

SEPTEMBER 2019 QUARTERLY REPORT

Constellation Resources Limited ("Constellation" or "Company") is pleased to present its Quarterly Report for the period ended 30 September 2019.

Highlights

- The Company holds an interest in several tenements in the Fraser Range which are prospective for Nickel and are referred to as the Orpheus Project (see Figure 1 below).
- The Company has completed the following work program for the September quarter:
 - Commenced a review of all previous exploration activity at the Plato Nickel Prospect ("Plato") on E63/1281; and
 - Received close spaced 50 x 50m Airborne Magnetic data covering Plato that was placed on open file late in the quarter.
- The Company intends in the December 2019 quarter to:
 - Proceed with enhanced processing of newly acquired Airborne Magnetic Data; and
 - Review of historic geophysical (ground electromagnetic (EM) and induced polarisation), geochemical and drilling data surrounding Plato with a view of integrating the newly acquired magnetic data to refine potential drill targets.

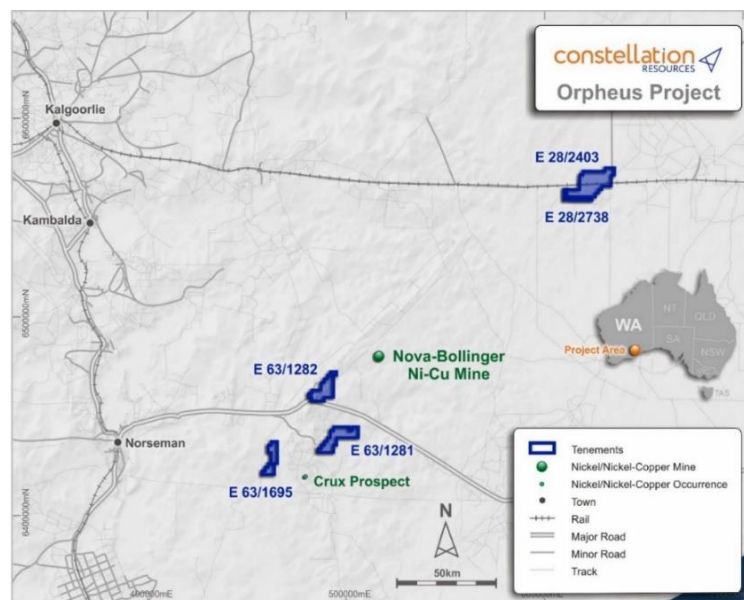


Figure 1: Tenement Plan – Orpheus Project

The Company is well funded with cash at bank of \$5.35 million and is focussed 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.

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ASX:CR1

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).

E63/1281-Nickel

During the September 2019 quarter, Constellation commenced a review of historic and recent Nickel exploration conducted on E63/1281 using geological and geophysical consultants with recent experience in the search for mafic hosted nickel systems. The purpose of the review was to examine the historic exploration data surrounding the nickel sulphide drill intercepts encountered at Plato prospect which, while small scale, demonstrate that the potential for magmatic nickel sulphide exists at Plato.

Key Points:

- Plato is one of a few exploration projects in the Fraser Range to encounter good tenor nickel sulphides;
- The state of knowledge regarding the Plato intrusive geometry and internal rock zonation's remains poorly understood due to small amount of wide spaced drilling completed to date;
- EM results to date are tenuous and need to be integrated with geochemical and other geophysical data to refine the next stage of drilling at Plato; and
- Review the case for a detailed ground gravity survey to be conducted over the wider Plato area. The key aim of a gravity survey is to better determine the potential intrusive shape and in particular the olive bearing units (SG 3.2) against orthogneiss gabbros (SG - 2.7-2.8).

Late in the September quarter, data for a higher resolution (50 x 50m spaced) Airborne Magnetic survey for the southern half of E63/1281 (covers the Plato prospect) was placed on open file and therefore available for Constellation to acquire. The newly acquired data will have increased resolution compared to the current (100m x 100m spaced) data which should assist in highlighting cross cutting features to the regional stratigraphy and better define magnetic lows.



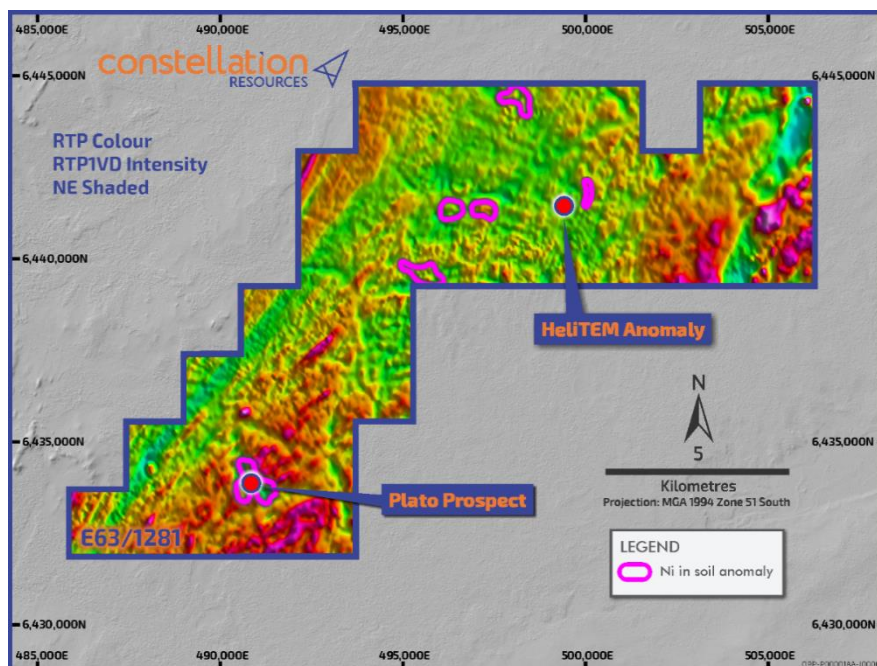


Figure 2: Current Prospects on E63/1281 on magnetic airborne data

Corporate

Constellation is in a strong financial position with cash at bank of approximately \$5.35 million and no debt as at 30 September 2019.

As at 30 September 2019, the Company has the following securities on issue:

Security Type	Number
Fully Paid Ordinary Shares	35,000,100
Listed options exercisable at \$0.20 each on or before 31 July 2021	11,666,402
Unlisted options exercisable at \$0.20 each on or before 31 July 2021	3,000,000
Unlisted options exercisable at \$0.25 to \$0.40 each with expiration dates from 9 April 2021 to 9 April 2022	1,000,000

COMPETENT PERSONS STATEMENT

The information in this report that related to Exploration Results is 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'. Mr Woodman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 30 September 2019, 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 2: JORC Code, 2012 Edition – Table 1 Fraser Range

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>	No drilling
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	No drilling
	<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>	No drilling
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>	No drilling
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No drilling
	<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>	No drilling
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>	No drilling
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	No drilling
	<i>The total length and percentage of the relevant intersections logged.</i>	No drilling

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	No drilling
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	No drilling
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	No drilling
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	No drilling
	<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>	No drilling
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No drilling
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No drilling
	<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>	Airborne Magnetic Survey Aircraft Type: Cessna 210 Data Acquisition System: Sample rates up to 20 Hz Integrated Novatel OEM GPS receiver providing positional information that is used to tag incoming data streams in addition to providing pilot navigation guidance Magnetometers: Geometrics G822A magnetometer, mounted in a stinger housing. Gamma-Ray Spectrometer: Radiations Solutions Inc. RS 400 Spectrometer Base Station Magnetometers: Two units are used in tandem for diurnal monitoring
	<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>	No drilling
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No drilling
	<i>The use of twinned holes.</i>	No drilling
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	No drilling
	<i>Discuss any adjustment to assay data.</i>	No drilling

Criteria	JORC Code explanation	Commentary
Location of data points	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.	Airborne Magnetic Survey: Location information: Novatel OEMV-1VBS GPS Receiver 5 Hz (0.2 sec) recording rate Height information: King KR 495B Radar Altimeter 20 Hz (0.05 sec) sampling rate
	Specification of the grid system used.	Grid system used is the GDA94_MGAz51 grid system.
	Quality and adequacy of topographic control.	
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Airborne Magnetic Survey: 50m traverse line spacing • 500m tie line spacing • Nominal sensor height 30m • Magnetometer: 20Hz sample rate (~3-4m) • Spectrometer: 2Hz sample rate (~30-40m) • Altimeter: 20Hz sample rate (~3-4m)
	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.	N/A as no resource estimation is made.
	Whether sample compositing has been applied.	No drilling
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Airborne Magnetic Survey: Traverse flight lines oriented 090-270deg roughly perpendicular to regional strike (~NE-SW) Tie lines oriented 000-180deg
	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.	No drilling
Sample security	The measures taken to ensure sample security.	All Airborne Magnetic data obtained is digitally stored by the contractor and geophysical consultant.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Airborne Magnetic data has been independently checked by geophysical consultant Russell Mortimer

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	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties,	The exploration results in this report relate to Exploration Licences E63/1281.

Criteria	JORC Code explanation	Commentary
tenure status	<i>native title interests, historical sites, wilderness or national park and environmental settings.</i>	These 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 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 targeted deposit types and styles of mineralisation are nickel-copper-cobalt (Ni-Cu-Co) magmatic sulphide systems such as the Nova-Bollinger deposit and Tropicana style gold mineralisation.
Drill hole Information	<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:</i> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. 	No drilling
	<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>	NA
Data aggregation methods	<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>	No drilling
	<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>	NA
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No drilling
Relationship between	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the</i>	No drilling

Criteria	JORC Code explanation	Commentary
mineralisation widths and intercept lengths	<i>mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	
	<i>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>	NA
Diagrams	<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.
Balanced reporting	<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 results is considered balanced.
Other substantive exploration data	<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.
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	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. Detailed Gravity survey for Plato is planned and potential drill testing (air core 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 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")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(75)	(75)
(b) development	-	-
(c) production	-	-
(d) staff costs	(110)	(110)
(e) administration and corporate costs	(84)	(84)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	31	31
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	(238)	(238)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid	-	-
3.9	Other (provide details if material):	-	-
	- Loan from parent (forgiven in April 2018)		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,589	5,589
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(238)	(238)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,351	5,351

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	5	16
5.2 Call deposits	5,346	5,573
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)	5,351	5,589

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	155
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	(200)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(80)
9.5 Administration and corporate costs	(55)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(335)

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: 29 October 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.