CELSIUS RESOURCES LIMITED

ASX RELEASE | 25 January 2017

NEW TARGETS DERIVED FROM AEROMAGNETIC DATA, ABEDNEGNO HILL

HIGHLIGHTS

- **Processing of data from high resolution aeromagnetic survey completed.**
- **Improved coverage leads to generation of targets for nickel, nickel-cobalt and gold mineralisation.**
- **A number of these targets are previously untested.**
- **Field programmes to be implemented to systematically advance the Abednegno Hill Project.**

Celsius Resources Limited ("Celsius" or "the Company") is pleased to update the market on exploration at its Abednegno Hill Project, near Leonora in Western Australia.

The Company has received data from its close spaced aeromagnetic survey completed over the project area by Thomson Aviation. Processing of this data in conjunction with adjacent close spaced historical survey data available from open file has yielded a high resolution image which has been used for geological interpretation. Figure 1 illustrates the substantial improvement in data available for geological interpretation.

The geology of the Abednegno Hill Project is detailed in the Independent Geologists Report contained within the Company's Prospectus released to ASX on 24 November 2016. In summary:

- Exploration on E39/1684 has principally focused on gold occurrences in the Sligo Creek area (in the south of the tenement) and ultramafic sills in the northwest of the tenement at the Minara Prospect, prospective for nickel-cobalt mineralisation (both bedrock and laterite).

- The regional foliation in the Sligo Creek area is oriented north-south, with layer-parallel shearing likely this trend related to the NE-trending Federation Shear (to the east of the project area).

- Historical RAB drilling at the Minara Prospect documented the presence of olivine-bearing cumulates below nickel-cobalt bearing laterite.

- Only limited exploration has been carried out on E39/1641. The tenement was believed to be underlain by sediments, basalts and more dominant, felsic volcanics and volcanoclastics, hidden by more recent transported cover, with a granitic intrusion in the south-east of the tenement area.

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Key initial findings from desktop interpretation of the survey data include:

- Gold mineralisation on E39/1684 (including the Sligo Creek area) appears to be controlled by cross cutting structures and their interaction with the regional north-south trend.

- The new aeromagnetic data also shows a clear extension to the Sligo Creek trend northward under cover linking to similar structures in the north of the tenement which have not been previously tested.

- Ultramafic sills within E39/1684 look to have been thickened by folding in the hinge of the Corkscrew Anticline, representing a priority target for ultramafic hosted nickel mineralisation.

- The aeromagnetic data indicates that the underlying geology of E39/16541 may be more complex and structurally disrupted than previously thought. Circular, potentially intrusive, features discernable in this area, consistent with the 1:500K GSWA bedrock geology[1] of the area which includes interpreted gabbroic bodies under cover, prospective for nickel-cobalt mineralisation.

Field programmes comprising mapping, surface sampling and ground gravity to be implemented in coming months to enable these findings to be ground truthed, with work also including review of the potential of the area for cobalt mineralisation. A number of cobalt occurrences have been mapped to the north of E39/1641 and the Waite Kauri nickel-cobalt laterite deposit is located to the north of E39/1684. Within the tenement area no systematic exploration for cobalt has been carried out although it has formed part of the analysis suite in historical soil sampling and RAB drilling.

Work on the Abednegno Hill Project will be completed in parallel with the commencement of work on the Opuwo Cobalt Project in Namibia. The Company is in the process of acquiring Opuwo Cobalt Pty Ltd which has an option to acquire the project via a staged earn in as detailed in the ASX Announcement of 19 Jan 2017.

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Competent Persons Statement

The information in this report that relates to Exploration Results and other technical information for the Opuwo Cobalt Project complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) and has been compiled by Bill Oliver, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Oliver is a director of Celsius Resources Ltd and has sufficient

experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Oliver consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The Exploration Results are based on standard industry practises for drilling, logging, sampling, assay methods including quality assurance and quality control measure as detailed in Appendix 1.

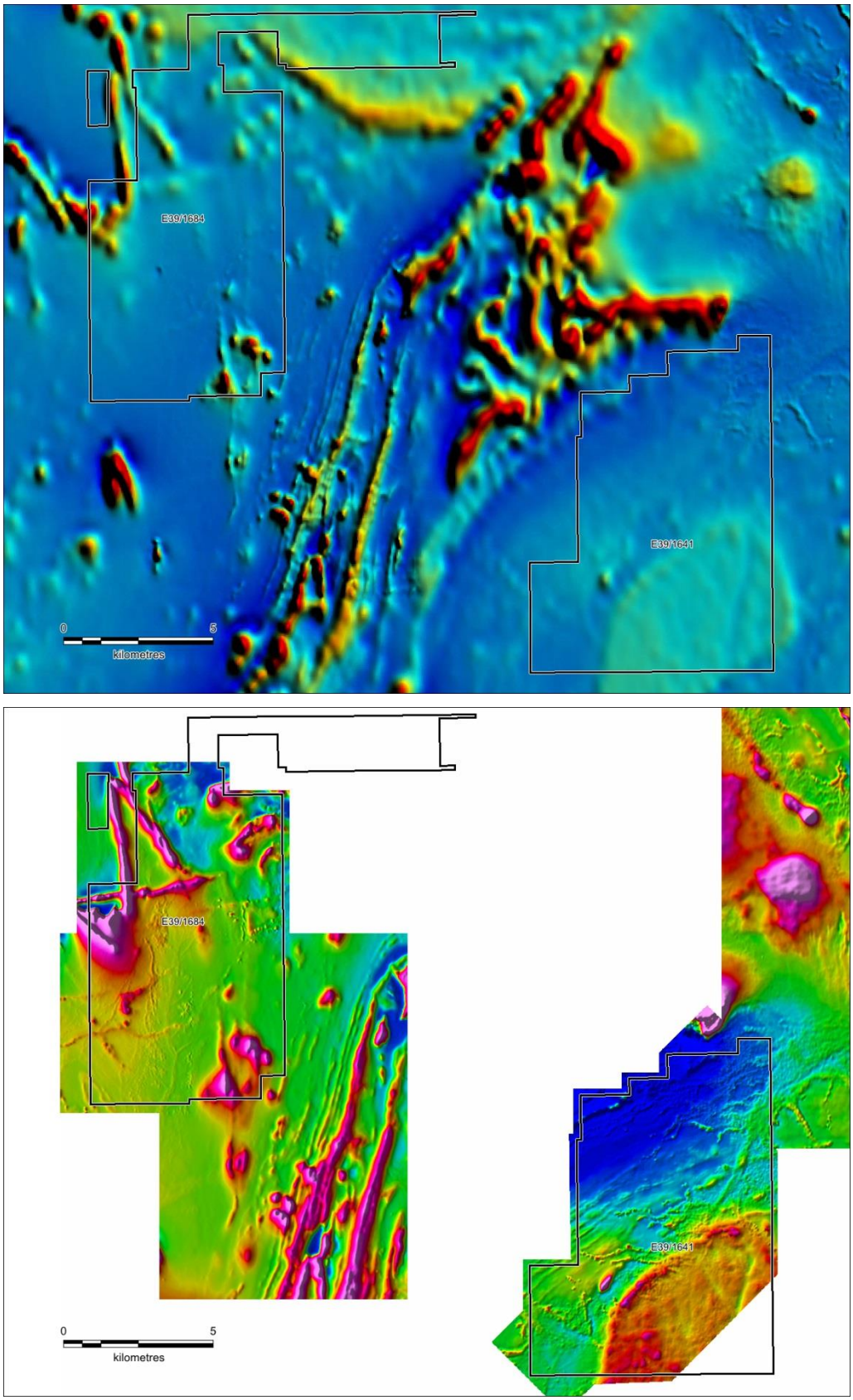


Figure 1. Images showing regional aeromagnetic data over the Abednegno Hill Project (top) and data from the Company's recent aeromagnetic survey merged with adjacent historical data (bottom)

Appendix 1. The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results from the Abednegno Hill Project.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	• Aeromagnetic survey at 100m line spacing carried out by Thomson Aviation Pty Ltd (Thomson Aviation). • Magnetic measurements taken using Geometrics G823-A cesium vapour magnetometers attached to a Cessna 210. • Base station magnetometer installed to measure diurnal variations for use in data processing.
Drilling techniques	• *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).*	• Not relevant as no drilling carried out.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Not relevant as no drilling carried out.

Criteria	JORC Code explanation	Commentary
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not relevant as no drilling carried out.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not relevant as no drilling carried out.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• Magnetic measurements taken using Geometrics G823-A cesium vapour magnetometers attached to a Cessna 210. GeOZ-DAS Digital Data Acquisition System utilized. • Base station magnetometer installed to measure diurnal variations for use in data processing. The base station magnetic sensor will be placed in a low magnetic gradient area beyond the region of influence of any man made interference. The sensor will be located within the survey area or at the nearest practicable airstrip, town or base as determined by Thomson Aviation. The base station magnetometer will be synchronised with the survey aircraft acquisition system and will be operated during all survey acquisition flights. The diurnal variations are reviewed in-field on a daily basis. • Prior to commencement of data acquisition, the manoeuvre effects of the aircraft on the magnetic data will be measured. A compensation solution will likely be determined by flying a series of pitch, roll and yaw manoeuvres at high altitude while monitoring changes in the three axis vector magnetometer and the effect on the total field readings in each of the cardinal headings (or other directions depending on the survey requirements). • Survey lines are reflown if the tail magnetometer instrument peak to peak noise (measured as a 4th difference on the raw unfiltered uncompensated magnetometer signal) of +/-0.1 is exceeded over a distance of more than

Criteria	JORC Code explanation	Commentary
		1,000m or if non-linear diurnal variation is greater than 10 nT in 10 minutes, if the variation deviates from a straight line chord of length 10 minutes exceeds 10 nT.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data..*	• N/A • No twin holes • No adjustment to assay data.
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Aeromagnetic survey utilises Novatel 14 channel precision differential capable GPS system with 2 Hz (0.5 sec) recording rate and GPS differential correction receiver.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Aeromagnetic line spacing is 100m spacing as this is believed appropriate for the level of precision required to interpret geological features in the area.
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.* • *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.*	• Not appropriate for this data.
Sample security	• *The measures taken to ensure sample security.*	• All data acquired by Thomson Aviation was reported to the Company's representatives.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No review has been carried out.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites,*	• E39/1641 and E39/1684 are owned 100% by View Nickel Pty Ltd, a subsidiary of Celsius Resources Limited.

Criteria	JORC Code explanation	Commentary
	wilderness or national park and environmental settings. • *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.*	
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration in the project area is detailed in the Independent Geologists Report included in the Company's Prospectus of 24 November 2015.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Abednegno Hill Project is located within the Eastern Goldfields Superterrane, part of the Archaean Yilgarn Craton. Within the Eastern Goldfields Superterrane, the project is located in the Murrin Domain of the Kurnalpi Terrane. The Murrin Domain is underlain by the Minara Group, a calc-alkaline–tholeiite–komatiite succession. The lowermost Welcome Well Formation, consists of volcanic and volcaniclastic rocks that are predominantly andesitic in composition. These are overlain by the Minerie Formation where tholeiitic to komatiitic basalts, with large-scale gabbroic intervals are interlayered with epiclastic sedimentary units. The uppermost Murrin Murrin Formation, which forms the deepest part of the Kilkenny Syncline, consists of komatiitic basalts associated with layered mafic–ultramafic cumulates and felsic volcaniclastic rocks. • The Abednegno Hill is considered prospective for Archaean lode gold mineralisation and ultramafic hosted nickel sulphide mineralisation (including "Type II" dunite hosted mineralisation). Secondary deposits such as laterite nickel and supergene nickel-cobalt may also be present.
Drill hole Information	• *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:* 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.* • *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.*	• Exploration Results not related to drilling.
Data aggregation methods	• *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.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of*	• Not relevant for this data.

Criteria	JORC Code explanation	Commentary
	low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• No mineralisation being reported.
Diagrams	• *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.*	• Refer Figure 1.
Balanced reporting	• *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.*	• Not relevant for this data.
Other substantive exploration data	• *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.*	• Refer to the Independent Geologists Report included in the Company's Prospectus of 24 November 2015.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned further work detailed in announcement.