

SEPTEMBER 2021 QUARTERLY REPORT

Constellation Resources Limited ("Constellation" or "Company") is pleased to present its Quarterly Report for the period ended 30 September 2021. The Company's focus is on the Orpheus Project in the Fraser Range of Western Australia, in addition to identifying and evaluating new opportunities in the resources sector.

HIGHLIGHTS DURING AND SINCE THE QUARTER END

- Air-Core ("AC") drilling results to date have defined a highly prospective nickel-copper-cobalt-PGE ("Ni-Cu-Co-PGE") geochemical target that is interpreted to be **over three kilometres in strike and up to 300 metres wide** – named the "Eyre Anomaly". Strong evidence indicates magmatic nickel sulphides being the source of the Eyre Anomaly with optical petrological analysis confirming trace levels of magmatic nickel-copper sulphides in various holes along the trend.
- A diamond drilling program over the Eyre South Prospect located within the overall Eyre Anomaly is expected to commence shortly.
- Cash at bank of \$5.0 million and no debt as of 30 September 2021, well-funded for planned activities.

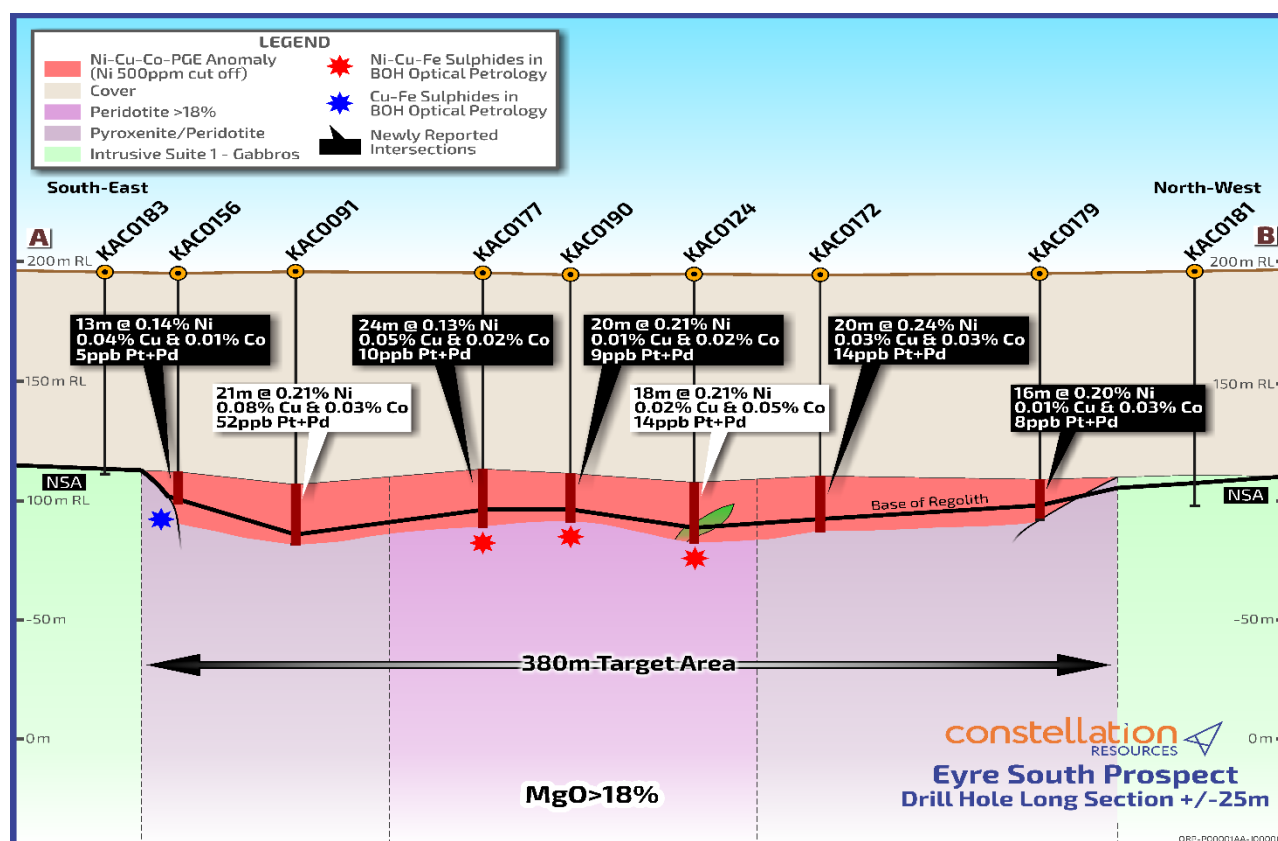


Figure 1: Eyre South Prospect drill hole long section.

For further information, please contact:

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EYRE ANOMALY

The Eyre Anomaly is a highly prospective Ni-Cu-Co-PGE geochemical target interpreted to be over three kilometres in strike and up to 300 metres wide (Figure 3). Strong evidence indicates magmatic nickel sulphides being the source of the Eyre Anomaly with optical petrological analysis confirming trace levels of magmatic nickel-copper sulphides in multiple holes in a fertile mafic intrusion. During the quarter, the Company reported results from its March 2021, July 2021 and August 2021 AC drilling programs.

EYRE SOUTH PROSPECT

The Eyre South Prospect is located within the overall Eyre Anomaly (Figures 1, 2 and 3), a highly prospective Ni-Cu-Co-PGE geochemical target. During the quarter, infill AC drilling was successfully completed at the Eyre South Prospect – assay results include:

- **KAC0156: 13m @ 0.14% Ni, 0.04% Cu, 0.01% Co and 5 ppb Pt+Pd¹**
 - **including 4m @ 0.21% Ni, 0.06% Cu, 0.01% Co and 5 ppb Pt+Pd**
- **KAC0172: 20m @ 0.24% Ni, 0.03% Cu, 0.03% Co and 14 ppb Pt+Pd²**
 - **including 6m @ 0.42% Ni, 0.04% Cu, 0.03% Co and 9 ppb Pt+Pd**
- **KAC0177: 24m @ 0.13% Ni, 0.05% Cu and 0.02% Co and 10 ppb Pt+Pd²**
 - **including 2m @ 0.26% Ni, 0.13% Cu, 0.03% Co and 20 ppb Pt+Pd**
- **KAC0186: 6m @ 0.12% Ni, 0.01% Cu, 0.02% Co and 10 ppb Pt+Pd**
- **KAC0190: 20m @ 0.21% Ni, 0.02% Cu, 0.02% Co and 9ppb Pt+Pd²**

Previously reported holes at Eyre South Prospect include:

- **KAC0091: 21m @ 0.21% Ni, 0.08% Cu, 0.03% Co and 52 ppb Pt+Pd**
- **KAC0124: 18m @ 0.21% Ni, 0.02% Cu, 0.05% Co and 14 ppb Pt+Pd²**

¹ Trace Cu-Fe sulphides and ² Trace Ni-Cu-Fe sulphides identified from optical petrology in BOH sample.

The infill AC program completed during the quarter has confirmed a number of positive attributes underpinning the prospectivity of the Eyre South Prospect, including:

- A continuous, thick Ni-Cu-Co-PGE regolith blanket that is currently 380 metres in strike, up to 110 metres wide and remains open at depth;
- Mappable concentric zonation of high magnesium rich minerals in the basement units (increasing olivine and pyroxene content) that is located directly beneath the regolith anomaly. The zoned pattern could represent a feeder zone for the greater intrusion, a recognised favourable setting for the possible accumulation of nickel sulphides; and
- Optical petrological analysis from bottom of hole ("BOH") AC chips sourced within the interpreted "feeder zone", have confirmed the presence of trace levels of magmatic nickel-copper sulphides in multiple holes, underpinning the host rocks fertility.

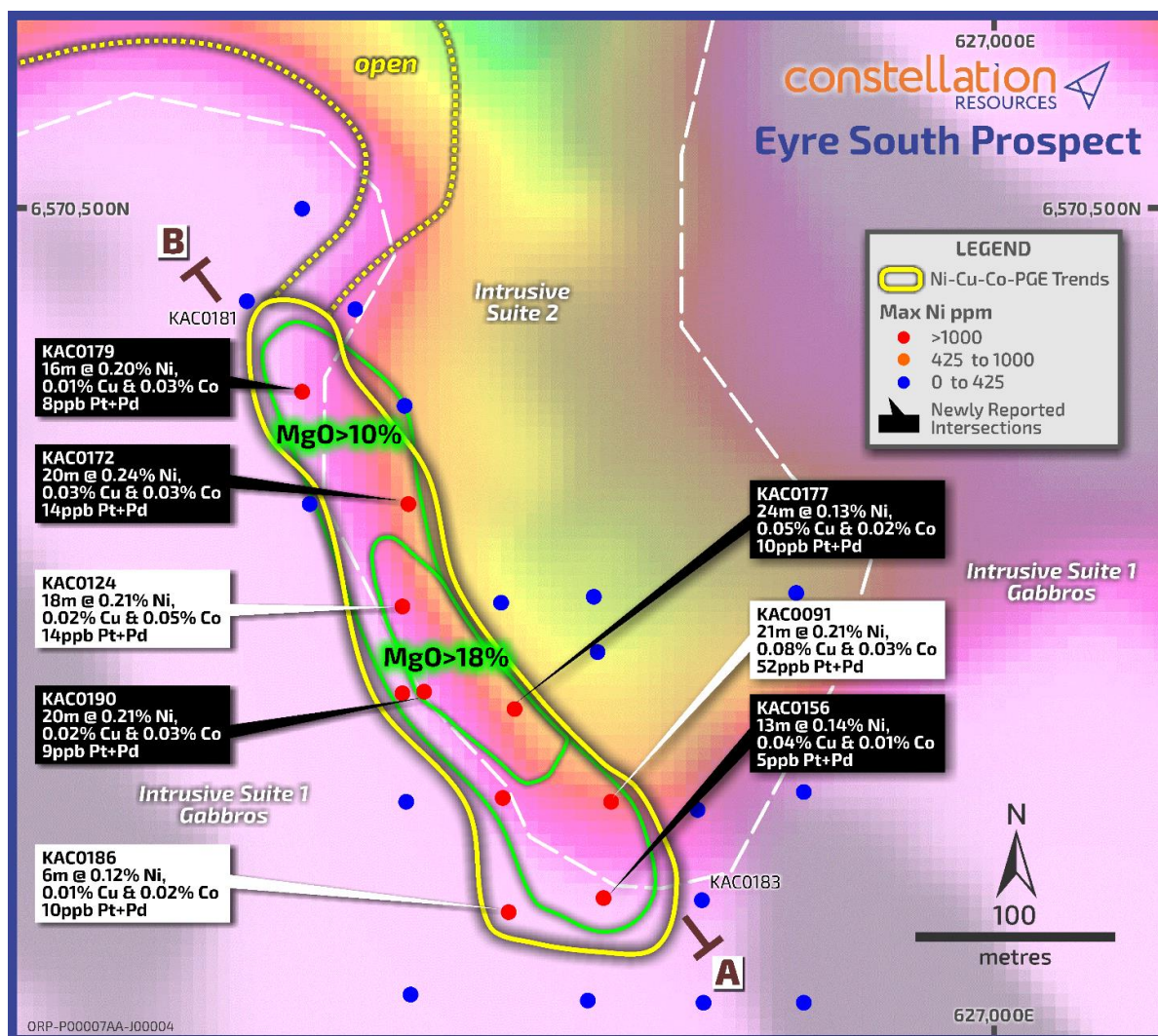


Figure 2: Enlargement of the Eyre South Prospect displaying zoning of magnesium rich rocks beneath the regolith anomaly near the interpreted contact of an intrusive suite. Location of long section shown as A-B.

WYLIE ANOMALY

During the quarter, successful follow up AC holes confirmed encouraging Ni-Cu-Co-PGE anomalism at the Wylie Anomaly (Figure 3). A broad geochemical dispersion at the Wylie Anomaly was initially identified in reconnaissance AC hole KAC0084 returning **4m @ 0.10% Ni, 0.05% Cu, 0.03% Co and 7ppb (Pt+Pd)**. Infill and extensional AC holes successfully expanded the footprint of the Wylie Anomaly which remains open along strike. Key results include:

- **KAC0139: 16m @ 0.12% Ni, 0.01% Cu, 0.02% Co and 4 ppb Pt+Pd**
- **KAC0141: 4m @ 0.08% Ni, 0.08% Cu, 0.03% Co and 13 ppb Pt+Pd**
- **KAC0192: 16m @ 0.11% Ni, 0.05% Cu, 0.01% Co and 7 ppb Pt+Pd**
 - **including 9m @ 0.15% Ni, 0.07% Cu, 0.02% Co and 10 ppb Pt+Pd**

The assay and petrology results from the Wylie Anomaly continue to display promising host rocks and pathfinder geochemistry patterns for this emerging target area.

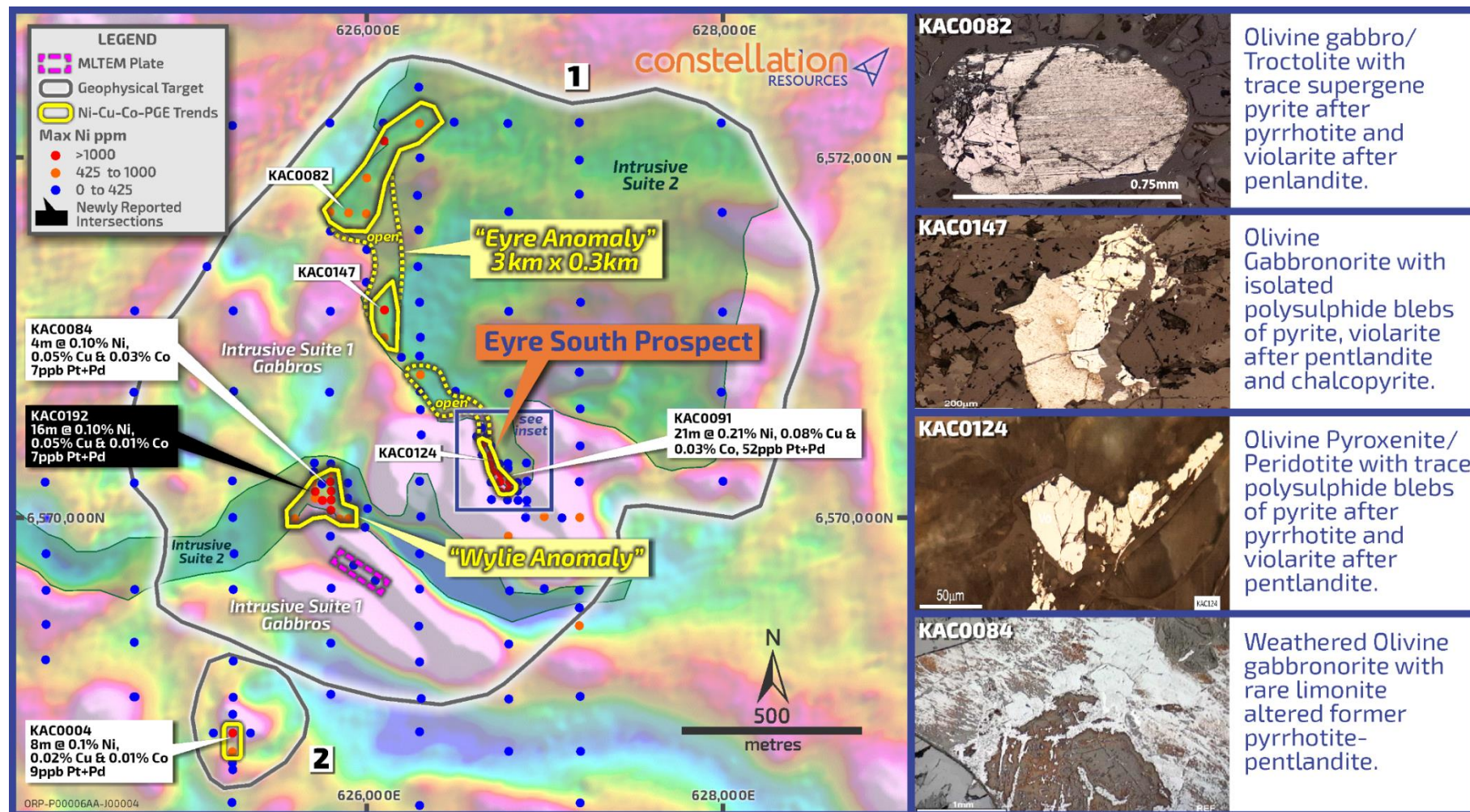


Figure 3: Growing regional scale opportunities within Eyre and Wylie Anomalies over an aeromagnetic image, with selected AC drill and optical petrology results.

FUTURE WORK PROGRAMS

The Company expects to commence a diamond drilling program at the Eyre South Prospect shortly. A downhole electromagnetic ("DHEM") geophysical survey is planned for each hole. Assay and petrology results from the diamond drilling program once received and assessed, will govern the next work programs to progress the target.

Subsequent to the completion of the diamond drilling at the Eyre South Prospect, further infill AC programs are planned at the Wylie Anomaly and the Greater Eyre Anomaly to achieve drill densities down to 50 metre centres.

CORPORATE

Constellation is in a strong financial position with cash at bank of approximately \$5.0 million and no debt as at 30 September 2021. During the quarter, Constellation received \$2.34 million from the exercise of options.

As at the date of this report, the Company has the following securities on issue:

Security Type	Number
Fully Paid Ordinary Shares	49,905,426
Unlisted options exercisable at \$0.40 to \$0.60 each with expiration dates from 9 April 2022 to 30 June 2023	1,700,000

ABOUT THE FRASER RANGE TENEMENTS

The Company manages the Orpheus Project (Figure 4), comprising six tenements covering approximately 443km² in the Fraser Range province of Western Australia. In the Fraser Range, certain Proterozoic mafic/ultramafic 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 (E63/1695). 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 two exploration licences (E28/2738 and E28/2957).

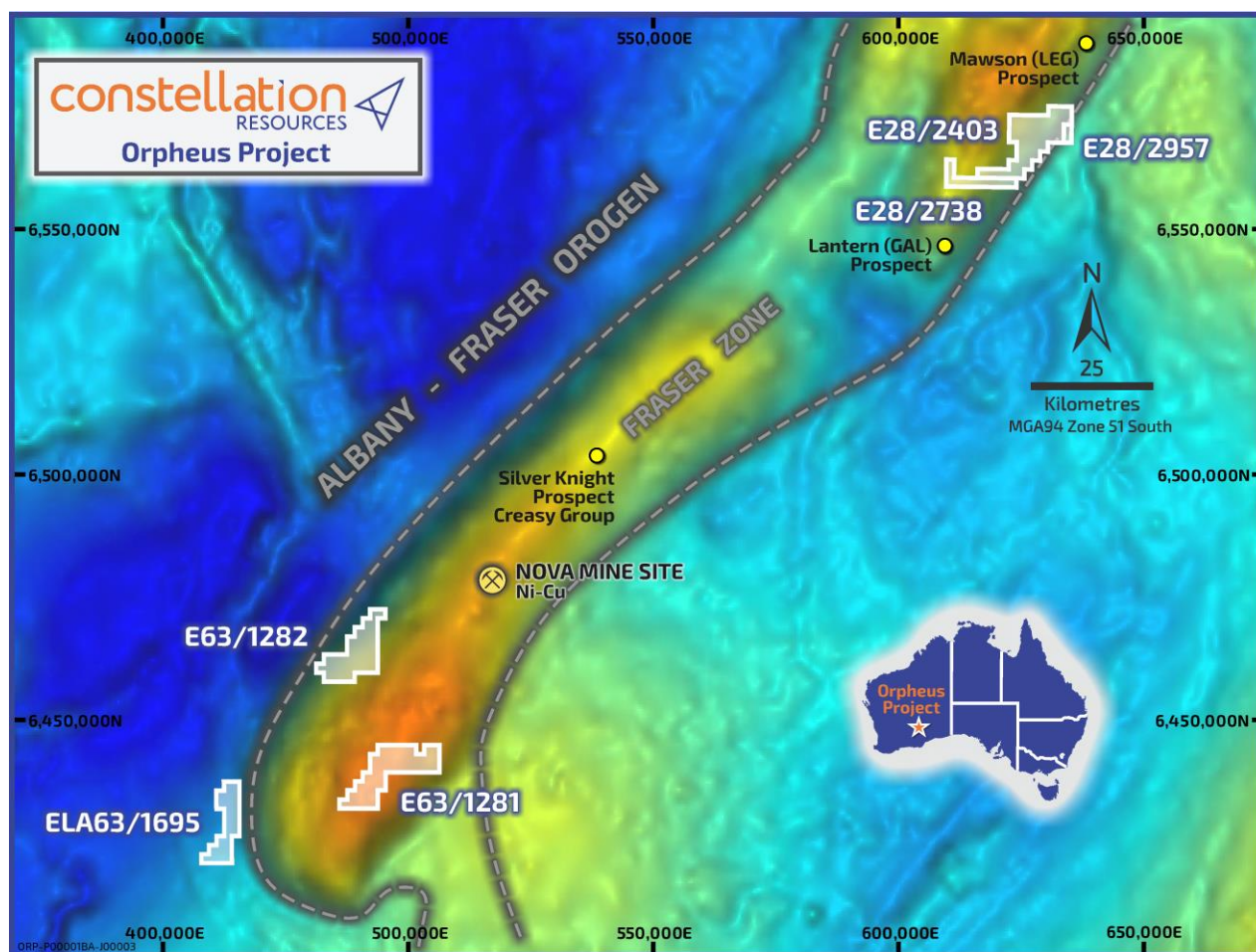


Figure 4: Tenement Plan – Orpheus Project

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is extracted from the following ASX announcements:

- *"Diamond Drilling to Test Fraser Range Nickel Sulphide Target"* – dated 22 September 2021;
- *"Drilling Results Confirm Trace Magmatic Nickel Sulphides"* – dated 20 July 2021;
- *"Trace Magmatic Nickel Sulphides in Multiple Drill Holes"* - dated 22 April 2021;
- *"Exploration Identifies Three Kilometre Ni-Cu-Co-PGE Target"* – dated 19 January 2021;
- *"Trace Magmatic Nickel Sulphides Intersected in AC Drilling"* – dated 8 December 2020; and
- *"Aircore Drilling Identifies Anomalous Nickel-Copper-Cobalt"* – dated 14 July 2020.

These announcements are available to view at the Company's website on www.constellationresources.com.au. The information in the original ASX Announcements that related to Exploration Results was based on, and fairly represents information compiled by Peter Muccilli, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Muccilli is a Technical Director of Constellation Resources Limited and a holder of options in Constellation Resources Limited. 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 information or data that materially affects the information included in the original market announcements. 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 announcements.

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 1: Disclosures in accordance with ASX Listing Rule 5.3

Summary of Mining Tenements

As at 30 September 2021, 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 ¹
	E63/1695	70%	Application
	E28/2738	100%	Granted
	E28/2957	100%	Granted

Notes:

1. 40% Compulsory Partial Surrender undertaken during the quarter.

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

Summary of Mining Exploration Activities Expenditure

Activity	Amount (\$A'000)
Drilling	(138)
Geophysical Surveys	(45)
Consultants – Geophysical, Geochemistry, Drilling Field Team	(16)
Field Supplies, Equipment Hire, Vehicles	(29)
Sample Analysis	(12)
Tenement Maintenance, Rents and Rates	(30)
Travel and Accommodation	(9)
Other	(20)
Total as reported in Appendix 5B	(299)

There were no mining or production activities and expenses incurred during the quarter ended 30 September 2021.

Related Party Payments

During the quarter ended 30 September 2021, the Company made payments of \$196,000 to related parties and their associates. These payments relate to existing remuneration arrangements (executive salaries, director fees and superannuation of \$136,000) and provision of a serviced office (\$60,000).

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")

30 September 2021

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	(299)	(299)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(140)	(140)
	(e) administration and corporate costs	(142)	(142)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Business development costs	-	-
1.9	Net cash from / (used in) operating activities	(577)	(577)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(2)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) 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) 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	(2)	(2)

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	2,710	2,710
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(1)
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	2,709	2,709

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,937	2,937
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(577)	(577)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,709	2,709

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,067	5,067

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	37	69
5.2	Call deposits	5,030	2,868
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)	5,067	2,937

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	196
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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 <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
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.		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(577)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(577)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,067
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,067
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	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	
8.8.2	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	
8.8.3	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	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

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: 27 October 2021

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

Notes

1. 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.
2. 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.
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.
4. 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".
5. 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.