

DECEMBER 2018 QUARTERLY REPORT

Constellation Resources Limited (“Constellation” or “Company”) is pleased to present its Quarterly Report for the period ended 31 December 2018.

Highlights

- The Company holds an interest in several tenements in the Fraser Range which are prospective for Nickel and Gold, which are referred to as the Orpheus Project (see location diagram below).
- The Company intends to complete the following work programs for the March quarter. These were delayed in the previous quarter due to the unavailability of equipment and contractors:
 - High powered ground electromagnetic (“EM”) surveys over E63/1281. There remain several targets on E28/1281 to be surveyed, which is planned for the current quarter; and
 - A heritage survey over the gold prospect on E63/1282.

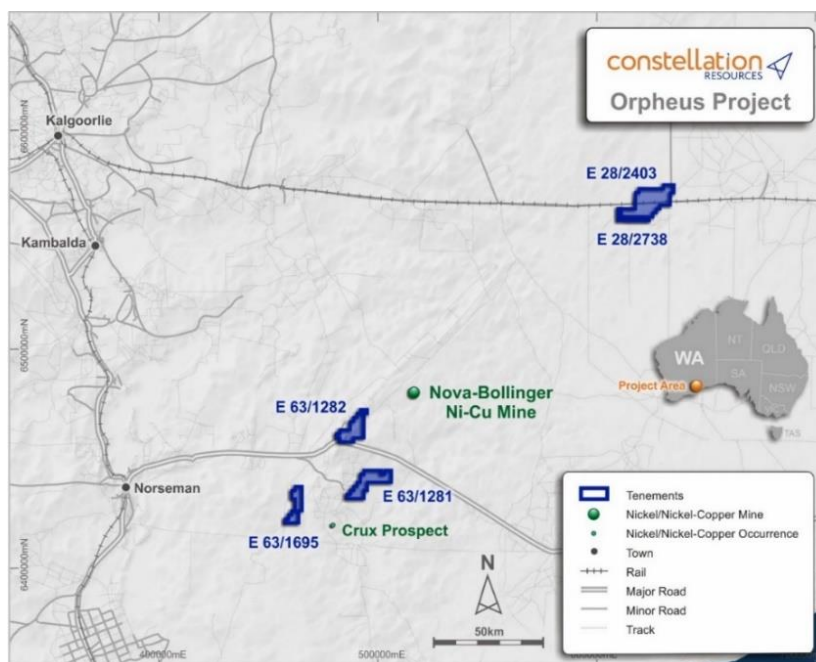


Figure 1: TMI image over E63/1281 showing possible prospective intrusive targets.

Constellation is focused on creating value from the Orpheus Project, in addition to identifying and evaluating new opportunities in the resource sector which have the potential to build shareholder value.

For further information, please contact:

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Managing Director
tel: +61 8 9322 6322

Orpheus Project

Constellation manages the Orpheus Project, which comprises five tenements covering approximately 552km² in a prospective portion of the Fraser Range province of Western Australia. The Fraser Range province is considered prospective for nickel, copper and gold, and has attracted significant exploration since the discovery of the Nova deposit in 2012.

The Orpheus Project includes a 70% interest in three mineral exploration licences and one mineral exploration licence application, and a 100% interest in a further mineral exploration licence. The three EL's form part of a joint venture between Constellation Resources Limited (70%) and Enterprise Metals Limited (30%, ASX: ENT).

Ground EM surveys conducted during 2018 covered the various targets mentioned in the previous quarterly report over three of the tenements: E28/2403, E63/1281-2.

E63/1281- Nickel

A 2017 review of the airborne HeliTEM survey identified a conductive anomaly that has the potential to be related to a bedrock mineralised source below the conductive cover. A ground EM survey completed over the HeliTEM anomaly during the previous quarter returned subtle anomalism that is under review for further work.

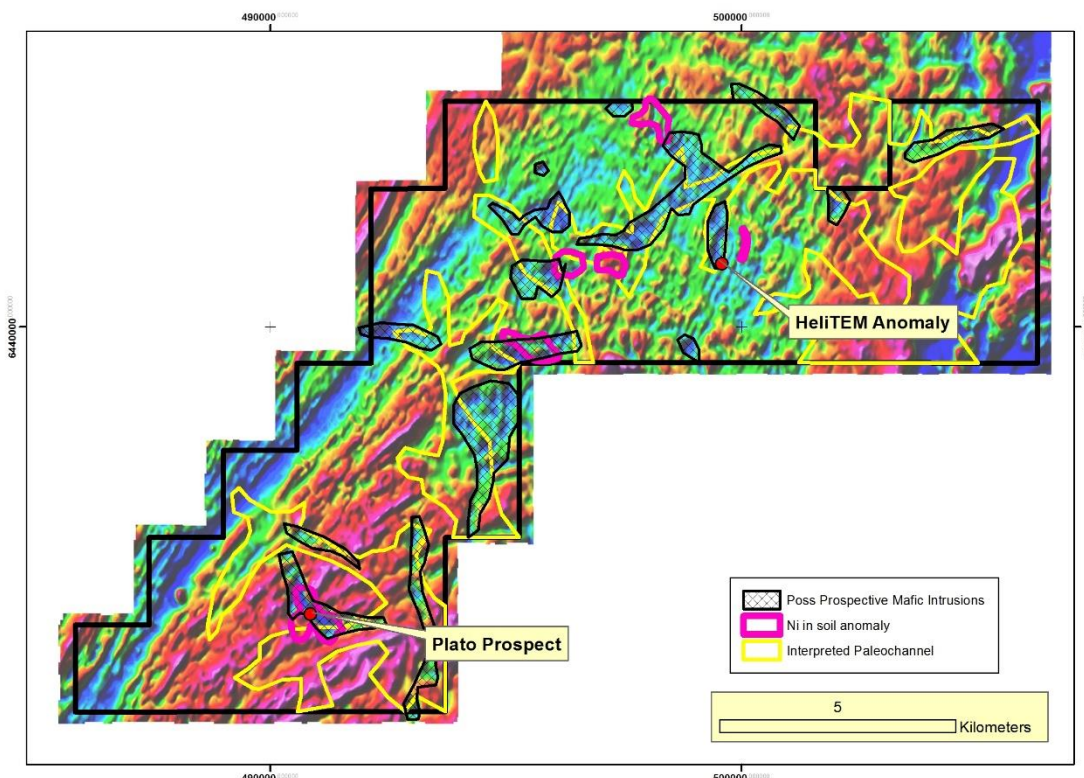


Figure 2: TMI image over E63/1281 showing possible prospective intrusive targets.

A review of the airborne magnetics over E63/1281 has outlined a number of possible prospective mafic intrusions which are displayed as a discrete magnetic lows that cross cut the general NE magnetic orientation (see Figure 2). The interpreted paleochannels (yellow outlines) may mask some of the potential mafic intrusions to historic airborne

EM and geochemical sampling and therefore they remain an exploration target for nickel/copper mineralisation. Planned Ground EM surveys for some of these targets were unable to be conducted due to various delays. The surveys are planned for the current March quarter.

E63/1282-Gold

This is a ~3km long gold in soil anomaly (up to 13ppb gold) identified from historic sampling associated with a well-defined NE-SW trending magnetic anomaly and follow-up work by Apollo Minerals in August 2017 returned results up to 27ppb gold in soil samples.

Soil sampling in December 2017 was completed over this target on a 100m x 50m E-W 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 3). There are also a number of other anomalous gold in soil areas identified from this survey.

During the previous quarter, the gold target and surrounding area were inspected and preparations have been made to conduct a heritage survey prior to drilling. A heritage survey is planned for the current quarter with shallow air core drilling traverses over the 500m x 150m anomaly to follow subsequent to heritage clearance.

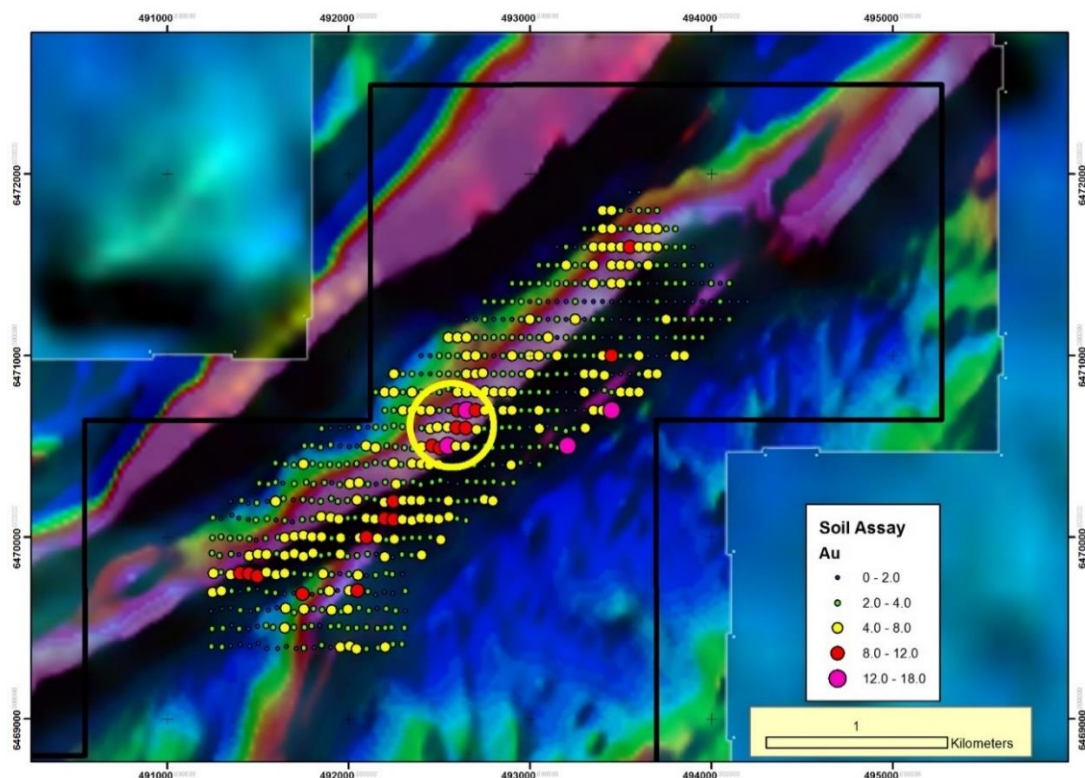


Figure 3: Gold in soil results from December 2017 survey on RTP_TMI magnetic image - E28_1282 Gold target. 500m x 150m target highlighted in yellow.

Corporate

Constellation is in a strong financial position with cash at bank of approximately A\$6.1 million and no debt as at 31 December 2018.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is extracted from an ASX announcement on 24 October 2018. This announcement is available to view on www.constellationresources.com.au. The information in the original announcement that related to Exploration Results was based on, and fairly represents, information compiled by Mr Peter Woodman, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Woodman is a holder of shares and options in, and is the Managing Director of, Constellation Resources Limited. Mr Woodman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

FORWARD LOOKING STATEMENTS

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

Appendix 1: Summary of Mining Tenements

As at 31 December 2018, the Company has an interest in the following projects:

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



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

CONSTELLATION RESOURCES LIMITED

ABN

57 153 144 211

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(115)	(218)
(b) development	-	-
(c) production	-	-
(d) staff costs	(60)	(126)
(e) administration and corporate costs	(62)	(162)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	39	47
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(198)	(459)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(4)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(4)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	7,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(368)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(100)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material):		
- Loan from parent (forgiven in April 2018)	-	-
3.10 Net cash from / (used in) financing activities	-	6,532

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	6,300	33
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(198)	(459)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(4)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	6,532
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	6,102	6,102

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	6	38
5.2 Call deposits	6,096	6,262
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,102	6,300

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	105
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments include director fees, superannuation and provision of a fully serviced office.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Not applicable

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(210)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(72)
9.5	Administration and corporate costs	(65)
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	(347)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

[lodged electronically without signature]

Sign here: Date: 25 January 2019
(Company secretary)

Print name: Lachlan Lynch

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.