CELSIUS RESOURCES LTD

ASX RELEASE | 18 May 2017

INITIAL EXPLORATION TARGET ESTABLISHED FOR OPUWO COBALT PROJECT

HIGHLIGHTS

- Initial Exploration Target established for the central portion of the Opuwo Cobalt Project.
- Reverse Circulation (RC) drilling is continuing across the 30 km of prospective strike extent within the Project. Further assay results to be reported in the coming weeks.
- Diamond drilling to commence in late May, providing samples for first pass metallurgical testing.
- Metallurgical testing program, preliminary mining studies and resource definition drilling planned to provide input into Project Scoping Study, with completion before the end of 2017.

Celsius Resources Limited ("Celsius" or "the Company") is pleased to provide an update on the ongoing exploration at the Opuwo Cobalt Project ("Project") in Namibia. As previously reported, the mineralised Dolomite Ore Formation (DOF) has been intersected in wide spaced drilling over a total of approximately 11 km of strike length.

Data from the first 20 holes drilled across this 11 km zone has enabled the Company to generate an Initial Exploration Target of between 33 and 41 million tonnes, grading approximately 0.13% - 0.17% cobalt and 0.45% - 0.65% copper. It is noted that the potential quantity and grade is conceptual in nature, and that there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Current and future drill programs are planned to test the Exploration Target.

Celsius Managing Director, Brendan Borg, commented:

"The Company is highly encouraged by this Initial Exploration Target, which demonstrates the potential scale of the Opuwo Cobalt Project. Drilling is continuing in the western sector of the project, outside of this Exploration Target zone, where the highest grades of cobalt were identified in surface sampling."

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Discussion

Opuwo Project Exploration Target				
Area	Tonnage Range (MT)	Co range (%)	Cu range (%)	Zn range (%)
Central	33 – 41	0.13 – 0.17	0.45 – 0.65	0.50 – 0.70
TOTAL	33 – 41	0.13 – 0.17	0.45 – 0.65	0.50 – 0.70

Table 1: Exploration Target at the Opuwo Cobalt Project. For detail and supporting information relating to the Central Exploration Target please refer to text below and Appendix 2.

The Exploration Target (Table 1) has been generated based on the drilling results announced to date by Celsius (refer ASX Releases 20 April 2017, 27 April 2017 and 8 May 2017):

- 19 m @ 0.13% cobalt, 0.62% copper and 0.71% zinc, from 87 m (DOFR04)
- 5 m @ 0.20% cobalt, 0.52% copper and 0.61% zinc, from 80 m (DOFR12)
- 7 m @ 0.17% cobalt, 0.49% copper and 0.61% zinc, from 66 m (DOFR06)
- 7 m @ 0.16% cobalt, 0.64% copper and 0.61% zinc, from 88 m (DOFR08)
- 7 m @ 0.13% cobalt, 0.53% copper and 0.62% zinc, from 54 m (DOFR10)
- 6 m @ 0.13% cobalt, 0.37% copper and 0.28% zinc, from 56 m (DOFR14)
- 6 m @ 0.12% cobalt, 0.55% copper and 0.39% zinc, from 46 m (DOFR03)
- 5 m @ 0.15% cobalt, 0.44% copper and 0.48% zinc, from 57 m (DOFR11)
- 5 m @ 0.14% cobalt, 0.53% copper and 0.45% zinc, from 76 m (DOFR09)
- 5 m @ 0.12% cobalt, 0.66% copper and 0.42% zinc, from 87 m (DOFR19)
- 4 m @ 0.15% cobalt, 0.80% copper and 0.62% zinc, from 41 m (DOFR07)
- 4 m @ 0.13% cobalt, 0.57% copper and 0.45% zinc, from 44 m (DOFR05)

Sectional interpretations were completed and wireframed to generate the volume estimates, with grades estimated using ID2 methods. It should be noted that' due to the limited amount of drilling to date, the grade estimate is not statistically significant and principally mirrors the tenor of the drill intersections. A bulk density of 2.8 was applied to the volume estimate (detail provided in Appendix 2).

Mineralisation was extrapolated to approximately 150 and 250 metres below ground surface, which provide the lower and upper tonnage estimates for the Exploration Target.

The mineralisation is open at depth and covers only 11 km of the approximately 30 km mapped and interpreted strike of the mineralised unit (Figures 1 and 2). The Company looks forward to potentially being able to update the Exploration Target as further results become available.

Positive results from planned metallurgical studies, preliminary mining studies and resource definition drilling, are expected to support a maiden JORC Resource and contribute to a Scoping Study for the Project. This work is planned to be completed before the end of 2017.

Current Drill Program

Samples from a further 6 drillholes were submitted to the laboratory this week, with results expected in approximately 3 weeks. A total of 24 drillholes have now been completed by Celsius since the commencement of the program (refer to Appendix 1). Drilling continues to successfully intersect the DOF horizon at locations where it has been mapped or interpreted to occur.

Drilling is now proceeding in the western portion of the project, where higher grade cobalt mineralisation (up to 4,300 ppm, or 0.43%) has been identified in surface sampling and trenching. First results from this area are expected in approximately 4-5 weeks.

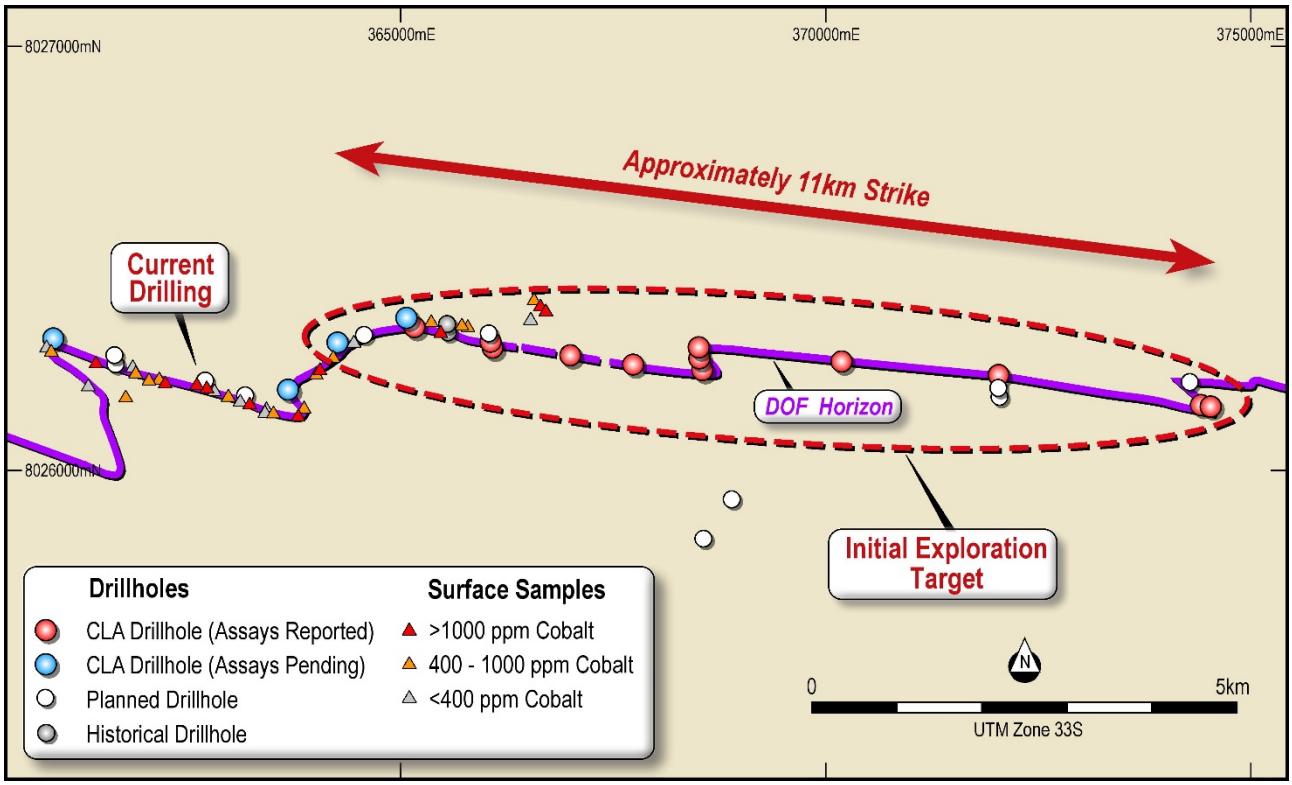

Figure 1: Plan showing Exploration Target defined with respect to drilling results received.

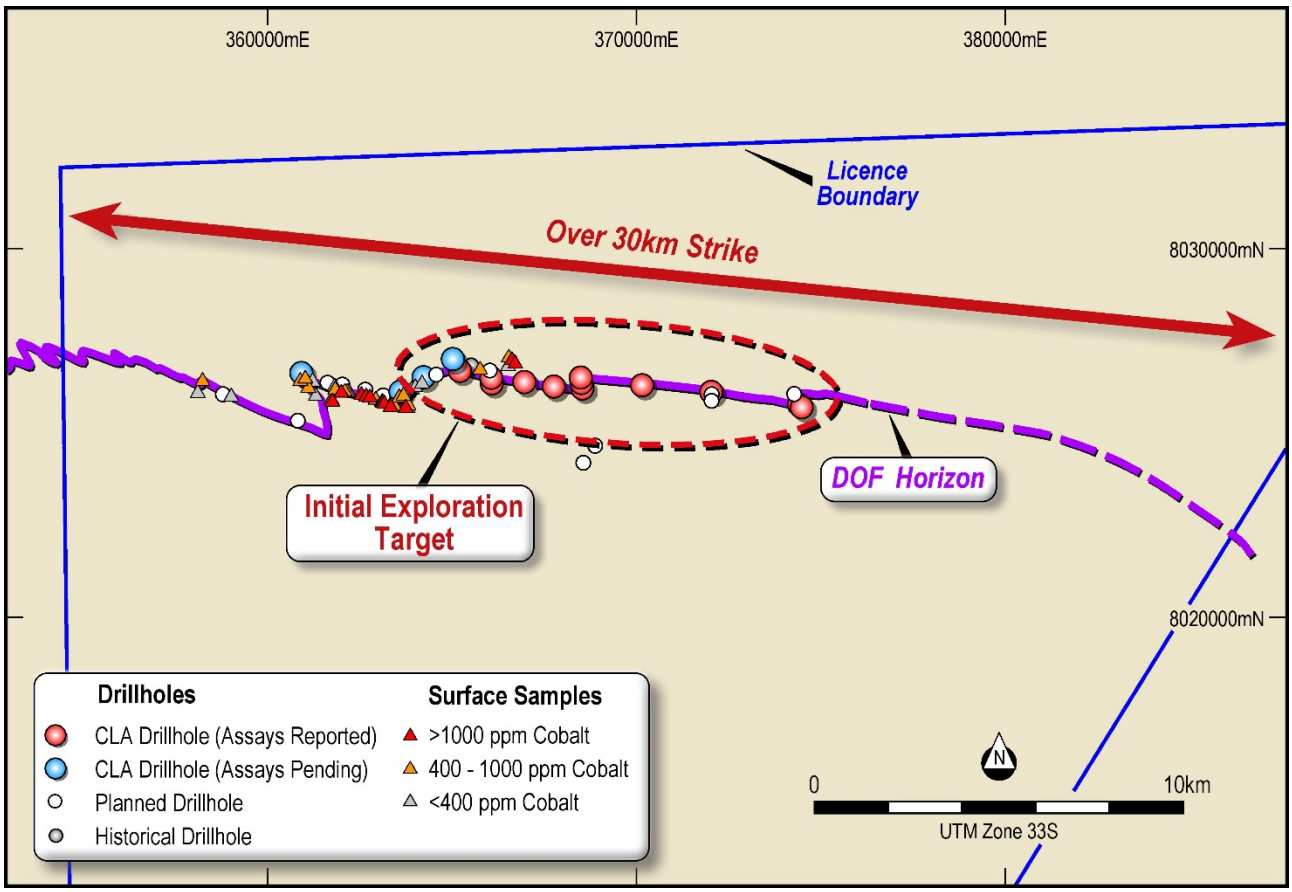

Figure 2: Plan showing location and scale of Exploration Target relative to the strike length of mapped and interpreted DOF at the Project.

Background on the Opuwo Cobalt Project

The Opuwo Cobalt Project is located in northwestern Namibia, approximately 800 km by road from the capital, Windhoek, and approximately 750 km from the port at Walvis Bay (Figure 3). The Project has excellent infrastructure, with the regional capital of Opuwo approximately 30 km to the south, where services such as accommodation, fuel, supplies, and an airport and hospital are available. Good quality bitumen roads connect Opuwo to Windhoek and Walvis Bay. The Ruacana hydro power station (320 MW), which supplies the majority of Namibia's power, is located nearby, and a 66 kV transmission line passes through the eastern boundary of the Project.

The identification of the geological similarities of the DOF horizon with the "Ore Shale" of the Central African Copperbelt and the discovery of Namibia's first significant cobalt mineralisation at the Opuwo Cobalt Project goes back to exploration activities led by Dr. Rainer Ellmies. Despite intensive surface exploration by previous explorers, only seven drill holes had tested the DOF horizon prior to the current phase of exploration. Only the recently drilled holes, DOF01 and DOF02, were assayed for cobalt, with significant results comprising:

- 8 m @ 1137 ppm cobalt, 0.54% copper and 0.53% zinc, from 60.4 m (DOF02)
- 4.65 m @ 1153 ppm cobalt, 0.55% copper, 0.59% zinc, from 106.65 m (DOF01)

Celsius is gaining exposure to the Project via the following stages of expenditure on exploration:

- An initial 30% interest will be earned by expenditure of $500,000 within 6 months of exercising the option to proceed,
- a further 30% to be earned following expenditure of a further $1,000,000 within 12 months of completing the stage 1 earn in, and
- a final 16% to be earned following expenditure of a further $1,000,000 within 6 months of completing the stage 2 earn in.

Following the earning of the 76% interest all parties will be required to contribute to exploration.

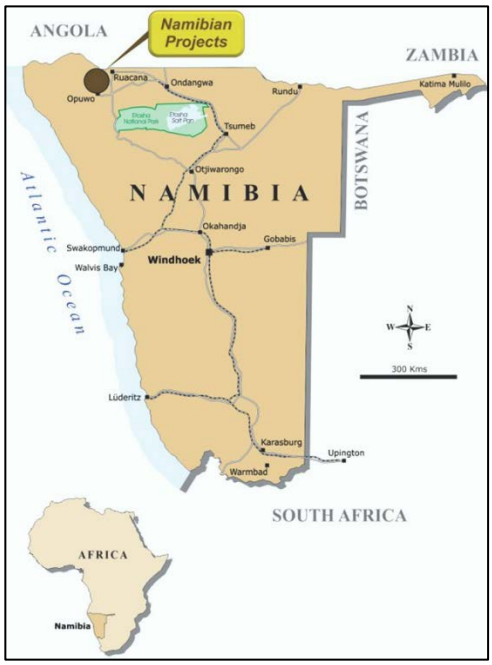

Figure 3: Location of the Opuwo Cobalt Project, Namibia

Background on Cobalt

Cobalt has a diverse range of metallurgical and chemical uses ranging from aircraft engines to rechargeable batteries. Strong demand for rechargeable batteries has been the biggest growth driver for cobalt consumption and demand is forecast to continue to increase as batteries are increasingly adopted in households and vehicles. Cobalt cathode chemistry continues to be the product of choice for applications requiring thin, flexible and high energy density batteries with the best possible cycle life. Furthermore, automotive related demand for cobalt containing battery materials is expected to rapidly increase in coming years with increasing sales of plug in hybrid and fully electric vehicles.

In its 2016 market outlook respected industry group CRU stated: “The refined cobalt market will fall into a 3,000 tonne deficit this year following seven years of overcapacity and oversupply. CRU anticipates prices to increase onward into 2017 as global demand for refined cobalt exceeds the 100,000 tonne mark and mine and refined supply tightens.”

Cobalt resources and production are concentrated in the Democratic Republic of Congo, which has close to half of the world's cobalt reserves and accounts for more than half of the world's production. The balance of the world's cobalt is concentrated in Australia, Cuba, Zambia, New Caledonia, Canada, Russia and Brazil. Notably, the United States has no domestic resources of cobalt ore. As a result of the industrial importance of cobalt and the concentration of supply, cobalt is classed as a strategic mineral by the USGS and as a critical raw material by the EU.

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Competent Persons Statement

Information in this report relating to Exploration Results and Exploration Targets is based on information reviewed by Mr. Brendan Borg, who is a Member of the Australasian Institute of Mining and Metallurgy and Managing Director of Celsius Resources. Mr. Borg 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 by the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Borg consents to the inclusion of the data in the form and context in which it appears. The Exploration Results and Exploration Targets are based on standard industry practices for drilling, logging, sampling, assay methods including quality assurance and quality control measure as detailed in Appendix 2.

Appendix 1. CLA Drilling at the Opuwo Cobalt Project

Hole ID	Easting (UTM Zone 33S)	Northing (UTM Zone 33S)	Dip	Azimuth (mag)	Final Depth (m)	Intercept From (m)	Intercept To (m)	Interval (m)	Cobalt (ppm)	Copper (%)	Zinc (%)	Manganese (%)
DOFR03	365148	8026718	-55	180	58	46	52	**6**	**0.12**	**0.55**	**0.39**	**1.43**
DOFR04	365148	8026720	-90	180	112	87	106	**19**	**0.13**	**0.62**	**0.71**	**1.75**
including						87	94	**7**	**0.13**	**1.11**	**1.10**	**1.53**
DOFR05	366981	8026370	-55	180	55	44	48	**4**	**0.13**	**0.57**	**0.45**	**1.69**
DOFR06	366981	8026373	-90	180	86	66	73	**7**	**0.17**	**0.49**	**0.61**	**1.92**
including						69	71	**2**	**0.31**	**0.41**	**1.13**	**3.17**
DOFR07	367745	8026254	-55	180	50	41	45	**4**	**0.15**	**0.80**	**0.62**	**1.91**
DOFR08	367742	8026266	-90	180	99	88	95	**7**	**0.16**	**0.64**	**0.61**	**1.69**
DOFR09	366049	8026549	-55	180	87	76	81	**5**	**0.14**	**0.53**	**0.45**	**1.59**
DOFR10	366060	8026497	-90	180	66	54	61	**7**	**0.13**	**0.53**	**0.62**	**1.57**
DOFR11	370176	8026304	-55	180	70	57	62	**5**	**0.15**	**0.44**	**0.48**	**1.58**
DOFR12	370176	8026305	-90	180	90	80	85	**5**	**0.20**	**0.52**	**0.61**	**1.83**
DOFR13	372034	8026137	-55	180	50	37	40	**3**	**0.09**	**0.24**	**0.63**	**1.17**
DOFR14	372034	8026138	-85	180	70	56	62	**6**	**0.13**	**0.37**	**0.28**	**1.8**
DOFR15	374531	8025781	-55	200	130	*No Significant Intercept (missed DOF horizon)*						
DOFR16	374421	8025771	-55	200	70	11	17	**6**	**0.08**	**0.22**	**0.18**	**0.83**
and						19	21	**2**	**0.09**	**0.28**	**0.13**	**1.39**
DOFR17	374422	8025788	-90	200	70	*No Significant Intercept (below 500ppm reporting cutoff grade)*						
DOFR18	368497	8026351	-55	180	117	*No Significant Intercept (missed DOF horizon)*						
DOFR19	368526	8026224	-55	180	99	87	92	**5**	**0.12**	**0.66**	**0.42**	**1.53**
DOFR20	368497	8026469	-55	180	80	29	32	**3**	**0.11**	**0.33**	**0.39**	**2.08**
DOFR21	364229	8026530	-55	180	87	*Results Pending*						
DOFR22	364232	8026504	-90	180	81	*Results Pending*						
DOFR23	363667	8025977	-55	135	41	*Results Pending*						
DOFR24	363667	8025980	-90	135	40	*Results Pending*						
DOFR25	360902	8026568	-55	200	200	*Results Pending*						
DOFR26	365187	8026849	-55	180	170	*Results Pending*						

Notes: Significant intersections reported using a cutoff grade of 0.05% cobalt (500 ppm)
Previous announcements reported cobalt in ppm (1,000 ppm = 0.1%)

Appendix 2. The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of the Exploration Target for the Opuwo Cobalt 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.*	• Reverse Circulation (RC) drilling using standard equipment. • Sampling was undertaken at one metre intervals. • Drilling designed to intersect the DOF horizon based on mapped or interpreted location.
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).*	• Reverse circulation percussion.
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.*	• Recovery generally recorded as good, with poor recovery in a small number of samples due to groundwater.

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.*	• Drilling logged in detail on a metre by metre basis. • Lithology, alteration and oxidation logged qualitatively. • Sulphide and quartz vein content logged quantitatively.
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.*	• RC drill samples split using a rig mounted cone splitter. • Field duplicates collected to confirm representivity of sampling.
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.*	• Samples were assayed prepared at Activation Laboratories Limited (ACTLABS) Windhoek laboratory, and assayed at ACTLABS in Ancaster, Canada. A total acid digestion sample preparation method and ICP finish were utilised. • No geophysical tools were used to determine any element concentration in these results. • The drilling program included field duplicates, standards and blanks that were inserted into the drill sequence, in addition to the standard QA/QC samples and procedures used by the laboratory. No abnormalities were detected.
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,*	• Mineralised zones reported in assays correspond approximately with the zones as logged in the field, and the tenor of grades is consistent with previous drilling and surface sampling. • No twin holes have yet been drilled, however, several of the RC holes will be twinned by diamond holes in the coming months.

Criteria	JORC Code explanation	Commentary
	data storage (physical and electronic) protocols. • *Discuss any adjustment to assay data.*	• An electronic database containing collars, geological logging and assays is maintained by the Company. • No adjustment to assay data has been made, other than conversion of cobalt values from parts per million (ppm) to % (rounded to the nearest 0.01%)
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.*	• All sampling located by hand held GPS. • UTM grid WGS84 Zone 33 (South). • A majority of holes have had down hole surveys completed. • Holes will be surveyed using Differential GPS (DGPS) prior to potential resource modelling.
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.*	• Drill spacing approximately every 500 – 1,000 metres along the strike of the DOF horizon (based on mapping / interpretation). • Optimum drill spacing to delineate a Mineral Resource not yet known, and is to be determined from assay data / assessment of grade variability.
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.*	• Drilling of angled holes aimed to test perpendicular to DOF horizon. Some holes were designed to be oblique to mineralisation. • Further drilling will better determine the orientation of the geological features and mineralisation and enable any biases to be determined.
Sample security	• *The measures taken to ensure sample security.*	• Drill samples delivered to laboratory by senior Celsius or Gecko Namibia staff.
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, wilderness or national park and environmental settings.* • *The security of the tenure held at the*	• The Opuwo Cobalt Project comprises a single Exclusive Prospective License EPL4346 owned by Kunene Resources (Pty) Ltd. • The license is undergoing the renewal process for a further two year term from June 2017.

Criteria	JORC Code explanation	Commentary
	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 work carried out by Kunene Resources includes geological mapping, outcrop sampling, soil sampling, high resolution magnetic and radiometric data and hyperspectral data. Two holes were drilled in 2015, which intersected cobalt, copper and zinc mineralisation.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Copper-cobalt mineralisation is developed in a sedimentary package of likely Nosib succession. Arkose quartzitic sandstones and conglomerates of the footwall Nosib Formation are exposed to the west and southwest • The upper Nosib or Ombombo Formation consists of a sequence of finely intercalated siltstones and shales with minor sandstone, marlstone, limestone and dolostone layers.
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.*	• All information detailed in ASX releases dated 20 April 2017, 27 April 2017 and 8 May 2017. No new results presented.
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 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.*	• Simple length weighted averages were used for reporting of significant intercepts. Significant intercepts were reported using a cutoff grade of 500 ppm (or 0.05%) cobalt.
Relationship between	• *These relationships are particularly important in the reporting of*	• Orientation of drilling vs dip of DOF horizon likely means that the downhole length reported for the DOF is not true width.

Criteria	JORC Code explanation	Commentary
mineralisation widths and intercept lengths	*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').*	• Determination of the orientations and thickness of mineralisation will be possible with further drilling, and in particular, diamond drilling, which is scheduled to commence in May, 2017.
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 Figures 1 and 2. Sectional views will be compiled once further drilling is available to confirm the geometry of the mineralisation.
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.*	• All holes for which results have been received contained significant intersections and have been reported in ASX releases dated 20 April 2017, 27 April 2017 and 8 May 2017.
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.*	• Geophysical and geological datasets detailed in previous releases.
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 this, and previous releases, and in figures. This work includes comprises drill testing along a significant portion of the mapped/interpreted mineralised unit.

Section 3 Sampling Techniques and Data

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource*	• All data has been compiled under the supervision of the Competent Person. • Simple validation processes were undertaken in Excel. The data was further validated and visually verified using Surpac software, by an experienced consultant geologist.

Criteria	JORC Code explanation	Commentary
	estimation purposes. • *Data validation procedures used.*	
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Regular site visits have been undertaken by the Competent Person to oversee drilling and sampling techniques, and QA/QC protocol.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The Competent Person has confidence in the preliminary geological interpretation of the mineral deposit based on the drilling information. • It should be emphasised that the drilling to date has been wide spaced and not tested the full extent of the DOF horizon. • It is likely that further drilling will result in refinement of the geological interpretation and consequently improve the confidence in the interpretation. • The Competent Person considers that the nature of the available information is insufficient to define a Mineral Resource and the estimates can only be considered as Exploration Targets. • At this point continuity of geology seems consistent as is expected from sediment hosted mineralisation. • There is variation both in the grade and the proportion of the DOF horizon that is mineralised, which will be better defined by further drilling.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The estimate covers the portion of the DOF horizon that has been drill tested and intersected in drilling. • The mineralisation as modelled to generate this estimate has a strike of 10.8 km (out of a total mapped and interpreted strike of approximately 30 km). The mineralisation commences at surface and has been extrapolated to approximately 250 metres depth. Thicknesses have been determined from drill intersections.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.*	• The Exploration Target refers to areas tested by drilling and the interpretation based on this information. • To generate a range of values the sectional interpretations were extended to approximately 150 to 250 metres below ground surface. • The estimate for volume was generated by completing sectional interpretations of drilling then wireframing in Surpac. • Grades were estimated using an unconstrained ID2 model with large search radii to ensure the grade was estimated for all blocks. • Grades were cross checked against drilling results to ensure that no "smearing" was taking place. • No by-products are considered at this stage in the study. • For the Exploration Target, no assessment has been made of deleterious elements. • No assumptions have been made regarding the correlation between variables. • Geological interpretation was used to constrain the resource model. • Cursory statistical analysis revealed no outliers as expected in this deposit style. However, trends may not be clear at this early stage due to insufficient data. • The model was visually reviewed against the drill hole data. Reconciliation of blocks to drilling results is not deemed appropriate for this early stage.

Criteria	JORC Code explanation	Commentary
	• *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• All tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Values of 0.05% Co (500 ppm) were used to define the "mineralised intersections" and are used as the cut off as it is considered by the Competent Person as a reasonable estimate for the economic cut off for mineralisation at this stage in the project. • Detailed studies into potential cut-off grades have not been completed due to the early stage nature of the project. • This cut off will be revised as the project progresses and the various parameters that affect the cut-off grade are better understood.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• No assumptions have been made regarding possible mining methods. • Celsius intends to complete studies into the possible mining methods and its impact on factors such as cut-off grade and dilution as part of advancing the Exploration Target towards a potential Mineral Resource.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Due to the sulphidic nature of the mineralisation it is assumed that it will be possible to separate the metal-bearing sulphide minerals from the host rock. • No other assumptions have been made regarding metallurgical factors. • Celsius intends to complete studies into the metallurgy and its impact on factors such as cut-off grade as part of advancing the Exploration Target towards a potential Mineral Resource.

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• The Company is commencing a process of environmental review and community engagement to gauge what environmental factors, if any, could restrict future activities on the project.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk Density of 2.8 was applied based on specific gravity (SG) results determined from a limited number of drill samples. Four analyses on two samples yielded values of 3.44 and 3.25, and 2.75 and 2.86. The mineralisation is expected to have low porosity, and as such, a bulk density assignment of 2.8 is considered appropriate at this stage of evaluation. • Bulk Density measurements will be taken from future drill samples, principally core samples, which are anticipated to be more definitive, and take into account any pore space present in the mineralisation.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The resource estimate is considered by the Competent Person to fall into the Exploration Target category. • Drill / sample density is too wide spaced to allow a JORC 2012 compliant resource estimation. • Further drilling will also enable refinement of the geological interpretation. • The majority of the geological and assay data is derived from drilling completed by Celsius and therefore is reliable in the opinion of the Competent Person. • Appropriate account has been taken of all relevant factors for the definition of the Exploration Target. • The results appropriately reflect the Competent Person's view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No external audits or reviews have been carried out on the Exploration Target.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the*	• The Competent Person considers that the relevant accuracy and confidence level is sufficient for an Exploration Target. • The Exploration Target Range is based on interpretation and modelling of drill hole intercepts. It is considered by the Competent Person that there is currently insufficient data density due to the amount of drilling completed to improve the estimate or to achieve a higher level of confidence.

Criteria	JORC Code explanation	Commentary
	application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• It is considered by the Competent Person that all the above factors are appropriate for the estimate of the Exploration Target.