Mr Woodman resides in Perth.

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

Mr Behets is a geologist with over 28 years' experience in the mineral exploration and mining industry in Australia and internationally. He has had extensive corporate and management experience and has been Director of a number of ASX-listed companies in the resources sector including Mantra Resources Limited, Papillon Resources Limited, and Berkeley Energia Limited. Mr Behets was instrumental in the founding, growth and development of Mantra, an African-focused uranium company, through to its acquisition by JSC Atomredmetzoloto for approximately A\$1 billion in 2011. Prior to Mantra, he held various senior management positions during a long career with WMC Resources Limited. Mr Behets has a strong combination of technical, commercial and managerial skills and extensive experience in exploration, Mineral Resource and Ore Reserve estimation, feasibility studies and operations across a range of commodities, including uranium, gold and base metals. He is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and was previously a member of the Australasian Joint Ore Reserve Committee.

Mr Behets also holds directorships in Piedmont Lithium Limited, Apollo Minerals Limited, Berkeley Energia Limited, Equatorial Resources Limited, and was a director of Cradle Resources Limited (May 2016 – July 2017) and Papillon Resources Limited (May 2012 – October 2014).

Mr Behets resides in Perth.

- (d) **Mark Pearce** *B.Bus, CA, FCIS, Ffin*
Non-Executive Director

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

Mr Pearce also holds directorships in Salt Lake Potash Limited, Apollo Minerals Limited, Prairie Mining Limited, Equatorial Resources Limited, Piedmont Lithium Limited, Sovereign Metals Limited, and Odyssey Energy Limited. Mr Pearce was formerly a director of Syntonic Limited (April 2010 – October 2016).

Mr Pearce resides in Perth.

4.2 Profiles of other KMP and Consultants

The names and details of other KMP and consultants at the date of this Prospectus are:

- (a) **Andrew Boyd** *BSc (Hons), MAIG*
Technical Consultant – Exploration

Mr Boyd is a geophysicist with over 20 years' global experience in mineral exploration and mining with both major and junior listed companies. Mr Boyd is currently General Manager – Exploration for ASX listed Oklo Resources Limited and was previously General Manager – Geoscience for ASX listed Papillon Resources Limited before its merger with TSX listed B2 Gold in 2014.

Prior to working with Papillon Resources, Mr Boyd was General Manager – Geoscience with dual listed (ASX and TSX) Mantra until its takeover by JSC Atomredmetzoloto in 2011. Mr Boyd's experience also includes being the founder and Managing Director of an international geophysical consultancy and 6 years with WMC Resources Limited.

- (b) **Jim McKinnon-Matthews** *BSc (Hons), MAusIMM*
Technical Consultant – Exploration

Mr McKinnon-Matthews is an exploration geologist with 25 years' global experience in mineral exploration and project generation with both major and junior ASX listed companies. Mr McKinnon-Matthews experience includes nine years with WMC Resources Limited, and he is currently the General Manager – Geology for Mithril Resources Limited.

He has been instrumental in a number of discoveries from a conceptual basis including the Quebec 7 Nickel Project in northern Quebec with WMC Resources and the Basil Cu-Co Deposit in the Northern Territory with Mithril Resources Limited, as well as a multitude of other previously unrecognised base metal and gold mineralised systems in Australia.

- (c) **Mr Clint McGhie** *B.Com, CA, ACIS, Ffin*
Company Secretary

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

4.3 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering policies and procedures with openness and integrity, pursuing a system of corporate governance which is commensurate with the Company's needs and resources.

To the extent practicable, the Company had adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**). The Company's compliance with the Recommendations as at the date of this Prospectus is set out below. This Section also contains an overview of the Company's main corporate governance policies and procedures as against each Recommendation. The various corporate governance policies referred to below are available in a dedicated corporate governance information section of the Company's website (www.constellationresources.com.au).

Following admission to the Official List, the Company will be required to report any departures from the Recommendations in (or at the time of lodging) its annual financial report.

Principle 1: Lay Solid Foundations for Management and Oversight

1.1 Role of Board and management

Recommendation complied with. The Board has established a clear distinction between the functions and responsibilities reserved for the Board and those delegated to management, which are set out in the Company's Board Charter. A copy of the Board Charter is available in the Corporate Governance section of the Company's website, www.constellationresources.com.au.

1.2 Information regarding election and re-election of director candidates

Recommendation not complied with. Constellation Resources carefully considers the character, experience, education and skillset of potential candidates for appointment to the Board and conducts appropriate background checks to verify the sustainability of the candidate, prior to their election. Based on the Company's level of knowledge of the potential candidate, these may include checks as to the person's character, experience, education, and bankruptcy history, but may not include criminal record checks for potential candidates that are well known to the Board. The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a director, is disclosed in the relevant notice of meeting provided to shareholders. Director profiles will be included in the Directors' Report of the Company's Annual Report.

1.3 Written contracts of appointment

Recommendation complied with. In addition to being set out in the Board Charter, the roles and responsibilities of Directors are also formalised in the letter of appointment which each Director receives and commits to on their appointment. The letters of appointment specify the term of appointment, time commitment envisaged, expectations in relations to committee work or any other special duties attaching to the position, reporting lines, remuneration arrangements, disclosure obligations in relation to personal interests, confidentiality obligations, insurance and indemnity entitlements and details of the Company's key governance policies. Each KMP enters into a service contract which sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangement and termination rights and entitlements. Contract details of KMP will be summarised in the Remuneration Report of the Company's Annual Report.

1.4 Company Secretary

Recommendation complied with. The Company Secretary reports directly to the Board through the Chairman on Board matters and all Directors have access to the Company Secretary. In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary's experience and qualifications will be set out in the Directors' Report of the Company's Annual Report.

1.5 Diversity

Recommendation not complied with. The Company has not adopted a Diversity Policy, nor has it established measurable objectives for achieving gender diversity for the 2018 year. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. However, the Board considers that the Company is not currently of a

size to warrant the time and cost of adopting a Diversity Policy and setting measurable objectives for achieving gender diversity. The Board will review its position and may adopt a Diversity Policy and develop measurable objectives when the Company's operations increase. At the date of this Statement, the Company has no female directors, senior executives or employees.

1.6 Board reviews

Recommendation not complied with. The Board has not conducted a formal performance evaluation. The Company is a junior resources company and the Board believes that a formal performance evaluation is not required at this point in time and that no efficiencies or other benefits would be gained from a formal performance evaluation. The Chairman is responsible for evaluating the Board and informal discussions are undertaken during the course of the year. As the Company grows and develops, it will continue to consider the efficiencies and merits of a more formal performance evaluation of the Board, its committees and individual Directors.

1.7 Management reviews

Recommendation complied with. Each year the Board evaluates the performance of its KMP against key performance indicators as set by the Board. Details of the process followed will be set out in the Remuneration Report of the Company's Annual Report. For the 2018 year, the Board will undertake a performance evaluation of its KMP in accordance with that process.

Principle 2: Structure the Board to Add Value

2.1 Nominations committee

Recommendation complied with. The Board has decided not to form a separate Nomination Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Nomination Committee. The Board has adopted a Remuneration and Nomination Committee Charter, however the Board as a whole performs the function of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee Charter sets out the processes the Board employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. The Board regularly reviews whether it has the appropriate balance of skills, knowledge, and experience suitable for a Company in the junior resources sector. The Remuneration and Nomination Committee Charter will be reviewed annually and is available in the Corporate Governance section of the Company's website www.constellationresources.com.au.

2.2 Board skills matrix

Recommendation complied with. The Board seeks a mix of skills suitable for a junior resources company. A summary of the key board skills matrix is set out below. Further details regarding the skills and experience of each Director will be included in the Directors' Report of the Company's Annual Report.

Director/ Skills	Capital Markets	Resources Industry	Mining / Geology	Finance/ Accounting	Listed Company
Current Directors					
Ian Middlemas	✓	✓		✓	✓
Peter Woodman	✓	✓	✓		✓
Robert Behets	✓	✓	✓		✓
Mark Pearce	✓	✓		✓	✓

2.3 Disclose independence and length of service

Recommendation complied with. The Board has assessed the independence status of its Directors as at the date of the Prospectus and has determined the following:

Name	Position	Independent?	Length of Service
Ian Middlemas	Chairman and Non-Executive Director	Yes	0.5 years
Peter Woodman	Managing Director	No	0.1 years
Robert Behets	Non-Executive Director	Yes	0.8 years
Mark Pearce	Non-Executive Director	Yes	1.7 years

Mr Middlemas is a director and shareholder of Arredo Pty Ltd which has an entitlement to subscribe for Shares pursuant to the Apollo Minerals Priority Offer, and is expected to hold an interest in the Company of up to 6.86%. The Board considers that this is not material or significant enough to impact the independent judgement of Mr Middlemas.

Mr Mark Pearce is considered to be independent. With effect from the date the Company is admitted to the Official List, Apollo Group Pty Ltd, a company associated with Mr Pearce, will be paid a monthly retainer to provide administrative services, company secretarial services, accounting services and a serviced office to the Company, which is able to be terminated on one months' notice. The Board considers that this relationship is not material or significant enough to impact the independent judgment of Mr Pearce.

Further details regarding the current Directors are included in this Prospectus and will be set out in the Directors' Report of the Company's Annual Report.

2.4 Majority of directors independent

Recommendation complied with. A majority of Directors of the Company are independent. As disclosed against Recommendation 2.3.

2.5 Chair independent

Recommendation complied with. The Chairman, Mr Ian Middlemas, is an independent non-executive Director. Further details regarding the current Directors are included in this Prospectus and will be set out in the Directors' Report of the Company's Annual Report.

2.6 Induction and professional development

Recommendation not complied with. The Board does not have a formal program for inducting new Directors and providing appropriate professional development opportunities. The Board has been structured such that its composition and size will enable it to effectively discharge its responsibilities and duties. Each Director has been appointed because they already possess the relevant industry experience and specific expertise relevant to the Company's business and level of operations and given the activities of the Company and their own experience do not require the Company, given its size, to provide professional development opportunities. However, each new Director receives and commits to a letter of appointment which includes details of the Company's key policies and processes and continuing professional development is expected of all Directors. Directors are also entitled to seek independent professional advice at the expense of the Company (subject to approval) as may be reasonably required to assist them to carry out their duties as a Director.

Principle 3: Act Ethically and Responsibly

3.1 Code of conduct

Recommendation complied with. The Board has established a Code of Conduct for its Directors, executives and employees, a copy of which is available in the Corporate Governance section of the Company's website, www.constellationresources.com.au.

Principle 4: Safeguard Integrity in Corporate Reporting

4.1 Audit committee

Recommendation complied with. The Board has decided not to form a separate Audit Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Audit Committee. The Board has adopted an Audit Committee Charter. However, the Board as a whole performs the function of the Audit Committee. The Company: (a) has relatively simple operations and currently only undertakes mineral exploration and development activities; (b) has relatively simple financial affairs with limited complexity and quantum; and (c) has a relatively small market capitalisation and economic value. As a result, the Board as a whole considers that it is more efficient and effective for the corporate reporting process to not have an Audit Committee at this stage. The Board will monitor this position as the Company's circumstances change. The Board as a whole determines when to seek the appointment or removal of the external auditor, and subject to any statutory requirements, the Board will also seek rotation of the audit partner on an as required basis. Further details on the integrity measures implemented for the corporate reporting function are provided in the Audit Committee Charter which is available in the Corporate Governance section of the Company's website at www.constellationresources.com.au.

4.2 CEO and CFO certification of financial statements

Recommendation not complied with. In respect to full year and half year financial reports, the Board has obtained a written declaration from the CEO (or equivalent) and CFO (or equivalent) that, in their opinion, the financial records of the Company have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion is formed on the basis of a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting and material business risks. However, the Board will not receive declarations from the CEO (or equivalent) and CFO (or equivalent) in respect to the quarterly cash flow reports prepared and lodged in compliance with Appendix 5B of the Listing Rules, as these quarterly cash flow reports are considered by the Board:

- not to be a financial report or interim financial report as defined under Australian accounting standards; and/or
- not to be capable, as a standalone report, of giving a true and fair view of the financial position and performance of the Company, only its cash flows for the relevant reporting period.

4.3 External auditor at AGM

Recommendation complied with. The Company has engaged a reputable and suitably qualified external auditor to perform the external audit function. At least one senior representative of the auditor will attend the Annual General Meeting (AGM) and be available to answer shareholder questions regarding the audit.

Principle 5: Make Timely and Balanced Disclosure

5.1 Disclosure and Communications Policy

Recommendation complied with. The Company has adopted a Continuous Disclosure Policy which sets out the processes and practices that ensure its compliance with the continuous disclosure requirements under applicable Listing Rules and applicable corporations laws (including the Corporations Act). A copy of the Continuous Disclosure Policy is available in the Corporate Governance section of the Company's website, www.constellationresources.com.au.

Principle 6: Respect the Rights of Security Holders

6.1 Information on website

Recommendation complied with. The Company will keep investors informed of its corporate governance, financial performance and prospects via its website. Investors will be able to access copies of all announcements to the ASX, notices of meetings, annual reports and financial statements, investor presentations via the 'Investors' tab and can access general information regarding the Company and the structure of its business under the 'Projects' tab on the Company's website, www.constellationresources.com.au. Investors can access information about the Company's corporate governance practices via the Corporate Governance section of the Company's website, www.constellationresources.com.au.

6.2 Investor relations programs

Recommendation complied with. The Company has an investor relations program that is commensurate with the size of the Company and its level of operations. This program involves actively engaging with interested brokers and investors and meeting with interested brokers and investors upon request. The Company will respond to enquiries received from brokers and investors from time to time. In addition, access to Directors and KMP will be provided at the AGM, and Shareholders are always given the opportunity to ask questions of Directors and management, either during or after meetings. Any presentations prepared by the Company will be posted on the Company's website (www.constellationresources.com.au), which also provides the opportunity for interested parties to join the mailing list to receive regular updates from the Company.

6.3 Facilitate participation at meetings of security holders

Recommendation complied with. The Board encourages participation of Shareholders at its meetings of shareholders and Shareholders will be provided with all notices of meeting prior to meetings, which are set at times and places to promote maximum attendance by Shareholders. Shareholders will be given the opportunity to ask questions of Directors and management, either during or after meetings. In addition, the Company's auditor will also be made available for questions at the AGM.

6.4 Facilitate electronic communications

Recommendation complied with. The Company welcomes electronic communication from its Shareholders via its publicised email address (info@constellationresources.com.au) and the Company's website (www.constellationresources.com.au) provides the opportunity for interested parties to join the mailing list to receive regular electronic updates from the Company. The Company's share registry also engages with Shareholders electronically and makes available a range of relevant forms on its website. Shareholders will be able to register with the share registry to access their personal information and shareholdings via the internet.

Principle 7: Recognise and Manage Risk

7.1 Risk committee

Recommendation complied with. The Board has decided not to form a separate Risk Committee. Due to the size and development phase of the Company, the Board believes that no efficiencies or other benefits would be gained by establishing a separate Risk Committee. The Board as a whole is ultimately responsible for identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage those risks. For further details of the responsibilities of the Board, the Chief Executive Officer (or equivalent), the Chief Risk Officer, and other management in the evaluation and continual improvement of the Company's risk management and internal control processes, refer to the Company's Risk Management Policy, which is available in the Corporate Governance section of the Company's website, www.constellationresources.com.au.

7.2 Annual risk review

Recommendation complied with. The Board will, on at least an annual basis, review its material business risks and how its material business risks are being managed. For the current year, management has provided to the Board the Company's Risk Register summarising the significance of each risk as well as actions taken by management to mitigate the risks. Management also provided to the Board a report on the effectiveness of the Company's management of its material business risks throughout the current year.

7.3 Internal audit

Recommendation complied with. The Board has not established an internal audit function at this time. The Board as a whole oversees the effectiveness of risk management and internal control processes. Refer to the Company's Risk Management Policy for responsibilities of the Board, the Chief Executive Officer (or equivalent), the Chief Risk Officer, and other management in the evaluation and continual improvement of the Company's risk management and internal control processes. A copy of the Risk Management Policy is available in the Corporate Governance section of the Company's website, www.constellationresources.com.au.

7.4 Sustainability risks

Recommendation complied with. As discussed above, the Company identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Management Policy, which is available in the Corporate Governance section of the Company's website, www.constellationresources.com.au. The material risks faced by the Company that could have an effect on the Company's future prospects, include: (a) availability of further funding; (b) exploration and development risks; (c) fluctuations in commodity prices; (d) sovereign risks; (e) Government regulations risks; and (f) global financial conditions. Further details of these risks and how the Company manages or intends to manage these risks are set out in Section 8 and will be included in the Directors' Report in the Company's Annual Report.

Principle 8: Remunerate Fairly and Responsibly

8.1 Remuneration committee

Recommendation complied with. The Board has decided not to form a separate Remuneration Committee. The Board believes that no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee. The Board has adopted a Remuneration and Nomination Committee Charter. However, the Board as a whole performs the function of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee Charter sets out the processes the Board employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. The

Remuneration and Nomination Committee Charter will be reviewed annually and is available in the Corporate Governance section of the Company's website www.constellationresources.com.au.

8.2 Disclosure of Executive and Non-Executive Director remuneration policy

Recommendation complied with. The Company seeks to attract and retain high performance Directors and Executives with appropriate skills, qualifications and experience to add value to the Company and fulfil the roles and responsibilities required. It will review requirements of additional capabilities at least annually. Executive remuneration is to reflect performance and, accordingly, remuneration is structured with a fixed component and performance-based component. Non-Executive Directors are paid fixed fees for their services in accordance with the Company's Constitution. Fees paid are composite fees (covering all Board and Committee responsibilities) and any contributions by the Company to a fund for the purposes of superannuation benefits for a Director. No other retirement benefits schemes are in place in respect to Non-Executive Directors. Details regarding the remuneration of the Executive and Non-Executive Directors is set out in Section 10.6 and will be set out in the Remuneration Report within the Company's Annual Report.

8.3 Policy on hedging equity incentive schemes

Recommendation complied with. The Company's Directors and Executives must not enter into any hedge arrangement in relation to any performance rights or options they may be granted or otherwise entitled to under an incentive scheme or plan, prior to exercising those rights or, once exercised, while the securities are subject to a transfer restriction. Further details regarding the Company's hedging policy are set out in the Company's Securities Trading Policy which is available in the Corporate Governance section of the Company's website, www.constellationresources.com.au.

5. Investigating Accountant's Report



1 May 2018

The Board of Directors
Constellation Resources Limited
Level 9, BGC Centre
28 The Esplanade
Perth WA 6000

Dear Sirs

Investigating Accountant's Report on Constellation Resources Limited historical and pro forma historical financial information

Introduction

We have been engaged by Constellation Resources Limited ("**Constellation**" or the "**Company**") to prepare this Investigating Accountant's Report (the "**Report**") on the historical financial information and pro forma historical financial information of the Company as at 31 December 2017 for inclusion in the Prospectus dated on or about 3 May 2018 and relating to the following offer of Shares and Options:

- a) an offer of 35,000,000 Shares at an issue price of \$0.20 each to raise \$7,000,000 before costs; and
- b) One free attaching Option for every three shares issued, exercisable at \$0.20 on or before 31 July 2021.

(together, the "**Offer**")

Expressions and terms defined in the Prospectus have the same meaning in this Report.

Scope

Historical financial information

You have requested William Buck Consulting (WA) Pty Ltd to review the following historical financial information of the Company included in Appendices 1, 2 and 3 of the Report:

- the historical Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2016 and 30 June 2017 and for the half year ended 31 December 2017;
- the historical Statement of Cash Flows for the years ended 30 June 2016, 30 June 2017 and for the half year ended 31 December 2017; and
- the historical Statement of Financial Position as at 30 June 2016, 30 June 2017 and 31 December 2017.

CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com



The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The historical financial information has been extracted from the financial reports of the Company for the half year ended 31 December 2017 and the years ended 30 June 2017 and 30 June 2016 respectively. The financial report for the half year ended 31 December 2017 was reviewed by William Buck Audit (WA) Pty Ltd and the financial reports for the years ended 30 June 2016 and 30 June 2017 were audited by William Buck Audit (WA) Pty Ltd in accordance with Australian Auditing Standards. William Buck Audit (WA) Pty Ltd issued an unmodified review conclusion for the half year ended 31 December 2017 and unmodified audit opinions on the financial reports for the years ended 30 June 2017 and 30 June 2016. The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma historical financial information

You have requested William Buck Consulting (WA) Pty Ltd to review the pro forma historical Statement of Financial Position as at 31 December 2017 referred to as "the pro forma historical financial information" as included in Appendix 4 of the Report.

The pro forma historical financial information has been derived from the historical financial information of Constellation, after adjusting for the effects of the subsequent events and pro forma transactions described in Appendices 6 & 7 of the Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma transactions relate, as described in Appendices 6 & 7 of the Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position.

The pro forma historical financial information as described in Appendix 4 of the Report has been prepared by adjusting the Statement of Financial Position of Constellation as at 31 December 2017 to reflect the financial effects of the following subsequent events which have occurred in the period since 31 December 2017:

- Under the terms of the letter of appointment the Company issued 1,000,000 Incentive Options to the Managing Director. The rights attaching to the Incentive Options are noted in Section 10.3 of the Prospectus. The Incentive Options were valued at \$111,119 with \$43,385 to be expensed to 30 June 2018 and the remaining \$67,734 to be expensed over the vesting period;
- The Company borrowed an additional \$116,188 from the parent company Apollo Minerals to fund exploration expenditure of \$89,864 which is expensed in accordance with the Company's accounting policy and to repay creditors to the value of \$26,324;



- Pursuant to the Working Capital Facility, the Company was also advanced an amount of \$100,000 from the parent company Apollo Minerals of which \$65,000 has been expensed in accordance with the Company's accounting policy; and
- Pursuant to a debt forgiveness agreement, the parent company Apollo Minerals has agreed to forgive all loan advances to the Company in relation to exploration activities at the Orpheus Project of \$1,200,149. The Company has issued to Apollo Minerals 3,000,000 Options in consideration for the loan forgiven. The unlisted options were valued at 11.67 cents each, resulting in a value of \$350,000. The options were valued using the Black-Scholes valuation model using the following inputs:

Expected spot price	\$0.20
Option exercise price	\$0.20
Period to expiry	3 years
Median volatility	118.2%
Risk free rate	2.13%

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- The issue of 35,000,000 Shares at an issue price of \$0.20 each to raise \$7,000,000 before costs of \$320,000, pursuant to the Offer under the Prospectus;
- The issue of one free attaching Option for every three shares issued, exercisable at \$0.20 on or before 31 July 2021; and
- Pursuant to the Working Capital Facility, the repayment of the advance from the parent company of \$100,000.

Directors' responsibility

The directors of Constellation are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained.



We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in Appendices 1, 2 and 3 of the Report, and comprising:

- the historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2016 and 30 June 2017 and for the half-year ended 31 December 2017; the historical Statements of Cash Flows for the years ended 30 June 2016 and 30 June 2017 and for the half-year ended 31 December 2017; and the historical Statements of Financial Position as at 30 June 2016, 30 June 2017 and 31 December 2017;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Appendix 4 (a) of the Report.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Statement of Financial Position as at 31 December 2017 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Appendix 4 of the Report.

Restriction on Use

We disclaim any assumptions of responsibility for any reliance on this report or on the prospective financial information to which this report relates for any purpose other than the purpose for which it was prepared. This report should be read in conjunction with the Prospectus.



General Advice Limitation

This report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Independence

William Buck Consulting (WA) Pty Ltd does not have any interest in the outcome of the issue of shares other than in connection with the preparation of this Report and participation in due diligence procedures for which normal professional fees will be received.

Consent

William Buck Consulting (WA) Pty Ltd has consented to the inclusion of this Report in the Prospectus in the form and context in which it is so included. At the date of this Report our consent has not been withdrawn. William Buck Consulting (WA) Pty Ltd makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

William Buck Consulting (WA) Pty Ltd has not authorised the issue of the Prospectus and our Report should not be taken as an endorsement of the Company or a recommendation by William Buck Consulting (WA) Pty Ltd of any participation in the share issue by any intending investors.

Yours faithfully
William Buck Consulting (WA) Pty Ltd
ABN 74 125 178 734

A handwritten signature in blue ink, appearing to read 'Robin Judd', written in a cursive style.

Robin Judd
Director
Dated this 1st day of May 2018

Investigating Accountant's Report cont'd

Financial Information

Overview

Constellation Resources Limited ("Constellation" or the "Company") was incorporated in Australia on 9 September 2011. Constellation is a wholly owned subsidiary of Apollo Minerals, that has an interest in the nickel, copper and gold prospective Orpheus Project in the Fraser Range province in southern eastern Western Australia. The Orpheus Project comprises three granted mineral exploration licenses (E63/1281, E63/1282, and E28/2403) and two applications for mineral exploration licenses (E63/1695 and E28/2738). The Company has a 70% interest in E63/1281, E63/1282, E28/2403 and E63/1695.

The Investigating Accountant's Report prepared by William Buck Consulting (WA) Pty Ltd incorporates abbreviated historical statements of profit or loss and other comprehensive income, historical statements of financial position and historical statements of cash flows of Constellation Resources Limited for the financial years ended 30 June 2016, 30 June 2017 and the half year ended 31 December 2017.

Please refer to Appendices 1 to 3 of the Investigating Accountant's Report for further information in relation to the Company for the financial years ended 30 June 2016 and 30 June 2017, and for the half year ended 31 December 2017.

The pro-forma statement of financial position referred to in Appendix 4 has been derived from the Company's historical statement of financial position as at 31 December 2017.

The audited financial statements (inclusive of significant accounting policies) of the Company for the years ended 30 June 2016 and 30 June 2017 and the reviewed financial statements (inclusive of significant accounting policies) for the half year ended 31 December 2017 are available (free of charge) on request to the Company.

Given the limited trading history of the Company, no assurance can be given that the Company will achieve commercial production and accordingly an investment in the Company should be considered high risk.

APPENDIX 1

CONSTELLATION RESOURCES LIMITED

HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30 June 2016	30 June 2017	31 December 2017
	Audited Year Ended	Audited Year Ended	Reviewed Half year Ended
	\$	\$	\$
Exploration and evaluation expenses	(328,186)	(154,674)	(134,036)
Administrative costs	(5,000)	(7,500)	(10,750)
Impairment of exploration and evaluation asset	-	-	(50,000)
LOSS BEFORE INCOME TAX	(333,186)	(162,174)	(194,786)
Income tax benefit	-	-	-
LOSS FOR THE YEAR	(333,186)	(162,174)	(194,786)
Other comprehensive income, net of income tax	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR / PERIOD	(333,186)	(162,174)	(194,786)

Investigating Accountant's Report cont'd

APPENDIX 2

CONSTELLATION RESOURCES LIMITED

HISTORICAL STATEMENT OF CASH FLOWS

	30 June 2016	30 June 2017	31 December 2017
	Audited Year Ended	Audited Year Ended	Reviewed Half Year Ended
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees	(323,386)	(159,474)	(108,962)
Net Cash used in Operating Activities	(323,386)	(159,474)	(108,962)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of exploration assets	-	-	-
Net Cash used in Investing Activities	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments financed through intercompany loans	323,386	159,474	108,962
Net Cash generated by Financing Activities	323,386	159,474	108,962
Net increase in cash and cash equivalents	-	-	-
Cash and cash equivalents at the beginning of the reporting year	-	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING YEAR / PERIOD	-	-	-

APPENDIX 3

CONSTELLATION RESOURCES LIMITED

HISTORICAL STATEMENT OF FINANCIAL POSITION

	As at 30 June 2016	As at 30 June 2017	As at 31 December 2017
	Audited \$	Audited \$	Reviewed \$
Current assets			
Cash and cash equivalents	-	-	-
Total current assets	-	-	-
Non-current assets			
Mineral exploration & evaluation expenditure	400,000	400,000	350,000
Total non-current assets	400,000	400,000	350,000
Total assets	400,000	400,000	350,000
Current liabilities			
Trade and other payables	9,800	12,500	48,324
Total current liabilities	9,800	12,500	48,324
Non-current liabilities			
Intercompany Loan	815,525	974,999	1,083,961
Total non-current liabilities	815,525	974,999	1,083,961
Total liabilities	825,325	987,499	1,132,285
Net liabilities	(425,325)	(587,499)	(782,285)
Equity			
Contributed equity	100	100	100
Accumulated losses	(425,425)	(587,599)	(782,385)
Total equity	(425,325)	(587,499)	(782,285)

Investigating Accountant's Report cont'd

APPENDIX 4

CONSTELLATION RESOURCES LIMITED

HISTORICAL AND PRO FORMA STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed 31 December 2017	Subsequent events	Pro forma adjustments	Pro forma after Public Offer
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	2	-	35,000	6,580,000	6,615,000
Total current assets		-	35,000	6,580,000	6,615,000
Non-current assets					
Mineral exploration & evaluation expenditure	3	350,000	-	-	350,000
Total non-current assets		350,000	-	-	350,000
Total assets		350,000	-	6,580,000	6,965,000
Current liabilities					
Trade and other payables	4	48,324	(30,699)	-	17,625
Intercompany Loan	9	-	100,000	(100,000)	-
Total current liabilities		48,324	69,301	(100,000)	17,625
Non-current liabilities					
Intercompany Loan	8	1,083,961	(1,083,961)	-	-
Total non-current liabilities		1,083,961	(1,083,961)	-	-
Total liabilities		1,132,285	(1,014,660)	(100,000)	17,625
Net assets / (liabilities)		(782,285)	1,049,660	6,680,000	6,947,375
Equity					
Contributed equity	5	100	-	6,680,000	6,680,100
Reserves	6	-	393,385	-	393,385
Accumulated losses	7	(782,385)	656,275	-	(126,110)
Total equity		(782,285)	1,049,660	6,680,000	6,947,375

The above pro forma statement of financial position after the Offer is as per the statement of financial position before the Offer, adjusted for any subsequent events and the transactions relating to the issue of Shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 5.

APPENDIX 5

CONSTELLATION RESOURCES LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the historical and pro forma financial information are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) Reporting framework

The historical and pro forma financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements specified by all the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The historical and pro forma financial information has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities based on directors' estimates of Net Realisable Value. The historical and pro forma financial information is presented in Australian dollars.

(b) Going concern

The historical and pro forma historical financial information has been prepared on the going concern basis, which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The historical information is prepared on a going concern basis because the Company's parent, Apollo Minerals Limited, has undertaken to provide continuing financial support so that the Company is able to pay its debts as and when they fall due.

(c) Cash and Cash Equivalents

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

(d) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

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

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

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
 - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or

Investigating Accountant's Report cont'd

otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

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

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

(e) Payables

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

(f) Goods and Services Tax

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

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

(g) Use and Revision of Accounting Estimates

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described above.

(h) Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such

cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Fair Value Estimation

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

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

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

(j) Issued Capital

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

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

(k) Share-Based Payments

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

(l) Joint Operations

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is contractually agreed sharing control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the entity undertakes its activities under joint operations, the Company as a joint operator, recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;

Investigating Accountant's Report cont'd

- Its revenue from the sale of its share of the output arising from the joint operations;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When the Company transacts with the joint operation in which the entity is a joint operator, the Company is considered to be conducting the transaction with the other parties of the joint operations, and gains and losses resulting from the transactions are recognised in the Company's financial statements only to the extent of other parties' interest in the joint operation.

(m) Significant judgements and key assumptions

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

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

NOTE 2. CASH AND CASH EQUIVALENTS	Reviewed as at 31 December 2017	Pro forma after Public Offer
	\$	\$
Cash and cash equivalents	-	6,615,000
Reviewed balance of Constellation Resources Limited at 31 December 2017		-
<i>Subsequent adjustments:</i>		
Proceeds from borrowings		216,188
Trade payables paid		(26,324)
Current period loss		(154,864)
		<u>35,000</u>
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under the Public Offer		7,000,000
Costs of the Public Offer & Transaction costs		(320,000)
Repayment of borrowings		(100,000)
		<u>6,580,000</u>
Pro forma balance		<u>6,615,000</u>

NOTE 3. MINERAL EXPLORATION & EVALUATION EXPENDITURE	Reviewed as at 31 December 2017	Pro forma after Public Offer
	\$	\$
Mineral Exploration & Evaluation Expenditure	350,000	350,000
Reviewed balance of Constellation Resources Limited at 31 December 2017		350,000
Pro forma balance		<u>350,000</u>

NOTE 4. TRADE AND OTHER PAYABLES	Reviewed as at 31 December 2017	Pro forma after Public Offer
	\$	\$
Trade & Other Payables	48,324	17,625
Reviewed balance of Constellation Resources Limited at 31 December 2017		48,324
<i>Subsequent adjustment:</i>		
Trade payable movement		(30,699)
Pro forma balance		<u>17,625</u>

Investigating Accountant's Report cont'd

NOTE 5. CONTRIBUTED EQUITY	Reviewed as at 31 December 2017	Pro forma after Public Offer
	\$	\$
Contributed equity	100	6,680,100
Reviewed balance of Constellation Resources Limited at 31 December 2017		100
<i>Pro forma adjustments:</i>		
Proceeds from shares issued under this Prospectus		7,000,000
Costs of the Public Offer		(320,000)
Contributed equity pro forma balance		<u>6,680,100</u>

	Reviewed 31 December 2017	Pro forma after Public Offer
	Number	Number
Shares on issue	100	35,000,100
Reviewed balance of Constellation Resources Limited at 31 December 2017		100
<i>Pro forma adjustments:</i>		
Shares issued under this Prospectus		35,000,000
Pro forma balance		<u>35,000,100</u>

NOTE 6. RESERVES	Audited as at 31 December 2017	Pro forma after Public
	\$	\$
Reserves	-	393,385
Reviewed balance of Constellation Resources Limited at 31 December 2017		-
<i>Subsequent adjustments:</i>		
Share base payment reserve		43,385
Share base payment reserve		350,000
Contributed pro forma balance		<u>393,385</u>

As at the date of this Prospectus, the parent company Apollo Minerals Limited have 3,000,000 Options with an exercise price of \$0.20 and expiring 31 July 2021. Using the Black & Scholes option model the unlisted options were ascribed a value of \$0.1167 each.

Under the terms of the letter of appointment, the Managing Director was issued 1,000,000 Incentive Options. Each Incentive Option entitles the holder to subscribe for one Share upon exercise of the Incentive Option. The Exercise Price, Vesting Date and Expiry Date of each Incentive Option issued to the Director is set out in the table below and Section 10.3 of the Prospectus.

Incentive Option Class	Number	Exercise Price	Vesting Date	Expiry Date	Value per option (\$)
Class A	300,000	0.25	9 April 2018	9 April 2021	0.1113
Class B	300,000	0.30	9 October 2019	9 October 2021	0.1126
Class C	400,000	0.40	9 April 2020	9 April 2022	0.1098

The Incentive Options were valued using the Black-Scholes valuation model using the following inputs:

	Class A	Class B	Class C
Expected spot price	\$0.20	\$0.20	\$0.20
Risk free rate	2.158%	2.218%	2.218%
Median Volatility	95%	95%	95%

Options

Reviewed balance of Constellation Resources Limited at 31 December 2017

Subsequent adjustments:

Options issued to Apollo Minerals

Pro forma adjustments:

Options issued under this Prospectus

Pro forma balance

Incentive Options

Reviewed balance of Constellation Resources Limited at 31 December 2017

Subsequent adjustments:

Options issued to Managing Director

Pro forma balance

	Reviewed 31 December 2017	Pro forma after Public Offer
	Number	Number
Options	-	14,666,666
Reviewed balance of Constellation Resources Limited at 31 December 2017		-
<i>Subsequent adjustments:</i>		
Options issued to Apollo Minerals		3,000,000
<i>Pro forma adjustments:</i>		
Options issued under this Prospectus		11,666,666
Pro forma balance		14,666,666
Incentive Options	-	1,000,000
Reviewed balance of Constellation Resources Limited at 31 December 2017		-
<i>Subsequent adjustments:</i>		
Options issued to Managing Director		1,000,000
Pro forma balance		1,000,000

Investigating Accountant's Report cont'd

	Reviewed as at 31 December 2017	Pro forma after Public Offer
NOTE 7. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(782,385)	(126,110)
Reviewed balance of Constellation Resources Limited at 31 December 2017		(782,385)
<i>Subsequent adjustment:</i>		
Exploration expenditure		(150,489)
Share base payment (vested options)		(43,385)
Loan forgiven by Apollo Minerals net of options issued		850,149
Pro forma balance		(126,110)

	Reviewed as at 31 December 2017	Pro forma after Public Offer
NOTE 8. INTERCOMPANY LOAN (NON-CURRENT)	\$	\$
Intercompany Loan	1,083,961	-
Reviewed balance of Constellation Resources Limited at 31 December 2017		1,083,961
<i>Subsequent event:</i>		
Proceeds from borrowings		116,188
Loan forgiven		(1,200,149)
Pro forma balance		-

	Reviewed as at 31 December 2017	Pro forma after Public Offer
NOTE 9. INTERCOMPANY LOAN (CURRENT)	\$	\$
Intercompany Loan	-	-
Reviewed balance of Constellation Resources Limited at 31 December 2017		-
<i>Subsequent events:</i>		
Proceeds from borrowings		100,000
<i>Pro forma adjustment:</i>		
Repayment of borrowings		(100,000)
Pro forma balance		-

NOTE 10. COMMITMENTS AND CONTINGENCIES

At the date of the pro forma financial information no material commitments or contingent liabilities exist that we are aware of, other than as follows:

(a) Exploration Expenditure - Australia

The Company has certain obligations with respect to tenements and minimum expenditure requirements in Australia, as follows:

	2017
	(\$)
Within 1 year	319,875
1 to 2 years	279,375
Total	599,250

(b) Minimum Exploration Expenditure Requirement

The Company has minimum expenditure commitment with respect to the tenements of \$294,000 per year.

APPENDIX 6

CONSTELLATION RESOURCES LIMITED

SUBSEQUENT EVENTS

The pro forma statement of financial position reflects the following event that occurred subsequent to 31 December 2017:

- Under the terms of the letter of appointment the Company issued 1,000,000 Incentive Options to the Managing Director. The rights attaching to the Incentive Options are noted in Section 10.3 of the Prospectus. The Incentive Options were valued at \$111,119 with \$43,385 to be expensed to 30 June 2018 and the remaining \$67,734 to be expensed over the vesting period;
- The Company borrowed an additional \$116,188 from the parent company Apollo Minerals to fund exploration expenditure of \$89,864 which is expensed in accordance with the Company's accounting policy and to repay creditors to the value of \$26,324;
- Pursuant to the Working Capital Facility, the Company was also advanced an amount of \$100,000 from the parent company Apollo Minerals of which \$65,000 has been expensed in accordance with the Company's accounting policy; and
- Pursuant to a debt forgiveness agreement, the parent company Apollo Minerals has agreed to forgive all loan advances to the Company in relation to exploration activities at the Orpheus Project of \$1,200,149.

The Company has issued to Apollo Minerals 3,000,000 Options in consideration for the loan forgiven. The unlisted options were valued at 11.67 cents each, resulting in a value of \$350,000. The options were valued using the Black-Scholes valuation model using the following inputs:

Expected spot price	\$0.20
Option exercise price	\$0.20
Period to expiry	3 years
Median volatility	118.2%
Risk free rate	2.13%

APPENDIX 7

CONSTELLATION RESOURCES LIMITED

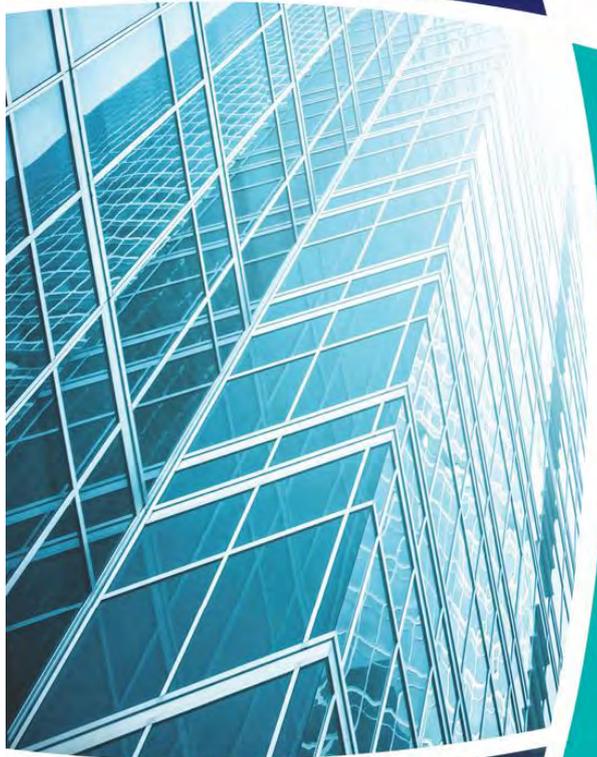
ASSUMPTIONS ADOPTED IN COMPILING THE PRO FORMA STATEMENT OF FINANCIAL POSITION

Pro Forma Transactions

The pro forma historical Statement of Financial Position is shown in Appendix 4. This has been prepared based on the financial statements as at 31 December 2017, the subsequent events set out in Appendix 6, and the following transactions and events under this Prospectus:

- The issue of 35,000,000 Shares at an issue price of \$0.20 each to raise \$7,000,000 before costs of \$320,000, pursuant to the Offer under the Prospectus;
- The issue of one free attaching Option for every three shares issued, exercisable at \$0.20 on or before 31 July 2021; and
- Pursuant to the Working Capital Facility, the repayment of the advance from the parent company of \$100,000.

6. Independent Technical Report



CSA Global
Mining Industry Consultants

Independent Technical Assessment

Orpheus Project Mineral Assets

CSA Global Report Nº R127.2018
19 April 2018

www.csaglobal.com



Report prepared for

Client Name	Constellation Resources Limited
Project Name/Job Code	CRLITA01
Contact Name	Robert Behets
Contact Title	Executive Director
Office Address	Level 9, The BGC Centre, 28 The Esplanade, PERTH WA 6000

Report issued by

CSA Global Office	CSA Global Pty Ltd Level 2, 3 Ord Street West Perth, WA 6005 AUSTRALIA
	PO Box 141, West Perth WA 6872 AUSTRALIA
	T +61 8 9355 1677 F +61 8 9355 1977
	E csaaus@csaglobal.com
Division	Corporate

Report information

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Author and Reviewer Signatures

Author	Tony Donaghy BSc (Hons), Associate Diploma of Civil Engineering, P.Geo	Signature:	
Author	Marcus Willson MSc (Geology), BSc (Geology), MAIG, RPGeo	Signature:	
Peer Reviewer	Trivindren Naidoo MSc, FGSSA, MAusIMM, Pr.Sci.Nat	Signature:	
CSA Global Authorisation	Graham Jeffress BSc (Hons) Applied Geology, RPGeo, FAIG, FAusIMM, FSEG, MGSA	Signature:	

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Executive Summary

CSA Global Pty Ltd (CSA Global) has reviewed the mineral projects that will form the basis for the planned initial public offering of shares by Constellation Resources Limited (Constellation) for the company to enable a listing on the Australian Securities Exchange (ASX). The projects, called the Orpheus Project (“the Project”), are in the jurisdiction of Western Australia (Figure 1 and Figure 2) and will be the key focus for exploration activities for the next two years moving forward for Constellation.

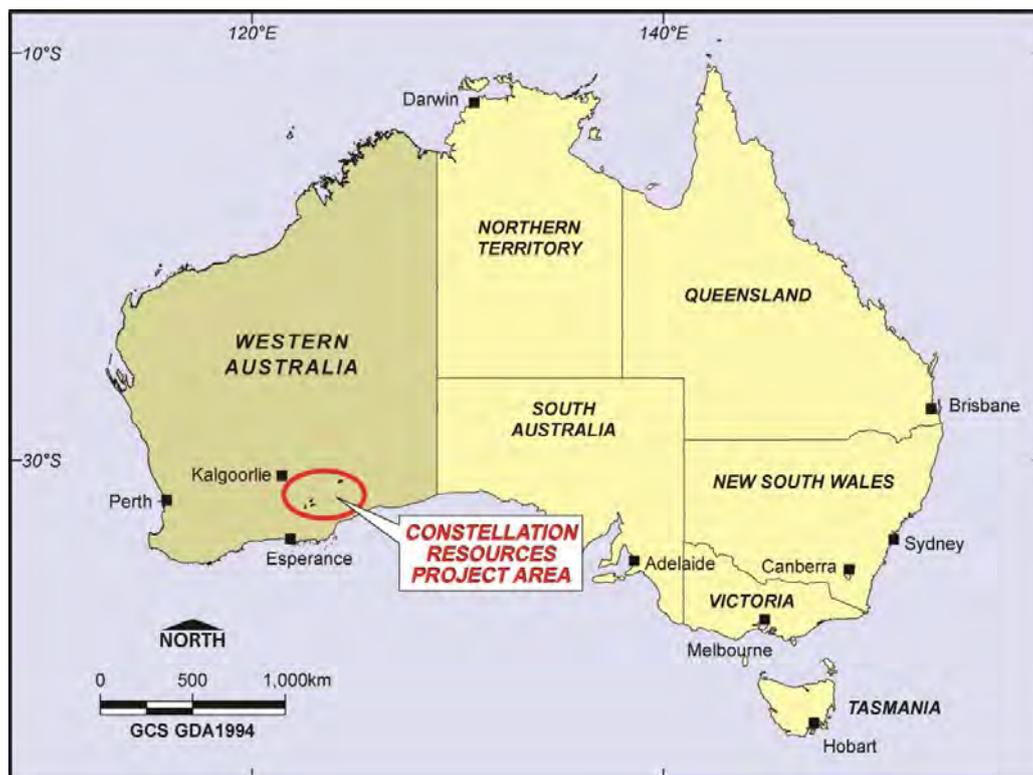


Figure 1: Constellation’s project area

Table 2 summarises Constellation’s proposed exploration expenditure for the initial two years after listing. The total expenditure on exploration in the first two years, based on a minimum subscription, amounts to 63% of the total funds raised (A\$4.4 million, out of a total A\$7.0 million raised). The program to be completed over the first two years includes:

- Ground electromagnetic (EM) surveys to refine targets already detected on E63/1281, E63/1282 and E28/2403.
- The southern half of E63/1282 will be screened using an airborne EM system.
- Drilling of existing nickel and gold targets using aircore (AC) or reverse circulation (RC) drilling:
 - 3,000 m of AC drilling is planned on E63/1282
 - A further 1,000 m of AC drilling is planned on E28/2403
 - A total of 1,000 m of RC drilling is allocated to drill test targets on E63/1281 and E63/1282.
- Geological mapping, rock chip and soil geochemical sampling over conceptual targets generated from historical data.



- 2,000 m of RC drilling and 1,500 m of diamond drilling is planned on E28/2403 to drill test any ground EM conductors identified.
- 3,000 m of RC drilling and 2,000 m of diamond drilling is planned on E63/1282 to follow-up any gold and nickel-copper-platinum group elements (PGE) sulphide targets identified.
- 3,000 m of RC drilling and 2,000 m of diamond drilling is planned on E63/1281 to follow-up any nickel-copper-PGE sulphide targets identified in Year 1.

CSA Global has reviewed Constellation’s proposed exploration activities and is of the opinion the funds raised will be sufficient for the proposed program, and that the programs are appropriate.

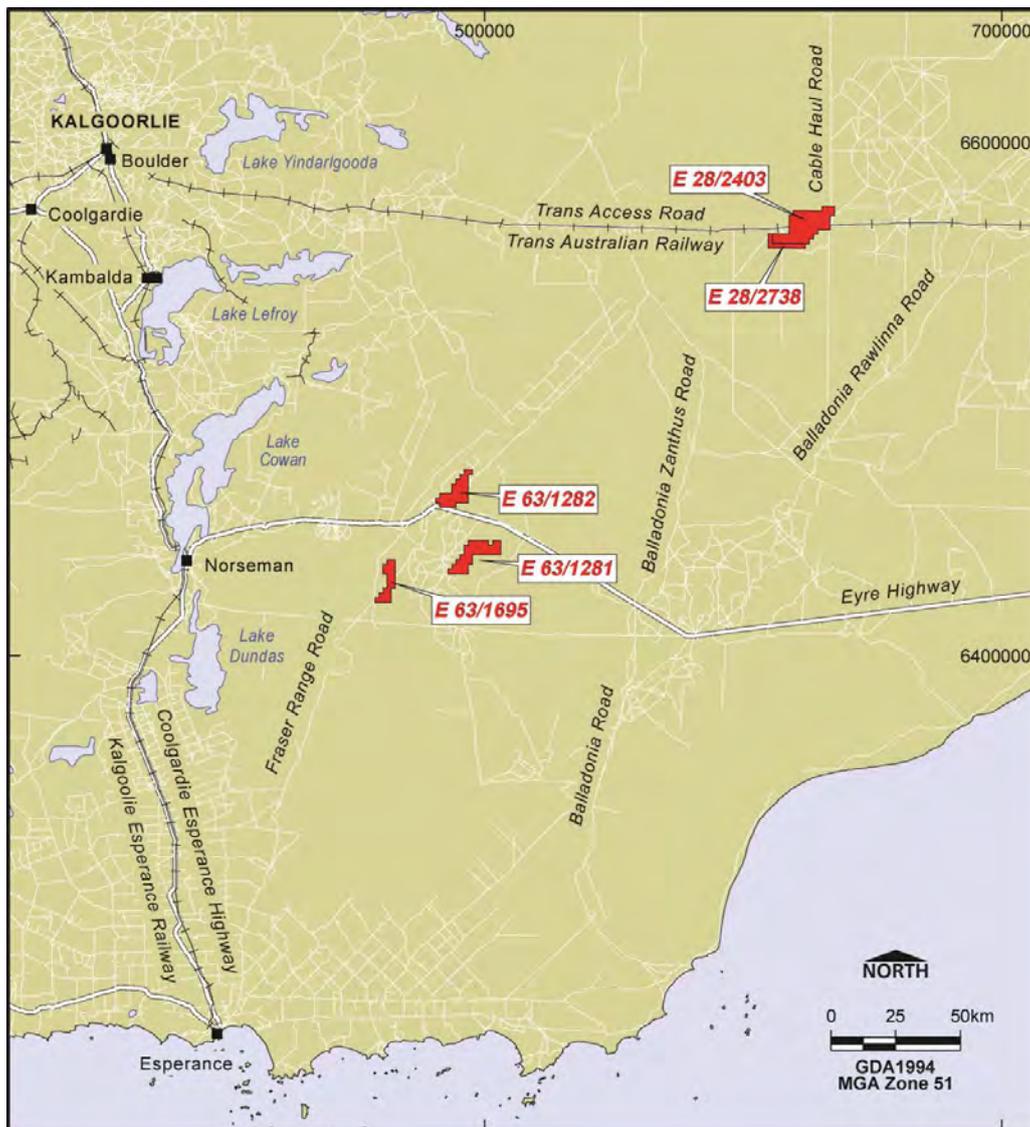


Figure 2: Constellation’s Orpheus Project location



Orpheus Project

The five tenements comprising Constellation's Orpheus Project that will be the focus of exploration activity in the first two years of operation are granted exploration licences E63/1281, E63/1282 and E28/2403; and exploration licence applications E63/1695 and E28/2738.

All five tenements are located within the arcuate belt of rocks comprising the Albany-Fraser Orogen (AFO), that extends approximately 1,200 km along the southern and south-eastern margin of the Yilgarn Craton (Figure 4). It is characterised by high-metamorphic grade mafic and felsic gneisses together with voluminous granite and mafic-ultramafic intrusive plutons and complexes.

The AFO comprises two main tectonic units that reflect its relationship to the Yilgarn Craton:

1. Northern Foreland.
2. Kepa Kurl Booya Province.

The Northern Foreland originated as part of the Archean Yilgarn Craton and comprises tectonically reworked slivers of the Yilgarn crust. The Kepa Kurl Booya Province is defined as the crystalline basement of the AFO. It includes four fault-bound geographical and structural zones (Tropicana, Biranup, Fraser and Nornalup).

Two major tectonic events have been recognised in the AFO:

1. The recently defined Palaeoproterozoic Biranup Orogeny that covers the period 1,710–1,650 Ma.
2. The Mesoproterozoic AFO, which took place in two stages: 1,345–1,260 Ma (Stage I) and 1,215–1,140 Ma (Stage II).

Stage I is dominantly represented by voluminous mafic and felsic magmatism forming both the Recherche Supersuite and the mafic-ultramafic magmatic rocks of the Fraser Zone, and was accompanied by high-temperature metamorphism and deformation.

The Project area is dominated by two of the main regional tectonostratigraphic packages of the AFO; the Fraser Zone and Biranup Zone.

The Biranup Zone is a belt of predominantly mid-crustal rocks that lies along the entire southern and south-eastern margin of the Yilgarn Craton. The Biranup Zone is dominated by intensely deformed orthogneiss, metagabbro, and paragneiss, with ages ranging from 1,800 Ma to 1,625 Ma. There are fragments of Archaean granite, and possibly greenstones, within the Biranup Zone.

The Fraser Zone is dominated by high-grade metagabbroic rocks that have a strong, distinct, geophysical signature in both aeromagnetic and gravity data. The Fraser Zone contains the 1,290–1,305 Ma Fraser Range Metamorphics, which are dominated by sheets of metagabbroic rocks, interlayered with sheets of granitic material, and layers or slivers of metasedimentary rocks.

The AFO Fraser Zone mafic-ultramafic intrusive suites have long been viewed as prospective for potential nickel-copper-cobalt (Ni-Cu-Co) magmatic sulphide systems dating back to the 1960s, culminating in the discovery in 2012 of the Nova-Bollinger Ni-Cu-Co deposit. The Nova-Bollinger system is currently being mined by Independence Group NL (IGO).

The most important gold deposit in the region is the Tropicana gold deposit operated by AngloGold Ashanti Australia Pty Ltd (70%) in joint venture with IGO (30%). The mineral deposit is hosted in tectonically reworked Archaean rocks that form the eastern margin of the Yilgarn Craton, Western Australia, on the margin of the AFO.

Constellation will be focusing exploration activity on the Project into the search for nickel and gold mineralisation on the five tenements.

**E63/1281**

This tenement is a granted exploration licence and is located entirely within the Fraser Range Metamorphics. E63/1281 has been the primary focus of previous exploration on the Project. Previous exploration, comprising regional and detailed surface geochemistry and entire tenement coverage of airborne EM (HeliTEM), has delineated several targets for nickel that require follow-up exploration activity.

The Plato target represents the only system so far in the Project area demonstrated to host magmatic nickel-copper sulphide mineralisation and has been the subject of extensive surface geochemistry; surface geophysics; and reconnaissance level RC and diamond drilling.

The disseminated to blebby magmatic nickel sulphide system discovered at Plato is strong encouragement for further exploration activity in the area. The presence of good nickel tenor sulphides in olivine-bearing mafic to ultramafic lithologies demonstrates that the process of forming magmatic nickel sulphides has occurred in the system. This is a significant step in the geological process that may eventually lead to formation of an economic accumulation of the sulphides, although such accumulation processes are not automatically guaranteed to have occurred.

A potential HeliTEM conductivity anomaly identified will be followed up with further bedrock geochemical sampling and surface geophysics. Surface geochemical nickel-copper targets 1281_4, 1281_7 and 1281_9 will be followed up with further bedrock geochemical sampling and surface geophysics contingent on data reprocessing and levelling to confirm the anomalism identified.

CSA Global's opinion is that this tenement has strong exploration potential for discovery of magmatic nickel-copper sulphide mineralisation.

It is CSA Global's opinion that the Plato target has been sufficiently tested for potential accumulation of magmatic sulphides near surface. However, deeper potential has not yet been assessed and remains open. All drilling to date has been terminated in the target host rocks and the lower margins of the host mafic-ultramafic intrusive system have not yet been tested. The Plato target represents a significant proof of concept for the exploration rationale searching for magmatic nickel-copper sulphides in the area.

Surface geochemical targets identified are all near the previously identified Heart geochemical target. CSA Global also recommends that the Heart target be tested with a grid survey of appropriately designed surface geophysics and bedrock geochemistry.

CSA Global believes the remainder of the tenement is essentially underexplored for magmatic nickel-copper sulphide mineralisation. CSA Global recommends that the company conduct a detailed ground gravity survey to try and focus exploration under cover into buried mafic-ultramafic intrusive complexes.

CSA Global concludes that there is very limited gold prospectivity within tenement E63/1281.

E63/1282

This tenement is a granted exploration licence and is located entirely within the Fraser Range Metamorphics. E63/1282 has received limited previous exploration on the Project, primarily in the north of the tenement. The tenement is still at a very early stage of exploration. There has been only a rudimentary first-pass of exploration activity targeted at nickel-copper sulphide mineralisation, primarily comprising regional and limited detailed soil geochemistry, and an airborne EM (HeliTEM) survey flown over the northern portion of the tenement. No direct bedrock sampling or ground geophysical surveys have been conducted. The tenement is underlain by extensive mafic-ultramafic intrusive rocks as evidenced by the outcropping lithologies along the prominent Fraser Range.

CSA Global's opinion is that this tenement has good exploration potential for discovery of magmatic nickel-copper sulphide mineralisation. CSA Global recommends that the HeliTEM anomalies identified in



the northern portion of the tenement be immediately followed up with a program of ground geophysical surveys.

The regional surface geochemistry identified areas of anomalous gold. The main area, with a number of samples showing elevated gold in near proximity, occurs in the northeast corner of the tenure. Infill surface geochemistry provides additional support for statistically consistent and significant gold anomalism in this area. CSA Global concludes that this area demonstrates sufficient support from a combination of surface geochemistry and geophysics to warrant priority follow-up for gold exploration.

E63/1695

The tenement is an exploration licence application and is underlain by the Biranup Zone of the AFO. The Biranup Zone has no known nickel-copper sulphide prospectivity at this time. All known true magmatic nickel-copper sulphide mineralisation discovered to date in the AFO has been within the Fraser Zone and correlates. It is uncertain whether any mafic-ultramafic lithologies are present on the tenement.

CSA Global does not consider this tenement to be a high priority exploration target for magmatic nickel-copper sulphides. CSA Global recommends that the tenement be surveyed with gravity data at sufficient station spacing to determine the likelihood of potential buried mafic-ultramafic lithologies before commencing any other exploration activities targeting magmatic nickel-copper sulphides.

The tenement was covered by previous explorers with a single program of regional surface auger geochemistry. Two relatively coherent areas of gold anomalism are defined by the data, including an area in the central north of the tenement and an area in the southwest corner of the tenement. CSA Global considers that, while gold anomalism has been identified, there is insufficient support in other targeting criteria at this stage to consider these areas priority for follow-up for gold exploration.

E28/2403 and E28/2738

E28/2403 is a granted exploration licence and E28/2738 is an exploration licence application. Geology within the tenements is poorly known. The entire tenement is 100% covered with recent sand and calcrete, Tertiary limestone and sandstone and possibly some Cretaceous Madura Formation of the western Eucla Basin overlapping the AFO. This recent cover is estimated to be in the order of 60 m thick given results from historic drilling just to the west of the tenement. Interpreted geophysical magnetic and gravity data suggests that the Proterozoic basement lithology is a mix of Fraser Zone and Nornalup Zone, with the boundary between the two along the south-eastern edge of the tenements.

The tenements are still at a very early stage of exploration. The tenement has been covered by two phases of surface geochemistry, encompassing a calcrete focused auger program and a regional soil sampling program.

There has been only a rudimentary first pass of exploration activity targeted at nickel-copper sulphide mineralisation. No direct bedrock sampling has been undertaken, and ground geophysical surveys conducted are limited to gravity surveys of the northern portion of E28/2403. The tenements are believed to be underlain by the Fraser Zone. This interpretation is corroborated by potential buried dense mafic-ultramafic intrusive complexes from interpretation of the detailed gravity data collected to date in the northern portion of E28/2403.

CSA Global's opinion is that these tenements have good exploration potential for discovery of magmatic nickel-copper sulphide mineralisation.

CSA Global recommends that the tenements be surveyed with detailed ground gravity to determine the number and extent of potential buried dense mafic-ultramafic intrusive complexes beneath cover. This survey will then provide focus for further exploration to try and determine bedrock geology through the thick cover sequences.



A statistical review of the soil sampling data indicates that in the northern half of the tenure, a number of statistically anomalous gold values have been returned with little evidence of coherency. In the southern central portion of the tenure, where soil and auger drilling programs interleave, a general trend of gold anomalism is noted that is reasonably coincident.

CSA Global considers that, while gold anomalism has been statistically identified, the work completed to date is not considered a reasonable test of prospectivity for this element within this area, particularly considering the relative effectiveness of surface geochemical sampling given the depth of cover. Current work, particularly in the south of the tenure, provides some encouragement but would be considered low priority for additional follow-up without further support in other exploration datasets.

Technical Risks

As with most early exploration prospects, the key technical risk is that further exploration may not result in the discovery of an economic resource. The Project is early stage, and significant exploration is still required to determine the likelihood of discovery.

The significant coverage of conductive transported overburden throughout much of the Project area adds significant uncertainty to the interpretation of surface geological, geophysical and geochemical data. There is a risk in such datasets of either false positive anomalism or masking of true positive results resulting from the characteristics of the overburden sequence that may have no relationship to the prospectivity of the underlying bedrock.

Outside E63/1281, the exploration potential for magmatic Ni-Cu-Co mineralisation is speculative, and significant work remains to be done to demonstrate proof of concept in the other four tenement areas. Thereafter, there is risk that no economic levels of mineralisation will be defined.

The exploration potential for gold across the project is speculative and significant exploration remains to be done to demonstrate proof of concept. Thereafter, there is risk that no economic levels of mineralisation will be defined.

Proposed Work

The aim for the first two years of exploration is to:

- Refine and subsequently drill test existing geophysical (magnetic, gravity and EM) targets for Nova-style nickel-copper-PGE sulphide mineralisation
- Refine and subsequently drill test the existing gold-in-soil anomaly for Proterozoic gold mineralisation
- Generate further targets for drill testing through focused and targeted regional exploration.

CSA Global agrees with this exploration approach exploring for the style of nickel and gold mineralisation targeted. These programs are reasonable given the targets to be tested and the operational logistics of exploration activity in the project area.

In addition, CSA Global would recommend that:

- Airborne EM surveys be conducted with a high-powered system capable of penetrating the conductive overburden. It is recommended that this airborne survey take place prior to any surface geochemical programs so as to better target sampling at areas of residual soils and avoid regions of significant palaeodrainage and depth of conductive cover.
- Emphasis in ground geophysics be placed on conducting MLEM surveys wherever feasible as the preferred method for direct detection of magmatic nickel-copper sulphides in this type of exploration environment.

Independent Technical Report cont'd

CONSTELLATION RESOURCES LIMITED
INDEPENDENT TECHNICAL ASSESSMENT REPORT – ORPHEUS PROJECT MINERAL ASSETS



- Constellation conduct detailed ground gravity surveys over all tenements prospective for magmatic nickel-copper sulphide mineralisation to map the subsurface distribution of the target mafic-ultramafic intrusive lithologies favourable for hosting nickel-copper sulphides.
- The Heart geochemical target be surveyed with a MLEM grid to fully cover off exploration potential.
- Consideration be given to deep (greater than 450 m depth) reconnaissance stratigraphic drilling coupled with borehole EM at the Plato target to test the potential intrusive footwall contact at depth below the existing disseminated to blebby, high nickel tenor magmatic sulphide system.
- Any conceptual targets identified be reviewed in the tectonic context of the known deformation and metamorphic history of the Nova-Bollinger ore system to ensure targeting adopts the lessons learned in the discovery history of that deposit.



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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global) was requested by Constellation Resources Limited (“Constellation” or “the Company”) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support an initial public offering (IPO) of shares (35 million fully paid ordinary shares at an issue price of A\$0.20 per share to raise A\$7.0 million) for Constellation to enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the Project areas.

This ITAR details Constellation’s principal project in Western Australia, the Company’s Orpheus Project (“the Project”).

The ITAR is subject to the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (“VALMIN¹ Code”). In preparing this ITAR, CSA Global:

- Adhered to the VALMIN Code.
- Took due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and the ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports and ASIC Regulatory Guide 112 – Independence of Experts.
- Relied on the accuracy and completeness of the data provided to it by Constellation, and that Constellation made CSA Global aware of all material information in relation to the Project.
- Relied on Constellation’s representation that it will hold adequate security of tenure for exploration and assessment of the Project to proceed.
- Required that Constellation provide an indemnity to the effect that Constellation would compensate CSA Global in respect of preparing the report against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or liability is a direct result of Constellation or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or Constellation, or its directors or officers knowingly withholding material information.
- Required an indemnity that Constellation would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

1.2 Compliance with the VALMIN and JORC Codes

The report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy, the JORC² Code and the rules and guidelines issued by such bodies as the ASIC and ASX that pertain to Independent Expert Reports.

¹ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. <<http://www.valmin.org>>

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. (The JORC Code), 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). <<http://www.jorc.org>>



1.3 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the Project on information made available to the principal authors by Constellation, along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and unpublished data. CSA Global has also relied upon discussions with Constellation's management for information contained within this assessment. This report has been based upon information available up to and including 23 April 2018.

CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. Unless otherwise stated, information and data contained in this technical report or used in its preparation has been provided by Constellation in the form of documentation.

Constellation was provided a final draft of this report and requested to identify any material errors or omissions prior to its lodgement.

Descriptions of the mineral tenure; tenure agreements, encumbrances and environmental liabilities were provided to CSA Global by Constellation or its technical consultants. Constellation has warranted to CSA Global that the information provided for preparation of this report correctly represents all material information relevant to the Project. Full details on the tenements is provided in the Independent Solicitor's Report elsewhere in the prospectus.

This report contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this report, and these statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72.

1.4 Authors of the Report

CSA Global is a privately owned, mining industry consulting company headquartered in Perth, Western Australia. CSA Global provides geological, resource, mining, management and corporate consulting services to the international resources sector and has done so for more than 30 years.

This Independent Technical Assessment (ITA) has been prepared by a team of consultants sourced principally from CSA Global's Perth, Western Australia office. The individuals who have provided input to the ITA have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The Consultant preparing this ITA is a specialist in the field of geology and exploration, in particular relating to nickel and cobalt.

The following individuals, by virtue of their education, experience and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this report. The Competent Persons' individual areas of responsibility are presented below:

- Principal author – Mr Tony Donaghy (Principal Consultant – Nickel with CSA Global in Perth, Western Australia) is responsible for the entire report.
- Contributing author – Mr Marcus Willson (Manager Exploration and Evaluation of CSA Global in Perth, Western Australia) is responsible for the technical assessment of gold exploration within the report.

Tony Donaghy is an internationally recognised expert in the global search for nickel, copper, cobalt and platinum group elements (PGEs), with more than 15 years' experience covering all continents and all aspects of the industry – from leading continental-scale grassroots targeting exercises, through greenfields and brownfields exploration project design and execution, mining, property evaluation and due diligence, to board level strategy development and guidance.



Marcus Willson has close to 30 years' experience in the mineral industry, ranging from early stage exploration activities, exploration management, strategy development and implementation, through to senior corporate management roles. Marcus has specialist expertise in Archaean and Birimian orogenic, intrusion related, and porphyry related gold (with copper), regolith interpretation and geochemistry as well as in litho-tectonic/structural analysis in the context of hydrothermal mineralisation. He uses these skills to deliver integrated, mineral systems-based, geological models and targeting advice. Marcus' significant corporate experience provides skills in project risk analysis, ranking and valuation

Peer review was completed by Trivindren Naidoo, a consulting geologist with over 19 years' experience in the minerals industry, including 13 years as a consultant. He has an extensive background in mineral exploration, and specialises in due diligence reviews, project evaluations and valuations, as well as code-compliant reporting. His knowledge is broad based and he has wide-ranging experience in the field of mineral exploration and resource development, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation.

1.5 Independence

Neither CSA Global, nor the authors of this report, has or has had previously, any material interest in Constellation or the mineral properties in which Constellation has an interest. CSA Global's relationship with Constellation is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to Constellation at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report. The fee for the preparation of this report is approximately A\$29,600.

No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of Constellation. No member or employee of CSA Global has, or has had, any shareholding in Constellation.

There is no formal agreement between CSA Global and Constellation as to Constellation providing further work for CSA Global.

1.6 Declarations

1.6.1 Purpose of this Document

This report has been prepared by CSA Global at the request of Constellation. Its purpose is to provide an ITA of Constellation's Orpheus Project.

The report is to be included in its entirety or in summary form within a prospectus to be prepared by Constellation in connection with an IPO. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 23 April 2018, and could alter over time depending on exploration results, mineral prices and other relevant market factors.

1.6.2 Competent Person's Statement

The information in this report that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Mr Tony Donaghy, a Competent Person who is a Registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario, an RPO, in relation to the nickel exploration assessment, and by Mr Marcus Willson, a Competent Person who is a Member of the Australian Institute of Geoscientists, in relation to the gold exploration assessment.

Mr Donaghy and Mr Willson are employed by CSA Global.



Mr Donaghy has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the “Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets”, and as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Donaghy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Willson has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the “Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets”, and as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Willson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.6.3 *Site Inspection*

No site visit was made to the Orpheus Project, as the authors have sufficient knowledge of this region to assess the Project; the Project is at an early stage, and there is very limited relevant outcrop of interest to inspect. No further material information would be gained, and the authors currently have sufficient information to assess the Project.

1.7 **About this Report**

This report describes the prospectivity of the Constellation tenements, located in the Albany Fraser region of Western Australia. The geology and mineralisation for each tenement is discussed, as well as the exploration work done, and the results obtained there from.

No valuation has been requested or completed for the Project.



2 Orpheus Project

2.1 Location, Access and Infrastructure

The licence areas are located within the Fraser Range area of south-eastern Western Australia (Figure 3), spread along an axis from approximately 100 km east of Norseman to 280 km east of Kalgoorlie. Combined they cover an area of approximately 552 km². Tenements are covered by a combination of pastoral leases and Vacant Crown Land. E63/1281 is on the Southern Hills Station pastoral lease; E63/1282 is on the Fraser Range Station pastoral lease; E28/2403 and E28/2738 are on the Kanandah Station pastoral lease, with the northern most portion of E28/2403 on Vacant Crown Land; and E63/1695 lies within the Dundas Nature Reserve.

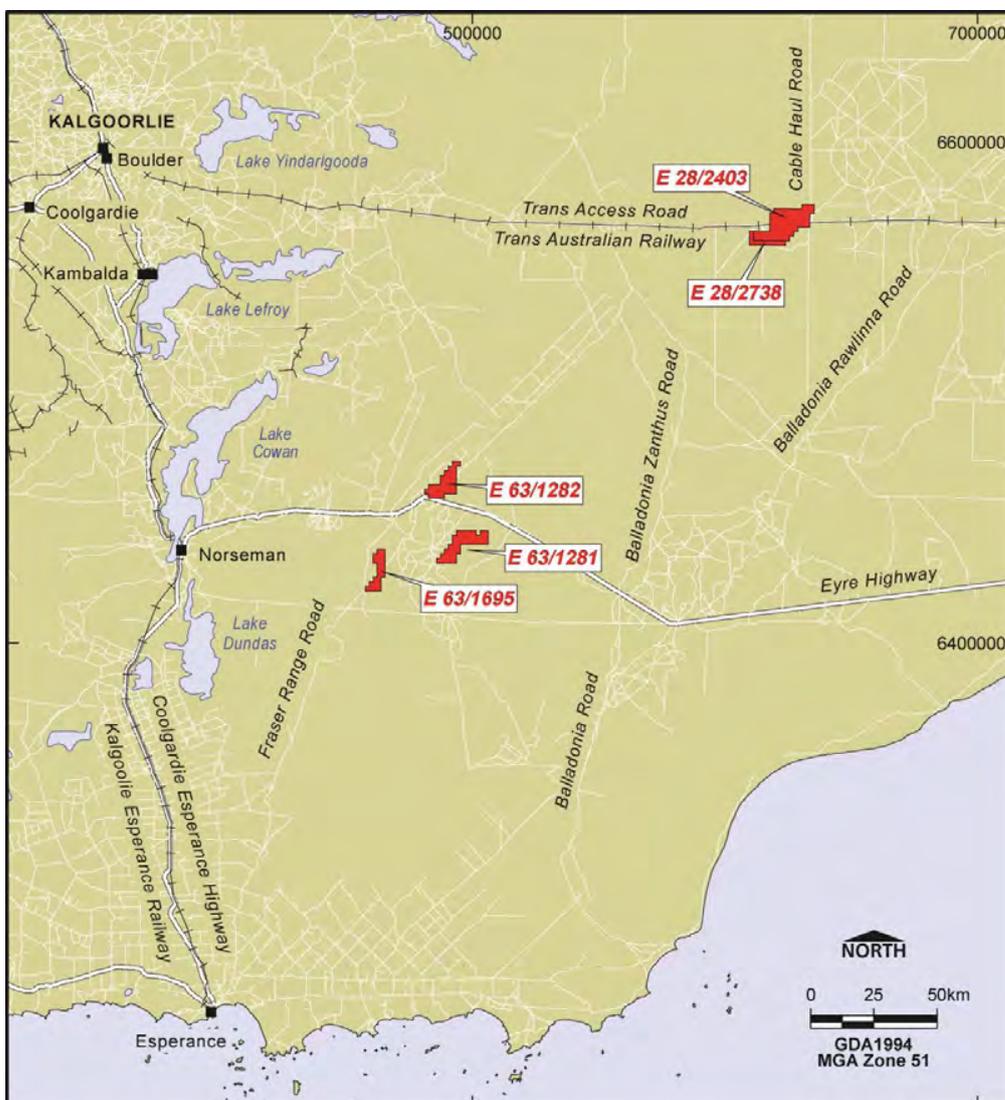


Figure 3: Constellation's Orpheus Project tenure and location
 Source: Constellation



Access to the Project areas E63/1281, E63/1282 and E63/1695 can be achieved via the Eyre Highway and local station tracks on the pastoral leases. E63/1281 and E63/1282 straddle the highway. Access to E28/2403 and E28/2738 is via service tracks to the Trans Pacific Railway and local station tracks, just east of the Kitchener Railway siding. E28/2403 straddles the main rail line.

2.2 Climate, Topography and Vegetation

The climate of the Fraser Range region is semi-arid, with a mean annual rainfall of 280 mm, which generally decreases to the northeast. Streams are ephemeral, although scattered swamps and gnamma holes retain water through all but the driest months.

The Fraser Range, which trends north-eastward across the central part of the Fraser Range region, consists of undulating hills and isolated low ridges. The highest peak, Mount Pleasant at 579 m above sea level, lies immediately northeast of the Fraser Range Homestead and to the immediate south of E63/1282. Major easterly to south-easterly trending drainage channels are associated with palaeodrainage systems. Elsewhere, streams are restricted to the flanks of larger hills.

Fraser Range is covered by blackbutt woodland, with scrub at higher elevations. Sandy soil is present on some outcrops, with red loam filling depressions between hills. The vegetation east and west of Fraser Range is mainly mixed eucalypt woodland with patches of mallee and spinifex in the north.

2.3 Tenure

Constellation has advised CSA Global that the due diligence on matters in respect of tenure is covered by an Independent Solicitor's Report prepared by DLA Piper Australia that appears in Section 8 of the Prospectus. The Company's Orpheus Project tenure comprises three granted exploration licences and two exploration licence applications, with a combined area of 551.8 km² (Figure 3). Tenement details are provided in Table 1. CSA Global has been advised by Constellation that the tenements have been maintained in good standing.

Table 1: Tenement details for the Orpheus Project

Tenement	Grant date	Expiry date	Holder name	Area (km ²)	Interest (%)
E63/1281	18/02/2010	17/02/2020	Constellation Resources Limited	127.10	70
E63/1282	18/02/2010	17/02/2020	Constellation Resources Limited	105.40	70
E28/2403	2/10/2015	1/10/2020	Constellation Resources Limited	213.90	70
E63/1695	Application		Enterprise Metals Limited	71.30	70
E28/2738	Application		Constellation Resources Limited	34.10	100

Source: Constellation

2.4 Geology

2.4.1 Regional Geology

The regional geology is covered extensively by Spaggiari and Tyler (2014) and Maier *et al.* (2016), who give the most recent detailed account of the regional geology of the Albany-Fraser Orogen (AFO) and the Fraser Zone in particular. The following is a synopsis of their work. In the following, "Ma" refers to million years before present.

The arcuate belt of rocks comprising the AFO extends approximately 1,200 km along the southern and south-eastern margin of the Yilgarn Craton (Figure 4). It is characterised by high-metamorphic grade mafic and felsic gneisses together with voluminous granite and mafic-ultramafic intrusive plutons and complexes.



The AFO comprises two main tectonic units that reflect its relationship to the Yilgarn Craton:

1. Northern Foreland.
2. Kepa Kurl Booya Province.

The Northern Foreland originated as part of the Archean Yilgarn Craton and comprises tectonically reworked slivers of the Yilgarn crust, and in general overlies the non-reworked part of the craton in various thrust sheets. The Kepa Kurl Booya Province is defined as the crystalline basement of the AFO. It includes four fault-bound geographical and structural zones (Tropicana, Biranup, Fraser and Nornalup) that contain rocks with variable protolith ages and geological histories. These zones formed offshore from the Yilgarn Craton during cyclical extensional and compressional tectonic regimes, and sequentially became accreted to the southern and south-eastern Yilgarn Craton over time, culminating in the Albany Fraser Orogeny. This interpretation of geological history is complicated by issues such as multiply overprinting thermal and deformation events, and a severe paucity of outcrop due to well-developed thick cover sequences across most of the belt. Much of the interpretation of the AFO is reliant on regional geophysics such as aeromagnetics, gravity, and deep seismic and Audio Magnetotelluric survey profiles.

Two major tectonic events have been recognised in the AFO:

1. The recently defined Palaeoproterozoic Biranup Orogeny that covers the period 1,710–1,650 Ma, which includes the 1,680 Ma Zanthus Event. This Orogeny was marked by widespread magmatism, the formation of sedimentary basins, and high-temperature metamorphism and deformation; and,
2. The Mesoproterozoic AFO, which took place in two stages: 1,345–1,260 Ma (Stage I) and 1,215–1,140 Ma (Stage II). Stage I has been interpreted to reflect the northwest-directed convergence and subsequent collision of the combined South Australian and Mawson Cratons with the Yilgarn Craton, whereas Stage II is interpreted to reflect intracratonic mountain building processes post-collision.

Stage I is dominantly represented by voluminous mafic and felsic magmatism forming both the Recherche Supersuite and the mafic-ultramafic magmatic rocks of the Fraser Zone, and was accompanied by high-temperature metamorphism and deformation.

The deformation patterns established by the deformation events, particularly Stage II, have formed the preserved crustal architecture we see today, dominated by craton-directed, fault-bound thrust slices and stacks of largely mid-crustal, high metamorphic grade-rocks.

The eastern extent of the AFO coincides with the Rodona Shear Zone, which separates the orogen from the Madura Province. The Madura Province comprises an entirely covered basement terrane interpreted to represent an offshore oceanic island arc and oceanic basin complex with a separate Proterozoic history prior to ca 1,330Ma, that was subsequently accreted to the southern margin of the AFO commencing during Stage I.

The Project area is dominated by two of the main regional tectonostratigraphic packages of the AFO, the Fraser Zone and Biranup Zone.

The Biranup Zone is a belt of predominantly mid-crustal rocks that lies along the entire southern and south-eastern margin of the Yilgarn Craton. In the eastern part of the orogen, the Biranup Zone is in fault contact to the southeast with the Mesoproterozoic Fraser and Nornalup Zones. The Biranup Zone is dominated by intensely deformed orthogneiss, metagabbro, and paragneiss, with ages ranging from 1,800 Ma to 1,625 Ma. There are fragments of Archaean granite, and possibly greenstones, within the Biranup Zone.

The Fraser Zone is bounded by the Fraser Fault Zone along its north-western edge and southern tip, and by the Newman Shear Zone and Boonderoo Fault along its south-eastern edge. It is dominated by high-grade metagabbroic rocks that have a strong, distinct, geophysical signature in both aeromagnetic and gravity data. Most of the north-eastern part of the Fraser Zone is obscured by younger rocks of the Eucla



Basin, but geophysical data show that it is a north-easterly-trending, fault-bounded unit that is approximately 425 km long and up to 50 km wide.

The Fraser Zone contains the 1290–1305 Ma Fraser Range Metamorphics, which are dominated by sheets of metagabbroic rocks, interlayered with sheets of granitic material, and layers or slivers of metasedimentary rocks of the Arid Basin. The metasedimentary rocks were deposited just prior to the intrusion of the mafic and felsic magmatic rocks, and all have been metamorphosed at high temperatures (granulite facies), with some locally retrogressed to amphibolite facies. The metasedimentary rocks mostly occur along the north-western side of the Fraser Zone, and are typically intercalated with layers of mafic granulite or amphibolite that were probably originally dykes, sills, or sheets related to the main gabbroic intrusions. Recent dating by the Geological Survey of Western Australia (GSWA) has placed the age of intrusion of the mafic-ultramafic lithologies as synchronous with the age of peak metamorphism at 1,305–1,290 Ma.

Myers (1985) divided the then called Fraser Complex into five structurally layered units; these now form part of the Fraser Range Metamorphics in the Fraser Zone. These units are as follows:

- Unit 1: A steeply east-dipping sheet between 3 km and 6 km thick composed of mainly garnet amphibolite and thin layers of metamorphosed ultramafics, melanogabbro, and anorthosite.
- Unit 2: A sub-vertical sheet between 2 km and 6 km thick, east of Unit 1 and composed of basic pyroxene granulite interpreted to have gabbroic and noritic protoliths.
- Unit 3: A steeply dipping and tightly folded slab between 1 km and 2 km thick that occurs southeast of Harris Lake. It is composed of metamorphosed leucogabbro, anorthosite, and minor gabbro and melanogabbro.
- Unit 4: A sub-vertical sheet 5 km to 6 km thick positioned adjacent to Unit 2 or separated by a thin layer of quartzite from Unit 2 and is comprised of rocks similar to Unit 2.
- Unit 5: This unit forms the eastern margin of the Fraser Range Metamorphics and is a steeply east-dipping sheet up to 16 km thick. It is composed of gabbro and metagabbro and has well-preserved igneous minerals such as cumulus orthopyroxene, plagioclase, green spinel, and clinopyroxene.

The mafic-ultramafic lithologies of the Fraser Range Metamorphics are often interdigitated with the Snowy Dam Formation, which consists of dominantly metasedimentary rock types such as gneiss, psammites, calc-silicates and iron rich layers. The Snowy Dam Formation is interpreted to represent the crustal sedimentary and volcanic sequence of rocks intruded by the Fraser Zone mafic-ultramafic intrusive suites.

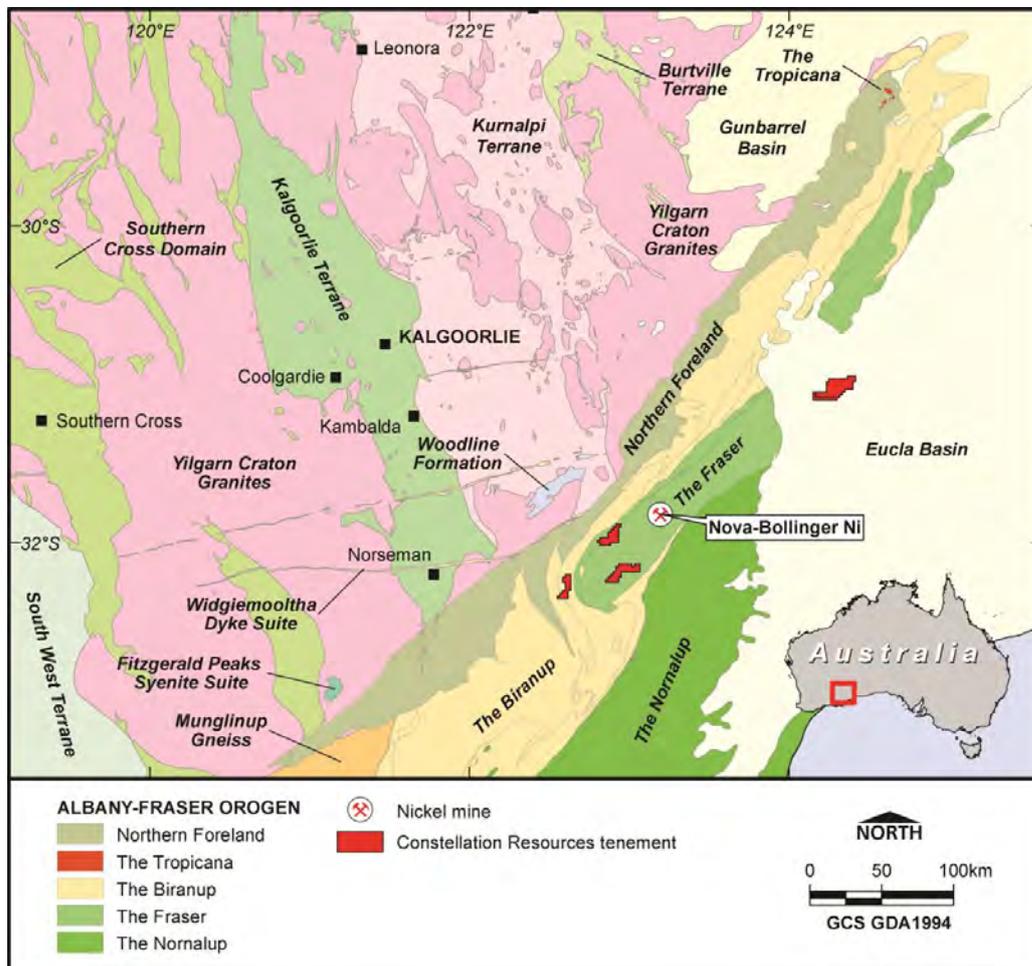


Figure 4: Regional geology of the AFO

2.4.2 Regional Mineral Resources and Exploration Activity

Previous exploration has been extensively reviewed by Waterfield (2011), Ryan (2012), Adam (2013), Doedens (2014, 2015), Kammermann (2016), and McKinnon-Matthews and Boyd (2017).

Historically, the Fraser Range Metamorphics received little attention from exploration companies due to the remoteness of the region, generally poor outcrop, lack of detailed regional geoscience data, and the lack of known mineralisation. The high metamorphic grade of the basement rocks obscures the original rock types, making the interpretation of original rock types difficult. Difficulty in determining pre-deformation geological environments and tracing those environments beneath extensive cover with poor data coverage, hindered assessing prospectivity for various mineralisation types and deterred exploration activity.

Exploration in the Fraser Range commenced in the late 1960s to early 1970s when Newmont Pty Ltd and partners targeted nickel-copper mineralisation based on perceived similarities to the Thompson Nickel Belt of Manitoba, Canada. Sub-economic disseminated nickel-copper mineralisation was drilled at several prospects in ultramafic and noritic intrusives (Waterfield, 2011). Highest nickel values were returned from the base of a laterite profile underlain by weakly sulphidic amphibolite (Waterfield, 2011).



During the late 1970s and early 1980s, Stockdale Prospecting Ltd and CRA Exploration Pty Ltd (CRA) undertook diamond exploration along strike from the Newmont-held tenements. Stockdale discovered indicator minerals derived from a lamprophyre dyke; however, they relinquished the ground. CRA undertook only minor exploration work.

During the 1980s and early 1990s, Renison Goldfields Consolidated, Pan Continental Mining Ltd and Growth Resources NL completed exploration for PGEs and nickel-copper over parts of the Fraser Range Metamorphics. Gold Partners NL pegged ground in 1993 in the search for epigenetic gold and magmatic nickel-copper mineralisation. Landsat imagery was purchased and processed to assist with regolith mapping.

In the late 1990s, Mark Creasy undertook systematic regional soil sampling programs targeting nickel-copper and gold. No anomalous results were returned from over the tenements. Resolute Gold Ltd subsequently completed regional gold soil sampling in 1999 along existing roads/tracks, returning low results.

In summary, since the first exploration in 1965, the Project area has been considered prospective for a variety of commodities including PGEs (associated with large mafic complexes), nickel-copper (intrusive related), diamonds, gold, titanium (magmatic and mineral sands), uranium (roll-front deposits), lignite, and Broken Hill-style lead-zinc; however, no significant mineralisation has been discovered as yet.

Regional Nickel and Resources and Exploration Model

The AFO Fraser Zone mafic-ultramafic intrusive suites have long been viewed as prospective for potential nickel-copper-cobalt (Ni-Cu-Co) magmatic sulphide systems, with exploration for nickel in the region dating back to the 1960s. This nickel exploration focus culminated in the discovery in 2012 of the Nova-Bollinger Ni-Cu-Co deposit (11.4 million tonnes (Mt) at 2.4% Ni, 1.0% Cu and 0.08% Co³). The Nova-Bollinger system is currently being mined by Independence Group NL (IGO) as an underground mine and on-site processing plant, with shipment of first concentrate in June 2017.

Nickel exploration in the AFO uses the Nova-Bollinger geological model and discovery history as the exploration model to decide upon the most appropriate technical programs of work. The geology, exploration methodology and discovery history of the Nova-Bollinger Ni-Cu-Co sulphide system is described in detail by Bennett *et al* (2016). The following is a synopsis of that publication.

The Nova-Bollinger magmatic sulphide system sits within the Fraser Zone of the AFO (Figure 5). The Fraser Zone is interpreted to represent the product of significant mafic-ultramafic intrusion into the middle to upper crust. The prominent expression of the Fraser Zone in regional gravity data is interpreted to represent the effect of significant volumes of dense mafic-ultramafic lithologies within the zone. Such intrusion of significant volumes of mafic-ultramafic lithologies is thought to be a key regional exploration criterion for magmatic nickel sulphide systems.

³ Source: Independence Group (IGO) ASX release *Nova Mineral Resource Estimation and Exploration Update*, 26 July 2017

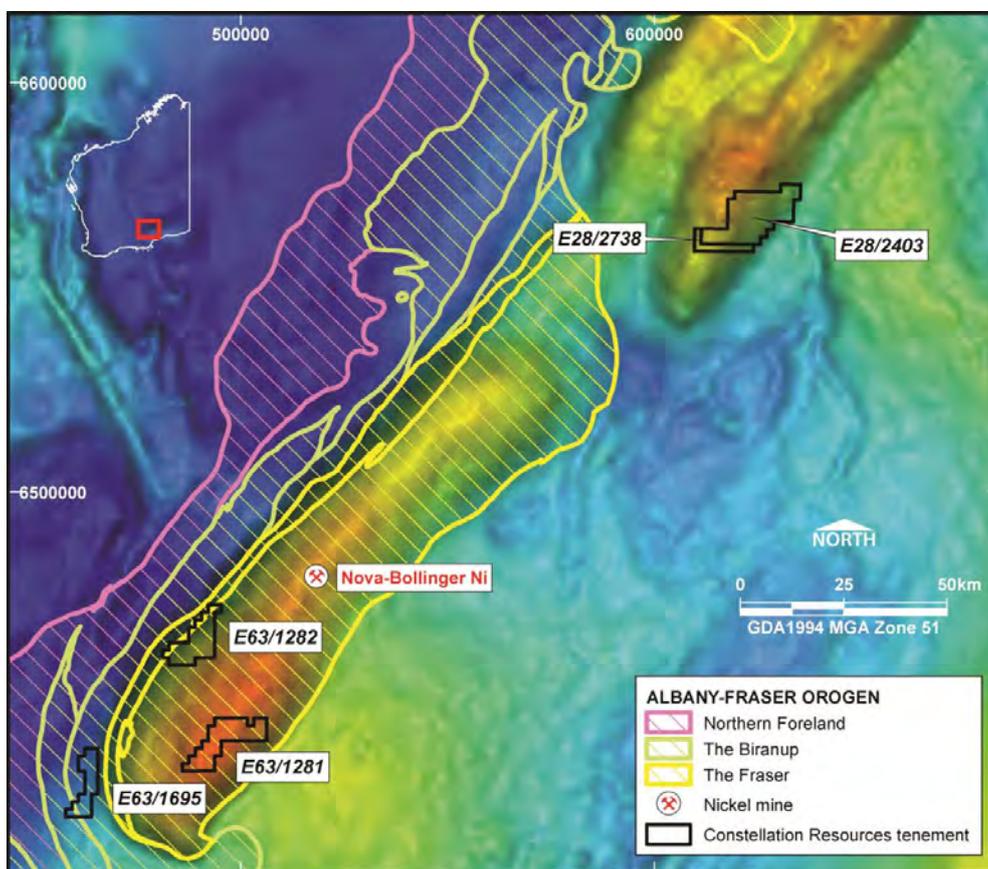


Figure 5: Location of the Nova-Bollinger deposit relative to the Project, highlighting the outcropping extent of rocks attributed to the Fraser Zone, largely interpreted from the regional gravity data

The mineralisation at Nova-Bollinger occurs within mafic gneissic granulitic rocks in two distinct sub-horizontal lenses connected by a narrow sulphide breccia zone. These lenses are interpreted to represent two metamorphosed gabbroic to picritic mafic-ultramafic cumulate intrusive sills with sulphide accumulations at their base, and the narrow connecting sulphide breccia zone is interpreted to represent an original feeder zone between the two sills. The Nova deposit is located at the base of the lower sill and the adjacent Bollinger deposit is located at the base of a slightly stratigraphically higher sill (Figure 6).

The sills exhibit weak tectonic foliation, indicating a pre- to syn-Stage 1 deformation emplacement age, and the mineralisation, the associated sills, and the enclosing rocks have been metamorphosed at high temperatures to lower granulite facies. Both sills are located within the western flank of a northeast-trending, lozenge-shaped block of gneissic metasedimentary, granitic and mafic rocks some 3 km across that is prominent in regional magnetic images. This feature has previously been dubbed “The Eye” in most literature regarding the discovery of the Nova-Bollinger system. This feature is currently interpreted to represent a doubly plunging synform with its long axis parallel to the prominent northeast-striking regional tectono-stratigraphic fabric. The sills that host Nova trend more east-west within “The Eye” feature, possibly representing preservation of an earlier tectonic orientation within the competent block of “The Eye”, while the current prominent northeast-striking regional structural grain represents a later deformation event that wraps around “The Eye” feature.

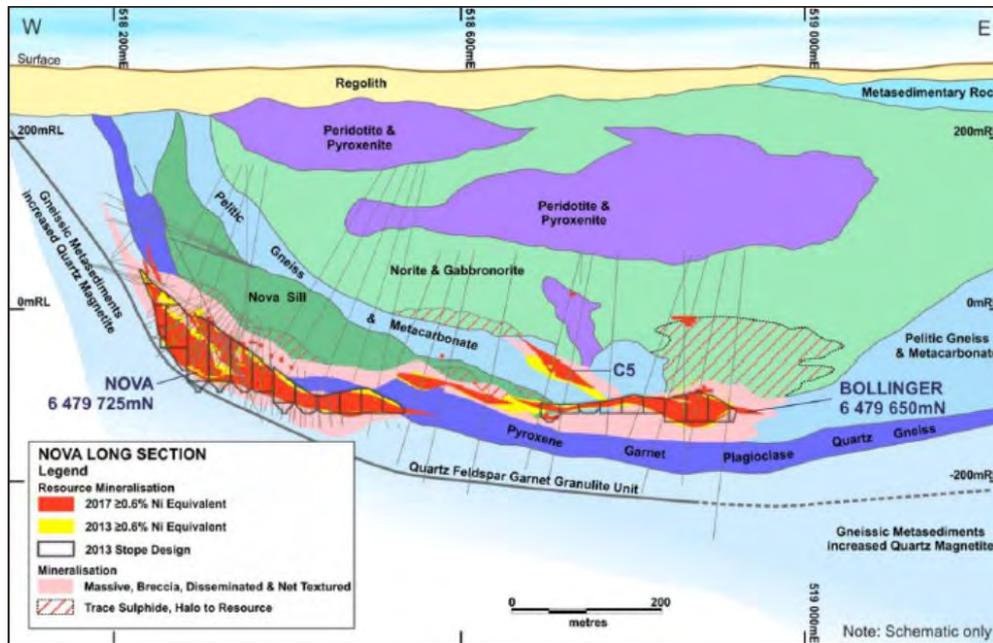


Figure 6: Geological longitudinal section of the Nova-Bollinger Ni-Cu-Co sulphide ore deposit

Source: IGO presentation, 9 August 2017

The Nova-Bollinger mineralisation comprises a simple mixture of three sulphide phases (pyrrhotite, pentlandite, and chalcopyrite in order of relative abundance) accompanied by a silicate mineral assemblage of garnet, hypersthene, diopside, and plagioclase. The mineralisation exhibits disseminated, net, matrix, massive, and breccia textures, with the more massive zones generally located toward the base and the more disseminated zones located stratigraphically above this toward the top of each lens. Whereas the overall appearance and zonation of these textures is primarily magmatic, there is also significant tectonic remobilisation, expressed in the form of sulphide breccias, and significant metamorphic recrystallisation, expressed in the form of coarse-grained sulphide and silicate textures and presence of metamorphic minerals not typically found in mafic-ultramafic magmatic systems, such as garnet. It is noted that there are no appreciable quantities of precious metals (platinum, palladium or gold) associated with the sulphide mineralisation.

Initial exploration in the area focussed on a nickel-copper soil geochemical anomaly in a year 2000 release of data from a regional survey conducted by the GSWA, that was coincident with the feature later dubbed “The Eye” that was apparent in the aeromagnetic data released at the same time. Subsequently, after discovery of the orebody, it was determined that “The Eye” is a structural feature in the bedrock, comprising a range of lithologies both igneous and metasedimentary, and not an intrusive complex. The host intrusives of the Nova-Bollinger system are smaller intrusive units contained within the predominantly metasedimentary lithologies within “The Eye” structure. Also, the soil geochemical anomalism in the area was determined to not result from the orebody itself, but from adjacent sparsely mineralised material in other intrusive bodies. The orebody was geochemically blind to surface.

The Nova orebody was discovered by drilling a stand-alone surface electromagnetic survey conductivity anomaly that did not coincide with any of the anomalous soil geochemical values. The Bollinger extension of the system was discovered after the resource drill-out of the Nova orebody. It was discovered using a combination of following up geological observations of the breccia sulphide “feeder” system extending away from Nova, coupled with an off-hole borehole electromagnetic survey anomaly detected from one



of the resource definition holes drilled into Nova. Drilling targeted at the borehole electromagnetic (EM) target that sat along strike of the breccia sulphide system leading away from Nova discovered the Bollinger system (Bennett *et al.*, 2015).

Refining the Nickel Exploration Model Post Nova-Bollinger Discovery

Subsequently to the discovery of Nova-Bollinger, other explorers in the region have detected disseminated nickel-copper sulphide mineralised mafic intrusive rocks within the Fraser Zone and Fraser Zone correlates, albeit uneconomic to date. Such exploration results confirm the widespread nature of the nickel sulphide mineralised systems in the AFO. Regional exploration has successfully used a combination of aeromagnetic and gravity data to focus on anomalies possibly representing buried mafic-ultramafic complexes, followed up by ground geochemical sampling (soils or top of bedrock drilling) and geophysics (preferably moving loop ground EM surveys).

Mafic-ultramafic lithologies are typically more dense than other crustal lithologies, and thus offer a positive density anomaly in gravity surveys relative to the background lithologies. Many exploration companies in the AFO have also noted that mafic-ultramafic intrusive systems discovered to date in the area are either neutral in magnetic expression, and difficult to differentiate in magnetic data from the background lithologies, or even have subtly negative magnetic anomalism due to weak remanent magnetisation, and this appear as magnetic lows in survey results. The combination of magnetic and gravity data allows rapid focus on likely buried intrusive complexes for surface survey techniques.

Soil geochemistry is effective for detection of magmatic nickel-copper sulphide mineralisation if it is outcropping to sub-cropping, and the soil profile does not contain a substantial proportion of transported material. If the host intrusive is buried below surface and is not intersected by the base of oxidation in the regolith weathering profile that produced soils, then nickel-copper magmatic sulphide systems are often geochemically blind to surface. They are closed systems bound within the confines of the host intrusive, with little to no alteration halo or geochemical exchange with the surrounding wall rock. Targeted use of EM surveys remains the preferred tool for direct detection of nickel sulphide mineralisation of sufficient quantity and quality for economic extraction, as typical magmatic sulphide assemblages become electrically connected and conductive at 18–20% sulphide content by volume.

Some previous explorers in the region have targeted nickel sulphides in the AFO based on an interpretation of the Nova-Bollinger intrusive host system as discordant to the prominent northeast trending magnetic and tectonic fabric of the AFO, possibly resulting from the host mafic-ultramafic lithologies intruding the AFO at a time that post-dates the formation of the prominent regional northeast trending magnetic and tectonic fabric. As has been documented by Bennett *et al.* (2015), the Nova-Bollinger host-intrusive and ore system predates the formation of the dominant regional magnetic and tectonic fabric of the AFO, and the high-grade granulite-facies metamorphic event that accompanied the deformation process. It is possible that some crosscutting structures on a small scale may be the result of reactivation of earlier structures that could potentially have been active at the time of intrusion and mineralisation. However, the existence of such reactivated structures in the AFO has yet to be demonstrated. It is unlikely that such original structures would have survived the high-strain, high-metamorphic grade deformation of the Albany Fraser Orogeny intact and unrotated into the regional northeast AFO trend on a regional, or even local, scale. While locally discordant intrusive relationships may be observed between the host intrusives and the local country-rocks, this local discordancy is a preservation of pre-tectonic relationships at the deposit scale, while at the regional scale the geological units have been deformed and reoriented into the prominent regional northeast-trending magnetic and tectonic fabric. The Nova-Bollinger ore system, and by extension any potential contemporaneous magmatic sulphide systems in the region, are not reflective of or controlled by clearly later fault or fracture systems that crosscut the prominent magnetic and tectonic fabric of the AFO, as the mineralisation significantly predates this later, brittle style of fault and fracture deformation system.



Regional Gold Resources and Exploration Model

The most important gold deposit in the region is the Tropicana gold deposit (Figure 7) operated by AngloGold Ashanti (70%) in joint venture with IGO (30%), containing a resource of 7.45 million ounces (Moz) (Source: S&P Global Market Intelligence, at 7th December 2017). The Tropicana deposit is located 330 km east-northeast of Kalgoorlie. The geology, mineralisation, alteration and geochemistry have been described by Mark Doyle *et al* (2009) and are summarised herein.

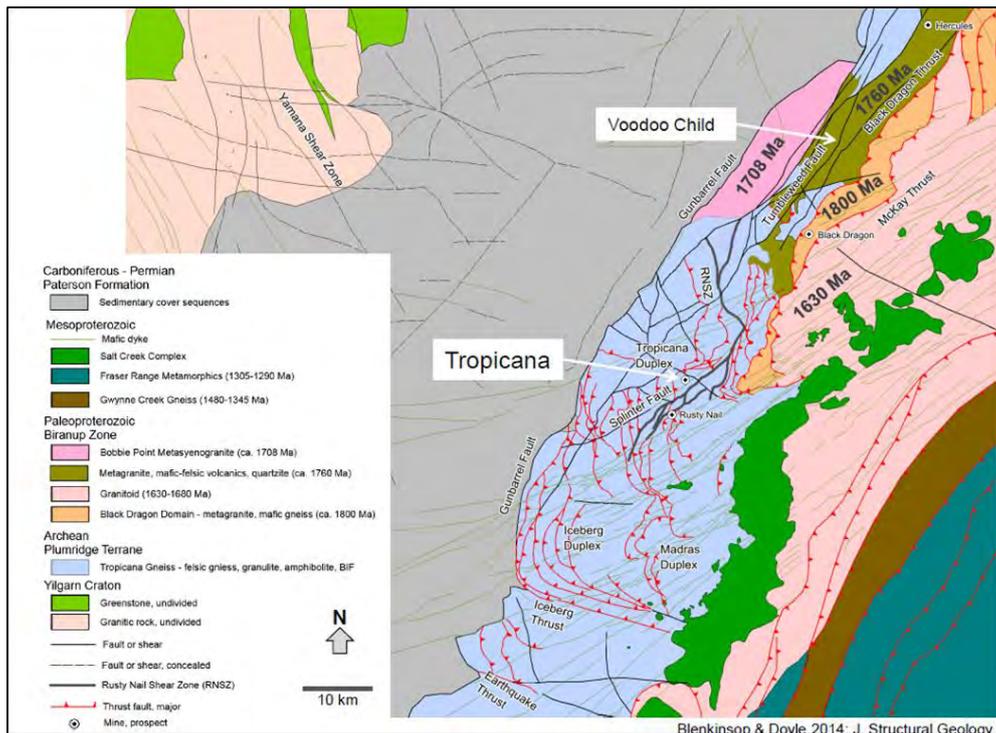


Figure 7: Geology of the Tropicana deposit

Source: Doyle M, *Tropicana, an integrated approach to understanding granulite-hosted gold*, 2014.

The mineral deposit is hosted in tectonically reworked Archean rocks that form the eastern margin of the Yilgarn Craton, Western Australia. Tropicana is the first deposit discovered in this remote portion of the Great Victoria Desert and is widely regarded as defining a new greenfields gold province. The Tropicana Gold Project lies to the west of a major tectonic suture between the Yilgarn Craton and the Proterozoic Albany-Fraser Province that stretches over 550 km. The regional geology is dominated by granitoid rocks, felsic to mafic paragneiss and orthogneiss, and felsic to ultramafic intrusive and volcano-sedimentary rocks that were emplaced in deep, quiet water (submarine) environments. Granulite and amphibolite-facies gneissic metamorphic rocks hosting the Tropicana and Havana gold deposits are interpreted from geological mapping and detailed proprietary aeromagnetic data.

A simplified model of the fluid flow relationships, regional and local structure, and stratigraphy interrelate at the Tropicana deposit is illustrated in Figure 8. The model demonstrates how the interaction of multiple variables result in deposition of gold in structural traps (Technology and Integration: Improving Exploration Success – The Australian Mineral Fields Philosophy (M. Willson, AESC July 2008).

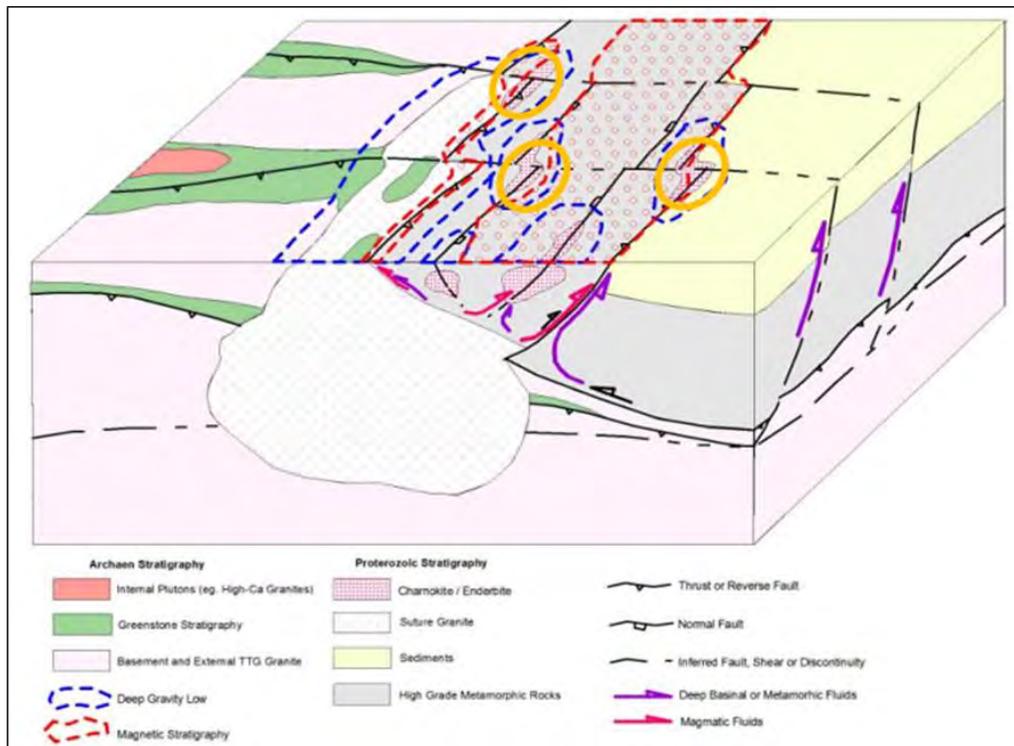


Figure 8: A simplified model of the relationship of fluid flow and structural traps

Source: *Technology and Integration: Improving Exploration Success – The Australian Mineral Fields Philosophy* (M. Willson, AESC July 2008).

The development of a geochemical model (Figure 9) shows clear zonation over the Tropicana deposit highlighted by Bi, Te, W +/-Mo zoning weakening outwards towards As, Ag, Sb, Hg and Se. Furthermore, the white mica AL-OH wavelength changes from Phengite to muscovite moving away from the deposit (Doyle 2014).

Alteration typically shows depletion in K and S, “dilution-type” depletions in Ti, Mn, Mg, Ca and Na, and little or no change in Al and Fe. The main enrichment is in Ba and Rb.

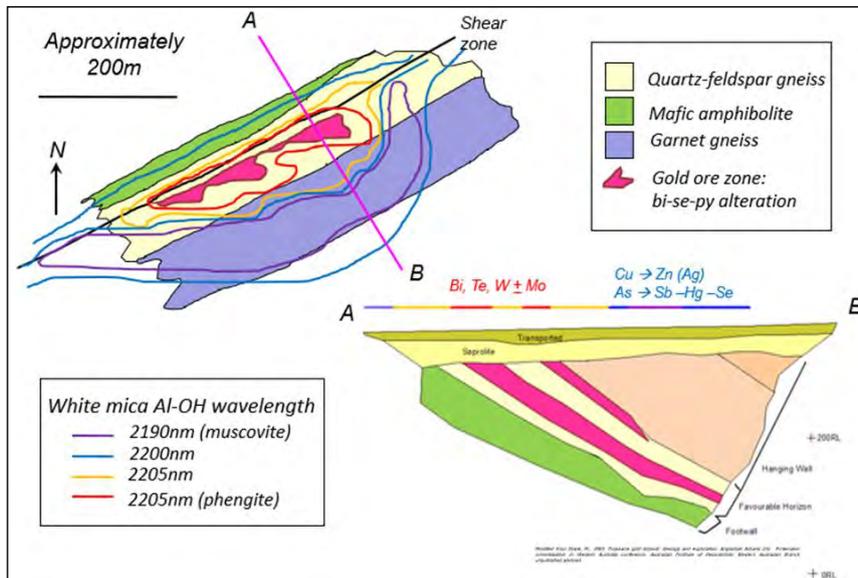


Figure 9: Geochemical zonation and white mica composition for the Tropicana deposit

Source: *Technology and Integration: Improving Exploration Success – The Australian Mineral Fields Philosophy* (M. Willson, AESC July 2008).

Other Examples of Tropicana Gold-Style Mineralisation

Other examples of Tropicana gold-style mineralisation in the district include the Woodline prospects, including Theofrastos, Leucippus, Ademanthus, Ommaney and Cleanthes. The Woodline group of prospects are located approximately 150 km southeast of Kalgoorlie (Figure 10). The stratigraphy here is the transition zone between the northerly trending greenstones and the northeast-southwest trending Proterozoic Albany-Fraser Province. The geochemical footprint of some of the prospects within the Woodline group of prospects exhibits similar Bi-Sb-Au-W geochemistry to the Tropicana deposit.

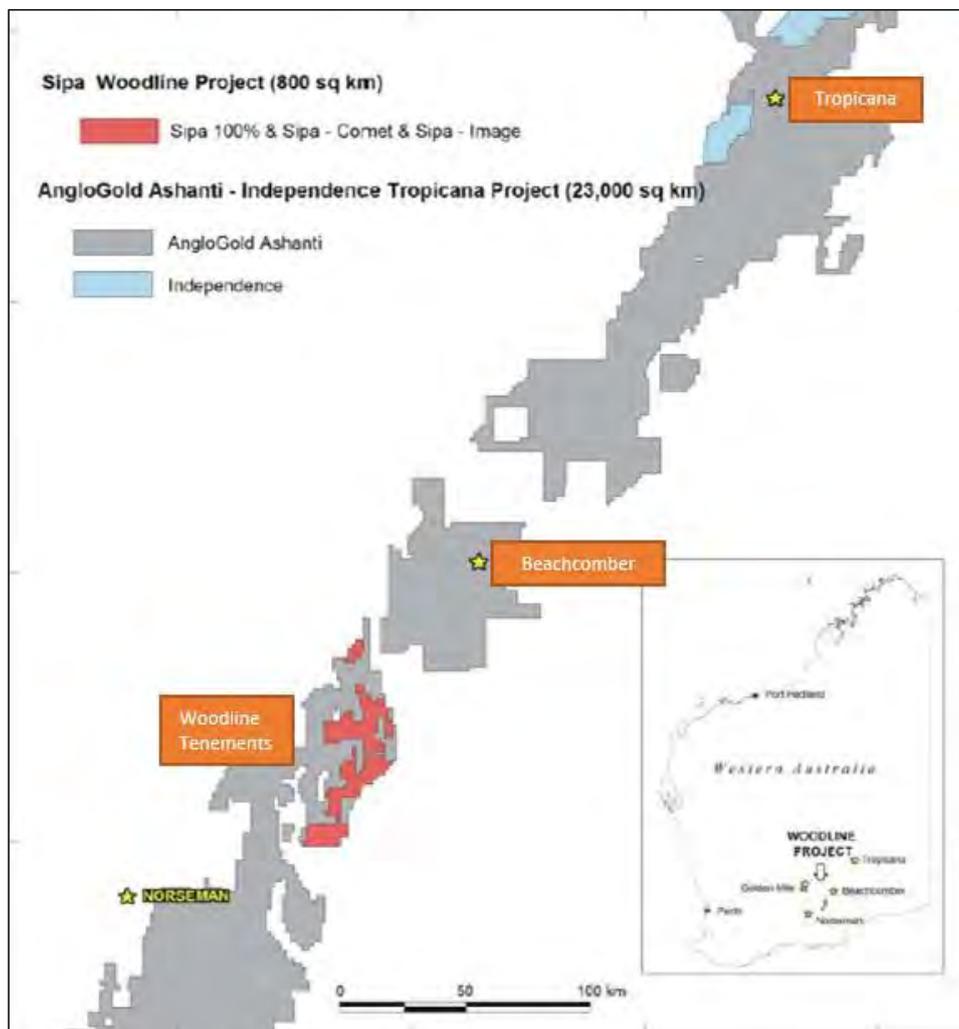


Figure 10: Location of the Woodline and associated prospects in relation to Tropicana deposit
 Source: Sipa Resources ASX report, June 2008.

2.5 E63/1281

2.5.1 Local Geology

This tenement is located entirely within the Fraser Range Metamorphics, and largely encompasses Unit 5 thereof. This is largely interpreted based on domain correlation of regional geophysical expression (gravity and aeromagnetics). The published GSWA geological mapping over this tenement indicate common outcrop and sub-crop throughout the tenement area. However, work conducted by previous exploration companies indicate that outcrop is poor. The bedrock is weathered in places to a saprolite unit up to 20 m thick, but generally averages 5–10 m thick.

Much of the Project area is dominated by transported Cainozoic Aeolian deposits of clay, silt and sand, and large areas of alluvial/colluvial sheet wash. The thickness of this transported material is highly variable, ranging from a few metres to over 60 m deep. In some places, fresh crystalline bedrock is in direct unconformable contact with the overlying Cainozoic sediments.



2.5.2 Previous Exploration and Mineralisation

Previous exploration has been extensively reviewed by Waterfield (2011), Ryan (2012), Adam (2013), Doedens (2014, 2015), Kammermann (2016), and McKinnon-Matthews and Boyd (2017). The following is a synopsis of those reports.

- Newmont Pty Ltd (1965–1975): Regional geological mapping and aeromagnetic survey, limited auger drilling
- Growth Resources NL (1987–1991): Literature review, aeromagnetic survey, rock chip and soil geochemical sampling, rotary air blast (RAB) drilling
- Gold Partners NL (1997–1998): Landsat image purchase/processing, regolith mapping
- Resolute Gold Ltd (1999): Limited soil geochemical sampling
- Enterprise Metals Ltd (2010–2015); Apollo Minerals Ltd 70%-Enterprise 30% Joint Venture (2015–2017): rock chip and soil geochemical sampling, ground and airborne EM surveys, induced polarisation (IP) surveys, reverse circulation (RC) and diamond drilling.

The first exploration over the tenement area comprised regional geological and geophysical programs conducted by Newmont during the period 1965–1972, focusing on magmatic nickel-copper mineralisation. Limited shallow auger drilling was undertaken, with no anomalous results returned.

During the late 1980s, Growth Resources completed a regional aeromagnetic survey in the district, identifying two strong linear features (Anomalies A and B) within the tenement area warranting further exploration. Anomaly A is a strong north-northwest trending 7 km linear magnetic feature, which straddles the Eyre Highway, associated with magnetite in mafic granulite/metagabbro. Rock chip sampling of a ferruginous caprock developed over the granulite/metagabbro returned locally anomalous Ti and V values. Further rock chip sampling confirmed the anomalous titanium-vanadium content of the unit, along with elevated Ce, La, Nb and Y results. Two traverses of RAB holes over the magnetic feature were completed by Growth Resources intersecting a pyroxene-plagioclase-quartz-biotite-magnetite rock. The results from the drilling were generally low. Soil sampling over the southern extension of the magnetic unit was completed; however, no further drilling was undertaken. Anomaly B is a moderate to strong north-south trending magnetic feature, associated with mafic granulite. A 16-hole RAB drilling traverse was completed across the feature, with nine of the holes intersecting recognisable mafic granulite basement. Results were generally low. The feature is untested to the north and south, however no further drilling was undertaken.

Gold Partners picked up the ground in the late 1990s and completed regolith mapping based on purchased Landsat data. No further work was undertaken.

Resolute Gold subsequently completed a limited regional soil and calcrete sampling program along existing tracks targeting gold mineralisation. No anomalous results were returned.

In 2010 and 2011, Enterprise Metals contracted AeroQuest Airborne to complete an aeromagnetic and radiometric survey at 100 m line spacing over the entire area of E63/1281. This was followed by surface sampling of 659 calcrete and 674 soil samples. The sampling program was planned on Google Earth imagery with east-west lines spaced at 800 m spacing, with sample sites at 400 m along the lines. Initially, work focused exclusively on gold exploration with geochemical analysis of the calcrete samples for low level gold, and all other samples were archived for later analysis.

Following discovery of the Nova Ni-Cu-Co sulphide deposit in 2012, Enterprise Metals shifted their focus of exploration to include nickel. The archived soil geochemical samples were analysed, and a number of coincident Ni-Cu-Co anomalous samples were identified. Follow-up work included 100 m x 200 m infill soil sampling for a further 4,892 samples. In 2012, Enterprise Metals contracted Fugro Ground Geophysics Pty Ltd to complete a dipole-dipole IP geophysical survey over one identified soil geochemical target, dubbed



the Plato prospect, that overlies a weakly negative remanent magnetic feature that apparently runs north-northwest, oblique to the prominent regional northeast magnetic fabric, with associated rare outcrop of metagabbro. Three northwest-southeast lines of IP (totalling 7.7 km) were completed over the Plato prospect. The IP was designed to target for bedrock sulphide mineralisation associated with the anomalous Ni-Cu-Co geochemistry at Plato (values up to 252 ppm Ni, 46 ppm Cu and 32 ppm Co). Several chargeability anomalies were detected.

In 2013, Fugro Airborne Systems was contracted by Enterprise Metals to fly a HeliTEM airborne EM geophysical survey over the entirety of the tenement on east-west lines 200 m apart. No strong basement conductivity responses were identified, and the Plato anomaly area returned the best conductivity response. However, it should be noted that much of the survey response was dominated by near-surface effects resulting from conductive overburden containing clays and saline groundwaters. The survey response largely mapped palaeodrainage systems and was not effective in exploring for bedrock conductivity features as a result (Figure 12). The palaeodrainage system highlighted also reduced confidence in the effectiveness in surface geochemical sampling for much of the tenement area covered by the palaeodrainage system evident in the HeliTEM data.

In 2014, Enterprise Metals tested the Plato target with a campaign of combined RC and diamond drilling. Six RC pre-collar holes (total 1,672 m) were drilled, with four diamond core extensions or “tails” to holes PLRC003, PLRC001, PLRC005 and PLRC006 drilled for a total of 707.3 m of diamond coring (Figure 11). All holes intersected mafic to ultramafic lithologies over the entire depth of each hole. The results of the initial RC and diamond drilling program were highly encouraging with trace, disseminated and brecciated sulphides including pentlandite and chalcopyrite being intersected in an olivine-bearing mafic to ultramafic lithologies in four of the six holes (PLRC001, PLRC002, PLRC003 and PLRC006). Hole PLRC003 returned the best geological and assay data for the program (Source: Enterprise Metals’ ASX announcement dated 27 June 2014), with strongly disseminated and blebby magmatic textured pyrrhotite-pentlandite-chalcopyrite sulphide mineralisation hosted in olivine gabbronorite to peridotite.

Four of the drillholes were surveyed with borehole EM (PLRC001, PLRC003, PLRC005 and PLRC006). No downhole EM conductivity anomalies were detected.

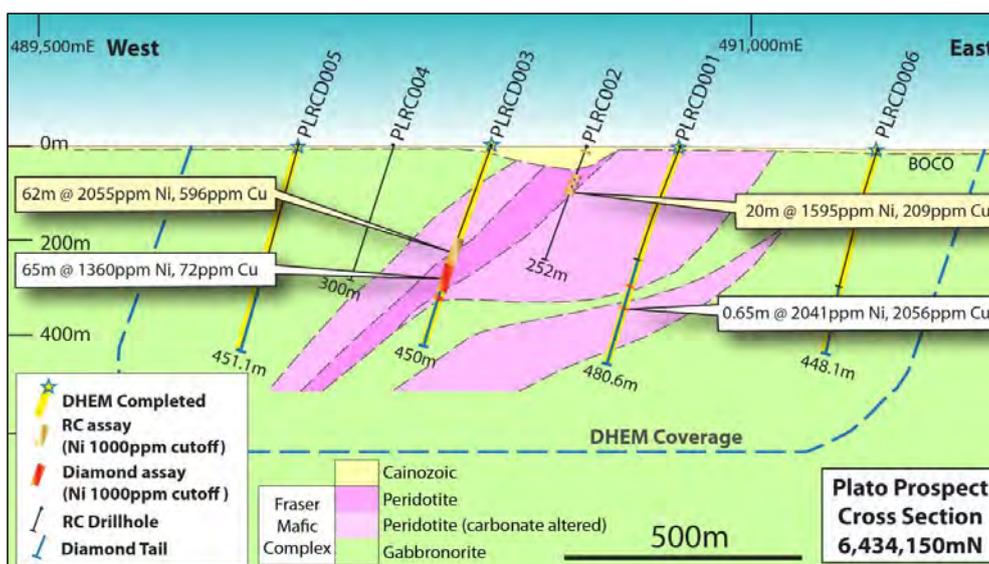


Figure 11: Interpreted geological cross section of the drilling conducted at Plato by Enterprise Metals

Source: Doedens, 2015.

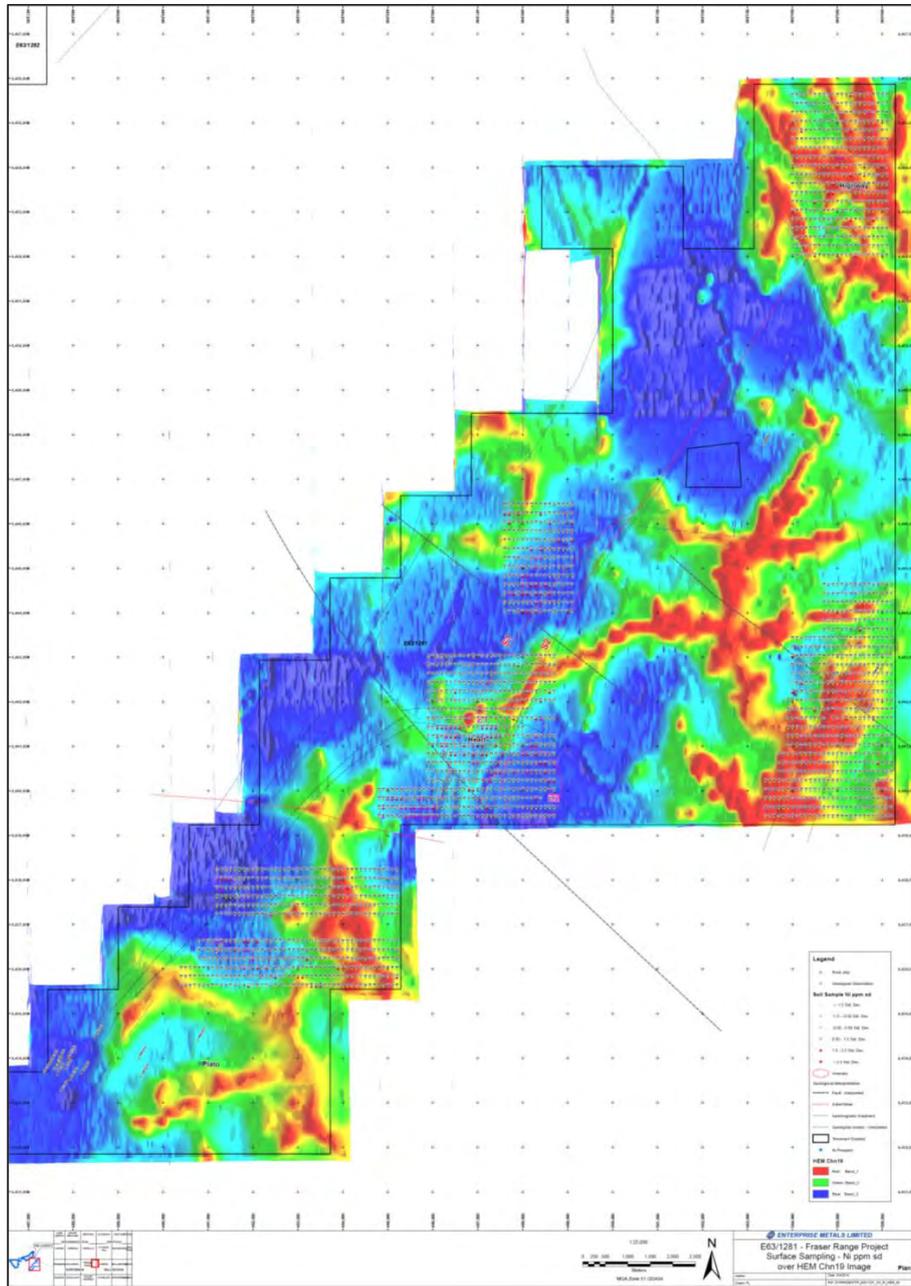


Figure 12: Helicopter TEM Ch19 gridded data and surface geochemical sampling locations, E63/1281

Source: Doedens, 2015.

Note: Tenement boundaries refer to the tenement position at the time of the exploration activity, prior to compulsory relinquishment of the northern-most portion of the tenement by Apollo Minerals in 2016.

In addition, Enterprise Metals contracted Vortex Geophysics to complete a total of 33 fixed loop EM (FLEM) surveys over the Plato prospect, as well as other identified regional targets Heart, Oceanus and Highway identified from the regional magnetic data (Figure 13). Readings were taken at 100m station intervals on lines 200 m apart for each loop (1,000 m x 1,000 m). Each station had a minimum of three



repeat readings. A total of 2,847 stations on 170 lines were surveyed for 311.8 line kilometres. Three lines of moving loop EM (MLEM) were also completed over selected FLEM loops at Heart, Oceanus and south of Plato as a check on the FLEM results, with comparable results.

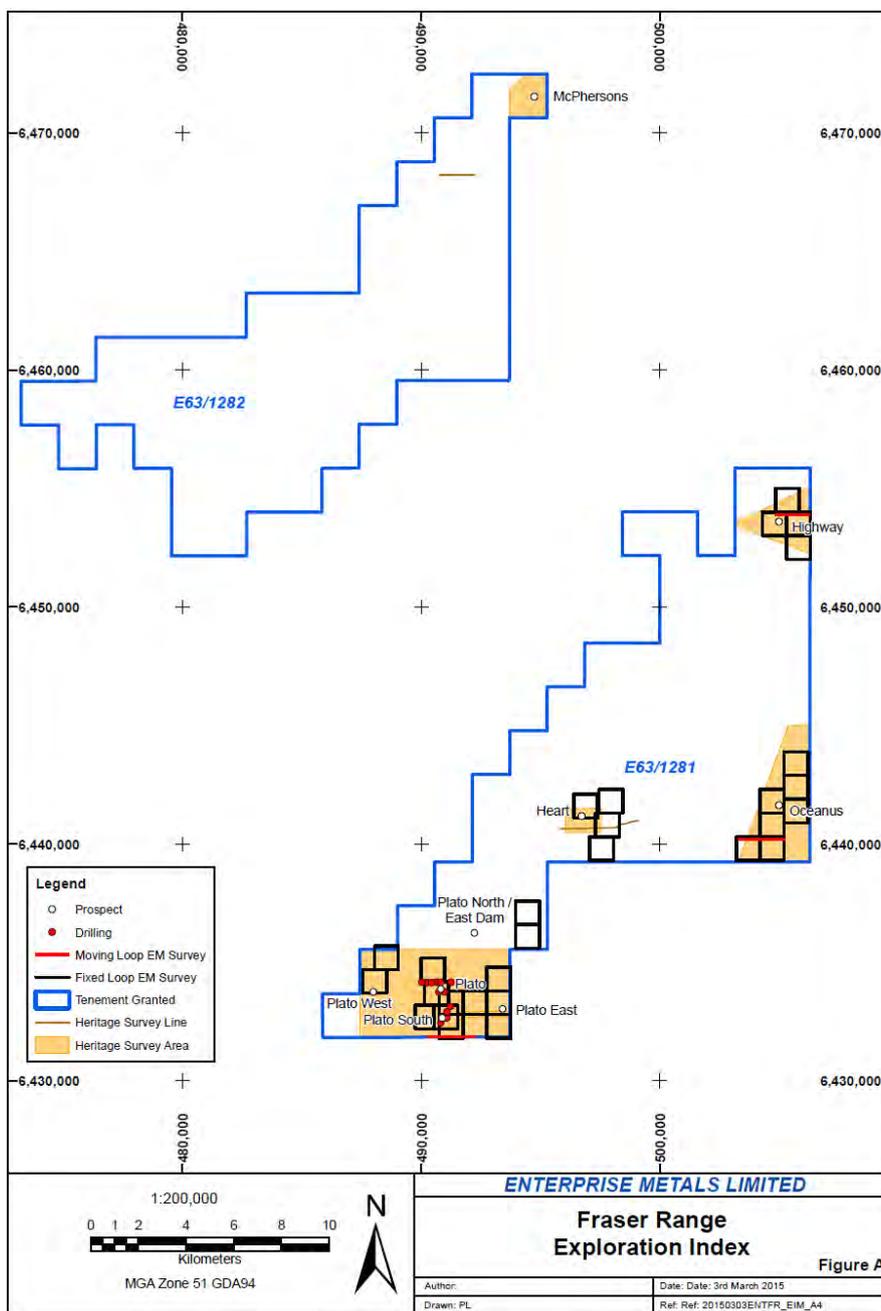


Figure 13: Work completed over E63/1281 target areas by Enterprise Metals in 2014

Source: Doedens, 2015.

Note: Tenement boundaries refer to the tenement position at the time of the exploration activity, prior to compulsory relinquishment of the northern-most portion of E63/1281 and southern-most portion of E63/1282 by Apollo Minerals in 2016.



No anomalism was returned by the EM surveys at the Heart prospect. Moderate anomalism was returned at the Highway and Oceanus prospects (Figure 15). However, given the results of the HelITEM survey for these prospect areas show a clear palaeodrainage dominated response, it is uncertain whether the FLEM and MLEM survey techniques are detecting true bedrock conductivity features in these areas. The FLEM and MLEM surveys could be merely energising the conductivity structure of the large surficial palaeodrainage system, which essentially mimics a bedrock response while simultaneously masking any true bedrock conductivity structure beneath the energised cover sequence.

The FLEM surveys identified a moderate conductive anomaly south of Plato which was considered at the time to be potentially sourced by disseminated sulphides. Five loops of FLEM data at South Plato were submitted to Computational Geoscience of Canada for three-dimensional (3D) modelling. The results from the 3D modelling suggest a lack of resolution beyond 200 m depth due to the extensive conductive overburden in the area. This conclusion was inferred from the fact that the inclusion of a hypothetical large conductive body at depth greater than 200 m had minimal effect on the recovered model or the predicted data, indicating low sensitivity of the survey to structures at this depth. Similarly, FLEM surveys at other locations probably lack resolution beyond 200 m depth due to the extensive conductive overburden.

In 2014, a six-hole RC drill program was completed on the South Plato/Plato prospects for a total of 1,439 m drilled. The aim was to test a number of FLEM and IP anomalies identified (Figure 14). The main drill targets of four of the holes (PLRC007 to PLRC010) were a series of weak to moderate interpreted FLEM anomalies at Plato South which were considered to potentially represent deep feeder bodies for the disseminated nickel/copper mineralisation encountered in PLRC002 and PLRC003 at the Plato prospect to the north. In addition, two RC holes (PLRC011 and 012) were drilled 400 m to the southeast of the RC/diamond holes at Plato to test for possible extensions to the disseminated mineralisation and to further evaluate the magnetic feature that outlines the Plato prospect, and to test a weak IP anomaly. All six holes drilled encountered mafic-ultramafic lithologies and weathering products consistent with deeply oxidised mafic-ultramafic rocks. However, no sulphide was encountered, and no significant assay results were returned.

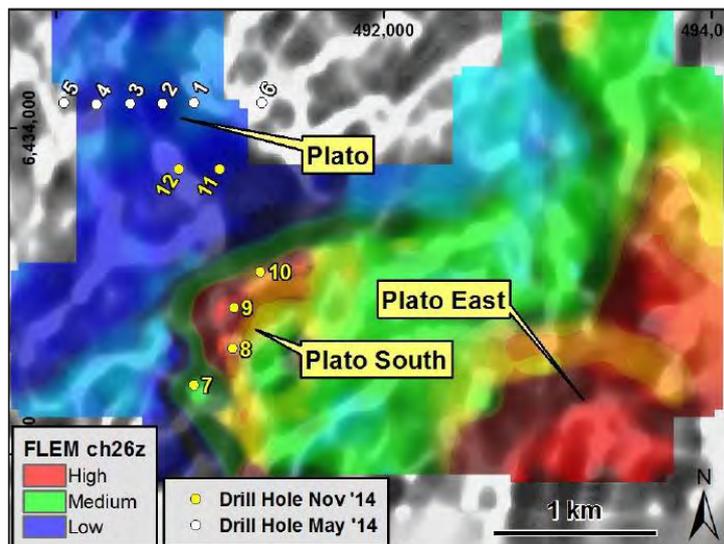


Figure 14: Drillhole locations on FLEM gridded Channel 26 conductivity Z component data (colour), draped over first vertical derivative of airborne magnetics (greyscale), E63/1281 Plato target areas

Source: Doedens, 2015.

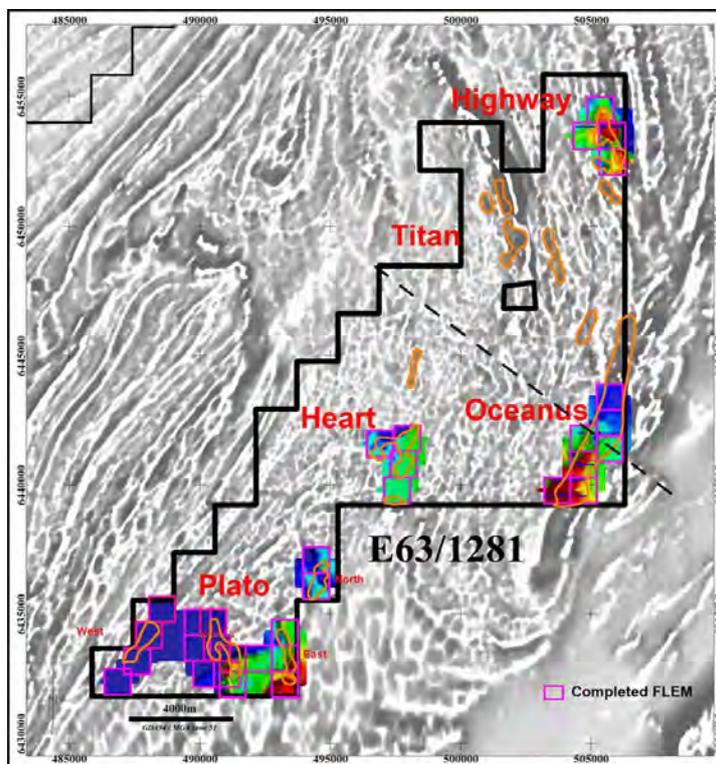


Figure 15: Channel 26 FLEM amplitude contours (colour) over first vertical derivative magnetics (greyscale)

Source: Doedens, 2015.

Note: Target areas are defined by combined magnetic and soil geochemical data and outlined in orange. Tenement boundaries refer to the tenement position at the time of the exploration activity, prior to compulsory relinquishment of the northern-most portion of the tenement by Apollo Minerals in 2016.

In 2015, Apollo Minerals entered a joint venture with Enterprise Metals and took over management of exploration activities. Apollo Minerals commissioned Newexco to review the FLEM data to determine if bedrock conductors associated with massive nickel-copper sulphides similar to Nova-Bollinger may be present. Newexco reported that no strong anomalies consistent with massive sulphide conductors were identified. Multiple weak to moderate anomalous responses were observed at early to mid-times on some loops. Some of these were interpreted to be related to formational conductors and many considered to be loop edge effects. The horizontal derivative filter showed multiple weak to moderate anomalous responses on several of the loops.

CSA Global’s opinion is that FLEM surveys conducted in the area have not necessarily fully tested potential for mineralisation. By the nature of the survey process, FLEM surveys are predicated on an assumption regarding the geometry of the conductor being targeted. If the geological target geometry is not oriented favourably relative to the fixed transmitter loop of the FLEM system, then there is a risk that the target will not couple well with the EM field generated by the transmitter loop and will not then generate a sufficiently strong conductive response that can be measured by the receiver. This issue is compounded by other issues such as a conductive cover sequence. Large fixed transmitter loops also run the risk of energising the conductive cover sequence over a wide area, which can mimic a bedrock conductivity response, while simultaneously masking any true bedrock conductivity response that gets lost in the resultant noise generated by the wide-area response of the energised near-surface cover sequence. Both these potential issues with FLEM survey results can be mitigated by using an appropriate



MLEM survey technique designed to test all potential target geometries and reduce coupling with the near-surface conductive overburden.

GEM Geophysics, supervised by Newexco, carried out a MLEM survey at the Oceanus and Plato prospects (Figure 16). A total of 592 stations were observed along 30 profiles encompassing a total of 56.4 line kilometres. In summary, Newexco reported that no strong anomalous responses consistent with bedrock conductors were observed at the Oceanus prospect and recommended no further work. At Plato several “Category 3” single station anomalies were identified and considered to have small, probably shallow sources, most probably resulting from local variation in resistivity in the cover/top of bedrock interface.

Following the 2015 MLEM survey and Newexco report, Apollo Minerals engaged Computational Geoscience of Canada to undertake inversion and 3D modelling of a subset of the Plato MLEM survey. The inversion of the Z (vertical) component of the data identified a large feature in the south of the model that extended down to 300 m depth. Following the inversion of the Z-component data, three component inversions were completed. The inverted model showed a generally conductive overburden with a more resistive basement structure. Three conductive features were identified which are interpreted to represent bedrock conductors. These targets are as yet untested.

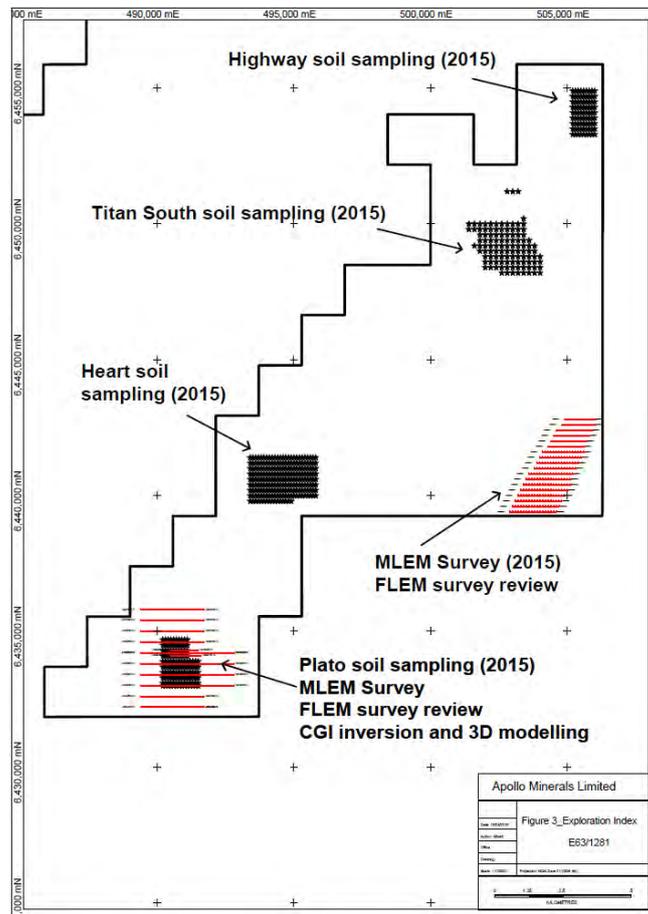


Figure 16: Work completed over E63/1281 target areas by Apollo Minerals in 2015

Source: Kammermann, 2016.

Note: Tenement boundaries refer to the tenement position at the time of the exploration activity, prior to compulsory relinquishment of the northern-most portion of the tenement by Apollo Minerals in 2016.



In addition, Apollo Minerals completed soil geochemical sampling over the Plato, Heart, Titan South and Highway targets. A total of 530 samples were collected. Samples were sieved in the field to a fine fraction (minus 200 mesh), and 100–200 g of material collected in paper envelopes. The samples were analysed in Perth using a portable x-ray fluorescence (XRF) analyser through the side of the envelope. It is not certain whether the samples were homogenised prior to taking readings through the envelope. The only results with anomalous values reported were at the Plato prospect where Ni values are considered to be anomalous and correlate with Cu and Cr. The results are interpreted to show that the western lobe of the Plato intrusion (as defined by remanent negative magnetics) has comparable soil geochemical results as the eastern limb where exploration activities were previously concentrated. It should be noted before any conclusions are drawn as to the survey's effectiveness that the methodology of taking the portable XRF (pXRF) data by analysing through the paper envelope is not considered good practice. This technique has potential for misreading data compared to results where the instrument is placed directly in contact with the homogenised soil sample. Consequentially, the values for the pXRF survey are questionable in accuracy and should be repeated by homogenising the sample and taking readings in direct contact with the sample.

Subsequent to their exploration activities in 2016, Apollo Minerals compulsorily relinquished the northern-most portion of E63/1281 to the current tenement boundary, to concentrate on the targets defined in the southern tenement area.

In 2017, Apollo Minerals commissioned consultants (McKinnon-Matthews and Boyd, 2017) to review all past exploration activity on the Orpheus Project. On E63/1281, they identified 10 target areas where they believed the nickel-copper values were anomalous relative to background (Figure 17). After regression of the geochemical data, five of these areas showed that the nickel and copper was associated with manganese and could be attributed to surficial manganese scavenging of metals in the water table at surface and not necessarily related to bedrock concentration of metals. The remaining five target areas had no manganese associated and require further investigation as possible bedrock nickel copper sources: 1281_1 – Plato prospect; 1281_4; 1281_7 and 1281_8 – Heart prospect; and 1281_9. Three of these five targets had not received detailed exploration follow-up: 1281_4, 1281_7 and 1281_9.

Surface geochemical targets 1281_4, 1281_7 and 1281_9, were followed-up by McKinnon-Matthews and Reid (2017). Field checking noted that these targets corresponded to sub-cropping basement located in spinifex and mulga scrub. Significantly, the boundaries of these anomalies are commonly marked by vegetation boundaries, suggesting the “anomalies” are a function of changing values relating to sub-crop patterns against soil background in spinifex/mulga country rather than indicating the presence of mineralisation. They recommended that the geochemical data be subset based on vegetation type as a proxy for sub-crop soil distribution, so as to determine relative background levels for geochemical data over areas of sub-crop versus soil. Once completed, the data can be more robustly assessed to determine true levels of any apparent anomalism.

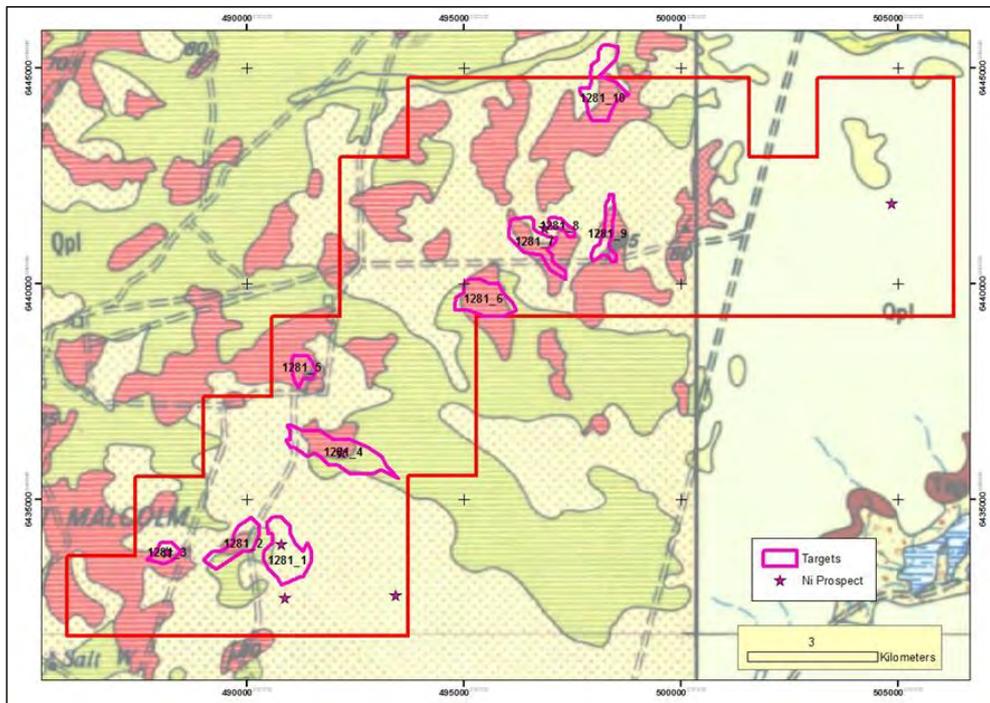


Figure 17: Geochemical target areas identified by McKinnon-Matthews and Boyd (2017) on E63/1281 over published 1:250,000 geological mapping

Source: McKinnon-Matthews and Boyd, 2017.

McKinnon-Matthews and Boyd (2017) also reviewed the HeliTEM data acquired in 2013 by Enterprise Metals. It was concluded in general that the HeliTEM system was largely ineffective in exploring for nickel sulphides in the region due to the variable depth of conductive overburden and potential for surficial conductors unrelated to bedrock geology to mask any potential bedrock response. However, they did note one HeliTEM conductivity response at approximately 499750mE and 6441265mN (Figure 18) on line 1480 that shows no correlation to early time results related to surface conductivity conditions and develops at a mid-time well above the system noise level and continues with a well-defined decay to the latest times. The adjacent line shows a similar though more tenuous response. This potential HeliTEM airborne EM anomaly was visited by McKinnon-Matthews and Reid (2017) who reported outcrops of metamorphosed mafic (gabbro), quartzite, intermediate to felsic gneiss, ironstone and very leached sub-crop in the vicinity of the anomaly. Soil, rock chip, float and coarse lag samples were taken in this area. Two iron-rich rock chip samples returned elevated values for Ni, Cu and Co. This area was followed up with soil sampling on an east-west grid with samples 50 m apart on 100 m traverses in December 2017 (McKinnon-Matthews, 2017). While elevated Ni-Co values were returned, McKinnon-Matthews concluded there was no clear Ni-Cu sulphide signature in the samples. However, when Ni was normalised with Fe and Mn the results suggest the elevated Ni is not entirely due to scavenging and may be evidence of elevated nickel in basement rocks. It should be noted that such elevated Ni-Co values may be related to high-olivine content ultramafic lithologies and not necessarily indicative of nickel sulphide mineralisation. They concluded that whilst a coherent Cu anomaly with the Ni and Co would have been a compelling result supporting the presence of magmatic Ni-Cu sulphides, the presence of highly elevated Ni-Cu-Co in rock chips adjacent to the HeliTEM anomaly indicates this area still required high powered ground EM to screen for buried magmatic Ni-Cu sulphides.

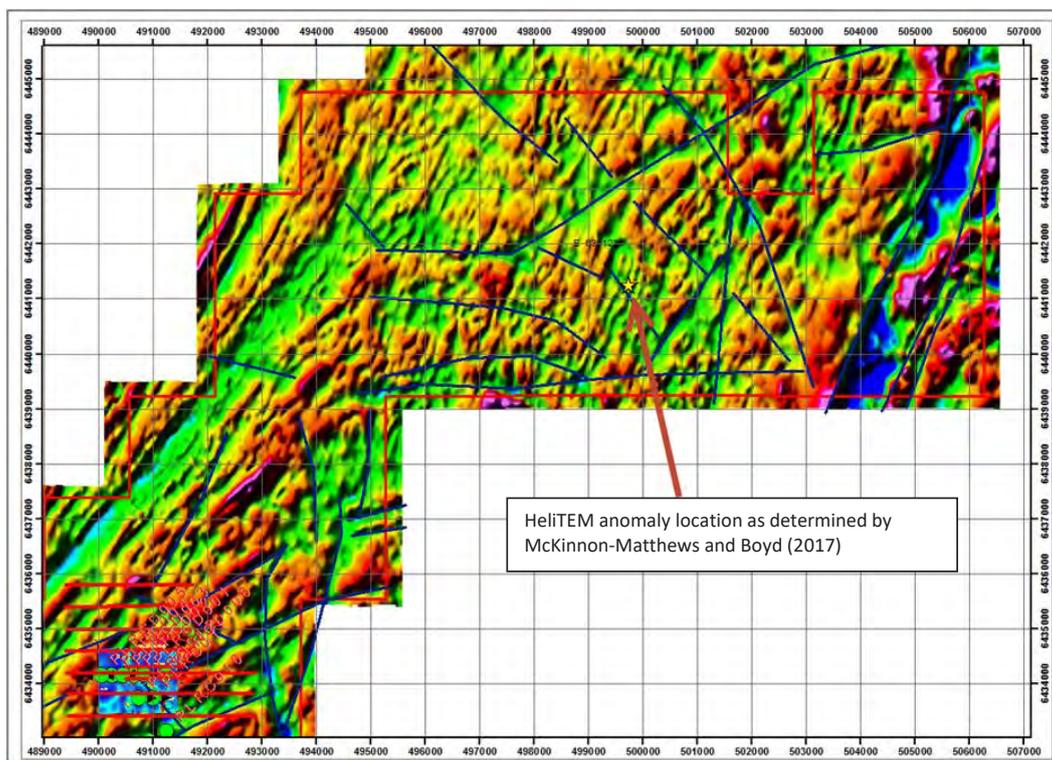


Figure 18: Location of HeliTEM anomaly on E63/1281 over airborne total field magnetic image and structural interpretation by McKinnon-Matthews and Boyd (2017)

Source: McKinnon-Matthews and Boyd, 2017.

2.5.3 Exploration Potential and Targets

Nickel

The disseminated to blebby magmatic nickel sulphide system discovered at Plato, while as yet uneconomic due to the low grades from the low volume of sulphide in the rock mass, is strong encouragement for further exploration activity in the area. The presence of good nickel tenor (~9% nickel in 100% sulphide) within the magmatic textured sulphides hosted in olivine-bearing mafic to ultramafic lithologies demonstrates that the thermodynamic and geochemical process of forming magmatic nickel sulphides has occurred in the system. This is a significant step in the geological process that may eventually lead to formation of an economic accumulation of the sulphides into significant volume amenable to economic extraction, although such accumulation processes are not automatically guaranteed to have occurred. Nickel tenor is generally consistent in a magmatic sulphide system across a range of sulphide content volumes from disseminated to massive (greater than 50% sulphide by volume). This offers encouragement that should an accumulation of sulphide up to massive sulphide volume exist in the area, then it would be reasonable to expect good quality nickel grades in the system.

The Plato target represents the only system so far in the Project area demonstrated to host magmatic nickel-copper sulphide mineralisation and has been the subject of extensive surface geochemistry; FLEM, MLEM, IP geophysics; and reconnaissance level RC and diamond drilling.

The potential HeliTEM conductivity anomaly identified by McKinnon-Matthews and Boyd (2017) will be followed up with further bedrock geochemical sampling and MLEM. Once data analysis and domaining



for vegetation is complete, surface geochemical targets 1281_4, 1281_7 and 1281_9, identified by McKinnon-Matthews and Boyd (2017) may be followed up with further bedrock geochemical sampling and MLEM.

CSA Global's opinion is that this tenement has strong exploration potential for discovery of magmatic nickel-copper sulphide mineralisation.

CSA Global's opinion is that the Plato target has been sufficiently tested for potential accumulation of magmatic sulphides near surface. However, deeper potential has not yet been assessed and remains open. All drilling to date has been terminated in the target host rocks and the lower margins of the host mafic-ultramafic intrusive system have not yet been tested. The Plato target represents a significant proof of concept for the exploration rationale searching for magmatic nickel-copper sulphides in the area.

Given that the surface geochemical targets identified are all near the Heart geochemical target, CSA Global also recommends that the Heart target be tested with a grid survey of appropriately designed MLEM and bedrock geochemistry, to test any residual potential not fully tested by the FLEM and single line of MLEM surveys conducted to date.

CSA Global believes the remainder of the tenement is essentially underexplored for magmatic nickel-copper sulphide mineralisation. CSA Global recommends that the Company conduct a detailed ground gravity survey to try and focus exploration under cover into buried mafic-ultramafic intrusive complexes.

Gold

The exploration model for this area is orogenic type, structurally controlled mineralisation. While there is evidence of geological complexity in the area of the tenement, based on magnetic data, this is interpreted to relate entirely to the internal stratigraphy of the Fraser Zone.

The tenement has been covered, initially by an approximately 400 m x 800 m surface geochemistry program, clearly focused on Ni/PGE exploration. Later 100 m x 200 m infill was carried out over a significant portion of the tenure. From this data, two sites returned anomalous gold values.

On further review, both anomalous points occur in or adjacent to drainage or paleodrainage as defined by HeliTEM early time data (Figure 19). Similarly, there is very limited correlation with pathfinder elements. These do, however, display a variably strong visual correlation with the location of drainage or paleodrainage. Away from defined drainage, where surface geochemistry is more likely to be effective, no gold anomalism is defined.

No drilling related to defined gold anomalism has been completed.

CSA Global concludes that there is very limited gold prospectivity within tenement E63/1281.

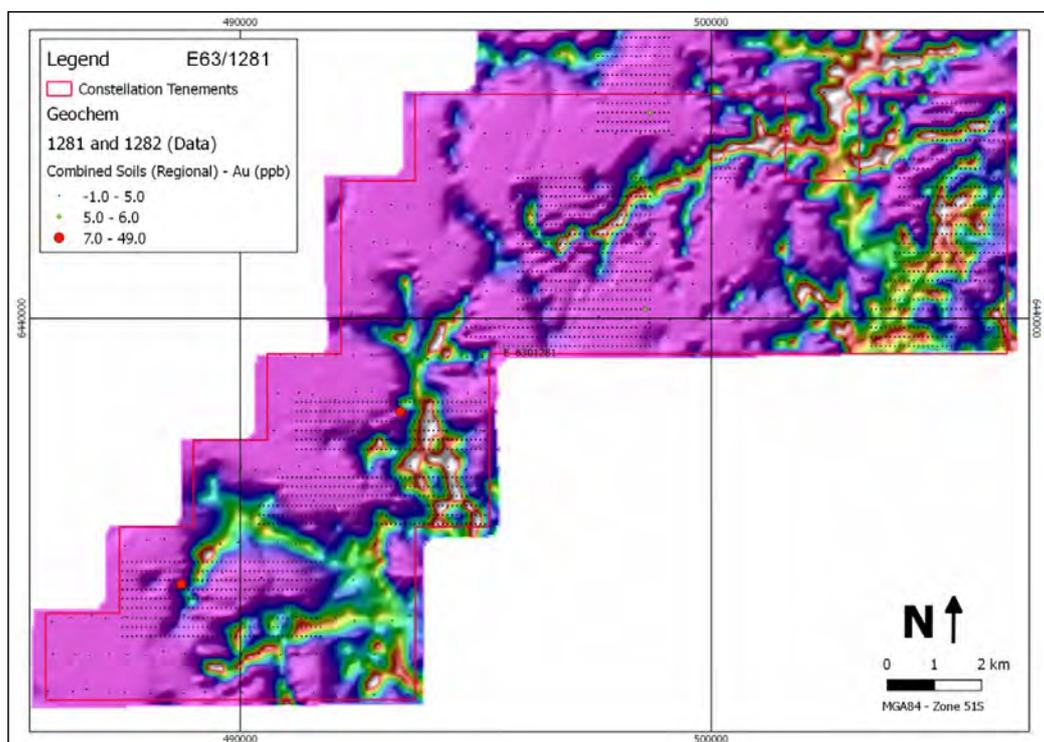


Figure 19: E63/1281 showing gold in surface sampling. Image is early time HeliTEM

2.6 E63/1282

2.6.1 Local Geology

This tenement is located entirely within the Fraser Range Metamorphics, and largely encompasses Unit 2 thereof. The far western edge of the tenement is within the Snowy Dam Formation. This is largely interpreted based on domain correlation of regional geophysical expression (gravity and aeromagnetics). The published GSWA geological mapping over this tenement indicate common mafic outcrop and sub-crop throughout the tenement area.

Much of the Project area is dominated by the topography of the Fraser Range trending northeast across the tenement, with outcrop and sub-crop of various mafic lithologies along the range core. Transported Cainozoic Aeolian deposits of clay, silt and sand, and large areas of alluvial/colluvial sheet wash are found on either flank of the range. The thickness of this transported material is highly variable, ranging from a few metres to over 60 m deep. In some places, fresh crystalline bedrock is in direct unconformable contact with the overlying Cainozoic sediments.

2.6.2 Previous Exploration and Mineralisation

Previous exploration has been extensively reviewed by Waterfield (2011), Ryan (2012), Adam (2013), Doedens (2014, 2015), Kammermann (2016), and McKinnon-Matthews and Boyd (2017). The following is a synopsis of those reports.

- Newmont Pty Ltd (1965–1975): Regional geological mapping and aeromagnetic survey
- Growth Resources NL (1987–1991): Literature review, aeromagnetic survey, rock chip and soil sampling
- Main Roads Department – RAB drilling (geology only)



- Gold Partners NL (1997–1998): Landsat image purchase/processing, regolith mapping
- Mark Creasy (1998): Soil sampling
- Resolute Gold Ltd (1999): Soil sampling
- Enterprise Metals Ltd (2010–2015); Apollo Minerals Ltd 70%-Enterprise 30% Joint Venture (2015–2017): rock chip and soil geochemical sampling, airborne EM surveys.

As with E63/1281, the first exploration over the tenement area comprised regional geological and geophysical programs conducted by Newmont during the period 1965–1972, focusing on magmatic nickel-copper mineralisation. Anomalous soil sample results were returned from several prospects (Gnama South, Talbot and Yardilla South) located both north and south of the current tenement area. Drill testing intersected ultramafic containing sulphides (pyrrhotite, pentlandite, chalcopyrite) returning the following results:

- 6.1 m at 0.44% Ni and 0.12% Cu
- 3.6 m at 0.25% Ni and 0.06% Cu

To the immediate west of E63/1282, a single traverse of 22 shallow auger drillholes was undertaken over mafic granulite. Nickel-copper results were elevated, although not as significant as the above-mentioned prospects and no deep drill testing undertaken.

Growth Resources completed follow-up orientation soil sampling over Newmont's auger drilling, as a comparison of auger drilling and soil sampling. The soil results confirmed Newmont's elevated values, with a larger nickel-copper dispersion halo. Further regional soil traverses were completed by Growth Resources; however, no drilling was undertaken.

Mark Creasy undertook a soil sampling program predominantly south and west of E63/1282 following up the northern extension of Newmont's nickel-copper prospects – Gnama South and Talbo, with several lines of the program extending onto the southwestern margin of E63/1282. No anomalous results were returned.

Gold Partners picked up the ground in the late 1990s and completed regolith mapping based on purchased Landsat data. No further work was undertaken.

Resolute Gold subsequently completed a limited regional soil and calcrete sampling program along the Eyre Highway and the eastern side of the Fraser Range targeting gold mineralisation. No anomalous results were returned.

In 2010 and 2011, Enterprise Metals contracted AeroQuest Airborne to complete an aeromagnetic and radiometric survey at 100 m line spacing over the entire area of E63/1282. This was followed by surface sampling of 428 calcrete and 450 soil samples. The sampling program was planned on Google Earth imagery with east-west lines spaced at 800 m spacing, with sample sites at 400 m along the lines. Initially, work focused exclusively on gold exploration with geochemical analysis of the calcrete samples for low level gold, and all other samples were archived for later analysis.

Enterprise Metals arbitrarily selected +10 ppb gold in calcrete as being an anomalous value. This cut-off was not based on any statistical analysis. Analysis of anomalous values for gold in the geochemical data is presented in more detail in Section 2.6.3 below.

Following discovery of the Nova Ni-Cu-Co sulphide deposit in 2012, Enterprise Metals shifted their focus of exploration to include nickel. The archived soil geochemical samples were analysed and a coincident Ni-Cu-Co anomalous samples were identified. Follow-up work included 100 m x 200 m infill soil sampling for a further 641 samples, all within the northernmost portion of E63/1282 at what was dubbed the McPhersons prospect (Figure 20).

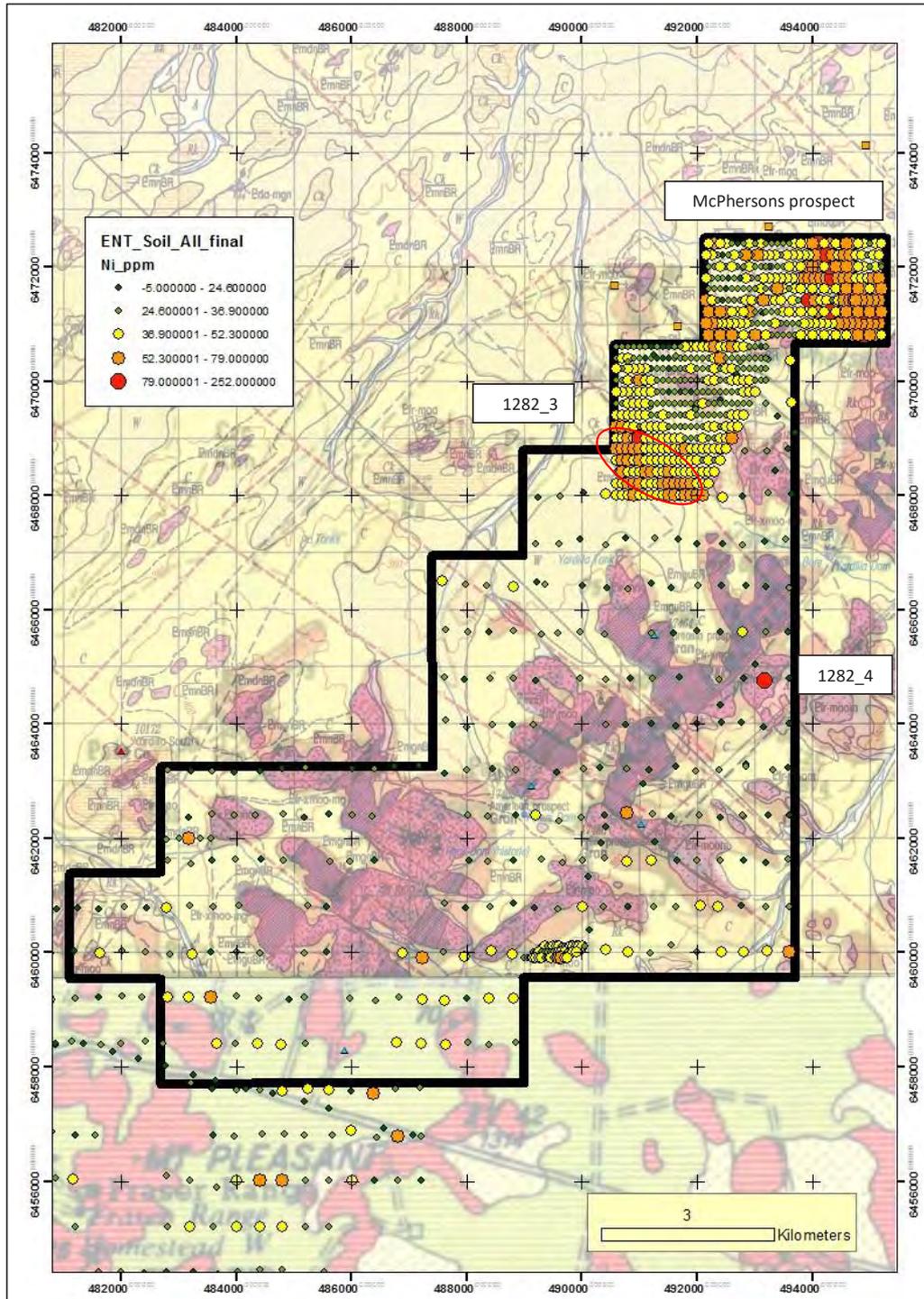


Figure 20: Nickel soil geochemical results on published 100K geology
 Source: McKinnon-Matthews and Boyd, 2017.



In 2013, Fugro Airborne Systems were contracted by Enterprise Metals to fly a HeliTEM airborne EM geophysical survey over the northern portion of the tenement covering the McPhersons target on east-west lines 200 m apart. No strong basement conductivity responses were identified. However, it should be noted that much of the survey response was dominated by near surface effects resulting from conductive overburden containing clays and saline ground waters. The survey response largely mapped palaeodrainage systems and was not effective in exploring for bedrock conductivity features as a result. The palaeodrainage system highlighted also reduced confidence in the effectiveness in surface geochemical sampling for much of the tenement area covered by the palaeodrainage system evident in the HeliTEM data.

Apollo Minerals compulsorily relinquished the southern-most portion of E63/1282 to the current tenement boundary, to concentrate on the targets defined in the northern tenement area.

In 2017, Apollo Minerals commissioned consultants (McKinnon-Matthews and Boyd, 2017) to review all past exploration activity on the Orpheus Project. On E63/1282, they identified four target areas where they believed the nickel-copper values were anomalous relative to background. After regression of the geochemical data, two of these areas showed that the nickel and copper was associated with manganese and could be attributed to surficial manganese scavenging of metals in the water table at surface and not necessarily related to bedrock concentration of metals. One of these areas downgraded for potential was the initial McPhersons target area. The remaining two target areas had no manganese associated and require further investigation as possible bedrock nickel copper sources: 1281_3 – southwest of McPhersons; and 1282_4 – a single point anomaly in the regional 800 m x 400 m sampling associated with bedrock outcrop of mafic lithologies (Figure 20). These targets were followed up by McKinnon-Matthews and Boyd (2017) who noted that target 1282-4 coincided with outcrop of mafic to ultramafic lithologies, and the anomalous nickel values in soils most likely resulted from surficial weathering of those outcrops and was not mineralisation related. They also visited the area of 1282_3, but no outcrop was discovered and nothing noted on surface that could readily explain the coincident nickel-copper anomalism in soil data.

McKinnon-Matthews and Boyd (2017) also reviewed the HeliTEM data acquired in 2013 by Enterprise Metals. It was concluded in general that the HeliTEM system was largely ineffective in exploring for nickel sulphides in the region due to the variable depth of conductive overburden and potential for surficial conductors unrelated to bedrock geology to mask any potential bedrock response. However, they did note one HeliTEM conductivity response at approximately 492884E and 6469600N (Figure 21) on line 6430 of the survey. This is located close to a major structural boundary highlighted in the magnetics which reflects the boundaries of the Snowy Dam Formation and the Fraser Range Metamorphic Complex. This HeliTEM airborne EM anomaly was followed up by McKinnon-Matthews and Reid (2017), who took soil and ironstone float samples. While outcrop was noted nearby, they noted that there was nothing on surface to indicate the source of the anomaly. The soil and float samples did not return any anomalous values.

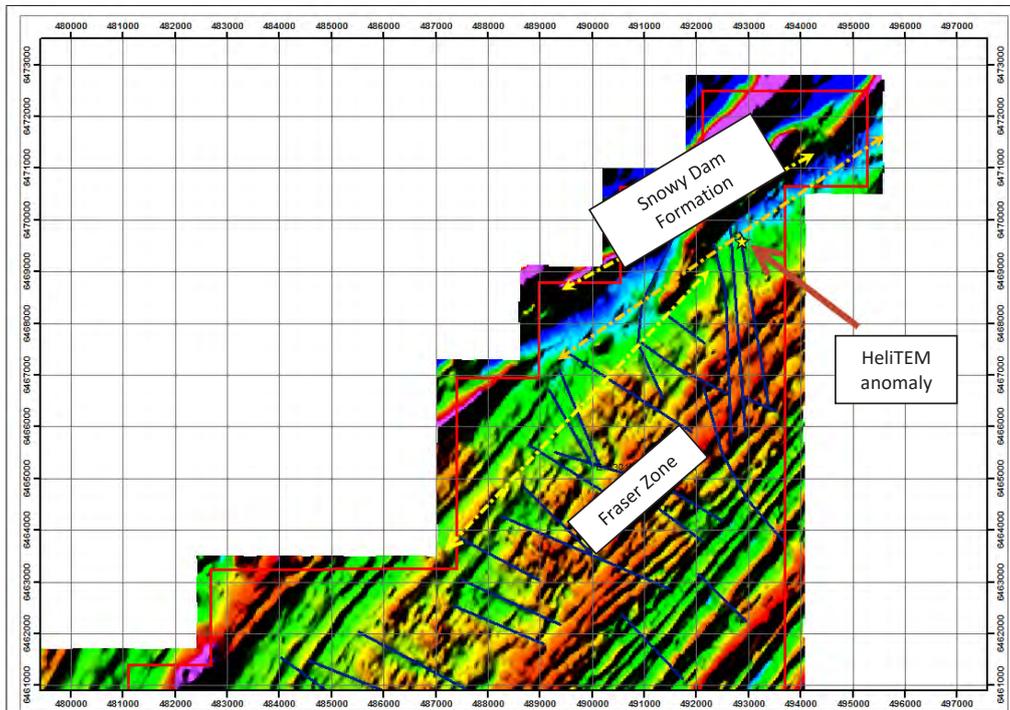


Figure 21: Total magnetic intensity showing possible HeliTEM anomaly and general trends of the Snowy Dam Formation and Fraser Zone proper, with anomaly lying on the nominal boundary between the two (secondary interpreted structures in blue)

Source: McKinnon-Matthews and Boyd, 2017.

Blundell (2017) reviewed the HeliTEM data and identified several potential second- and third-order anomalies (Figure 22). Targets B3, B4 and B5 were field checked and local lag and chip samples taken, with no significant results being returned. It was noted by McKinnon-Matthews (2017) that sub-crop was very rare, and where present was intensely weathered and leached.

Currently, no known nickel or gold mineralisation has been identified within E63/1282.

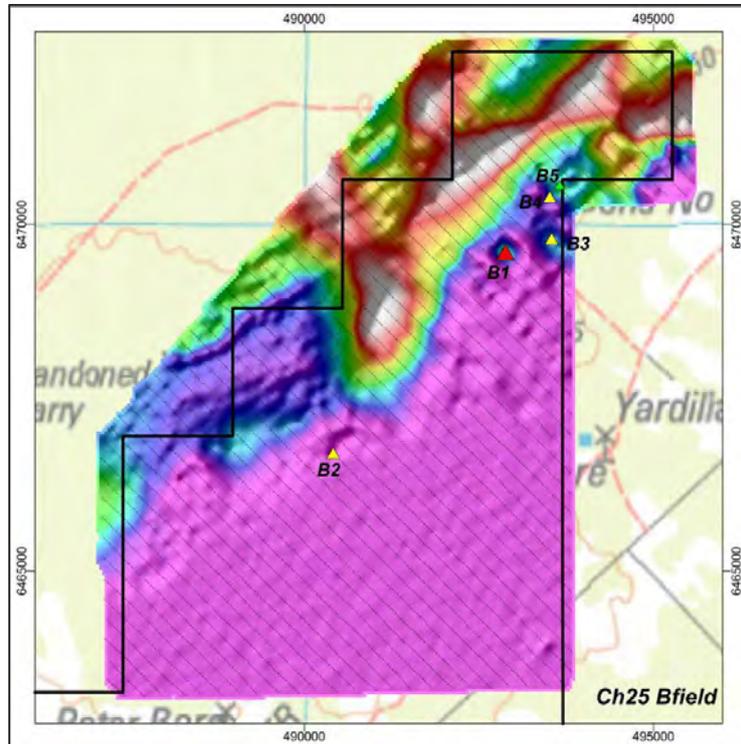


Figure 22: HelITEM channel 25 Z component B-field data on E63/1282 showing potential HelITEM anomalies

Note: B1 – first order anomaly identified by McKinnon-Matthews and Boyd (2017);
 B2, B3 and B4 – possible second order anomalies; B5 – possible third order anomaly.

Source: Blundell, 2017.

2.6.3 Exploration Potential and Targets

Nickel

The tenement is still at a very early stage of exploration. There has been only a rudimentary first-pass of exploration activity targeted at nickel-copper sulphide mineralisation. No direct bedrock sampling or ground geophysical surveys have been conducted. The tenement is underlain by extensive mafic-ultramafic intrusive rocks as evidenced by the outcropping lithologies along the prominent Fraser Range.

Soil geochemical anomaly target 1282_3 identified by McKinnon-Matthews and Boyd (2017) sits directly over a broad, northwest trending conductivity feature in the early-time HelITEM data, indicative of a significant palaeodrainage system. If this is the case, then it would be doubtful that the soil geochemistry represents an effective test of bedrock geochemistry. The low-level anomalism is defined by predominantly nickel with minor copper association.

CSA Global's opinion is that this tenement has good exploration potential for discovery of magmatic nickel-copper sulphide mineralisation.

CSA Global's opinion is that it is likely that the geochemistry in the region of target 1282_3 reflects outwash in drainage from the outcropping mafic lithologies of the Fraser Range to the southeast. CSA Global recommends that this target is of low priority for immediate exploration follow-up.

CSA Global recommends that the potential HelITEM anomalies identified by McKinnon-Matthews and Boyd (2017) and Blundell (2017) be immediately followed up with a program of ground MLEM surveys.



Gold

The exploration model for gold for this tenement is an orogenic, structurally controlled mineralisation setting.

The tenement has been covered, initially with wide spaced (approximate 400 m x 800 m grid) surface geochemistry for which gold, plus an additional 35 elements have been analysed for the majority of samples. In general, detection limits are reasonable for most elements considered likely pathfinders for gold. However, evident variable analytical method, with insufficient data from which to normalise these, make it difficult to use the data effectively. However, visual analysis suggests the possibility that As, Bi, Mo and W may have some proximal distribution correlation with gold within this tenement area. In addition, while Mo is more generally enriched relative to crustal abundance across the tenure, As, W and Bi show discrete variability within the more detail surface samples collected subsequently and associated with the main gold target within this tenement. All these elements are well known orogenic gold pathfinders. Other pathfinders defined by Doyle (2014), including Ba, Rb and Pb, are not, however, elevated relative to crustal abundance.

The regional surface geochemistry identified two areas of anomalous gold, based on statistical analysis (data above the 87th percentile for Au is considered anomalous for all datasets). The main area, with a number of samples showing elevated gold in near proximity, occurs in the northeast corner of the tenure. The anomaly occurs on the edge of the Fraser Zone at the edge of Unit 1, either in proximity or within the bounds of the Fraser Shear Zone (Spaggiari *et al.*, 2009). Infill surface geochemistry, also reviewed statistically and plotted with anomalism considered at >87th percentile, provides additional support for statistically consistent and significant gold anomalism in this area.

The gold anomalism is generally oriented along an overall north-easterly trend. However, in association with more detailed magnetic data (Figure 23 and Figure 24), there may be a correlation with a series of more north-north-easterly structures that can be interpreted. In addition, at the north-eastern end of the overall trend, where gold anomalism decreases (possibly due to decreased data) the pathfinder elements, As, Bi, Mo, and W define a diffuse north-westerly trend coincident with a structure also evident in the magnetic data of this trend. Similarly, oriented, though less prominent structures along strike, are also evident in satellite imagery, and appear to be coincident with better gold anomalism. More generally, these same pathfinders appear to define a variable low-level halo around the overall gold trend (Figure 25). Limited, non-systematic rock chip samples collected in the area failed, however, to return any significant assays.

No drilling is known to have been completed within the area of this anomaly.

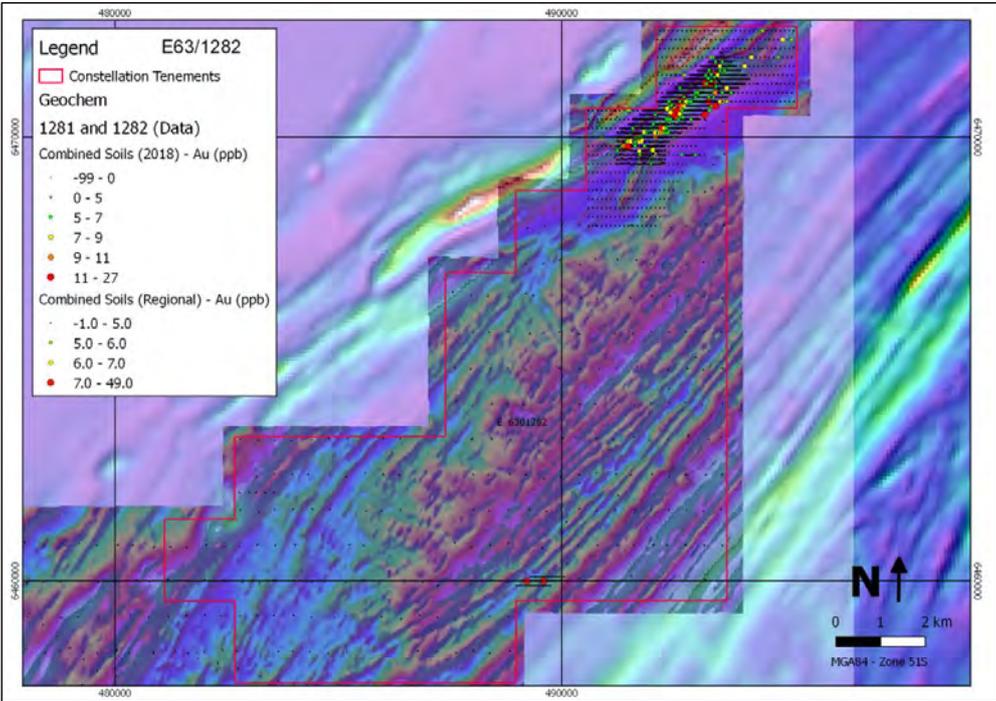


Figure 23: Tenement E63/1282 with showing anomalous gold >87th percentile over magnetic data

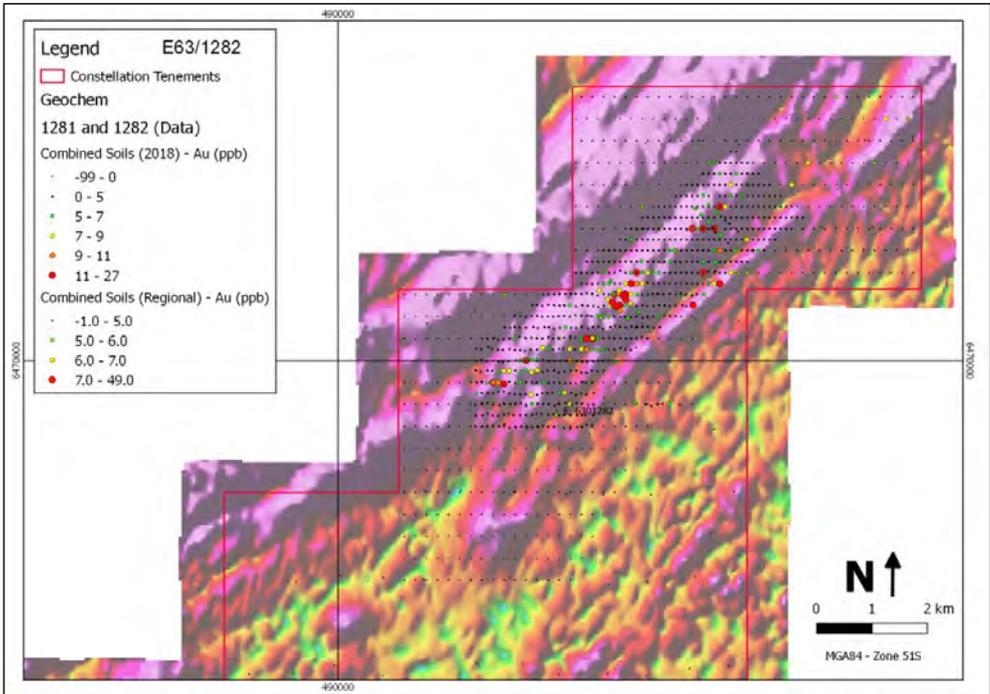


Figure 24: Magnetic data (analytical signal image) showing over northeast gold anomaly trend and local north-northeast trends

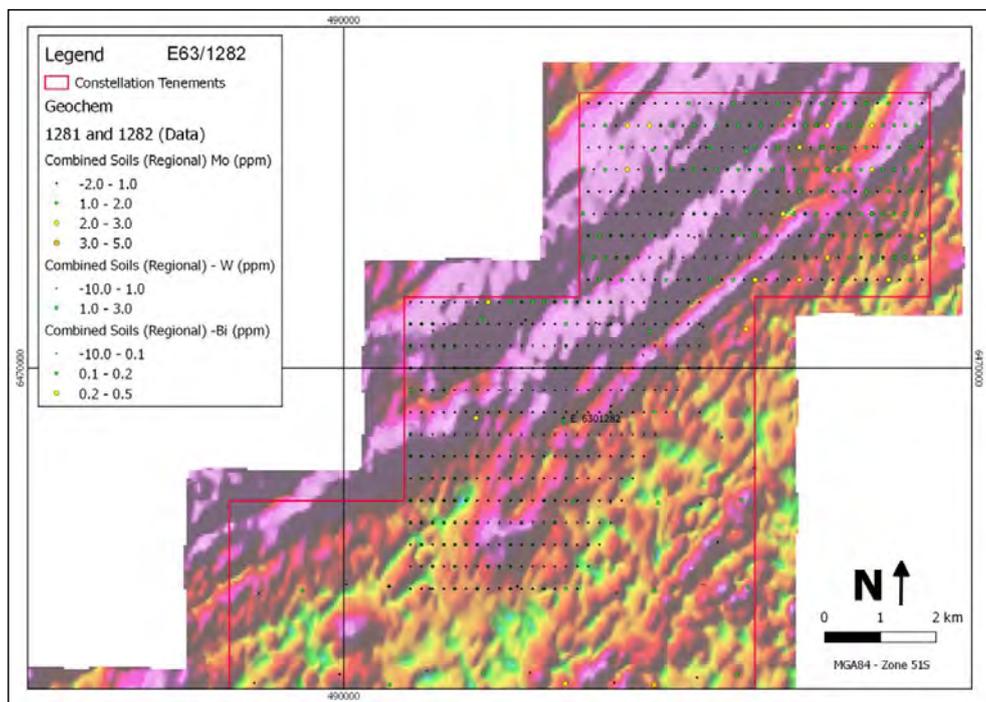


Figure 25: Magnetic data (analytical signal image) showing combined Mo, W and Bi to define “halo” to gold anomalism (Figure 24)

The HeliTEM survey completed directly over this area of the tenure provides additional insight. The early time channel show (Figure 26) that the area is extensively transected by channels or paleochannels (Blundell, 2017). However, the late time images (Figure 27) correlate well with magnetic data. A combination of this, the tight distribution of gold, and correlation of pathfinders confirm (as per McKinnon-Matthews, 2017) that surface geochemistry is likely to be effective in this area. Further a strong contrast in the EM data is shown in coincidence with gold anomalism.

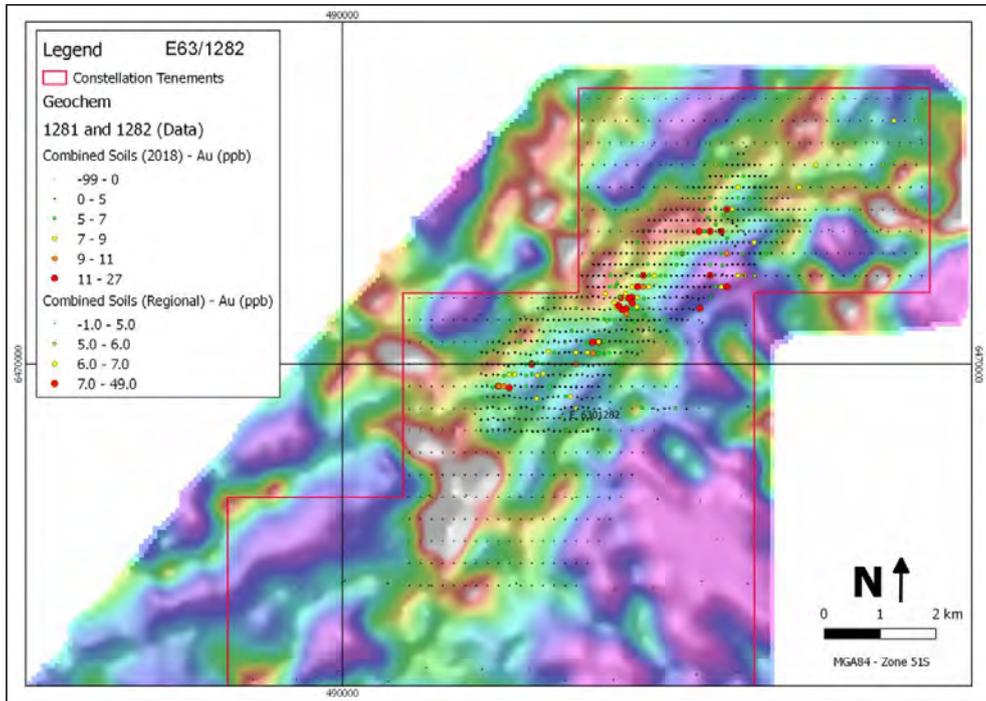


Figure 26: Early time EM image showing significant surface channels in area of gold anomaly

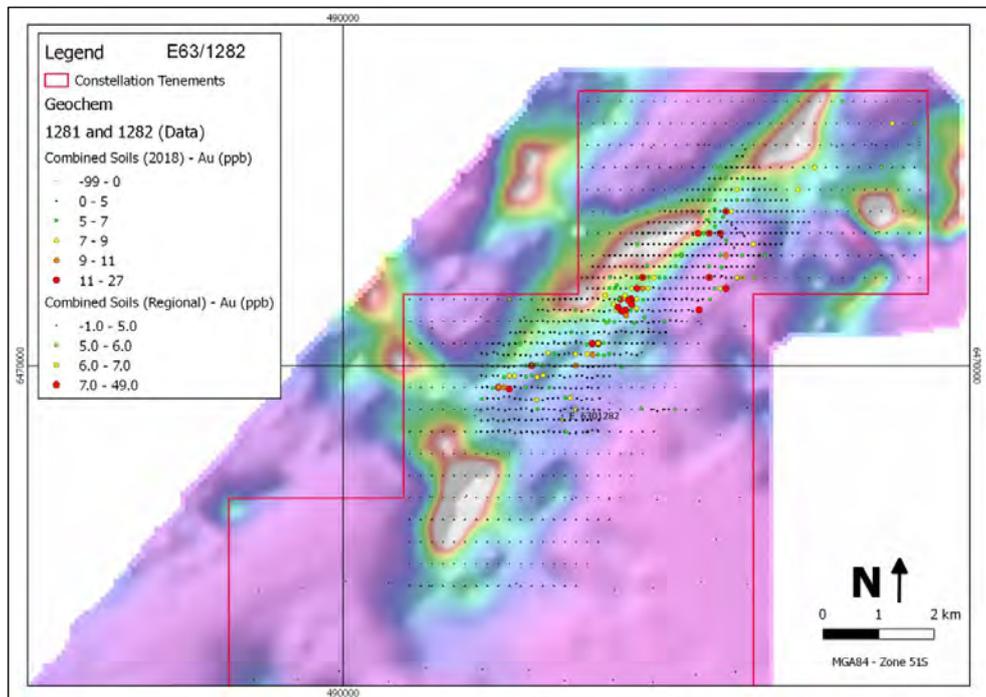


Figure 27: Late time EM image correlates well with magnetic data and shows good northeast trends coincident with gold anomalism



CSA Global concludes that this area demonstrates sufficient support from a combination of surface geochemistry and geophysics to warrant priority follow-up. It is recommended that this be completed with RC drilling in association with at least bottom of hole multi-element analysis that should be used to better understand lithologies and alteration signatures. A more detailed geophysical interpretation may provide additional insight ahead of siting holes.

A second, two-point gold anomaly was identified at the south of the tenement (Figure 23). These data appear to occur within Unit 4 of the Fraser Zone, with no clear structural relationship, based on available geophysics. In addition, there is no evidence of elevated pathfinder elements. It is therefore concluded that this area is of lower priority.

2.7 E63/1695

2.7.1 Local Geology

This tenement is underlain by meta-igneous felsic intrusive rocks with migmatites and gneisses of the Biranup Zone. This is largely interpreted based on domain correlation of regional geophysical expression (gravity and aeromagnetism). The published GSWA geological mapping over this tenement indicates gneissic outcrop and sub-crop throughout the tenement area. The tenement is largely covered by recent soil and sand, but basement outcrop mapped sporadically over the area suggests the cover may be thin.

2.7.2 Previous Exploration and Mineralisation

Previous exploration of the area has been limited and is summarised by Fletcher (2013) and McKinnon-Matthews and Boyd (2017). The most recent systematic historic work was by AngloGold Ashanti in 2012, presumably targeting Tropicana type gold systems. They completed a nominal 200 m spaced truck mounted auger soil sampling on 1 km spaced east-west traverses over the tenement area. Auger holes were drilled to a maximum depth of 2.5 m, with single samples taken from the zone of greatest carbonate reactivity downhole. Samples were not sieved and averaged approximately 300–500 g. AngloGold Ashanti completed multi-element analysis, including Ni, Cu, Au, Pt and Pd. The survey did not return any anomalism. The tenement was also flown with regional airborne magnetism on east-west lines spaced 400 m apart. The tenement was subsequently surrendered in 2013. No other exploration activity has taken place since that date.

No known gold or nickel mineralisation occurs within tenement E63/1695.

2.7.3 Exploration Potential and Targets

Nickel

The Project is underlain by the Biranup Zone of the AFO. The Biranup Zone has no known nickel-copper sulphide prospectivity at this time. All known true magmatic nickel-copper sulphide mineralisation discovered to date in the AFO has been within the Fraser Zone and correlates. It is uncertain whether any mafic-ultramafic lithologies are present on the tenement.

CSA Global does not consider this tenement to be a high priority exploration target for magmatic nickel-copper sulphides. CSA Global recommends that the tenement be surveyed with gravity data at sufficient station spacing to determine the likelihood of potential buried mafic-ultramafic lithologies before commencing any other exploration activities targeting magmatic nickel-copper sulphides.

Gold

The exploration model is a structurally controlled orogenic gold setting.



The tenement was covered by a single program of surface auger geochemistry on an approximate 200 m x 1,000 m grid with analysis for gold and multi-element geochemistry. The analytic technique has been able to deliver detection limits for most elements sufficient for interrogation.

Two relatively coherent areas of gold anomalism are defined by the data, including an area in the central north of the tenement and an area in the southwest corner of the tenement.

The only data available is regional magnetic data, gravity data and satellite imagery. However, the northern area of anomalism generally correlates with a north-south trending area of increased magnetic complexity on the margin of the Fraser Zone (Figure 28). Gravity data (low) suggests the area is underlain by granite or intrusive stratigraphy. Only arsenic provides any discrete, associated pathfinder encouragement in this area.

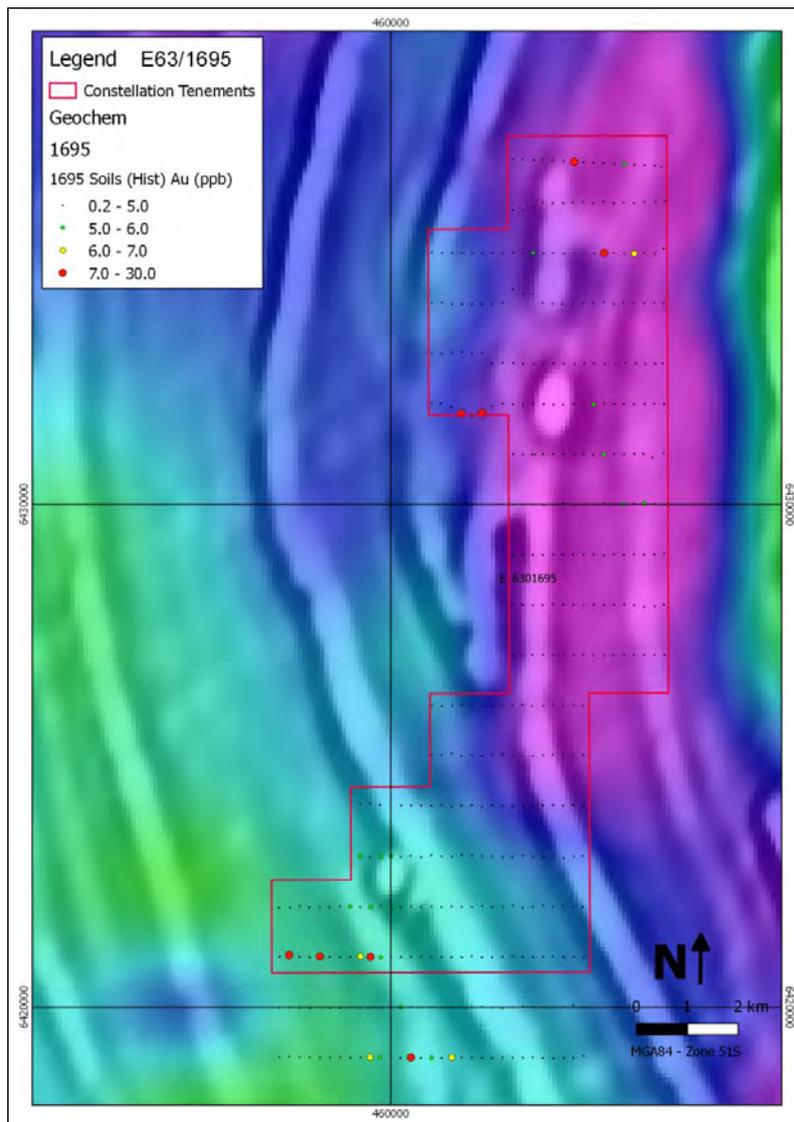


Figure 28: E63/1695 showing surface auger gold anomalism over combine magnetic and gravity image



The southwestern anomaly displays a general, but diffuse north-northwest trend coincident with a trend of magnetically defined stratigraphy showing minimal complexity. No coherent pathfinder anomalism can be related to this target.

CSA Global considers that, while anomalism has been identified, there is insufficient support to consider these areas priority for follow-up for gold exploration.

2.8 E28/2403 and E28/2738

2.8.1 Local Geology

Geology within the tenement is poorly known. GSWA mapping at 1:250 000 scale shows there is extensive Quaternary aeolian sand and soil cover. The entire tenement is 100% covered with recent sand and calcrete, Tertiary limestone and sandstone and possibly some Cretaceous Madura Formation of the western Eucla Basin overlapping the AFO. This recent cover is estimated to be in the order of 60 m thick given results from historic drilling just to the west of the tenement.

The regolith of the tenement consists of a low relief erosional-depositional regime. Limited observations of sub-cropping ridges and domes suggest that there is a mix of deep and shallow weathering. Compilation work by previous explorers has revealed several hidden paleo-channels in the region.

Interpreted geophysical magnetic and gravity data suggests that the Proterozoic basement lithology is a mix of Fraser Zone and Nornalup Zone, with the boundary between the two along the south-eastern edge of the tenements. Underlying Fraser Zone basement is interpreted to consist of metagabbros and minor felsic granulite and metasediments. The Nornalup complex to the east is interpreted to be made up of predominantly migmatites, gneissic gneissoids and leucocratic granites.

2.8.2 Previous Exploration and Mineralisation

Previous exploration activity on E28/2403 and E28/2738 is summarised by Shard (2014) and McKinnon-Matthews and Boyd (2017). Most previous exploration activity of the area is of limited utility due to the extensive and deep nature of the cover sequence.

Ponton Minerals Pty Ltd explored the area between 2008 and 2013. In 2007–2008, Ponton conducted soil sampling programs at 100 m and 400 m spaced sample locations on east-west lines spaced 800 m apart. Samples were collected using a powered hand auger, to collect a soil and calcrete samples from each site. Samples were submitted for multi-element analysis. Soil geochemistry infill sampling programs were conducted in 2011–2012. Samples were collected on a 100 m x 200 m grid or a 200 m x 200 m grid over areas identified as potentially anomalous during the earlier regional geochemistry program. No significant results were received for Au or base metals; thus, no further surface exploration was undertaken. The tenements were subsequently relinquished in 2013.

Legend Mining reported (Source: Legend Mining's ASX announcement dated 7 March 2016) that drilling of a magnetic low just to the west of E28/2403, intersected a cumulate gabbroic body under approximately 60 m of cover.

Apollo Minerals commissioned Atlas Geophysics to acquire a ground gravity survey over the northern portion of E28/2403 in two phases:

- 400 m x 400 m nominal spacing for 671 stations over the survey area; followed by
- 200 m x 200 m infill over anomalies of interest for 677 stations.

The aim of the survey was to delineate local positive gravity anomalies that could represent either magmatic nickel-sulphide mineralisation or host rocks to mineralisation. The results of the survey determined Bouguer gravity anomalies (A1 and A2; Figure 29), coincident with magnetic features previously presumed to represent buried mafic-ultramafic intrusive complexes. The residual Bouguer



anomalies have amplitudes of around 3 mGal, consistent with that expected for an ultramafic intrusive below a cover sequence of around 80 m to 100 m. No further exploration activity has taken place.

No known gold or nickel anomalism occurs within tenement E28/2403 and E28/2738.

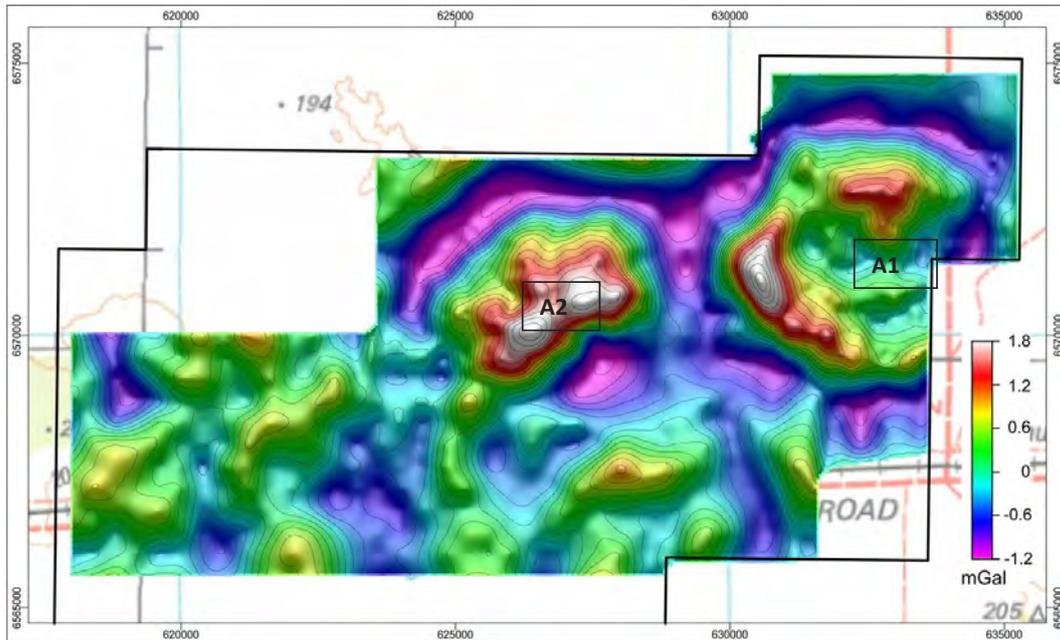


Figure 29: Residual Bouguer anomaly map of the northern portion of E28/2403. Image is sun-shaded from the north and has a linear colour stretch. Contour interval is 0.2 mGal (2 gu). The circular features A1 and A2 are interpreted to represent buried mafic-ultramafic intrusive complexes.

Source: Blundell, 2017.

2.8.3 Exploration Potential and Targets

Nickel

The tenement is still at a very early stage of exploration. There has been only a rudimentary first-pass of exploration activity targeted at nickel-copper sulphide mineralisation. No direct bedrock sampling has been undertaken, and ground geophysical surveys conducted are limited to gravity surveys of the northern portion of E28/2403. The tenements are believed to be underlain by the Fraser Zone. This interpretation is corroborated by potential buried dense mafic-ultramafic intrusive complexes from interpretation of the detailed gravity data collected to date in the northern portion of E28/2403.

Soil geochemistry is unlikely to be effective in this area due to the depth of the transported cover material over the entire area.

CSA Global’s opinion is that these tenements have good exploration potential for discovery of magmatic nickel-copper sulphide mineralisation.

CSA Global recommends that the tenements be surveyed with detailed ground gravity to determine the number and extent of potential buried dense mafic-ultramafic intrusive complexes beneath cover. This survey will then provide focus for further exploration to try and determine bedrock geology through the thick cover sequences.



Gold

The exploration model remains a structurally controlled orogenic gold setting. E28/2403 and E28/2738 occur within the northeast body of the Fraser Zone. Available regional magnetic data suggest that primary magmatic related internal complexity may have undergone some minor to moderate internal structural dismemberment, with potential later intrusions. While this report focusses on the Ni and related base-metal prospectivity, there remains a possibility that more felsic intrusions may have intruded, with potential to drive gold mineralisation. A limited gravity survey, completed in 2017 and covering the northern portion of the tenements indicates that the main sub-circular bodies that can be interpreted as intrusive from magnetic data are high-gravity, suggesting a mafic provenance. However, less extensive areas, in proximity to the margins of those bodies, define low gravity areas that may represent small volume felsic intrusions.

The tenement has been covered by two phases of surface geochemistry, encompassing a calcrete-focused auger program and a soil sampling program at between 400 m x 800 m and 400 m x 400 m spacing (Figure 30). A statistical review indicates that the two populations are reasonably correlative without normalisation. However, based on drilling completed immediately to the west of the tenure (Source: Legend Mining's ASX announcement dated 7 March 2016) which drilled >60 m of cover, and in lieu of additional information on depth of cover, it is considered that the programs are unlikely to be fully effective.

In the northern half of the tenure, however, associated with soil sampling, a number of statistically anomalous gold values have been returned with little evidence of coherency (Figure 30), based on either the geophysics or satellite imagery.

In the southern central portion of the tenure, where soil and auger drilling programs interleave, a general trend of anomalism is noted that is reasonably coincident with the margin of an area of low magnetic intensity (Figure 30), interpreted to be a cohesive portion of the Fraser Zone, or possibly, a remnant later sedimentary unit.

CSA Global considers that, while gold anomalism has been statistically identified, the work completed to date is not considered a reasonable test of prospectivity for this element within this area. Current work, particularly in the south of the tenure, provides some encouragement but would be considered low priority for additional follow-up without further support.

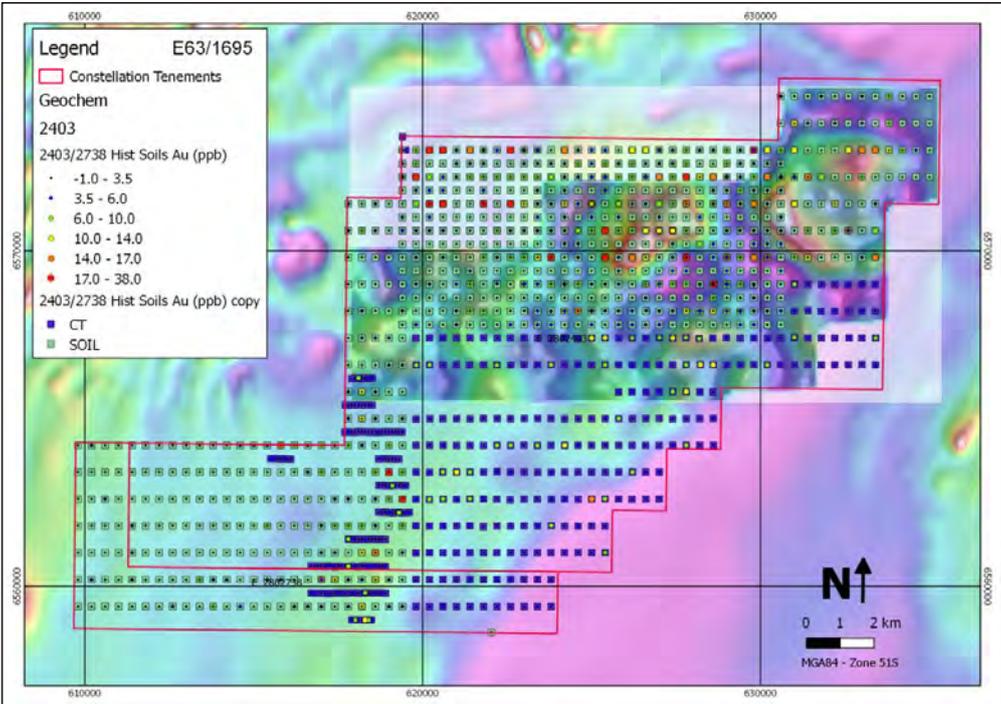


Figure 30: E28/2403 and E28/2738 showing surface sampling type (background points) and gold (ppb) (foreground points)



3 Planned Work

3.1 Exploration Aim

The aim for the first two years of exploration on the Orpheus Project is to:

- Refine and subsequently drill test existing geophysical (magnetic, gravity and EM) targets for Nova-style nickel-copper-PGE sulphide mineralisation
- Refine and subsequently drill test the existing gold-in-soil anomaly for Proterozoic gold mineralisation
- Generate further targets for drill testing through focused and targeted regional exploration.

3.2 Year 1 Minimum Subscription

On raising the minimum subscription of \$A7.0 million, Constellation plan the following exploration activity in the first year of operation:

- Ground EM surveys will be undertaken to refine the geochemical and airborne EM targets already detected on E63/1281 and E63/1282 and to screen the magnetic and gravity targets identified on E28/2403. Budget: A\$190,000.
- The southern half of E63/1282 will be screened using an airborne EM system to detect new nickel-copper-PGE sulphide targets. This airborne survey will be flown on 200m spaced lines. Budget: A\$100,000.
- Field verification of anomalies detected is budgeted within the geophysical programs.
- Drilling of existing nickel and gold targets using aircore (AC) or reverse circulation (RC) drilling, including assay, heritage surveys and drill site access and rehabilitation costs. Budget: A\$268,000.
 - A total of 4,000 m of AC drilling covering:
 - 3,000 m of AC drilling is planned over the gold target on E63/1282 as a first pass to test the basement where the elevated gold-in-soil assay results have been identified. Ten traverses of approximately 40 m deep angled AC drillholes are planned for this work.
 - A further 1,000 m of AC drilling is planned over the coincident magnetic and gravity anomalies detected on E28/2403. These will be vertical holes through the cover sequence with the aim of determining the source of the basement rock types, the depth of cover, and locating any nickel-copper dispersion haloes around potentially mineralised positions. This AC drilling will also aid in the planning and interpretation of the extensive ground EM program planned over these targets.
 - A total of 1,000 m of RC drilling is allocated to drill test the HeliTEM airborne EM conductors identified on E63/1281 and E63/1282 after these nickel-copper-PGE sulphide targets have been refined by ground EM. These drillholes will have a maximum depth of 150 m and will be cased with 50 mm PVC to facilitate the use of downhole geophysical techniques.
- Geological mapping, rock chip and soil geochemical sampling over conceptual targets generated from historical data. Budget: A\$70,000.

3.3 Year 2 Minimum Subscription

On raising the minimum subscription of \$A7.0 million, Constellation plan the following exploration activity in the second year of operation.

Most of the expenditure in Year 2 will be on RC and diamond drilling. The planned drilling programs will consist of a total of 8,000 m of RC drilling and 5,500 m of diamond drilling targeting nickel-copper-PGE sulphide deposits and gold deposits. The estimated total cost of these drill programs, including assay and drill site access and rehabilitation costs, is A\$2,099,000.



The specific location of the drill metres will be refined based on the results from the work completed in Year 1; however, the following is planned:

- 2,000 m of RC drilling and 1,500 m of diamond drilling is planned on E28/2403 to drill test any ground EM conductors identified over the coincident magnetic and gravity anomalies
- 3,000 m of RC drilling and 2,000 m of diamond drilling is planned on E63/1282 to follow-up any gold and nickel-copper-PGE sulphide targets identified in Year 1
- 3,000 m of RC drilling and 2,000 m of diamond drilling is planned on E63/1281 to follow-up any nickel-copper-PGE sulphide targets identified in Year 1 and to test any conceptual targets identified.

3.4 CSA Global Assessment of Planned Exploration

CSA Global endorses this exploration approach exploring for the style of nickel and gold mineralisation targeted. These programs are reasonable given the targets to be tested and the operational logistics of exploration activity in the project area.

In addition, CSA Global would recommend that:

- Airborne EM surveys be conducted with a high-powered system capable of penetrating the conductive overburden. It is recommended that this airborne survey take place prior to any surface geochemical programs so as to better target sampling at areas of residual soils and avoid regions of significant palaeodrainage and depth of conductive cover.
- Emphasis in ground geophysics be placed on conducting MLEM surveys wherever feasible as the preferred method for direct detection of magmatic nickel-copper sulphides in this type of exploration environment.
- Constellation conduct detailed ground gravity surveys over all tenements prospective for magmatic nickel-copper sulphide mineralisation to map the subsurface distribution of the target mafic-ultramafic intrusive lithologies favourable for hosting nickel-copper sulphides.
- The Heart geochemical target be surveyed with a MLEM grid to fully cover off exploration potential.
- Consideration be given to deep (greater than 450 m depth) reconnaissance stratigraphic drilling coupled with borehole EM at the Plato target to test the potential intrusive footwall contact at depth below the existing known disseminated to blebby, high nickel tenor magmatic sulphide system.
- Any conceptual targets identified be reviewed in the tectonic context of the known deformation and metamorphic history of the Nova-Bollinger ore system to ensure targeting adopts the lessons learned in the discovery history of that deposit.



4 Technical Risks

A key risk, common to all exploration companies, is that the expected mineralisation may not be present or that it may be too small to warrant commercial exploitation.

The interpretations and conclusions reached in this report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the Project in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any exploration operation.

4.1 Orpheus Project

The significant coverage of conductive transported overburden throughout much of the Project area adds significant uncertainty to the interpretation of surface geological, geophysical and geochemical data. There is a risk in such datasets of either false positive anomalism or masking of true positive results resulting from the characteristics of the overburden sequence that may have no relationship to the prospectivity of the underlying bedrock. Bedrock testing in such an environment needs to rely on technologies able to penetrate the overburden to test the bedrock, and such technologies may add significantly to the cost of exploration relative to terrains with more favourable geological conditions for exploration.

As with most early exploration prospects, the key technical risk is that further exploration may not result in the discovery of an economic resource. The Project is early stage, and significant exploration is still required to determine the likelihood of discovery.

Outside E63/1281, the exploration potential for magmatic Ni-Cu-Co mineralisation is speculative, and significant work remains to be done to demonstrate proof of concept in the other four tenement areas. Thereafter, there is risk that no economic levels of mineralisation will be defined.

The exploration potential for gold across the Project is speculative and significant exploration remains to be done to demonstrate proof of concept. Thereafter, there is risk that no economic levels of mineralisation will be defined.

In the case of the E63/1695 and E28/2738 tenement areas, there is a minor element of uncertainty, pending the grant of the tenements. However, no obstacles to the successful grant of the applications to Constellation have been identified. No funds have been allocated to these tenement areas due to their application status.



5 Use of Funds

Table 2 summarises Constellation's proposed exploration expenditure for the initial two years after listing. The total expenditure on exploration in the first two years, based on a minimum subscription, amounts to 63% of the total funds raised (A\$4.4 million, out of a total A\$7.0 million raised).

CSA Global has reviewed the exploration programs and is of the opinion that the programs are appropriate, and the funds allocated will be sufficient to commence the proposed programs and sustain exploration activities over the first two years. Progressive expenditure will naturally depend on the success of the proposed exploration activities. The Company may require additional funds, should the outcome of the initial stages of exploration require modifications to the proposed activities.

Table 2: Proposed use of funds (A\$)

Item	Activity	Year 1	Year 2	Total
Exploration	Staff, contractors and consultants	503,000	563,000	1,066,000
	Geological mapping and geochemical surveys	70,000	-	70,000
	Geophysics surveys	290,000	90,000	380,000
	Drilling (AC, RC and diamond)	268,000	2,099,000	2,367,000
	Field support costs	101,000	150,000	251,000
Subtotal		1,232,000	2,902,000	4,134,000
Studies	Metallurgical testwork	-	50,000	50,000
	Project studies	-	50,000	50,000
Subtotal		-	100,000	100,000
Project maintenance	Tenement management (rents, rates)	49,000	49,000	98,000
	Heritage surveys	70,000	-	70,000
Subtotal		119,000	49,000	168,000
TOTAL FUNDS ALLOCATED FOR THE YEAR		1,351,000	3,051,000	4,402,000



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7 Glossary

For brevity, the reader is referred to internet sources such as Wikipedia www.wikipedia.org

Nickel tenor Calculated nickel content of a theoretical composition of rock material comprising 100% by volume of sulphides, assuming a typical magmatic nickel sulphide assemblage of pyrrhotite, pentlandite and chalcopyrite.



8 Abbreviations and Units of Measurement

%	percent
3D	three-dimensional
A\$	Australian dollars
AC	aircore
AFO	Albany-Fraser Orogen
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Co	cobalt
Constellation	Constellation Resources Limited
CRA	CRA Exploration Pty Ltd
CSA Global	CSA Global Pty Ltd
Cu	copper
EM	electromagnetic
FLEM	fixed loop electromagnetic
g/t Au	grams per tonne, gold
GSWA	Geological Survey of Western Australia
ha	hectares
IGO	Independence Group NL
IP	induced polarisation
IPO	Initial Public Offering
ITA	Independent Technical Assessment
ITAR	Independent Technical Assessment Report
km	kilometres
km ²	square kilometres
m	metres
Ma	million years before present
MLEM	moving loop electromagnetic
mm	millimetres
Moz	million ounces
Mt	millions of tonnes
Ni	nickel
oz	troy ounce (31.103 grams)
PGE	platinum group element
ppb	parts per billion
ppm	parts per million
pXRF	portable x-ray fluorescence
RAB	rotary air blast
RC	reverse circulation
XRF	x-ray fluorescence



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Appendix 1: Tenement Schedule

Please refer to the Independent Solicitor's Report for more details.



Appendix 2: JORC Code Table 1 for Orpheus Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>Rock samples were collected as grab/chip samples from outcrops.</p> <p>Soil samples were collected by digging 20-30cm and sieving sample from bottom of hole using a 1.6mm or 2mm sieve.</p> <p>A ground-based gravity survey was conducted on a 400m x 400m grid, with 200m x 200m infill over areas of interest.</p> <p>These samples were taken as part of regional exploration undertaken during 2017 by Apollo Minerals Limited ("Apollo Minerals", ASX:AON) at the Orpheus Project in the Fraser Range province in south eastern Western Australia.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p>Sample size of rock chip samples varied from 1kg – 2kg in weight. Soil samples were sieved to -1.6mm or -2mm and a 200-300g sample was taken of the sieved material.</p> <p>With the soil sampling, a geochemical standard was inserted approximately every 50 samples to help ensure laboratory assay accuracy. In addition, a duplicate sample was taken and analysed at approximately every 50th sample site to compare local variation in the sample sites.</p> <p>GPS coordinates of rock and soil sample locations were captured using a handheld GPS with ±4m accuracy.</p> <p>Gravity survey locations were measured with the Hi Target V100 GNSS DGPS system and post processed to achieve 5cm vertical and horizontal accuracy. GPS control points were established using the AUSPOS processing system.</p> <p>Approximately 6.5% of the gravity survey was repeated to provide a statistical analysis of the accuracy of the observed gravity data and GPS elevations.</p>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	<p>Reverse Circulation (RC) drill chip and Diamond Core (DC) SAMPLES</p> <p>Reverse circulation drilling was used to obtain 1 m samples from which approximately 2-3 kg was pulverised to produce a 35 g charge for assay.</p> <p>Diamond core was marked up for half core diamond sawing to obtain 2-3 kg samples which was pulverised to produce a 35 g charge for assay.</p> <p>The RC samples were submitted to Minanalytical laboratories in Kalgoorile, Western Australia for multielement analyses. Samples were crushed and dried and then pulverised so that >85% of sample is -75um.</p> <p>Multi-element analysis was completed using MA4010 + ICP-OES (34 elements using a four-acid digest) technique.</p> <p>ROCK SAMPLES</p> <p>Rock samples were collected from outcrops, with sample sizes of approximately 1-2kg.</p> <p>The rock samples were submitted to Minanalytical laboratories in Kalgoorile, Western Australia for multielement analyses. Samples were crushed and dried and then pulverised so that >85% of sample is -75um.</p> <p>Multi-element analysis was completed using MA40MS + OES (45 elements using a four-acid digest) and FA50AAS (Gold - 50g sample, AAS finish) techniques.</p> <p>SOIL SAMPLES</p> <p>Soil samples were collected by digging 20-30cm and sieving sample from bottom of hole using a 1.6mm or 2mm sieve. A 200-300g sample was taken of the sample and submitted to</p>

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CONSTELLATION RESOURCES LIMITED
INDEPENDENT TECHNICAL ASSESSMENT REPORT – ORPHEUS PROJECT MINERAL ASSETS



Criteria	JORC Code explanation	Commentary
		<p>Minanalytical laboratories in Kalgoorlie, Western Australia for multielement analyses.</p> <p>Sample were dried and then pulverised so that >85% of sample is -75um.</p> <p>Multi-element analysis was completed using MA40MS + OES (45 elements using a four-acid digest) and FA50AAS (Gold - 50g sample, AAS finish) techniques.</p> <p>GRAVITY SURVEY</p> <p>A ground-based gravity survey was conducted on a 400m x 400m grid, with 200m x 200m infill over areas of interest. The gravity survey was completed by Atlas Geophysics Pty Ltd using Scintrex CG5 gravity meters with accuracies better than 0.01 mGal.</p> <p>Position and elevation data were acquired with the Hi Target V100 GNSS DGPS system operating in a post-processed mode to give horizontal and vertical accuracies better than 5cm. GPS control points were established using the AUSPOS processing system.</p> <p>Approximately 6.5% of the survey was repeated to provide a statistical analysis of the accuracy of the observed gravity data and GPS elevations.</p>
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	<p>Initially 6 Reverse Circulation (RC) drill holes with face sampling hammer bit at the Plato prospect. Subsequently, 4 NQ diamond core (DC) tails drilled.</p> <p>6 further Reverse Circulation (RC) drill holes with face sampling hammer bit at the Plato and Plato South prospect.</p>
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	For RC holes, recoveries were logged visually as a volume percentage.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Each RC sample was split into 10% (for laboratory analysis) and 90% into a large green plastic bag through a triple tier splitter.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<p>Whole RC sample obtained.</p> <p>For DC holes, 100% core recovery obtained</p>
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	RC drill chips & DC drill core have been geologically logged to a level of detail deemed appropriate for mineral exploration. Rock samples were described (lithology, mineralogy, texture, structures) with details entered into an Excel based Geological Database.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	RC & DC drill logs record lithology, mineralogy, mineralisation, weathering, colour and other appropriate features. All RC & DC logging is quantitative.
	<i>The total length and percentage of the relevant intersections logged.</i>	12 RC drill holes reported were logged in full NQ Diamond core tails from holes PLRCD001, 003, 005 & 006 were geologically logged in full.
Sub-sampling techniques	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Diamond core was marked up for half core diamond sawing.
and sample preparation	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<p>RC samples were cyclone split. Samples were collected mostly dry.</p> <p>RC samples are collected at 1m intervals from a cyclone and split into 10% and 90% representative samples.</p> <p>4m RC samples of equal volume were composited from 1 metre 90% green bag samples using a spear.</p> <p>Samples sizes are appropriate to the size of the RC chips.</p>
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<p>Chip, rock and soil samples were transported to the external sample preparation/assay laboratory in Kalgoorlie.</p> <p>The sample preparation of RC samples followed industry best practice. All samples were pulverized to a minimum of 85% passing 75 microns.</p>



Criteria	JORC Code explanation	Commentary
		<p>Rock and soil samples were dried, crushed to -2mm and then pulverised in a low Chrome steel bowl. Samples were then split and a split sent for analysis.</p> <p>Sample sizes and preparation techniques employed are considered to be appropriate for the generation of early stage exploration results.</p>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<p>In house blank and duplicate samples were inserted as 1 in 20 samples to be analysed with each batch of RC samples.</p> <p>For rock and soil samples, no sub-sampling was applied to sample batches before arriving to the external laboratory.</p> <p>The external laboratory's QA/QC procedures involved the use of standards and blanks which are inserted into sample batches at a frequency of approximately 5%.</p> <p>No additional QA/QC was conducted on the rock chip samples other than the standard laboratory QA/QC. This was due to the regional nature of the sampling.</p> <p>For the soil samples, a geochemical standard was inserted approximately every 50 samples to help ensure laboratory assay accuracy. In addition, a duplicate sample was taken and analysed at approximately every 50th sample site to compare local variation in the sample sites.</p>
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<p>Sample size was approximately 1kg – 2kg in weight for the rock samples and 200-300g in the soil samples.</p> <p>Field duplicates were collected for the soil samples at approximately every 50 samples.</p>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<p>Given the early exploration stage nature of this work the sample sizes are deemed appropriate.</p>
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>The analytical technique used a mixed acid digest on 4m RC composite samples and 4 acid digest on 1 metre RC samples.</p> <p>The analytical technique used a 4 acid digest on 0.2 metre and 1 metre diamond core samples.</p> <p>Rock samples were submitted to Minanalytical laboratories in Kalgoorile, Western Australia for multielement analyses.</p> <p>For RC 4m composite samples Multi-element analysis was completed using MA4010 (25 gram aqua regia digest followed by ICP-OES on 31 elements).</p> <p>For RC 1m samples Multi-element analysis was completed using MA4010 (Four acid digestion followed by ICP-OES on 34 elements).</p> <p>For DC samples Multi-element analysis was completed using MA4010 (Four acid digestion followed by ICP-OES on 34 elements).</p> <p>For rock chip and soil samples Multi-element analysis was completed using MA40MS + OES (45 elements using a four-acid digest) and FA50AAS (Gold - 50g sample, AAS finish) techniques. These techniques are considered total.</p>
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<p>Atlas Geophysics acquired routine repeat reading throughout the gravity survey (6.5% of survey), which was statistically analysed. Repeat gravity readings were within +/- 0.05mGal (SD = 0.02 mGal and elevations within +/- 7.7cm (SD = 3cm). Data was sent to an independent geophysical consultant (Kelvin Blundell) on a daily basis for QA/QC.</p>
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<p>For RC samples, 1 in 20 samples was a Company duplicate. No Company standards were used. The Company has relied upon Minanalytical Laboratory for standards and QA/QC.</p> <p>Standards were submitted every 50 samples for the soil samples. Field duplicates every 50 samples were collected for the soil samples.</p> <p>The external laboratory used maintains their own process of QA/QC using standards, sample duplicates and blanks.</p> <p>Review of the internal and external laboratory quality QA/QC reports, has shown no sample preparation issues, acceptable levels of accuracy and precision and no bias in the analytical datasets.</p>

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Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The sampling techniques were reviewed in the field by the Managing Director. Significant intersections of the RC chips and diamond core were visually verified by the Managing Director and an independent technical consultant.
	<i>The use of twinned holes.</i>	There have been no been twinned holes to date.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All primary data is recorded in specifically designed templates. Assay data from the external laboratory was received in spreadsheets and downloaded directly into an Excel based Geological Database.
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made to the assay data.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Drill hole collars were located by GPS. Elevation values were in AHD. Expected accuracy was +/- 3m for northing and easting and +/-10m for elevation coordinates. GPS coordinates of rock and soil sample locations were captured using a handheld GPS with +/- 4m accuracy. Gravity survey locations were measured with the Hi Target V100 GNSS DGPS system and post processed to achieve 5cm vertical and horizontal accuracy. GPS control points were established using the AUSPOS processing system.
	<i>Specification of the grid system used.</i>	Sample locations were collected and reported using the GDA94_MGAz51 grid system.
	<i>Quality and adequacy of topographic control.</i>	Locations were measured with the Hi Target V100 GNSS DGPS system and post processed to achieve 5cm vertical and horizontal accuracy. Final data locations were transformed into the GDA94/MGA51 grid projection, with elevations delivered in both GDA94 Ellipsoid and AHD heights. GNSS control was established using AUSPOS and multiple submissions of static GNSS data collected over the course of the survey. Gravity control was established using multiple ABA ties to existing Atlas control stations already tied to the Australian Fundamental Gravity Network. A digital terrain model has been derived from data collected during the airborne magnetic survey of the whole tenement.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	The nominal drill hole spacing is 200m on eastings for the 8 RC drill holes at Plato prospect, on two traverses spaced 400 apart on northings. The remainder of RC drill holes at Plato south were drilled as individual holes on wide spaced specific EM targets. Rock samples were randomly collected i.e. not on a fixed grid pattern. Soil samples were taken on a 100m or 50m sample spacing along lines. Gravity line and station spacing was initially 400m x 400m. After the identification of areas of interest, infill data were acquired on a 200m x 200m grid.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The data spacing is not considered sufficient to assume geological and grade continuity and will not allow the estimation of Mineral Resources.
	<i>Whether sample compositing has been applied.</i>	At Plato, mineralised RC intervals have been analysed at 1 metre, and non-mineralised samples were composited at 4 metre intervals for analysis. At Plato South mineralised samples were composited at 4 metre intervals for analysis.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	There is no outcrop on which to base geological control. The drill sections at Plato are arbitrarily east- west. The location within the Fraser Range province where the gravity survey was undertaken includes an area with SW-NE magnetic grain, 3D and cross-cutting magnetic bodies, and N-S faults. The gravity survey grid is unbiased.



Criteria	JORC Code explanation	Commentary
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Drill intersections are not true widths.
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of custody for RC and DC samples was managed by Toll Ipec and then Minanalytical Laboratory. RC Samples were stored at drill site and then delivered by company personnel to Toll Ipec for transport to the Perth laboratory. Preliminary logging of Diamond drill core was undertaken in the field, and core was then transported to Perth by Company personnel for detailed logging and core sawing. Samples were then delivered by company personnel to Toll Ipec for transport to the Perth laboratory. All gravity data is digitally stored by the contractor and geophysical consultant. All soil and rock samples were submitted to the laboratory as soon as the program was completed
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Gravity data has been independently checked by geophysical consultant Kelvin Blundell.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The exploration results in this report relate to Exploration Licences E28/2403, E63/1281 and E63/1282. These three EL's form part of a joint venture between Constellation Resources Limited (70%) and Enterprise Metals Limited (30%, ASX:ENT). Under the terms of the JV agreement, Constellation Resources is required to sole fund all activities on these tenements until completion of a Bankable Feasibility Study.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	Tenure in the form of Exploration Licences with standard 5-year expiry dates which may be renewed. There are no known impediments to obtaining a licence to operate in this area.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Previous regional exploration on the project was undertaken by various companies and included, geophysical surveys, geochemical surveys, rock sampling and RC and diamond drilling. Historical geophysical surveys included an airborne (helicopter) electromagnetic survey and ground based electromagnetic, magnetic, resistivity and gravity surveys. Geochemical surveys included soil sampling. A detailed assessment of the historic data is in progress. No significant issues with the data have been detected to-date.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Project occurs within the Albany-Fraser Orogen which consists of gneiss, mafic rocks including gabbro with significant garnet in the metamorphic rocks. Further drilling and assaying is required to fully assess the geology and style of mineralisation. Preliminary mineralogy and petrology studies completed suggest that host rocks at Plato are mafic granulites derived from norite, gabbro and olivine-bearing gabbro protoliths, and that these drill samples were originally cumulate mafic rocks in a layered mafic complex. Observed drill samples that carried sulphides appear to be primary sulphides in terms of their mineralogy, with the typical assemblage being pyrrhotite with subordinate chalcopyrite and pentlandite. The targeted deposit types and styles of mineralisation are nickel-copper-cobalt (Ni-Cu-Co) magmatic sulphide systems

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Criteria	JORC Code explanation	Commentary
		such as the Nova-Bollinger deposit and Tropicana style gold mineralisation.
<i>Drill hole Information</i>	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: eastings and northings of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length.</i>	Refer to Appendix Three of this report where drill hole collar and downhole orientation and depth information is tabulated.
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	No information has been excluded.
<i>Data aggregation methods</i>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	Where assays were composited for summary purposes, all assays were weighted by equal interval (1 m or 4m) No high-grade cuts have been applied to the sample data reported.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Where assays were composited for summary purposes, all assays were weighted by equal interval (1 m or 4m) No aggregation has been applied to the rock sample data reported.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values are used.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	There is insufficient data to determine the orientation of mineralisation. Drill intersections are not true widths. All drill hole results reported are downhole length, true widths are unknown.
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Appropriate diagrams are included in the main body of this report.
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Reporting of the RC, DC, rock, soil and gravity results is considered balanced.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	No additional meaningful and material exploration data has been excluded from this report.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Further regional exploration related work planned for the Orpheus Project includes ongoing review of the historical exploration datasets and systematic follow-up geological mapping, rock sampling and geophysical surveys e.g. ground based EM surveys, over identified prospects and exploration targets. Drill testing (aircore and/or RC percussion and/or diamond drilling) will be undertaken on priority targets identified.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	These diagrams are included in the main body of this report.



Appendix 3: Plato Prospect Drill Collar Attributes

Hole Name	Easting	Northing	RL (m)	Dip (Degrees)	Azimuth (Degrees)	Depth (m)
PLRCD001	490846	6434158	310	-70	270	480.6
PLRC002	490652	6434153	310	-70	270	252
PLRCD003	490454	6434150	312	-70	270	450
PLRC004	490249	6434146	312	-70	270	300
PLRCD005	490052	6434157	312	-70	270	451.1
PLRCD006	491246	6434158	312	-70	270	448.1
PLRC007	490845	6432425	282	-70	273	196
PLRC008	491080	6432650	283	-60	272	278
PLRC009	491090	6432900	287	-60	271	250
PLRC010	491250	6433120	292	-70	271	256
PLRC011	491000	6433750	295	-60	90	229
PLRC012	490750	6433750	295	-70	90	230

"D" in hole name denotes diamond tail to RC hole
 Grid system is GDA94(MGA), zone 51

7. Solicitor's Report on Mining Tenements



DLA Piper Australia
Level 31, Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box Z5470
Perth WA 6831
Australia
DX 130 Perth
T +61 8 6467 6000
F +61 8 6467 6001
W www.dlapiper.com

The Directors
Constellation Resources Limited
Level 9, 28 The Esplanade
PERTH WA 6000

1 May 2018

Dear Sirs

SOLICITOR'S REPORT ON MINING TENEMENTS

This report is prepared for inclusion in a prospectus to be issued by Constellation Resources Limited (ACN 153 144 211) (**Company**) for the initial public offer of 35,000,000 fully paid ordinary shares in the capital of the Company at an issue price of A\$0.20 per share, together with one free attaching option for every three shares issued (being 11,666,666 options) exercisable at A\$0.20 on or before 5.00pm WST on 31 July 2021 in respect of fully paid ordinary shares in the capital of the Company, to raise A\$7,000,000.

PART A – INTRODUCTION

Purpose of this report

- 1 The directors of the Company have requested that we provide a report in relation to:
 - 1.1 the interests held by the Company in the mining tenements set out in Schedule 1, comprising the Orpheus Project (together the **Assets**), being:
 - 1.1.1 three exploration licences granted under the *Mining Act 1978* (WA) – E28/2403, E63/1281 and E63/1282 – and one application for an exploration licence under the *Mining Act 1978* (WA) – E63/1695 (together the **Joint Venture Tenements**); and
 - 1.1.2 one further application for an exploration licence under the *Mining Act 1978* (WA) – E28/2738.
 - 1.2 any matters relevant to the exercise of interests in the Assets, including:
 - 1.2.1 any material agreements relating to the Assets;
 - 1.2.2 any unusual or onerous conditions applicable to the Assets;

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- 1.2.3 any concurrent interests in the land the subject of the Assets, including:
 - (a) other mining tenements;
 - (b) pastoral leases; and
 - (c) native title; and
 - 1.2.4 any material statutory approvals.
- 2 On the basis of our review of both the Assets and the matters set out at paragraph 1.2, we consider that as at the date of this report:
- 2.1 the Company has good title to, and is entitled to exercise all lawful rights in connection with, its interests in the Assets comprising the Joint Venture Tenements, as described at paragraphs 8.1.1 and 8.1.2, subject to the relevant Sale and Joint Venture Agreement;
 - 2.2 the Company is the applicant for E28/2738 and, subject to grant, will have good title to and be entitled to exercise all lawful rights in connection with, that licence; and
 - 2.3 all of the Assets are in good standing, including as a consequence of:
 - 2.3.1 expenditure in excess of the minimum required, as described at paragraph 25; and
 - 2.3.2 there being, to our knowledge, no extant non-compliance with:
 - (a) applicable licence conditions, as set out at paragraph 29; or
 - (b) any other applicable laws.

Scope of this report

- 3 In preparing this report, we have relied upon:
- 3.1 the searches of the public databases identified in Schedule 2 (**Searches**), the results of which are included in Schedule 1; and
 - 3.2 copies of the Material Agreements, being:
 - 3.2.1 the Sale and Joint Venture Agreement made 9 February 2015 between Apollo Minerals Limited (**Apollo**), the Company and Enterprise Metals Limited (**Enterprise**), as amended by the Fraser Range Sale and Joint Venture Agreement - Rectification Deed made on or about 28 March 2018 between the parties; and
 - 3.2.2 the Ngadju Heritage Agreement made 27 March 2009 between Enterprise and the Goldfields Land and Sea Council Aboriginal Corporation on behalf of the Ngadju Claimant Group in respect of E63/1281 and E63/1282, as assigned to and assumed by the Company by the Deed of Assignment and Assumption made 28 March 2018 between Enterprise and the Company.



- 4 We are instructed that the agreements referred to at paragraph 3.2 are the only agreements relating to the Company's interests in the Assets to which the Company is a party.
- 5 We have not relied upon any other documents or information for the purposes of this report. We are not aware of any other material documents or information.
- 6 Schedule 1 to this report is an essential part of this report and must be read in conjunction with this report.
- 7 This report must be read subject to the assumptions and qualifications in Schedule 3.

PART B – MATERIAL AGREEMENTS

Sale and Joint Venture Agreement

- 8 The Sale and Joint Venture Agreement provides for:
 - 8.1 the sale by Enterprise, and purchase by the Company, of:
 - 8.1.1 a 70% legal and beneficial interest in E63/1281 and E63/1282; and
 - 8.1.2 subject to grant and either the consent of the Minister for Mines or the passing of the first year of the relevant licences, a 70% legal and beneficial interest in E63/1695 and E28/2403; and
 - 8.2 the formation of an unincorporated joint venture between the Company and Enterprise in respect of the Joint Venture Tenements, in which the Company has a 70% participating interest and Enterprise has a 30% participating interest.
- 9 The consideration payable by the Company in respect of the sale and purchase referred to in paragraph 8.1 comprised:
 - 9.1 cash payments totalling \$200,000, paid in 2015; and
 - 9.2 20,000,000 fully paid ordinary shares in the capital of Apollo, issued on 31 March 2015 at \$0.01 per share.
- 10 In relation to the joint venture, the Sale and Joint Venture Agreement provides that the Company:
 - 10.1 is the manager of the joint venture and has the sole right to determine the nature and extent of exploration programs and budgets during the sole funding period referred to in paragraph 10.3;
 - 10.2 must maintain the tenements the subject of the joint venture in good standing, including by incurring sufficient expenditure in connection with exploration of the tenements, paying all outgoings and lodging all statutory returns; and
 - 10.3 must sole fund all joint venture expenditure on the Joint Venture Tenements up to delivery of a bankable feasibility study in respect of a one or more specified deposits.
- 11 Following the delivery by the Company of a bankable feasibility study in respect of one or more specified deposits, the Sale and Joint Venture Agreement provides that:



- 11.1 the joint venture participants will contribute to joint venture expenditure in respect of the development of those deposits in proportion to their respective participating interest;
 - 11.2 any participant may make a proposal in respect of the development of those deposits; and
 - 11.3 the participants may decide to accept such a development proposal and make a decision to mine those deposits by simple majority vote, with each participant having a number of votes equal to their respective participating interest.
- 12 In the event of a decision to mine, the participants who voted in favour of the development proposal:
- 12.1 must establish a separate joint venture in respect of the mining of the relevant deposits (in interests proportionate to their existing participating interests), including by entering into a joint venture agreement to replace the Sale and Joint Venture Agreement; and
 - 12.2 will have 30 days from the date of the decision to mine to elect to acquire (at an agreed value or a determined market value) the participating interest, in respect of the relevant deposits, of any participant who voted against the development proposal, failing which that interest may be sold to a third party.
- 13 A participant may withdraw from the joint venture at any time. The Company will remain liable for rehabilitation obligations in relation to the work carried out by it prior to delivery of any bankable feasibility study.

Ngadju Heritage Agreement

- 14 The rights and obligations arising under the Ngadju Heritage Agreement are discussed at Part D below.

PART C – ASSETS

Ownership

- 15 As at the date of this report, the Company is:
- 15.1 in accordance with and subject to the Sale and Joint Venture Agreement:
 - 15.1.1 the registered holder of 70/100 shares in E28/2403, E63/1281 and E63/1282;
 - 15.1.2 entitled to become the registered holder of 70/100 shares in E63/1695, subject to grant and either the consent of the Minister for Mines or the passing of the first year of that licence; and
 - 15.2 the applicant in respect of application for E28/2738.
- 16 Subject to certain statutory approvals, the registered holder of an exploration licence under the *Mining Act 1978* (WA) is authorised:
- 16.1 to enter the land the subject of the licence;



- 16.2 to explore that land;
 - 16.3 to remove mineral bearing substances from that land to a prescribed limit; and
 - 16.4 to take and divert water from that land.
- 17 Exploration licences are granted for an initial term of five years. The term may be extended, where the Minister is satisfied that any one of several prescribed grounds for extension exist, by:
- 17.1 one period of five years; and
 - 17.2 a further period or periods of two years.
- 18 The prescribed grounds for extension include:
- 18.1 difficulties or delays occasioned by law, arising from governmental or other authority administrative, political and environmental requirements, the conduct of an Aboriginal heritage survey on the land or in obtaining requisite consents or approvals or in gaining access to the land;
 - 18.2 that the land the subject of the licence has been unworkable for the whole or a considerable part of any year of the term; and
 - 18.3 that the work carried out under the exploration licence justifies further exploration.
- 19 The holder of an exploration licence has the right to apply for, and have granted, one or more mining leases or general purposes leases in respect of the land the subject of the licence. The right to grant of a mining lease is subject to the *Mining Act 1978 (WA)*, which gives the Minister a residual discretion to refuse a mining lease application, including on public interest grounds.
- 20 Where the holder of an exploration licence applies for a mining lease or general purpose lease over that land, the exploration licence continues in force until the application for a lease has been determined.
- 21 The holder of an exploration licence is obliged:
- 21.1 to pay an annual rent;
 - 21.2 unless exempt, to expend a minimum amount annually in connection with exploration on the exploration licence in excess of the prescribed annual expenditure commitment; and
 - 21.3 to surrender 40% of the number of blocks subject to the exploration licence within six years after the date of grant.
- 22 Failure to comply with these obligations may result in forfeiture of the exploration licence or the imposition of a penalty.
- 23 Details of the annual rent for the Assets is set out in Schedule 1. The Searches indicate that the rental payments for each of the Assets are up to date.
- 24 Details of the minimum annual expenditure requirements for the Assets, and reporting against those requirements, is set out in Schedule 1.



- 25 As set out in Schedule 1, the reported expenditure for E28/2403, E63/1281 and E63/1282 for the 2017 year was in excess of the minimum expenditure commitment.

Unusual or onerous conditions

- 26 Exploration licences are subject to various other conditions, including standard conditions for the protection of the environment and certain third party interests in land.
- 27 Each of E28/2403, E63/1281 and E63/1282 is subject to a set of standard conditions. We do not consider any of the conditions to be unusual or unduly onerous.
- 28 The conditions applicable following the grant of applications for E63/1695 and E28/2738 have yet to be determined. However, in the event of grant of application for E63/1695, it is likely that conditions will be imposed in relation to the conduct of exploration within the applicable Nature Reserve, as discussed at Part E below.
- 29 On the basis of the Searches, we are not aware of any non-compliance with the conditions of the Assets.

PART D – CONCURRENT INTERESTS

Mining tenements

- 30 Mining tenements under the *Mining Act 1978* (WA) are exclusive only for the purposes for which they are granted and, where granted in respect of Crown land (as is the case for the Assets), are capable of co-existing with:
- 30.1 miscellaneous licences granted under the *Mining Act 1978* (WA); and
 - 30.2 pastoral leases, native title, Crown reserves and public infrastructure.

Miscellaneous licences

- 31 Under the *Mining Act 1978* (WA), where two mining tenements coexist, the subsequent tenement is deemed to be granted subject to a reservation of the rights of the prior tenement.
- 32 In practice, in the absence of agreement to the contrary, this means that activities under the prior tenement are entitled to priority in the event of any conflict or interference.
- 33 As recorded in Schedule 1, none of the Assets include land the subject of other mining tenements.

Pastoral leases

- 34 Under the *Mining Act 1978* (WA), the rights of a tenement holder generally have priority over the rights of a pastoral lessee. A pastoral lessee has an entitlement to:
- 34.1 withhold consent to the conduct of activities within 400 meters of the outer edge of any waterworks, race, dam, well or bore not being an excavation previously made and used for mining purposes by a person other than the pastoral lessee; and
 - 34.2 compensation for damage to improvements or loss of earnings from interference with pastoral activities.



- 35 The provision of consent (if required) and payment of compensation (if applicable) is often dealt with by an agreement which also provides for the consent of the pastoral lessee to the grant of the mining tenement.
- 36 As recorded in Schedule 1, the Assets variously coexist with the following pastoral leases:
- 36.1 Boonderoo pastoral lease held by Jemarkim Nominees Pty Ltd and Norgate Nominees Pty Ltd;
- 36.2 Southern Hills pastoral lease held by Christopher Ryan South and Monica Margaret South; and
- 36.3 Fraser Range pastoral lease held by Ian Edward Holman, Kerry Susan Holman, Benjamin Ian Holman, Jennifer Leslie Holman, Robert Alfred Fabling, Pia Dahl Nielsen and Ryan Jarred Holman.
- 37 Our inquiries of the Company have not identified any agreements with the pastoral lessees. This is not unusual.
- 38 If compensation is not ultimately determined by agreement it will be determined by the Warden's Court.

Native title

- 39 The common law of Australia recognises the proprietary rights and interests of Aboriginal and Torres Strait Islander people arising under traditional laws and customs in relation to their traditional lands and waters.
- 40 These rights and interests will be recognised where the persons claiming to hold those rights and interests can establish that they have maintained a continuous connection with the land in accordance with traditional laws and customs since non-Indigenous settlement and those rights and interests have not been lawfully extinguished by the grant of rights and interests to other persons.
- 41 The *Native Title Act 1993* (Cth) codifies much of this common law and establishes a framework pursuant to which:
- 41.1 persons claiming to hold native title in land and waters, excluding freehold land and certain other specified categories of land, can have their claims determined by the Federal Court;
- 41.2 persons whose claim demonstrates a *prima facie* case to hold native title are entitled to certain procedural rights in respect of the grant of future rights and interests, including mining tenements, to other persons over that land and waters; and
- 41.3 persons found to hold native title are entitled to compensation in respect of the effect on that native title of the grant to other persons over that land and waters of any rights and interests after the commencement of the *Racial Discrimination Act 1975* (Cth), including any future rights and interests.
- 42 In relation to the grant of mining tenements, the relevant procedural rights include:
- 42.1 in respect of the proposed grant of exploration licences, a right to object to the application of the expedited procedure under the *Native Title Act 1993* (Cth) which, unless an objection is upheld, has the effect of permitting the grant of mining



- tenements without requiring negotiation in the same manner as for mining leases and to have that objection heard and determined by the National Native Title Tribunal;
- 42.2 in respect of the proposed grant of miscellaneous licences for specified infrastructure, a right to object in relation to the impact on native title of the activities proposed to be conducted under that licence, to be consulted in relation to that impact and to have that objection heard and determined by an independent person (in practice, the Chief Magistrate of Western Australia); and
- 42.3 in respect of the proposed grant of mining leases, an obligation to negotiate in good faith with the tenement application and the State of Western Australia with a view to reaching agreement in relation to the grant of that mining lease, failing which any party to those negotiations may, no earlier than six months after notification of proposed grant, apply to the National Native Title Tribunal for a determination as to whether or not the leases should be granted in the absence of agreement.
- 43 Under the *Native Title Act 1993* (Cth) and the *Mining Act 1978* (WA), liability for payment of compensation in respect of the grant of a mining tenement falls upon the tenement holder at the time the compensation is determined except:
- 43.1 if the amount is to be paid and held in trust, in which case the liability falls upon the tenement holder at the time payment is required; and
- 43.2 in the event that, at the relevant time, the tenement has been surrendered, forfeited or expired, in which case the liability falls upon the tenement holder immediately prior to that surrender, forfeiture or expiry (as applicable).
- 44 As recorded in Schedule 1:
- 44.1 the entirety of the land the subject of E63/1281, E63/1282 and the applications for E63/1695 and E28/2738; and
- 44.2 46.3% of the land the subject of E28/2403,
- is the subject of the determination of native title made by the Federal Court in favour of the Ngadju People.
- 45 The native title, which is held by Ngadju Native Title Aboriginal Corporation RNTBC as trustee for the Ngadju People, includes, in specified areas, the right to possess, occupy, use and enjoy land to the exclusion of all others .
- 46 As referred to in Part B above, the Company is party to the Ngadju Heritage Agreement. The Ngadju Heritage Agreement provided for the withdrawal of any objections by the Ngadju People to the grant of E63/1281 and E63/1282. A separate agreement with the Narmoobinya family group, who had a claim for native title in respect of certain land the subject of the Assets that was dismissed in 2011, also provided for the same in relation to the grant of E63/1281 and E63/1282.
- 47 The tenements will be liable to pay compensation to the Ngadju Native Title Aboriginal Corporation RNTBC, on trust for the Ngadju People, in respect of exploration activities. The quantum of this compensation may be determined by the Federal Court if not agreed.



Aboriginal heritage

- 48 In addition to rights and interests recognised by the *Native Title Act 1993* (Cth), the *Aboriginal Heritage Act 1972* (WA) and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) protect places and objects of significance to Aboriginal and Torres Strait Islander people in accordance with their traditional laws and customs.
- 49 The *Aboriginal Heritage Act 1972* (WA) provides that it is an offence for a person to damage or in any way alter an Aboriginal site protected by that Act, except with the consent of the Minister for Aboriginal Affairs.
- 50 The Registrar of Aboriginal Sites maintains a non-exhaustive register of Aboriginal sites protected by the *Aboriginal Heritage Act 1972* (WA), as well as a record of other heritage places which may have cultural significance to Aboriginal people but either have not yet been assessed for the purposes of the Act or do not satisfy the criteria specified under the Act.
- 51 The practical effect of both the *Aboriginal Heritage Act 1972* (WA) and the *Aboriginal and Torres Strait Islander Act 1984* (WA) is to require the conduct of due diligence to be carried out prior to ground-disturbing works for the purposes of identifying whether or not those works may impact on an Aboriginal site. Due diligence will require, at a minimum, a search of the register of Aboriginal sites and, in most cases where the area has not been subject to previous disturbance, conduct of an Aboriginal heritage survey.
- 52 The consent of the Minister must be obtained prior to the conduct of ground-disturbing works that cannot be conducted without disturbing an Aboriginal site.
- 53 As recorded in Schedule 1, searches of the register maintained by the Department of Planning, Lands and Heritage under the *Aboriginal Heritage Act 1972* (WA) indicate that:
- 53.1 there is one Aboriginal site within the meaning of the *Aboriginal Heritage Act 1972* (WA) located within the boundaries of E63/1282; and
 - 53.2 there are four 'other heritage places', being places in relation to which the Department of Planning, Lands and Heritage has received information regarding possible Aboriginal heritage features but which are not Aboriginal sites within the meaning of the *Aboriginal Heritage Act 1972* (WA) located within the boundaries of E63/1282.
- 54 Based on our enquiries, we are not aware of any additional Aboriginal sites within the boundaries of the land the subject of the Assets.
- 55 In certain circumstances, the Company will need to seek to engage with Aboriginal persons with appropriate traditional knowledge of the land the subject of Assets (including the Ngadju People in respect of land the subject of the determination of native title in their favour) including but not limited to those on which there are registered Aboriginal sites and other heritage places, in order to ensure that any proposed ground-disturbing exploration activities will not interfere with any Aboriginal sites.
- 56 The Ngadju Heritage Agreement provides a regime for the conduct of surveys of the land the subject of E63/1281 and E63/1282 with the participation of the members of the Ngadju People.



- 57 The Company will need to seek the consent of the Minister for Aboriginal Affairs prior to the conduct of any ground-disturbing exploration activities on the surface of those tenements where effects on Aboriginal sites cannot be avoided.

PART E – MATERIAL STATUTORY APPROVALS

- 58 The entirety of the land the subject of the application for E63/1695 is located within Dundas Nature Reserve (Crown Reserve 36957 for the Conservation of Flora and Fauna).
- 59 The *Mining Act 1978* (WA):
- 59.1 prohibits mining (which by definition includes prospecting and exploration) on reserved land without the written consent of the Minister for Mines; and
 - 59.2 requires that, before the Minister for Mines may give written consent to mining on reserved land, they must consult with, and obtain the consent of the Minister for the Environment.
- 60 In practice, Enterprise will be required to consult with the Parks and Wildlife Service within the Department of Biodiversity, Conservation and Attractions and prepare a Conservation Management Plan to the satisfaction of that Department before it is prepared to recommend grant of the application to the Minister for Environment.
- 61 The Searches have not identified any additional historical or existing statutory approvals relating to the Assets.
- 62 Various statutory approvals will be required prior to the conduct of ground-disturbing activities on the land the subject of the Assets.

Yours sincerely

A blue ink handwritten signature, appearing to read "Rhys Davies", written over a light blue horizontal line.

RHYS DAVIES
Partner
DLA PIPER AUSTRALIA

Direct +61 8 6467 6079

Rhys.Davies@dlapiper.com



SCHEDULE 1: ASSETS

Key details				Term					Financial & Dealings					Concurrent interests				Native title & Aboriginal heritage		
Tenement/ Application	Holder/ Applicant	Shares	Area (blocks)	Application date	Grant date	Expiry date	Annual Revenue GSI	Form 5 Due	Minimum expenditure	Mining Rehabilitation Fund	Encumbrances/ dealings	Mining tenements	Pastoral lease	Native Title determination (form)	Native title notification date	Native title completion date	Aboriginal sites/Other heritage places			
E28/2403	Enterprise Metals Limited	30	69	06/12/13	02/10/15	01/10/20	\$14,332.00	01/12/18	\$69,000.00 (\$75,685.66 reported for the year ending 01/10/17)	-	-	-	30.9% Boonderoo (N050420)	46.3% of the area is the subject of the Ngadiu native title determination	08/10/14	08/02/15	No Registered Aboriginal Sites No Other Heritage Places			
	Constellation Resources Ltd	70																		
Application E28/2738	Constellation Resources Ltd	100	11	07/12/17	-	-	-	-	-	-	-	-	78.2% Boonderoo (N050420)	100% of the area is the subject of the Ngadiu native title determination	16/02/2018	16/06/2018	No Registered Aboriginal Sites No Other Heritage Places			
	Enterprise Metals Limited	30	41	30/10/08	18/02/10	17/02/20	\$21,935.00	19/04/19	(\$126,766.00 reported for the year ending 17/02/18)	\$15,156.00	-	-	100% Southern Hills (N050640)	100% of the area is the subject of the Ngadiu native title determination	15/07/09	10/12/09	No Registered Aboriginal Sites No Other Heritage Places			
Constellation Resources Ltd	70																			
E63/1281	Enterprise Metals Limited	30	34	30/10/08	18/02/10	17/02/20	\$18,190.00	19/04/19	\$102,000.00 (\$104,643.00 reported for the year ending 17/02/18)	-	-	-	98.7% Fraser Range (N050433)	100% of the area is the subject of the Ngadiu native title determination	15/07/09	10/12/09	1 Registered Aboriginal Site: Fraser Range 1 (1337) 4 Other Heritage Places: Fraser Range (2876), Fraser Range Massacre 3 (31733), Fraser Range Lizard Trap 1 (31734) and Fraser Range Lizard Trap 2 (31735)			
	Constellation Resources Ltd	70																		
Application E63/1695	Enterprise Metals Limited	100	23	14/02/2014	-	-	-	-	-	-	-	-	-	100% of the area is the subject of the Ngadiu native title determination	-	-	No Registered Aboriginal Sites No Other Heritage Places			

**SCHEDULE 2: SEARCHES**

	Search	Date(s)
1.	Mining tenement searches obtained from the register maintained by the Department of Mines, Industry Regulation and Safety	1 May 2018
2.	Quick Appraisal searches obtained from the TENGRAPH system maintained by the Department of Mines, Industry Regulation and Safety	1 May 2018
3.	Searches of the Register of Native Title Claims and National Native Title Register maintained by the National Native Title Tribunal	1 May 2018
4.	Search of the Native Title Vision system maintained by the National Native Title Tribunal	1 May 2018
5.	Searches of the Aboriginal Heritage Inquiry System maintained by the Department of Planning, Lands and Heritage	1 May 2018



SCHEDULE 3: ASSUMPTIONS AND QUALIFICATIONS

Assumptions

This report is subject to the following assumptions (in addition to any assumptions expressed elsewhere in this report):

- 1 information provided by third parties, including various government departments, in response to searches and enquiries made by us is accurate, complete and up to date as at the date of its receipt by us;
- 2 contracts referred to in this report were within the capacity and powers of, and were validly authorised, stamped or lodged for stamping (where necessary), executed, delivered by and are legally binding on and enforceable against the parties to them and comprise the entire agreement of the parties to each of them with respect to their respective subject matters;
- 3 signatures on the contracts referred to in this report are authentic;
- 4 no material documents or information to be provided other than the contracts referred to in this report;
- 5 parties to each of the contracts referred to in this report are complying with and will continue to comply with and fulfil the terms of each of the contracts referred to in this report; and
- 6 completeness and the conformity to original documents of all copies reviewed.

Qualifications

This report is subject to the following qualifications (in addition to any qualifications expressed elsewhere in this report):

- 1 in relation to any statement relating to whether a mining tenement is in good standing, such statement is only based on the information contained in the relevant search on the instrument of title for that tenement; and
- 2 where compliance with the terms and conditions of any mining tenements and the provisions of the *Mining Act 1978* (WA) including requirements necessary to maintain the tenements in good standing, or a possible claim in relation to the tenements by third parties is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim.

8. Risk Factors

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

The risks described in this Section 8 are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risk described, and others not specifically referred to, in this Section 8 may in the future materially affect the financial performance and position of the Company and the value of the Securities offered under this Prospectus. The Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Securities. The risks described in this Section 8 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Securities may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Securities the subject of the Offer or the market price at which the Securities will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 8, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for Securities.

8.1 Company Specific Risks

(a) Tenure and access

Mining and exploration tenements (assuming all are granted) are subject to periodic renewal. There is no guarantee that current or future tenements and/or applications for tenements will be approved.

The Orpheus Project Tenements are subject to the Mining Act and the Mining Regulations. The renewal of the term of a granted tenement is also subject to the discretion of the Minister for Mines, the Company's ability to meet the conditions imposed by relevant authorities including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Orpheus Project. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Although the Company has no reason to think that the Orpheus Project Tenements will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.

Please refer to the Solicitor's Report on Mining Tenements in Section 7 for further details.

(b) Grant of Tenement Applications

As at the date of this Prospectus, Mineral Licence Applications E63/1695 and E28/2738 (together, the **Tenement Applications**) are pending grant from the Minister for Mines. There is no guarantee that the Tenement Applications will be granted, or if they are granted, that they will be granted in their entirety.

The Tenement Applications have been validly made and the Company is not aware of any further requirements for these applications as required by the Minister for Mines. If the Tenement Applications are not granted, the Company will not acquire an interest in these tenements.

(c) Limited operating history independent of Apollo Minerals

The Company does not have any significant operating history independent of Apollo Minerals on which it can base the evaluation of its prospects. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Orpheus Project or any tenements which are subsequently applied for or acquired. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) The Company has no history of earnings and no production revenues

The Company is a mineral exploration company, has no history of earnings, and does not have any producing mining operations. The Company has experienced losses from exploration activities and until such time as the Company commences mining production activities, it expects to continue to incur losses. No assurance can be given that the Company will identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.

The Company expects to continue to incur losses from exploration activities in the foreseeable future.

(e) Joint Venture and contractual risk

Four of the five tenements comprising the Orpheus Project are subject to the Joint Venture Agreement (refer to Section 9.1 for further details). The ability of the Company to achieve its stated objectives will depend on the performance by the Company and ENT of their respective obligations under the Joint Venture Agreement. If any party defaults in the performance of its obligations under the Joint Venture Agreement, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company.

The operations of the Company require the involvement of a number of third parties, in addition to its Joint Venture partner, including consultants, contractors and suppliers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

Refer to Section 9.1 for a summary of the Joint Venture Agreement.

(f) Future capital requirements

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(g) New projects and acquisitions

The Company may make acquisitions in the future as part of future growth plans. In this regard, the Directors of the Company will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(h) **Native Title**

The Native Title Act 1993 (Cth) (**Native Title Act**) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court. The lack of a Native Title claim is not an indication that Native Title does not exist on the land which is not currently the subject of a claim.

Native Title has been determined to exist in the majority of the land the subject of the tenements comprising the Orpheus Project. The Company's activities will take priority over Native Title for the duration of the tenements but will give rise to a compensation liability, the value of which will ultimately be determined by the Federal Court if not settled by agreement between the Company and the relevant Native Title body corporate.

The Company must also comply with Aboriginal heritage legislation requirements, which require certain due diligence investigations to be undertaken ahead of the commencement of exploration and mining. This due diligence may include, in certain circumstances, the conduct of Aboriginal heritage surveys.

Please refer to the Solicitor's Report on Mining Tenements in Section 7 for further details.

8.2 Industry Specific Risks

(a) **Nature of mineral exploration and mining**

The business of mineral exploration, development and production is subject to risk by its nature. The Orpheus Project Tenements are at an early stage of exploration and potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards.

The success of the Company depends, among other things, on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems.

There is no assurance that exploration and development of the mineral interests owned by the Company, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realise value, or the Company may even be required to abandon its business and fail as a "going concern".

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without

limitation, regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing its tenements.

(b) Results of studies

Subject to the results of any future exploration and testing programs, the Company may progressively undertake a number of studies in respect to the Company's current project or any new projects. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Company's projects, there can be no guarantee that the projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(c) Resource and Reserve estimates

Ore Reserve and Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral Resource and Ore Reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, Ore Reserves are valued based on future costs and future prices and, consequently, the actual Ore Reserves and Mineral Resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(d) Operational risks

The operations of the Company may be affected by various factors which are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(e) **Mine development**

Possible future development of mining operations at the Orpheus Project or other tenements applied for or acquired by the Company is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production on any existing or future projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of existing or future projects.

(f) **Environmental risk**

The Orpheus Project is subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly, if the Company's activities result in mine development. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and results of operations.

(g) **Occupational Health and Safety Risk**

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, mining activities have inherent risks and hazards. While the Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from the Company's activities may lead to a claim against the Company.

8.3 General Risks

(a) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment.

Prior to the Offer, there was no public market for the Securities. There is no guarantee that an active trading market in the Securities will develop or that the price of the Securities will increase. The prices at which the Securities trade may be above or below the Offer price (in the case of the Shares) or above or below the exercise price (in the case of the Options) and may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Securities, regardless of the Company's operational performance.

(b) Economic risk and share market conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Similarly, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Factors that may contribute to that general economic climate and the market price of the Securities include, but are not limited to:

- (i) changes in Government policies, taxation and other laws;
- (ii) the strength of the equity and share markets in Australia and throughout the world;
- (iii) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (iv) industrial disputes in Australia and overseas;
- (v) changes in investor sentiment toward particular market sectors or commodities;
- (vi) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (vii) natural disasters, social upheaval, war or acts of terrorism.

(c) Commodity price volatility and exchange rate risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product will expose the potential income of the Company to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include supply and demand fluctuations for precious and base metals, forward selling activities, technological advancement and other macro-economic factors.

International prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(d) Dilution

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted.

(e) Competition

Like many industries, the resources industry is subject to domestic and global competition. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors and these activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.

Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(f) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be difficult for the Company to attract and retain suitably qualified and experienced people, due to the relatively small size of the Company, compared with other industry participants.

(g) **Litigation risk**

Legal proceedings may arise from time to time in the course of the Company's activities. Legal proceedings brought by third parties including but not limited to joint venture partners or employees could negatively impact the Company in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(h) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(i) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(j) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, insurance of all risks associated with exploration is not always available and, where it is available, the cost may be prohibitively high. The Company will have insurance in place considered appropriate for the Company's needs.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(k) **Change in regulations and regulatory risk**

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's exploration.

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, Native Title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Orpheus Project Tenements.

(l) **Taxation risk**

The acquisition and disposal of Securities will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Securities. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Securities under this Prospectus.

(m) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

9. Material Contracts

9.1 Joint Venture Agreement

On 9 February 2015, Apollo Minerals, the Company, and ENT entered into a sale and joint venture agreement (as amended in accordance with a rectification deed dated on or about 28 March 2018), pursuant to which the Company acquired a 70% interest in the Joint Venture Tenements and setting out the terms, conditions and provisions governing the operation and conduct of a joint venture (**Joint Venture**) for the exploration of the Joint Venture Tenements (**Joint Venture Agreement**).

The principal terms of the Joint Venture Agreement are as follows:

- (a) the Joint Venture Agreement governs the participants' rights and obligations in respect of the Joint Venture Tenements comprising E63/1281, E63/1282, E28/2403 and E63/1695, in which the Company has a 70% participating interest and ENT a 30% free carried interest (**Exploration Joint Venture**);
- (b) the Company is the manager of the Exploration Joint Venture and authorised to conduct all exploration activities as agent of ENT. As manager, the Company may determine the nature and extent of those exploration activities in its absolute discretion and the Company must sole fund all costs incurred;
- (c) each participant in the Exploration Joint Venture has a pre-emptive right to acquire the participating interest of the other participant in the event of a proposed sale or other disposal;
- (d) if a decision to mine is made by the Company, each participant will have 20 business days from the date of receipt of the relevant BFS to elect to either:
 - (i) participate in the mining operation, in which case the participants will form a separate unincorporated mining joint venture in respect of the Mining Area, to be governed by a separate joint venture agreement (which must provide for, among other things, each participant to make proportionate contributions towards the costs incurred by that mining joint venture) (**Mining Joint Venture**); or
 - (ii) offer to sell its interest in the Mining Area to the other participant (if the other participant is not willing to purchase this interest, it may be offered to a third party);
- (e) until such date as it delivers a BFS to ENT in respect of a Mining Area, the Company is obliged to sole fund:
 - (i) the maintenance and exploration of the Joint Venture Tenements;
 - (ii) the production of a BFS (if exploration indicates the existence of a commercially exploitable deposit of minerals in any part of the Joint Venture Tenements); and
 - (iii) a development proposal in relation to a decision to mine,
(the **Joint Venture Activities**);
- (f) upon establishment of a Mining Joint Venture for the purpose of establishing a commercial mining operation within the Mining Area, the Joint Venture Agreement will cease to apply to the Mining Area;
- (g) in relation to the Mining Joint Venture:
 - (i) the participants will seek to agree on the terms, conditions and provisions governing the operation and conduct of the Mining Joint Venture; and
 - (ii) if the participants are unable to agree the terms of the joint venture agreement relating to the Mining Joint Venture, then they will adopt the terms of the "Model Mining Joint Venture Agreement" published by AMPLA to the extent not inconsistent with the Joint Venture Agreement; and

- (h) either participant may withdraw from the Exploration Joint Venture at any time, for nil consideration, subject to the Company's liability in respect of obligations to rehabilitate the environment in accordance with applicable environmental law in relation to its activities where the Company is the party withdrawing from the Exploration Joint Venture.

9.2 Debt Forgiveness Agreement with Apollo Minerals

The Company is currently a wholly-owned subsidiary of Apollo Minerals and its activities to date have been funded by Apollo Minerals.

On 30 April 2018, the Company entered into a debt for equity subscription agreement with Apollo Minerals (**Debt Forgiveness Agreement**).

Under the terms of the Debt Forgiveness Agreement:

- (a) Apollo Minerals agreed to forgive all loan advances made to the Company in relation to exploration activities at the Orpheus Project; and
- (b) the Company issued to Apollo Minerals 3,000,000 Options in consideration for Apollo Minerals forgiving all loan advances referred to in Section 9.2(a) above (refer to Section 10.2 for details of the rights and liabilities attaching to the Options issued to Apollo Minerals).

The Board has had the Options independently valued at A\$0.1167 per Option for an aggregate value of approximately A\$350,000 which is equivalent to the carrying value of the Orpheus Project Tenements in Apollo Minerals' 31 December 2017 financial statements.

In addition:

- (c) Apollo Minerals agreed to fund any and all costs which the Company incurs in connection with the listing process up to the date of completion of the Offer; and
- (d) the Company agreed to reimburse Apollo Minerals, out of the proceeds of the Offer, all costs Apollo Minerals has incurred or incurs in connection with, or on behalf of the Company in relation to, the listing process. Any costs of the Offer which are to be reimbursed have been included in the expenses of the Offer, as set out in Section 10.9.

9.3 Working Capital Facility

In addition to the Debt Forgiveness Agreement, on 30 April 2018, the Company and Apollo Minerals entered into a working capital facility agreement (**Working Capital Facility**).

Under the terms of the Working Capital Facility, Apollo Minerals has advanced A\$100,000 to the Company to enable the Company to meet certain operating expenses.

No interest is payable on the funds advanced under the Working Capital Facility, and the Company must repay Apollo Minerals the funds advanced on the completion of the Offer.

9.4 Letter of Appointment – Managing Director

On 9 April 2018 (**Commencement Date**), the Company entered into a letter of appointment with Mr Peter Woodman in respect of his appointment as Managing Director of the Company (**Letter of Appointment**).

Under the terms of the Letter of Appointment:

- (a) Mr Woodman will be paid a salary of A\$240,000 per annum plus statutory superannuation;
- (b) Mr Woodman has been issued 1,000,000 Incentive Options on the terms set out in Section 10.3;
- (c) Subject to the satisfaction of certain key performance indicators, to be set by the Board, Mr Woodman will be entitled to a cash bonus of up to A\$60,000 per annum. Given the current nature, size and opportunities of the Company, these key performance indicators may include measures such as successful completion of exploration activities (i.e. within budgeted timeframes and costs), development activities (such as completion of technical

- assessments and technical studies), corporate activities and business development activities;
- (d) Mr Woodman will be entitled to 20 days annual leave for each year of service;
 - (e) Mr Woodman's appointment as Managing Director continues for a rolling annual period from the Commencement Date;
 - (f) the Company must give Mr Woodman not less than 3 months' notice prior to the end of any rolling annual period as to whether it wishes to renew the appointment;
 - (g) either party may terminate the appointment on not less than 3 months' written notice, and where the Company gives notice, Mr Woodman is entitled to his salary up to the end of the annual period up to a maximum of 3 months' salary; and
 - (h) the Company may terminate Mr Woodman's appointment immediately upon the occurrence of the following:
 - (i) Mr Woodman becomes incapacitated by illness or injury which prevents him from performing his duties for a period of three consecutive months;
 - (ii) Mr Woodman is convicted of a criminal offence which in the reasonable opinion of the Board brings either Mr Woodman or the Company into disrepute;
 - (iii) Mr Woodman is guilty of misconduct; or
 - (iv) Mr Woodman becomes disqualified or prohibited by law from being or acting as a Director or from being involved in management of the Company.

9.5 Non-Executive Director Appointment Letters

The Company has entered into Non-Executive Director appointment letters with each of Messrs Ian Middlemas, Robert Behets and Mark Pearce on the following key terms:

- (a) Mr Middlemas will receive an annual remuneration of A\$36,000 (plus statutory superannuation currently at the rate of 9.5%);
- (b) Mr Behets will receive an annual remuneration of A\$20,000 (plus statutory superannuation currently at the rate of 9.5%);
- (c) Mr Pearce will receive an annual remuneration of A\$20,000 (plus statutory superannuation currently at the rate of 9.5%); and
- (d) the respective appointments shall cease if the Non-Executive Director:
 - (i) resigns;
 - (ii) is disqualified under the Corporations Act or the Constitution from being a company director; or
 - (iii) is removed as a director in accordance with the Corporations Act or the Constitution.

9.6 Deeds of Indemnity, Access and Insurance

The Company has entered into standard deeds of indemnity, access and insurance with each of the Directors. Pursuant to those deeds, the Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director during the period of their appointment and for seven years after the Director has ceased to be a Director. The Company has further undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for seven years after the Director has ceased to be a Director.

9.7 Services Agreement with Apollo Group Pty Ltd

Apollo Group Pty Ltd (ACN 091 844 692) (**Apollo Group**), a company controlled by Mr Mark Pearce, Director, will provide corporate administration and company secretarial services, and serviced office

facilities, to the Company under a services agreement dated on or about 30 April 2018 (**Apollo Group Services Agreement**). Either party can terminate the Apollo Group Services Agreement at any time for any reason by giving one months' written notice.

Effective from the Listing Date, Apollo Group will receive a monthly retainer of A\$15,000 (plus GST) for the provision of corporate administration and company secretarial services, and serviced office facilities, to the Company. The monthly retainer will be reviewed every six months and is based on Apollo Group's budgeted cost of providing the services to the Company (and other companies utilising same or similar services from Apollo Group) for the next six-month period, with minimal or no mark-up. From time to time, Apollo Group may also receive additional fees (as agreed with the Company) in respect of services provided by Apollo Group to the Company that are not included in the agreed administration and company secretarial services covered by the monthly retainer. The Company considers that the services provided by Apollo Group are provided on arm's length or better terms and Mr Pearce receives minimal to no financial benefit from the Apollo Group Services Agreement.

At the date of this Prospectus, Apollo Group has not received any payments from the Company. However, upon admission of the Company to the Official List, Apollo Group will be paid a one-off fee of A\$25,000 (plus GST) for services provided in relation to this Prospectus and the listing process.

10. Additional Information

10.1 Rights attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney;
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend rights

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may set aside from the Company's profit any amount that they consider appropriate. This amount may be used in any way that profits can be used, and can be invested or used in the Company's business in the interim.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is liability.

(e) Shareholder liability

As the Shares to be issued under the Offer are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and/or the Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

10.2 Rights attaching to Options

A summary of the rights attaching to the Options is detailed below.

This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Optionholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For an Optionholder to obtain a definitive assessment of the rights and liabilities which attach to the Options in any specific circumstances, the Optionholder should seek legal advice.

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (m), the amount payable upon exercise of each Option will be A\$0.20 (**Exercise Price**).

(c) **Expiry Date**

The expiry date of the Options is 5.00pm WST on 31 July 2021 (**Expiry Date**).

The Options may be exercised at any time prior to the Expiry Date (**Exercise Period**), in whole or in part, upon payment of the exercise price per Option. Options not exercised on or before the Expiry Date will expire and cease to carry any rights or benefits.

(d) **Transferable**

The Options are transferable.

(e) **Quotation**

The Company will apply for the quotation of the Options on ASX. Subject to spread requirements being met, the Options will be quoted on ASX.

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified by the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by cheque or electronic funds transfer or other means of payment acceptable to the Company.

The Options may be exercised by the Optionholder in whole or in part. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed allottee.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing and issue of Shares on exercise**

Within 15 business days of a Notice of Exercise being given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised, the Company will:

- (i) issue the Shares pursuant to the exercise of the Options; and
- (ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(i) **Shares issued on exercise**

Shares issued on exercise of Options rank equally with the then issued Shares of the Company.

(j) **Participation rights**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(k) **Adjustment for entitlement issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than a bonus issue), there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

(l) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(m) **Adjustment for reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will be varied in accordance with the Listing Rules.

10.3 Rights attaching to Incentive Options

Under the terms of the Letter of Appointment, Mr Peter Woodman has been issued 1,000,000 Incentive Options. A summary of the rights attaching to the Incentive Options is detailed below.

(a) **Entitlement**

Each Incentive Option entitles the holder to subscribe for one Share upon exercise of the Incentive Option.

(b) **Exercise Price, Vesting Date and Expiry Date**

The Exercise Price, Vesting Date and Expiry Date of each Incentive Option issued to Mr Woodman is set out in the table below:

Incentive Option Class	Number	Exercise Price	Vesting Date	Expiry Date
Class A	300,000	A\$0.25	9 April 2018	9 April 2021
Class B	300,000	A\$0.30	9 October 2019	9 October 2021
Class C	400,000	A\$0.40	9 April 2020	9 April 2022

The Incentive Options will expire on that date (**Expiry Date**) which is the earlier of:

- (i) the Expiry Date referred to in the table above;
- (ii) in respect of Incentive Options that have not already vested by the Vesting Date referred to in the table above, the date Mr Woodman ceases to be an employee, consultant or Director of the Company due to:
 - (A) retirement (excluding retirement by rotation where re-elected);
 - (B) removal or termination;
 - (C) voluntary cessation; or
 - (D) by mutual agreement (unless the Board resolves otherwise); or
- (iii) in respect of Incentive Options whether vested or unvested, the date Mr Woodman ceases to be an employee, contractor or Director of the Company due to dismissal by the Company:
 - (A) for negligence, incompetence or misconduct; or
 - (B) due to disqualification from holding the office of Director or conviction for a criminal offence which, in the reasonable opinion of the Board, brings Mr Woodman or the Company into disrepute.

The Incentive Options automatically vest if a “change of control event” occurs in respect of the Shares.

For these purposes, a “change of control event” occurs where:

- (i) in respect of a Takeover Bid:
 - (A) the offeror under a Takeover Bid announces that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (B) the Takeover Bid has become unconditional (except any condition relating to cancellation or exercise of the Incentive Options); or

- (ii) in respect of a scheme of arrangement:
 - (A) the announcement by the Company that Shareholders have at a Court convened meeting of Shareholders voted in favour (by the necessary majority), of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - (B) the Court, by order, approves the proposed scheme of arrangement.

(c) **Exercise Period**

The Incentive Options are exercisable at any time after the Vesting Date in Section 10.3(b) above and on or prior to the Expiry Date.

(d) **Notice of Exercise**

The Incentive Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Incentive Option being exercised. Any notice of exercise of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.

(e) **Shares issued on exercise**

Shares issued on exercise of the Incentive Options rank equally with the then issued Shares of the Company.

(f) **Quotation**

Subject to the Company being admitted to the Official List and the Listing Rules, application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Incentive Options. However, the Company will not apply to ASX for quotation of the Incentive Options.

(g) **Timing and issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Incentive Option being exercised; and
- (ii) where the Company is in possession of excluded information (as defined in section 708A(7) of the Corporations Act) (if any), the excluded information ceases to be excluded information,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Incentive Options;
- (iv) in the circumstances where Section 10.3(g)(ii) applies, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares issued upon exercise of the Incentive Options for resale under section 708A(11) of the Corporations Act; and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Incentive Options.

(h) **Participation rights**

There are no participation rights or entitlements inherent in the Incentive Options and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give holders of Incentive Options the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

(i) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Incentive Option will be increased by the number of Shares which the holder of the Incentive Option would have received if the holder of Incentive Options had exercised the Incentive Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(j) **Adjustment for entitlement issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than a bonus issue), there will be no adjustment of the Exercise Price of an Incentive Option or the number of Shares over which the Incentive Options are exercisable.

(k) **Adjustment for reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of a holder of an Incentive Option will be varied in accordance with the Listing Rules.

(l) **Adjustment for compliance with Listing Rules**

The terms of the Incentive Options may be amended from time to time by the issue of a notice from the Company to the holder setting out the details of such amended terms. Any such amendment may only be made by the Company solely to the extent that it is necessary for the Company to comply with the Listing Rules.

(m) **Transferable**

The Incentive Options are transferable provided that the transfer of the Incentive Options complies with section 707(3) of the Corporations Act.

10.4 Interests of Directors

No Director (or entity in which they are a director and/or a shareholder) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (a) any Director to induce him or her to become, or to qualify as, a Director; or
- (b) any Director for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer, except as disclosed in this Prospectus.

10.5 Director Holdings

Other than Mr Peter Woodman who holds 1,000,000 Incentive Options on the terms set out in Section 10.3, no Director (or their related entities) has any interest in Securities as at the date of this Prospectus.

The Directors or their related entities intend to subscribe for Securities under the Offer according to the below table. Based on the intentions of the Directors at the date of this Prospectus in relation to the Offer, the Directors and their related entities will have the following interests in Securities on admission of the Company to the Official List:

Director	Shares	Options	Incentive Options
Mr Ian Middlemas ¹	2,400,000	800,000	-
Mr Peter Woodman ²	500,000	166,666	1,000,000 ³
Mr Mark Pearce ⁴	1,250,000	416,666	-
Mr Robert Behets	600,000	200,000	-

Notes:

1. 2,400,000 Shares and 800,000 Options will be held by Arredo Pty Ltd, and entity controlled by Mr Middlemas, Director.
2. Mr Peter Woodman and entities associated with him intend to subscribe for 240,000 Shares and 80,000 Options under the Apollo Minerals Priority Offer and up to 260,000 Shares and 86,666 Options under the General Offer.
3. The Incentive Options are on the terms set out in Section 10.3.
4. Mr Mark Pearce and entities associated with him intend to subscribe for 1,000,000 Shares and 333,333 Options under the Apollo Minerals Priority Offer and up to 250,000 Shares and up to 83,333 Options under the General Offer.

10.6 Remuneration of Directors

Since 9 April 2018, Mr Peter Woodman has received remuneration of approximately A\$16,000 (inclusive of superannuation). Other than Mr Woodman, none of the Directors have received any remuneration from the Company in the last two years. From the Listing Date, it is proposed that the Directors will receive the following annual remuneration (inclusive of statutory superannuation entitlements):

	Annual Remuneration A\$
Mr Ian Middlemas ¹	A\$39,420
Mr Peter Woodman ²	A\$262,800
Mr Mark Pearce ^{1,3}	A\$21,900
Mr Robert Behets ¹	A\$21,900

Notes:

1. Messrs Middlemas, Pearce and Behets are directors of Apollo Minerals and will continue to receive their director fees for Apollo Minerals in addition to their Director fees for the Company.
2. Subject to the satisfaction of certain key performance indicators, to be set by the Board, Mr Woodman will be entitled to a cash bonus of up to A\$60,000 per annum. Refer to Section 9.4 for further information.
3. Apollo Group Pty Ltd, an entity controlled by Mr Pearce, is a party to the Apollo Group Services Agreement with the Company in relation to the provision of corporate administration and company secretarial services, and serviced office facilities. Under the terms of the services agreement, Apollo Group Pty Ltd will receive a retainer of A\$15,000 per month (plus GST) and a one-off payment of A\$25,000 for services provided in relation to this Prospectus and the listing process. Refer to Section 9.7 for further information.

10.7 Interests of Promoters, Experts and Advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus (or entity in which they are a partner or director) holds, has, or has had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offer, except as follows and as disclosed in this Prospectus.

CSA Global Pty Ltd has acted as the Independent Technical Expert and has prepared the Independent Technical Report which is included in Section 6. The Company estimates that it will pay CSA Global Pty Ltd approximately A\$30,000 (exclusive of GST) for these services. During the two years preceding lodgement of this Prospectus with ASIC, CSA Global Pty Ltd has not received any fees from the Company for any other services.

Automic Pty Ltd is the Company's share registry. The Company estimates that it will pay Automic Pty Ltd approximately A\$2,700 (exclusive of GST) for registry services in connection with the Prospectus. During the two years preceding lodgement of this Prospectus with ASIC, Automic Pty Ltd has not received any fees from the Company for any other services.

William Buck Audit (WA) Pty Ltd has acted as auditor to the Company. During the two years preceding lodgement of this Prospectus with ASIC, William Buck Audit (WA) Pty Ltd has received fees from the Company totalling A\$14,000 (exclusive of GST).

William Buck Consulting (WA) Pty Ltd has acted as Investigating Accountant and prepared the Investigating Accountant's Report which is included in Section 5. The Company estimates that it will pay William Buck Consulting (WA) Pty Ltd approximately A\$6,000 (exclusive of GST) for these services. During the two years preceding lodgement of this Prospectus with ASIC, William Buck Consulting (WA) Pty Ltd has not received any fees from the Company for any other services.

DLA Piper Australia has acted as Australian legal adviser to the Company and has prepared the Solicitor's Report on Mining Tenements which has been included in Section 7. The Company estimates that it will pay DLA Piper Australia approximately A\$48,000 (exclusive of GST) for these services. During the two years preceding lodgement of this Prospectus with ASIC, DLA Piper Australia has not received any fees from the Company for any other services.

10.8 Related Party Transactions

As at the date of this Prospectus, no material transactions with related parties and Directors' interests exist other than those disclosed in the Prospectus.

10.9 Expenses of Offer

The total expenses of the Offer payable by the Company (inclusive of GST) are set out in the table below. To the extent any of these costs have been, or are, borne by Apollo Minerals prior to completion of the Offer, Apollo Minerals will be reimbursed by the Company pursuant to the Debt Forgiveness Agreement (refer to Section 9.2 for further information).

Item	A\$ (inclusive of GST)
Legal fees	44,000
Solicitor's Report on Mining Tenements	8,800
Investigating Accountant's Report	6,600
Independent Technical Report	33,000

Item	A\$ (inclusive of GST)
Broker Commission ¹	29,000
ASX Listing fees	80,500
ASIC fees	2,400
Printing and postage	35,000
Share Registry fees	3,000
Prospectus preparation and expenses of the Offer ²	48,500
General and contingency	29,200
TOTAL	320,000

Notes:

1. Refer to Section 2.16.
2. Comprising:
 - (a) A\$27,500 (inclusive of GST) to be paid to Apollo Group for services provided in connection with the Offer and the Company's admission to the Official List (refer to Section 9.7 for further information); and
 - (b) A\$21,000 to be paid in connection with preparation of financial statements.

10.10 Effect of the Offer on control and substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Name	Number of Shares	Percentage of Shares
Apollo Minerals Limited	100	100%

Based on the information known as at the date of this Prospectus and assuming that Eligible Apollo Minerals Shareholders subscribe for their full Entitlement under the Apollo Minerals Priority Offer, on admission of the Company to the Official List, the following persons will have an interest in 5% or more of the Shares on issue:

Name	Number of Shares	Percentage of Shares
BlackRock Group	3,160,000	9.03%
Juniper Capital Partners Limited	2,625,000	7.50%
Arredo Pty Ltd ¹	2,400,000	6.86%
Mr Richard Shemesian (and his associated entities) ²	1,973,758	5.64%

Note:

1. It is anticipated that 2,400,000 Shares will be held by Arredo Pty Ltd, an entity controlled by Mr Ian Middlemas, Director.
2. Mr Shemesian has indicated to the Company an intention to exercise 500,000 Apollo Minerals Options prior to the Apollo Minerals Priority Offer Record Date which, upon issue of the resulting Apollo Minerals Shares, would give him an Entitlement to an additional 100,000 Shares and 33,333 Options. If this additional Entitlement was subscribed for, it would result in Mr Shemesian and his associated entities having an interest in 2,073,758 Shares, being 5.93% of the Shares on issue.

Accordingly, at the Listing Date, Mr Ian Middlemas (and his associated entities) will have an interest in 6.86% of the Shares on issue.

10.11 Continuous Disclosure Obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to

disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.12 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned or which is likely to have a material adverse effect on the business or financial position of the Company.

10.13 Consents

Each of the parties referred to in this Section:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section authorised or caused the issue of this Prospectus or the making of the Offer.

William Buck Audit (WA) Pty Ltd has given its written consent to be named as auditor to the Company. William Buck Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

William Buck Consulting (WA) Pty Ltd has given its written consent to be named as the Investigating Accountant and to the inclusion of the Investigating Accountant's Report in Section 5 of the Prospectus in the form and context in which the report is included. William Buck Consulting (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Automic Pty Ltd has given its written consent to being named as share registry to the Company. Automic Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

CSA Global Pty Ltd has given its written consent to being named as the Independent Technical Expert to the Company and to the inclusion of the Independent Technical Report in Section 6 of the Prospectus in the form and context in which the report is included. CSA Global Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

DLA Piper Australia has given its written consent to being named as Australian legal adviser to the Company and to the inclusion of the Solicitor's Report on Mining Tenements in Section 7 of the Prospectus in the form and context in which the report is included. DLA Piper Australia has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

10.14 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

10.15 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at Level 9, BGC Centre, 28 The Esplanade, Perth 6000, Western Australia:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 10.13.

10.16 Statement of Directors

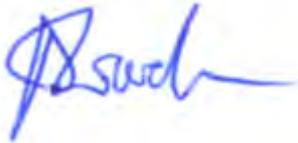
The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in Section 5 there have not been any circumstances that have arisen that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

11. Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:



Peter Woodman
Managing Director

Dated: 4 May 2018

12. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

A\$	Australian dollars.
ACN	Australian Company Number.
AEST	Australian Eastern Standard Time.
AFO	the Albany-Fraser Orogen in Western Australia.
AMPLA	AMPLA Limited (ACN 006 037 529).
Apollo Group	Apollo Group Pty Ltd (ACN 091 844 692).
Apollo Group Services Agreement	has the meaning given in Section 9.7.
Apollo Minerals	Apollo Minerals Limited (ACN 125 222 924).
Apollo Minerals Option	an option to acquire an Apollo Minerals Share.
Apollo Minerals Priority Offer	has the meaning given in Section 2.1(a).
Apollo Minerals Priority Offer Application Form	the application form attached to or accompanying this Prospectus relating to the Apollo Minerals Priority Offer.
Apollo Minerals Priority Offer Closing Date	the date the Apollo Minerals Priority Offer closes, as referred to in the Indicative Timetable.
Apollo Minerals Priority Offer Record Date	the date referred to in the Indicative Timetable.
Apollo Minerals Shares	fully paid ordinary shares in the capital of Apollo Minerals.
Applicant	a person who submits an Application Form.
Application	a valid application for Securities under the Offer made pursuant to an Application Form.
Application Form	an Apollo Minerals Priority Offer Application Form or General Offer Application Form.
Application Monies	monies received from persons applying for Securities pursuant to the Offer under this Prospectus.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
ASX Settlement Rules	ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
BFS	Bankable Feasibility Study, being a feasibility study that is of a standard suitable to be submitted to a

financial institution as the basis for lending of funds for the development and operation of a mine contemplated in the study and is capable of supporting a decision to mine.

BlackRock Group	BlackRock Inc. and its associated entities.
Board	the board of directors of the Company.
CHESS	Clearing House Electronic Subregister System.
Closing Date	the date the General Offer closes, as referred to in the Indicative Timetable.
Commencement Date	has the meaning given in Section 9.4.
Company or Constellation Resources	Constellation Resources Limited (ACN 153 144 211).
Constitution	the constitution of the Company from time to time.
Corporations Act	the <i>Corporations Act 2001 (Cth)</i> .
Debt Forgiveness Agreement	has the meaning given in Section 9.2.
Directors	the directors of the Company.
Electronic Prospectus	the electronic copy of this Prospectus located at the Company's website at www.constellationresources.com.au .
Eligible Apollo Minerals Shareholder	a person who, as at the Apollo Minerals Priority Offer Record Date: <ul style="list-style-type: none">(a) is the registered holder of at least 12,500 Apollo Minerals Shares; and(b) has a registered address in Australia.
EM	electromagnetic.
ENT	Enterprise Metals Limited (ACN 125 567 073).
Entitlement	has the meaning given in Section 2.1(a).
Exploration Joint Venture	has the meaning given in Section 9.1.
Exploration Results	has the meaning given in the JORC Code.
Exploration Target	has the meaning given in the JORC Code.
Exposure Period	in accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
General Offer	has the meaning given in Section 2.1(b).
General Offer Application Form	the application form attached to or accompanying this Prospectus relating to the General Offer.

GST	Goods and Services Tax.
HIN	Holder Identification Number.
IGO	Independence Group NL.
Incentive Options	an option to subscribe for a Share on the terms set out in Section 10.3.
Indicative Timetable	the indicative timetable for the Offer on page 5 of this Prospectus.
Independent Technical Report	the Independent Technical Assessment Report contained in Section 6.
Investigating Accountant	William Buck Consulting (WA) Pty Ltd.
Investigating Accountant's Report	the report contained in Section 5.
Joint Venture	has the meaning given in Section 9.1.
Joint Venture Activities	has the meaning given in Section 9.1.
Joint Venture Agreement	has the meaning given in Section 9.1.
Joint Venture Tenements	E63/1281, E63/1282, E28/2403 and E63/1695.
JORC Code	the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.
KMP	key management personnel of the Company.
Letter of Appointment	has the meaning given in clause 9.4.
Listing Date	the date on which the Company is admitted to the Official List.
Listing Rules	the listing rules of ASX.
Mantra	Mantra Resources Limited, a company acquired by JSC Atomredmetzoloto by way of scheme of arrangement.
Marketable Parcel	has the meaning given to that term in the Listing Rules.
Mineral Assets	has the meaning given in the VALMIN Code.
Mineral Resource	has the meaning given to that term in the JORC Code.
Minimum Subscription	has the meaning given in Section 2.2.
Mining Act	the <i>Mining Act 1978 (WA)</i> .
Mining Area	has the meaning given in Section 3.2(d).
Mining Joint Venture	has the meaning given in Section 9.1.
Mining Regulations	the <i>Mining Regulations 1981 (WA)</i> .

Minister for Mines	the Minister for Mines and Petroleum, Western Australia.
Non-Executive Director	non-executive Director.
Offer	the Apollo Minerals Priority Offer and the General Offer.
Offer Period	the period commencing on the Opening Date and ending on the Closing Date.
Official List	the official list of ASX.
Official Quotation or Quotation	Official quotation by ASX in accordance with the Listing Rules.
Opening Date	the date the Offer opens.
Option	an option to subscribe for a Share on the terms set out in Section 10.2.
Optionholder	a person holding an Option.
Ore Reserves	has the meaning given to that term in the JORC Code.
Orpheus Project	has the meaning given in part A of Section 1.
Orpheus Project Tenements	E63/1281, E63/1282, E28/2403, E63/1695 and E28/2738.
Prospectus	this prospectus dated 4 May 2018.
RAB	rotary air blast.
RC	reverse circulation.
Recommendations	has the meaning given in Section 4.3.
Section	a section of this Prospectus.
Security	a Share or Option as the context requires.
Securityholder	a person holding Shares and/or Options.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a person holding a Share.
Share Registry	Automic Pty Ltd.
Solicitor's Report on Mining Tenements	the report contained in Section 7.
SRN	Security holder reference number.
Takeover Bid	has the meaning given in the Corporations Act.
Technical Assessment	has the meaning given in the VALMIN Code.
Tenement Applications	has the meaning given in Section 8.1(b).

VALMIN Code	the Australian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 edition.
Working Capital Facility	has the meaning given in Section 9.3.
WST	Australian Western Standard Time, as observed in Perth Western Australia.

constellationresources.com.au

Level 9, BGC Centre,
28 The Esplanade, Perth WA 6000

