CELSIUS RESOURCES LTD

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QUARTERLY ACTIVITIES REPORT

JUNE 2017

Opuwo Cobalt Project, Namibia (CLA earning 76%)

Drilling continued at the Project during the Quarter, aimed at testing the mineralisation identified in surface sampling and limited drilling, across a strike length of approximately 20 km. Cobalt-copper mineralisation has now been confirmed by assays over approximately 15 km of strike (Figures 1 and 2, Table 1).

As previously reported, significant intercepts from each hole, using a cutoff grade of 0.05% cobalt, were:

- 19 m @ 0.13% cobalt and 0.62% copper, from 87 m, including 7 m @ 0.13% cobalt and 1.11% copper, from 87 m (DOFR04)
- 10 m @ 0.14% cobalt and 0.43% copper, from 62 m (DOFR22)
- 7 m @ 0.17% cobalt and 0.49% copper, from 66 m, including 2 m @ 0.31% cobalt and 0.41% copper, from 69 m (DOFR06)
- 7 m @ 0.16% cobalt and 0.64% copper, from 88 m (DOFR08)
- 7 m @ 0.13% cobalt and 0.53% copper, from 54 m (DOFR10)
- 6 m @ 0.17% cobalt and 0.52% copper, from 71 m, including 4 m @ 0.23% cobalt and 0.62% copper, from 73 m (DOFR21)
- 6 m @ 0.13% cobalt and 0.64% copper, from 147 m (DOFR26)
- 6 m @ 0.13% cobalt and 0.37% copper, from 56 m (DOFR14)
- 6 m @ 0.12% cobalt and 0.55% copper, from 46 m (DOFR03)
- 5 m @ 0.20% cobalt and 0.52% copper, from 80 m (DOFR12)
- 5 m @ 0.18% cobalt and 0.55% copper from 84 m, including 3 m @ 0.21% cobalt and 0.68% copper from 85 m (DOFR28)
- 5 m @ 0.15% cobalt and 0.44% copper, from 57 m (DOFR11)
- 5 m @ 0.14% cobalt and 0.53% copper, from 76 m (DOFR09)
- 5 m @ 0.13% cobalt and 0.36% copper, from 173 m (DOFR27)
- 5 m @ 0.12% cobalt and 0.66% copper, from 87 m (DOFR19)
- 4 m @ 0.15% cobalt and 0.80% copper, from 41 m (DOFR07)
- 4 m @ 0.14% cobalt and 0.56% copper, from 26 m (DOFR24)
- 4 m @ 0.14% cobalt and 0.51% copper, from 85 m (DOFR31)
- 4 m @ 0.13% cobalt and 0.57% copper, from 44 m (DOFR05)

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The Company is highly encouraged by these initial results, which importantly **continue to show potential for higher grade zones within the extensive mineralised system** at Opuwo. Mineralisation extends to surface or near surface along the entire strike length investigated to date, and has now been demonstrated to extend to a vertical depth of at least 150 metres.

During the Quarter, the Company reported an initial Exploration Target, consisting of **between 33 and 41 million tonnes, grading approximately 0.13% - 0.17% cobalt and 0.45% - 0.65% copper**, covering the central 11 km portion of the mineralised zone (Figure 3). 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. (Please refer to ASX release of 18 May, 2017 for details, including information required under the JORC Code (2012) on the Exploration Target).

Diamond drilling has commenced, providing samples for the first pass metallurgical testing detailed above. Two holes have been completed, with another 6 holes remaining in the planned program. Completion of the diamond drilling program is expected in mid-August, with samples for metallurgical testing dispatched as they are completed.

Perth based Orway Mineral Consultants ("OMC") will design and supervise the metallurgical test work program, with test work to be conducted in Perth by SGS Australia. The work will be supervised by Mr. Grenvil Dunn of Hydromet Pty Ltd, who has particular relevant experience in African cobalt and copper ores. The Scope of Work includes:

- Testwork definition and analysis for comminution and flotation scouting;
- Circuit selection, equipment sizing and engineering design;
- Capital and operating cost estimates (accuracy +/- 50%).

Auralia Mining Consulting (Auralia) have been appointed to evaluate the mining methods and costs associated with possible development of the Project. The Company's joint venture partner, Gecko Namibia, will provide local costing data to optimise these studies. Auralia is a boutique mining consultancy whose principals have extensive experience in sub-Saharan Africa, including work on projects in Zambia and South Africa. They have also completed recent studies into Australian cobalt projects.

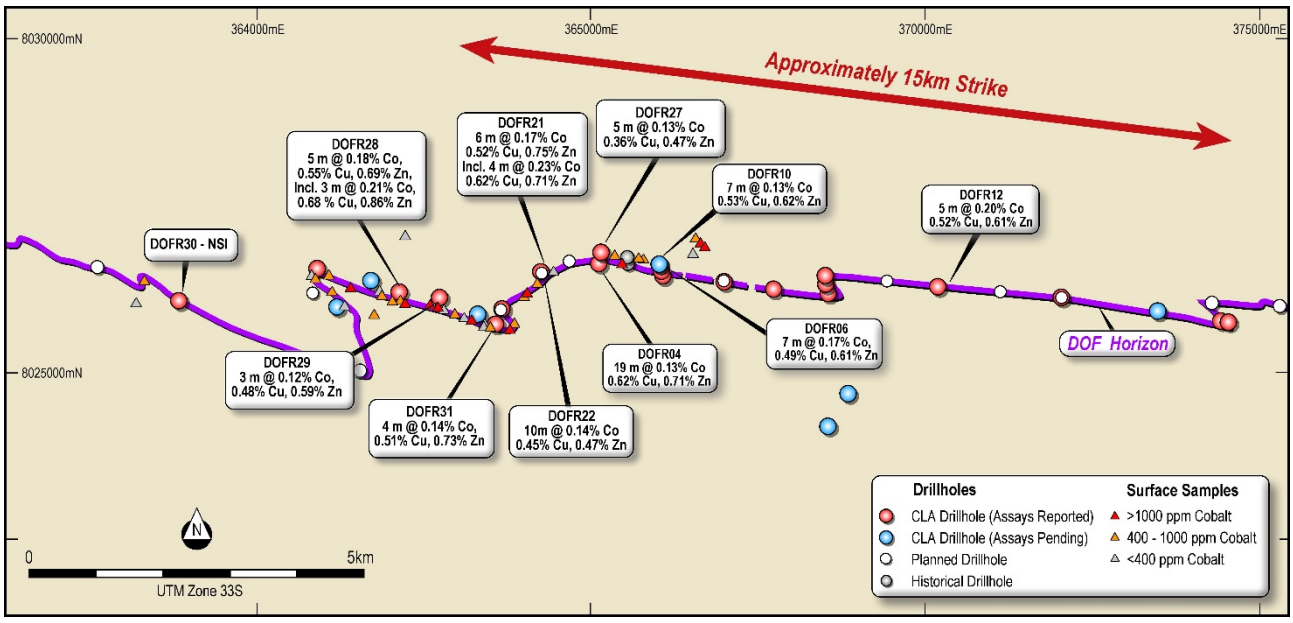


Figure 1: Drilling Assay Results extending mineralised strike to 15 km

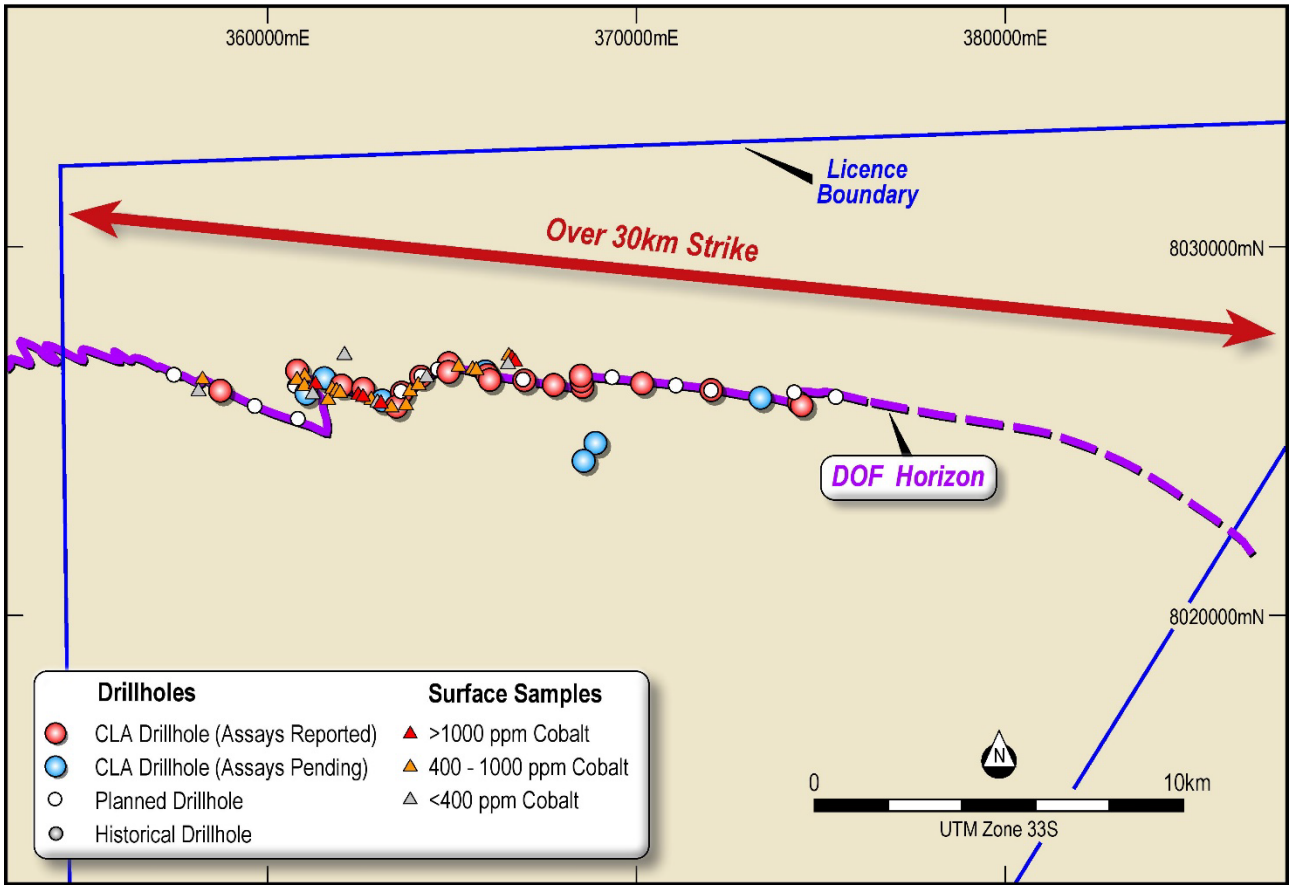


Figure 2: Strike length of mapped and interpreted DOF at the Project

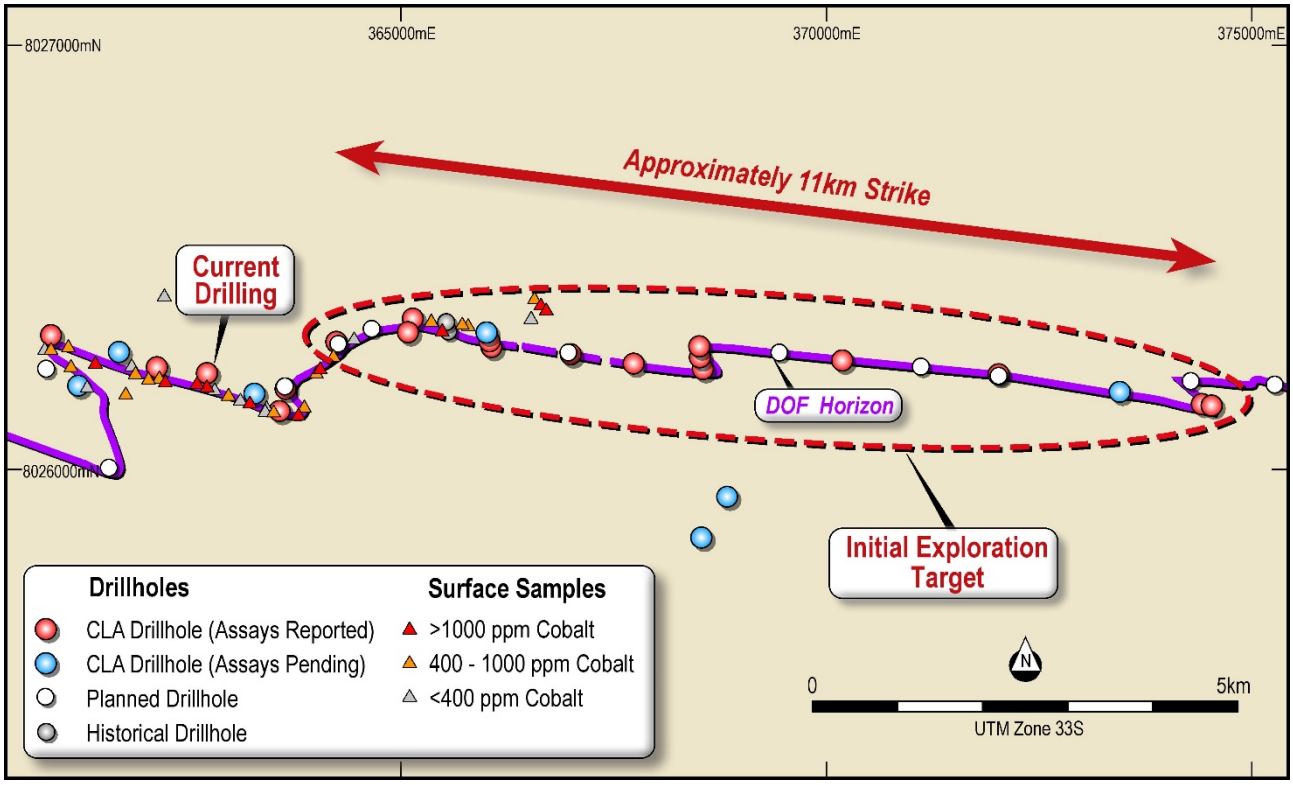


Figure 3: Initial Exploration Target Area

Table 1: Drilling Results, 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 (%)	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	71	77	**6**	**0.17**	**0.52**	**0.75**	**1.76**
including						73	77	**4**	**0.23**	**0.62**	**0.71**	**1.91**
including						75	76	**1**	**0.39**	**0.65**	**1.33**	**2.32**
DOFR22	364232	8026504	-90	180	81	62	72	**10**	**0.14**	**0.45**	**0.47**	**1.53**
DOFR23	363667	8025977	-55	135	41	23	26	**3**	**0.11**	**0.39**	**0.44**	**2.09**
DOFR24	363667	8025980	-90	135	40	26	30	**4**	**0.14**	**0.56**	**0.54**	**2.31**
DOFR25	360902	8026568	-55	200	200	*No Significant Intercept (missed DOF horizon)*						
DOFR26	365187	8026845	-55	180	170	147	153	**6**	**0.13**	**0.64**	**0.61**	**1.82**
DOFR27	365187	8026844	-75	180	184	173	178	**5**	**0.13**	**0.36**	**0.47**	**1.81**
DOFR28	362029	8026240	-55	200	93	84	89	**5**	**0.18**	**0.55**	**0.69**	**2.06**
including						85	88	**3**	**0.21**	**0.68**	**0.86**	**2.55**
DOFR29	362709	8026133	-55	200	189	180	183	**3**	**0.12**	**0.48**	**0.59**	**1.86**
DOFR30	358774	8026077	-55	200	181	*No Significant Intercept (missed DOF horizon)*						
DOFR31	363577	8025781	-55	200	96	85	89	**4**	**0.14**	**0.51**	**0.73**	**1.91**
DOFR32	366065	8026658	-55	180	162	*Results Pending*						
DOFR33	366064	8026654	-75	180	165	*Results Pending*						
DOFR34	361175	8026001	-55	40	228	*Results Pending*						
DOFR35	361673	8026389	-55	200	179	*Results Pending*						
DOFR36	368870	8024690	-75	180	150	*Results Pending*						
DOFR37	368550	8024220	-75	180	150	*Results Pending*						
DOFR38	363250	8025960	-55	180	170	*Results Pending*						
DOFR39	373527	8025932	-55	180	70	*Results Pending*						
DOFR40	373525	8025936	-90	180	147	*Results Pending*						
DOFD41	365147	8026723	-90	180	122	*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%)

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 4). 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.

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.

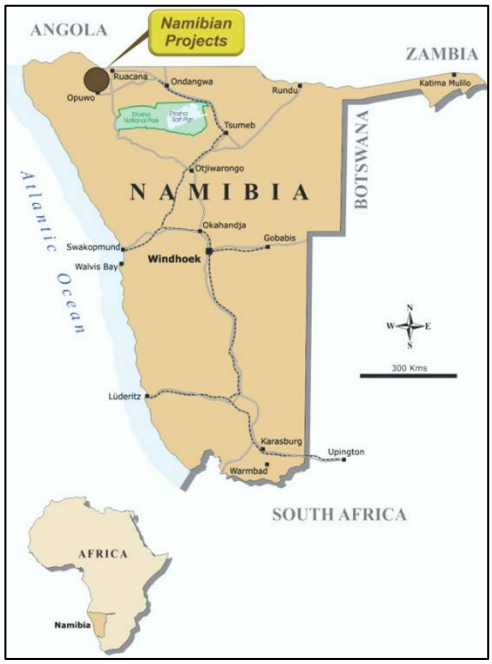


Figure 4: Location of the Opuwo Cobalt Project, Namibia

Abednegno Hill Project, WA (CLA 100%)

The Abednegno Hill Nickel Project is located to the south and west of Minara Resources' Murrin Murrin nickel mine.

Design and planning of surveys to test targets delineated at the Abednegno Hill project was completed during the Quarter. Heavy rains in the project area resulted in work on the project being deferred, with work now anticipated to be completed in July-August.

Carnilya Hill Project, WA (CLA 30%)

Celsius (through View Nickel Pty Ltd) owns a 30% joint venture interest in the Carnilya Hill Joint Venture in Western Australia with Mincor Resources NL. Mincor Resources NL (ASX:MCR) is the operator of the Carnilya Hill JV. No activity was reported by Mincor during the quarter.

Corporate

Celsius successfully completed a capital raising of $3.5 million during the Quarter, at an issue price of 3.7 cents per share. The Placement attracted strong interest from a number of domestic and international institutional and professional investors.

At the end of the Quarter, the Company held approximately $3.85 million in cash reserves.

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Competent Persons Statement

Information in this report relating to Exploration Results 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 are based on standard industry practices for drilling, logging, sampling and assay methods, including quality assurance and quality control measures, as reported in various ASX announcements during April to July, 2017.