

DECEMBER 2019 QUARTERLY REPORT

Constellation Resources Limited ("Constellation" or "Company") is pleased to present its Quarterly Report for the period ended 31 December 2019. The Company's focus is on creating value from the Orpheus Project in the Fraser Range, in addition to identifying and evaluating new opportunities in the resource sector, which have the potential to build shareholder value.

HIGHLIGHTS DURING AND SINCE THE QUARTER END

- Detailed high-resolution airborne magnetic survey and semi-regional gravity survey completed over tenements E28/2403 (70% Constellation, 30% Enterprise Metals Limited (ASX: ENT)) and E28/2738.
- Processing and interpretation of surveys has led to the identification of ten high priority drill targets.
- Cash at bank of \$5.15 million and no debt as at 31 December 2019.

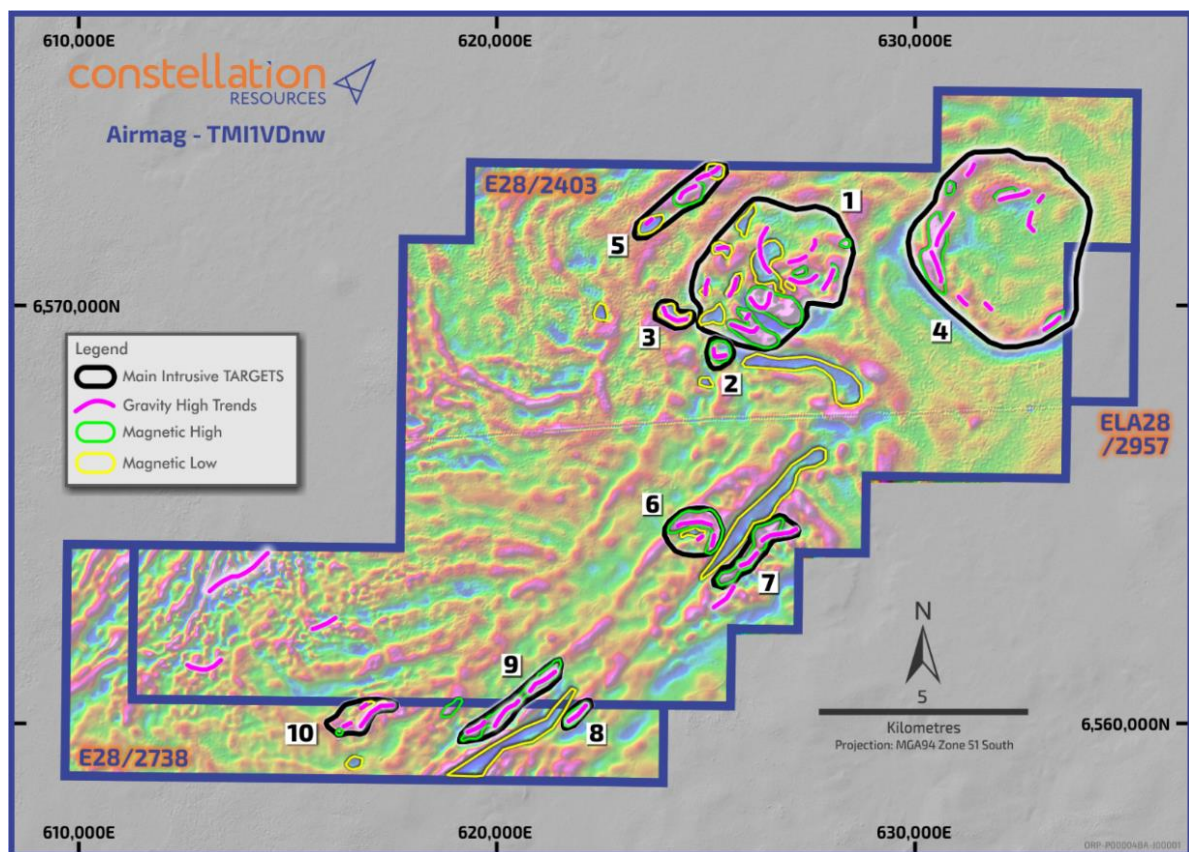


Figure 1: E28/2403, E28/2738 & ELA 28/2957 drill targets over new magnetic data

For further information, please contact:

Peter Woodman
Managing Director
Tel: +61 8 9322 6322

ABOUT THE FRASER RANGE TENEMENTS

The Company manages the Orpheus Project (Figure 2), comprising six tenements covering approximately 558km² in the Fraser Range province of Western Australia. In the Fraser Range, certain mafic intrusion suites are prospective to host nickel-copper sulphide mineralisation. The region is currently experiencing high levels of exploration activity for nickel following the Nova, Silver Knight and Mawson discoveries.

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 and an application. The granted exploration licences form part of a joint venture between the Company (70%) and Enterprise Metals Limited ("Enterprise") (30%, ASX: ENT). Pursuant to the joint venture agreement, the Company is responsible for sole funding all joint venture activities on the tenements, which form part of the joint venture, up to completion of a bankable feasibility study.

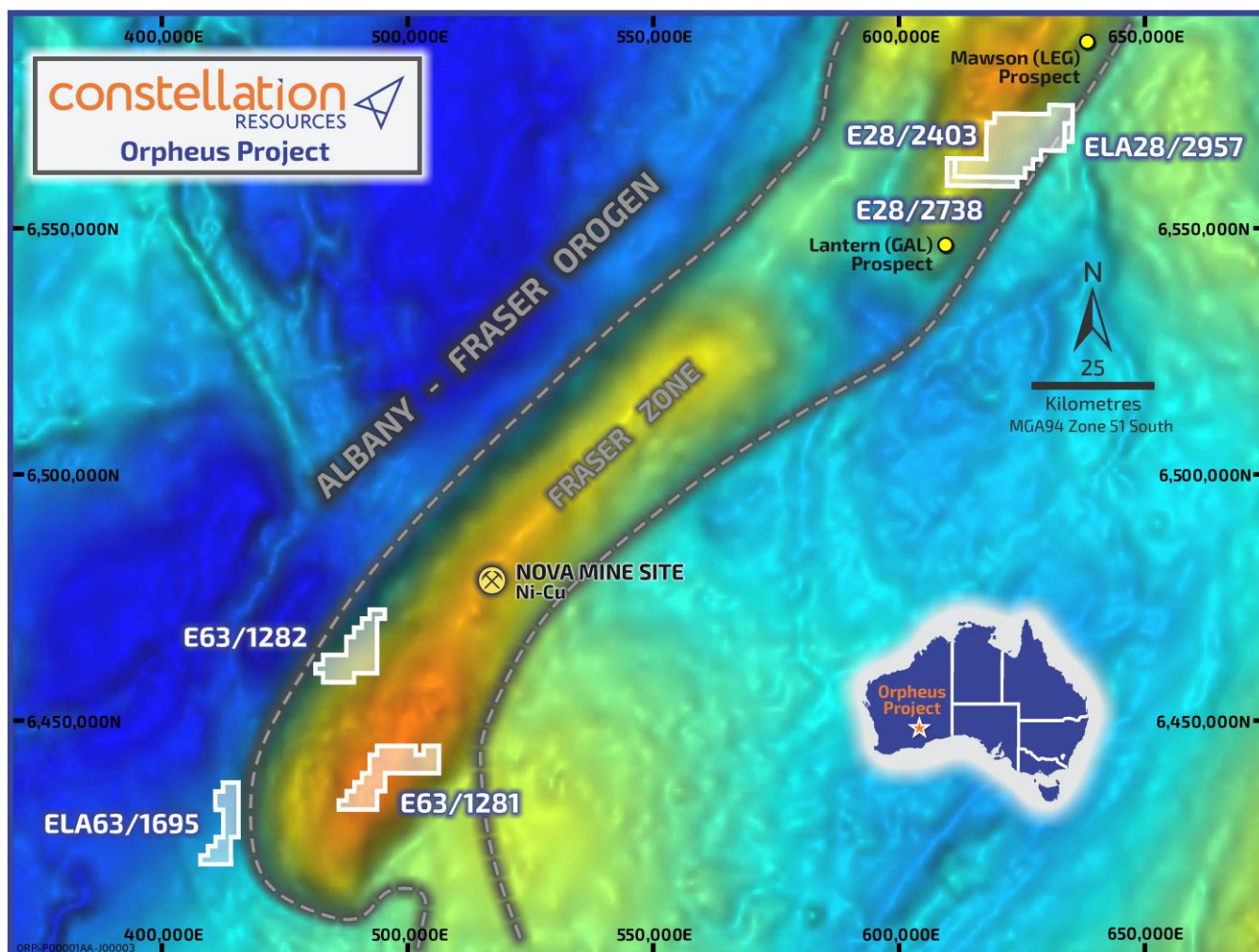


Figure 2: Tenement Plan – Orpheus Project

AIRBORNE MAGNETIC AND GRAVITY SURVEYS COMPLETED

During the quarter, the Company completed both a detailed high-resolution airborne magnetic survey and semi-regional gravity survey over tenements E28/2403 and E28/2738 are located on the eastern margin of the northern Fraser Range gravity high and sit in between Legend Mining Limited's (ASX: LEG) Mawson discovery and Galileo Mining Limited's (ASX: GAL) Lantern Prospect. The processing and interpretation of the datasets has led to the identification of ten high priority drill targets across the two tenements (Figure 1).

FUTURE WORK PROGRAMS

The Company's initial exploration focus is on progressively air-core drill testing the targets located north of the Trans-line Railway. The Company is in the process of selecting an appropriate drilling contractor and obtaining all necessary government approvals.

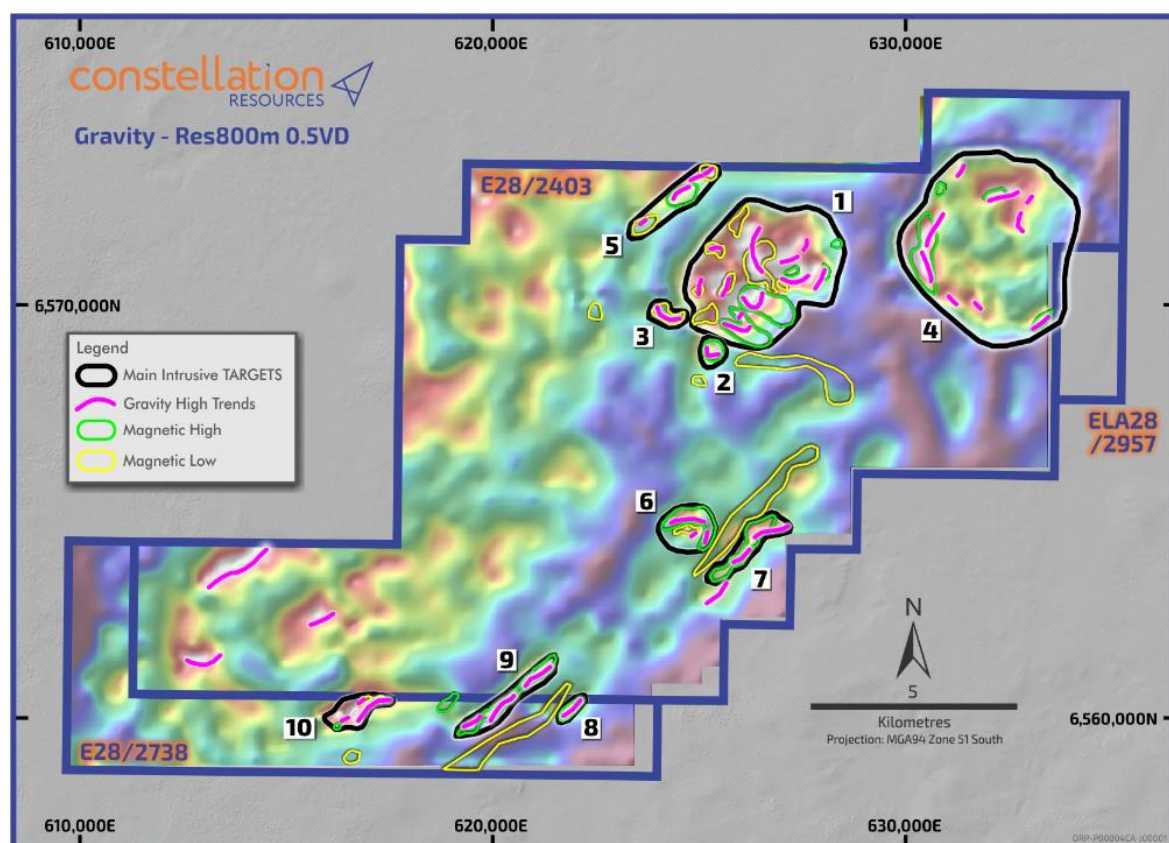


Figure 3: E28/2403 and E28/2738 drill targets over new gravity data

In conjunction with the above intended air-core drilling program, the Company is continuing its review of historic and recent nickel exploration data at the Plato prospect on E63/1281 in the southern area of the Fraser Range. The assessment of the data is being undertaken with a view to refine potential drill targets on the tenement.

CORPORATE

Constellation is in a strong financial position with cash at bank of approximately \$5.15 million and no debt as at 31 December 2019.

As at 31 December 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 relates to Exploration Results is extracted from an announcement dated 20 January 2020. This announcement is available to view on constellationresources.com.au. The information in the original ASX Announcement was based on information compiled by Peter Muccilli of Unearthed Geological Consulting, who is a consultant to Constellation Resources Limited. Mr Muccilli is a Member of the Australian Institute of Mining and Metallurgy. Mr Muccilli has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). The Company confirms that it is not aware of any 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.

The information in this report that relates to Exploration Results is extracted from an announcement dated 29 October 2019. This announcement is available to view on constellationresources.com.au. The information in the original ASX Announcement was based on and fairly represents information compiled or reviewed 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.

This announcement has been authorised for release by the Company's Board of Directors

Appendix 1: Summary of Mining Tenements

As at 31 December 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
	ELA28/2957	100%	Application

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 2019

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	(103)	(178)
(b) development	-	-
(c) production	-	-
(d) staff costs	(66)	(176)
(e) administration and corporate costs	(54)	(137)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	24	54
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	(199)	(437)

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 (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	-	-

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	5,351	5,589
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(199)	(437)
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	5,152	5,152

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	4	5
5.2 Call deposits	5,148	5,346
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)	5,152	5,351

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	110
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	(75)
9.5 Administration and corporate costs	(50)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(325)

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	ELA28/2957	Application (Direct)	-	100%

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: 30 January 2020

(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.