

MARCH 2020 QUARTERLY REPORT

Constellation Resources Limited ("Constellation" or "Company") is pleased to present its Quarterly Report for the period ended 31 March 2020. 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

- Completed line clearing in preparation for initial air core drilling program over Targets 1 to 5 (Figure 1) on tenement E28/2403 (70% Constellation, 30% Enterprise Metals Limited) (ASX: ENT).
- Air core drilling program over Targets 1 to 5 commenced second week of April. Initial reconnaissance program of circa 10,000m is designed to test geophysical targets previously generated in order to identify prospective intrusions.
- Cash at bank of \$4.85 million and no debt as at 31 March 2020.

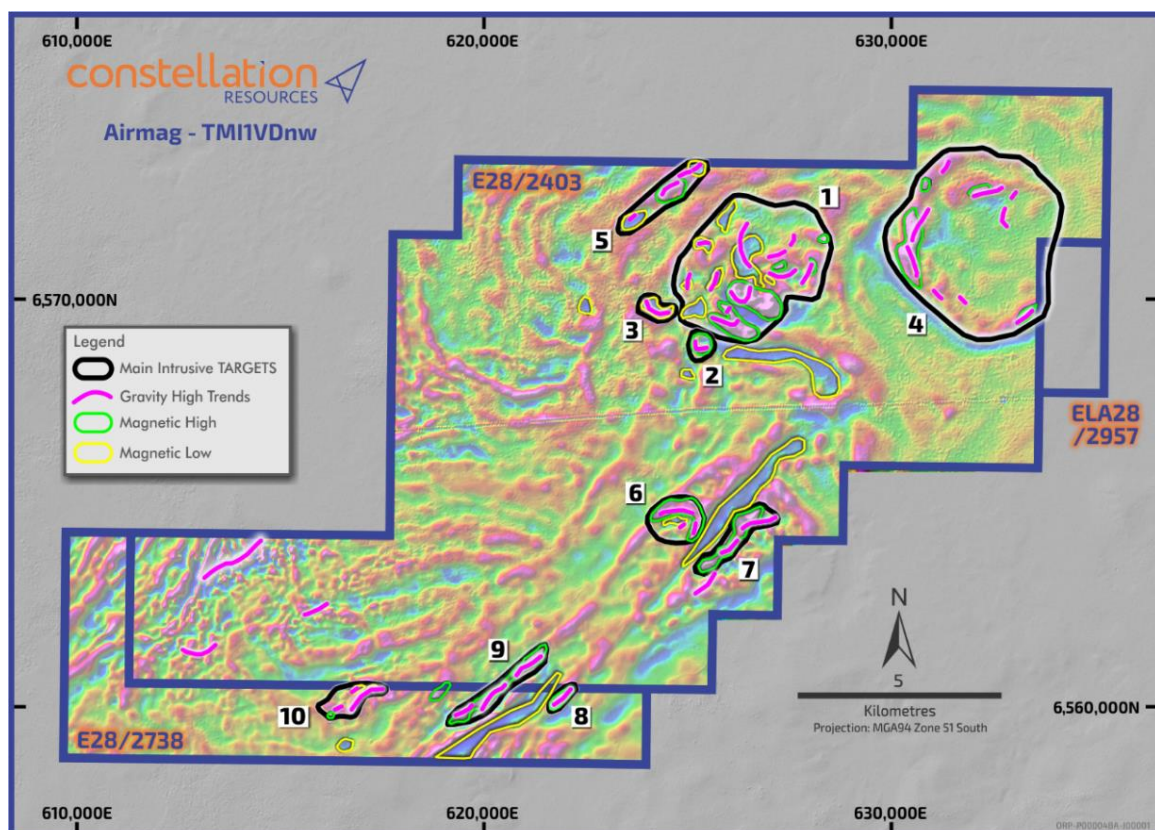


Figure 1: E28/2403, E28/2738 & ELA28/2957 drill targets over magnetic data

For further information, please contact:

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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 Proterozoic 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, Mawson and Lantern discoveries.

The Orpheus Project includes a 70% interest in three mineral exploration licences (E28/2403, E63/1281 and E63/1282) and one mineral exploration licence application (ELA63/1695). The granted exploration licences form part of a joint venture between the Company (70%) and Enterprise Metals Limited ("Enterprise") (30%, ASX: ENT). Pursuant to the joint venture agreement, the Company is responsible for sole funding all joint venture activities on the tenements, which form part of the joint venture, up to completion of a bankable feasibility study.

Additionally, the Company has further 100% interests in exploration licence (E28/2738) and application (ELA28/2957).

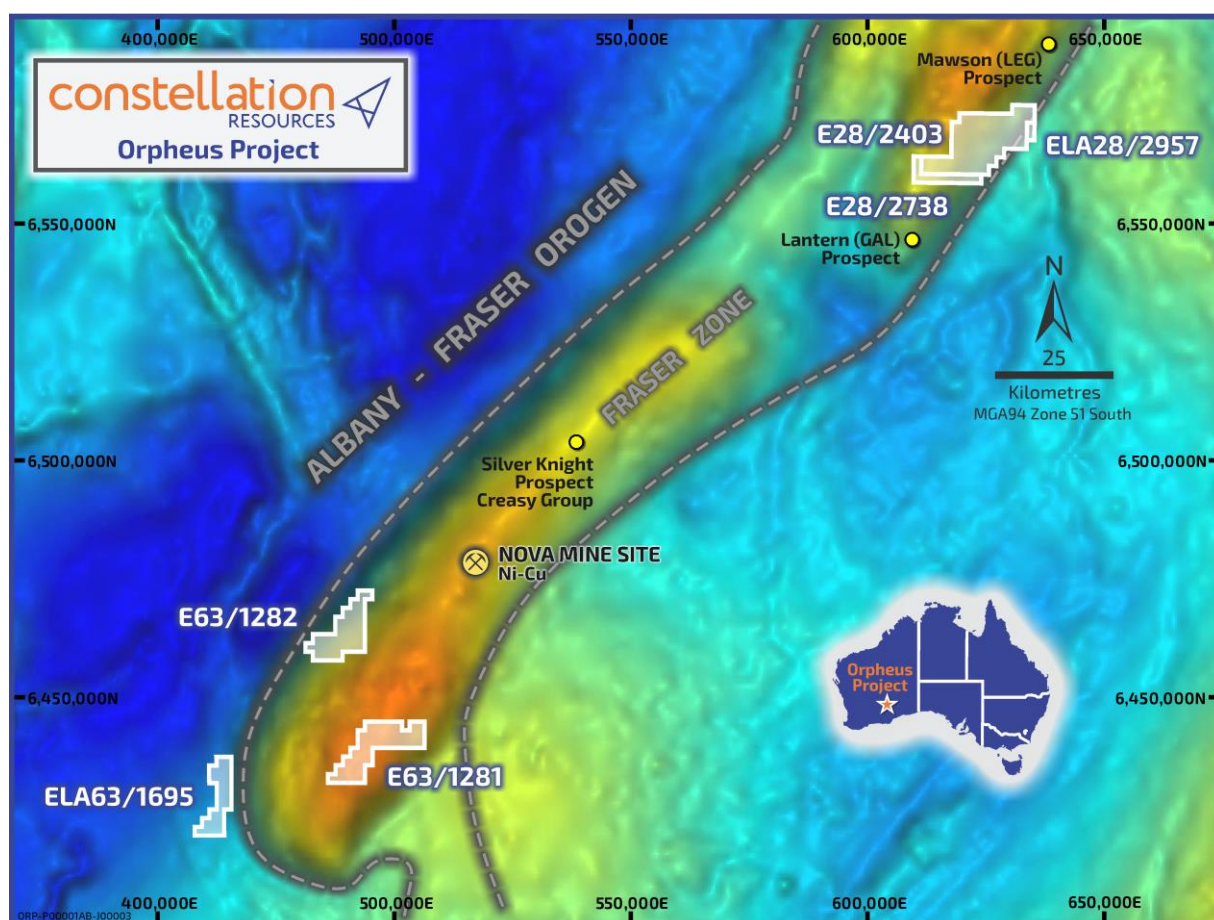


Figure 2: Tenement Plan – Orpheus Project

MARCH QUARTER ACTIVITY

Based on the drill targets defined in the December quarter, planning for a circa 10,000m reconnaissance air core drilling program to cover Targets 1 to 5 in the northern portion of E28/2403 was undertaken. The following work was completed:

1. Submission and receipt of approvals for a wide spaced reconnaissance style drill program;
2. Engagement of drilling contractor and geological staff; and
3. Clearance of drill lines and camp set up preparation.

CURRENT DRILLING PROGRAM

The Company commenced its maiden air core drilling program in the second week of April. The wide spaced reconnaissance vertical air core drill program is designed to test five basement geophysical targets that are concealed beneath cover. The thickness of the cover sequence is estimated to be between 60-100m. Targets 1 to 5 (Figure 3) have coincident magnetic and gravity anomalies that may be related to mafic-ultramafic intrusions within the Proterozoic basement (further details in ASX announcement - 20th of January 2020). Targets 1 and 4 have a significant circular geophysical expression of over 30km².

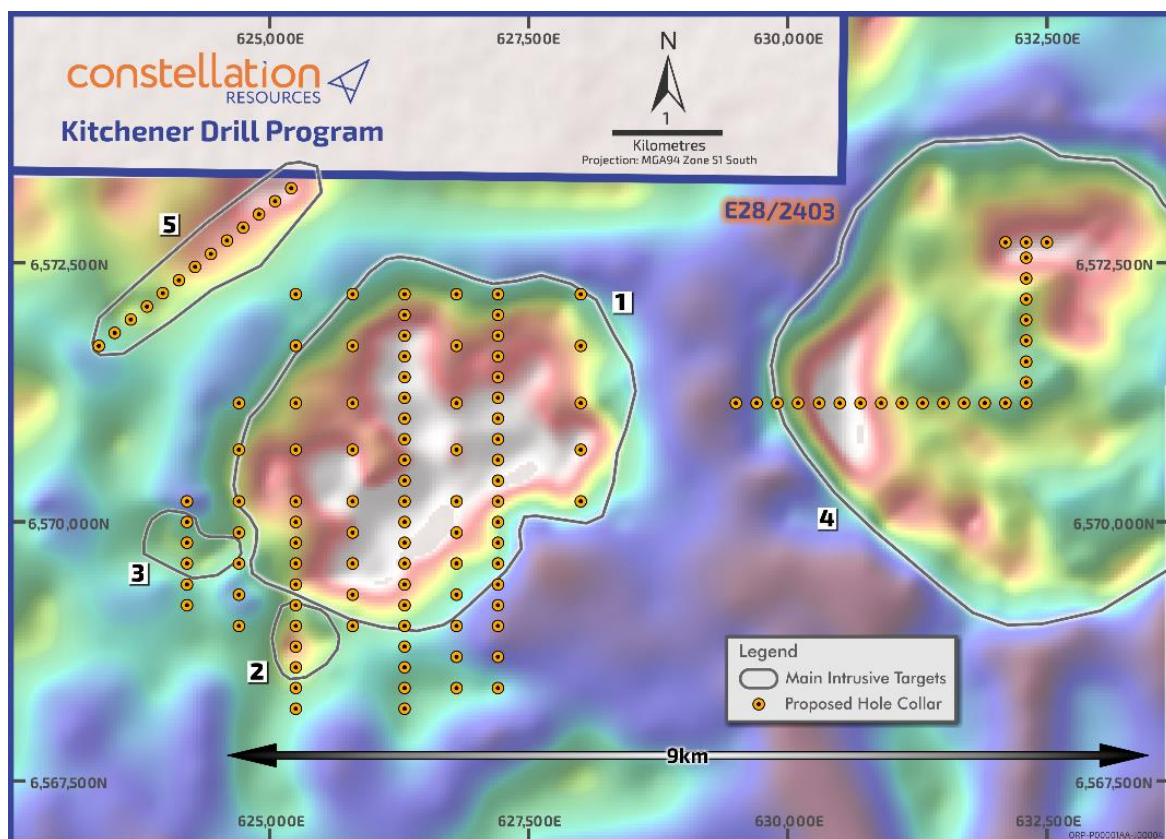


Figure 3: E28/2403 and E28/2738 drill targets over gravity data

FUTURE WORK PROGRAMS

The current drill program is part of systematic exploration approach underway to target nickel sulphides across the Company's northern landholdings in the Fraser Range. If the vertical air core drill program is successful in discovering prospective intrusions that contain anomalous Ni/Cu/Co readings, further exploration programmes will be strongly justified which will include:

- more detailed geophysical surveys such as down hole electromagnetics (DHEM) and close spaced, low frequency surface Moving Loop and Fixed Loop EM surveys; and
- Further drill programmes: reverse circulation drilling programs to test under any anomalous values obtained in the current vertical air core drill program. If successful, follow up diamond drilling to determine if there are any economic concentrations of nickel sulphides hosted within the intrusion.

COVID-19 UPDATE

The Company continues to actively evaluate the situation for all risks to employees and general operational safety and will make any required adjustments as the situation evolves, or as required by the Government of Western Australia.

Following the introductions of COVID-19 pandemic working/travel restrictions, the Company's activities have been limited to the current drill program and thus planned work on targets 6-10 (Figure 1) on E28/2403 and E28/2738, which require heritage clearance, and tenements E63/1281-2 in the southern area of the Fraser Range have been placed on hold.

CORPORATE

Constellation is in a strong financial position with cash at bank of approximately \$4.85 million and no debt as at 31 March 2020.

As at 31 March 2020, 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

Appendix 1: Disclosures in accordance with ASX Listing Rule 5.3

Summary of Mining Tenements

As at 31 March 2020, 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

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

Use of Funds Statement

The Company was admitted to the official list of the ASX on 26 July 2018 with official quotation occurring 30 July 2018 and as such, the quarterly report for the period ended 31 March 2020 is covered by the "Use of Funds Statement" include in the Company's Prospectus. The analysis below reflects 20 months from date of listing.

Allocation of Funds*	Actual \$A'000	Prospectus \$A'000	Variance \$A'000	Notes
Exploration & evaluation	832	2,913	2,081	1
Business development and activities on ungranted tenements (as at date of prospectus)	40	386	346	2
Staff costs (including Director Fees)	566	898	332	3
Administration and corporate costs	427	422	(5)	
Costs of the Initial Public Offering	368	320	(48)	
Repayment of working capital facility	100	100	-	
Total	2,333	5,039	2,706	

*Note categories included in the Company's Prospectus have been amended to align with the disclosures made in the Appendix 5B.

Note 1 - Exploration and evaluation expenditure on tenements E28/2403 and E28/2738 has increased in the previous two quarters as recent exploration programs that have been conducted (predominately geophysical work to identify potential targets) has increased prospectivity and therefore resulted in more exploration expenditure being budgeted to be deployed in these areas.

Note 1 (Continued) - The Company's Use of Funds Statement anticipated significant exploration work and programs on tenements E63/1281 and E63/1282 which did not eventuate. Several surface geophysical, mainly MLEM Moving Loop Electromagnetic (MLEM) surveys conducted over E63/1281 returned moderate anomalism that did not warrant drilling and therefore planned drilling programs were postponed resulting in a significant reduction in planned expenditure. A reverse circulation drilling program on the gold anomaly on E63/1282 did not return any significant results and therefore planned follow up diamond drilling did not occur.

Note 2 - The Company's Use of Funds Statement anticipated expenditure of \$219,000 in relation to the two tenements the Company had under application as at the date of its Prospectus, E28/2738 (since granted) and ELA63/1695 (remains under application) and \$167,000 on new project opportunities. Refer to Note 1 regarding variances in anticipated exploration and evaluation expenditures. No direct costs have been incurred on business development activities. Activities related to the identification and evaluation of new opportunities are undertaken utilising the Company's existing resources.

Note 3 - The Company's Use of Funds Statement anticipated the employment of an Exploration Manager which has not occurred.

Related Party Payments

During the quarter ended 31 March 2020, the Company made payments of \$122,000 to related parties and their associates. These payments relate to existing remuneration arrangements (executive salaries, director fees and superannuation of \$77,000) and provision of a serviced office (\$45,000).

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 Uearthed 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 Managing Director, Peter Woodman.

Appendix 5B

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

Name of entity

CONSTELLATION RESOURCES LIMITED

ABN

57 153 144 211

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(186)	(364)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(78)	(253)
	(e) administration and corporate costs	(51)	(188)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	21	74
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(294)	(731)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,152	5,589
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(294)	(731)
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	4,858	4,858

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	8	4
5.2	Call deposits	4,850	5,148
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)	4,858	5,152

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

122

-

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.
Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

7.5 Unused financing facilities available at quarter end

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(294)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(294)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,858
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	4,858
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	17

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Compliance statement

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

Date: 20 April 2020

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

Notes

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