CELSIUS RESOURCES LTD

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DRILLING SUCCESSFULLY INTERSECTS COBALT-COPPER HORIZON AT OPUWO COBALT PROJECT, NAMIBIA

HIGHLIGHTS

- **Six drillholes have been completed at the Opuwo Cobalt Project in Namibia.**
- **All holes have intersected the Dolostone Ore Formation (DOF), the host for cobalt-copper-zinc mineralisation.**
- **First samples submitted for analysis, results expected in 3 weeks.**

Celsius Resources Limited ("Celsius" or "the Company") is pleased to provide an update on drilling at the Opuwo Cobalt Project ("Project") in Namibia. As announced on 14 March 2017, RC drilling is being undertaken to provide a systematic first pass test along a 20km strike length of the DOF horizon, which hosts cobalt-copper-zinc mineralisation at the Project. Drilling by our contractor Gecko Drilling commenced as scheduled and is progressing according to plan.

To date six (6) shallow RC holes have been completed for 460 metres. Holes have been drilled to the east and west of the historical drillholes (DOF01 and DOF02; Figure 1).

All holes have successfully intersected the DOF horizon with intercepts ranging from 9 metres to 22 metres (Appendix 1). Drilling has intersected the horizon between 25 and 80 metres vertically below surface.

The true thicknesses of the DOF horizon is yet to be confirmed, but is expected to be less than the downhole length quoted in Appendix 1 due to the orientation of drilling. In addition assay data will be required to confirm the mineralised thickness which may not correlate precisely with the DOF horizon.

The thicknesses intersected in drilling to date compares favourably with mineralised intersections in the historical holes which comprised:

- 8m at 1137ppm Co + 0.54% Cu + 0.53% Zn from 60.4m (DOF02)
- 4.65m at 1153ppm Co + 0.55% Cu + 0.59% Zn from 106.65m (DOF01)

(Refer ASX Announcement 19 January 2017)

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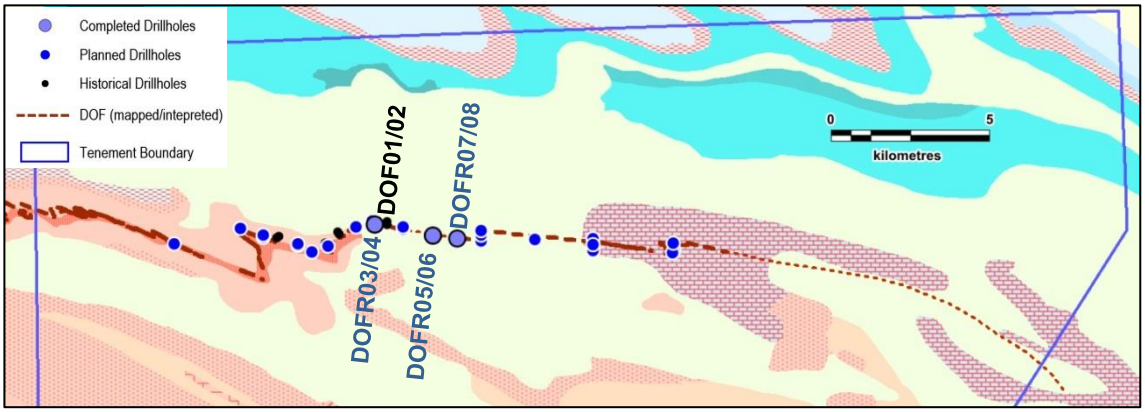

Figure 1. Location of completed, planned and historical drilling at the Opuwo Cobalt Project.

The DOF horizon intersected in drilling is a carbonaceous and dolomitic black shale (Figure 2). Drill chips from the fresh DOF horizon below the zone of oxidation contained several per cent sulphide minerals with up to 10% sulphides in individual metres. Visual inspection of these intervals by the Company's consultant Brendan Borg has resulted in a provisional identification of cattierite (cobalt sulphide) as the cobalt mineral, to be verified with assay results and mineralogical studies.

Brendan said "*It was great to be on site at Opuwo at the commencement of drilling and to see the DOF horizon in drilling. To see cattierite in the drill chips affirmed the potential of the Opuwo Project. I'm looking forward to the assay results to allow us to compare the current drilling results to the historical intersections and plan the next steps.*"

Samples from the first four holes have been submitted to ACTLABS, an internationally accredited laboratory in Windhoek, Namibia, for analysis at Ancaster, Canada, with results anticipated in approximately 3 weeks.

Figure 2. RC chips from DOF intersection in PDOF04

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, and good quality bitumen roads connecting 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.

Despite intensive surface exploration by previous explorers, only seven drill holes have tested the DOF horizon with five percussion holes drilled below outcropping DOF and two diamond holes drilled at the western end of the covered zone. Only the recently drilled holes DOF01 and DOF02 were assayed for cobalt, with significant results of:

- 8m at 1137ppm Co + 0.54% Cu + 0.53% Zn from 60.4m (DOF02)
- 4.65m at 1153ppm Co + 0.55% Cu + 0.59% Zn from 106.65m (DOF01)

(Refer ASX Announcement 19 January 2017)

Celsius will gain 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 earnt following expenditure of a further $1,000,000 within 12 months of completing the stage 1 earn in, and
- a final 16% to be earnt following expenditure of a further $1,000,000 within 6 months of completing the stage 3 earn in.

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

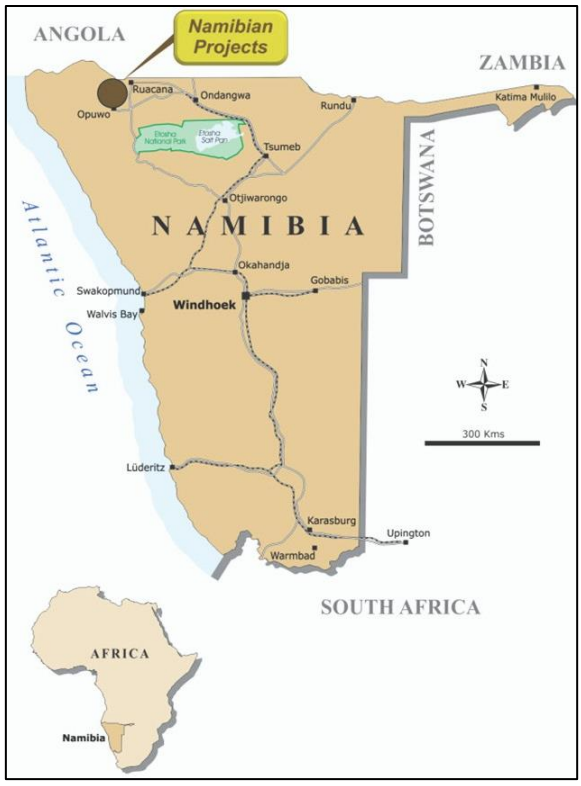

Figure 3. Location of the Opuwo Cobalt Project, Namibia

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 used more and more 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 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 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.

- ENDS -

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Competent Persons Statement

The information in this report that relates to historical 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 Dr Rainer Ellmies, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Ellmies is the General Manager of Gecko Exploration (Pty) Ltd which owns an interest in the Opuwo Cobalt Project. He 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. Dr Ellmies 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 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	Drill Type	Easting (UTMz33)	Northing (UTMz33)	Dip	Azi (mag)	Final Depth	DOF From (m)	DOF To (m)	DOF Length (m)	Co (%)	Cu (%)	Zn (%)
DOFR03	RC	365148	8026718	-55	180	58	45	54	9	*Assays Pending*		
DOFR04	RC	365148	8026720	-90	0	112	81	103	22	*Assays Pending*		
DOFR05	RC	366981	8026370	-55	180	55	36	48	12	*Assays Pending*		
DOFR06	RC	366981	8026373	-90	0	86	63	72	9	*Assays Pending*		
DOFR07	RC	367745	8026259	-55	180	50	32	45	13	*Assays Pending*		
DOFR08	RC	367745	8026259	-90	0	99	81	95	14	*Assays Pending*		

Appendix 2. The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results 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.*	• RC drilling using standard equipment. • Drilling designed to intersect the DOF horizon based on mapped or interpreted locations.
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 good, no recovery in certain samples due to ground water, likely hosted by karstic cavities.

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 Metze 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.*	• No assay results reported so not applicable.
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,*	• Not relevant as no assay results reported. • No twin holes • Not relevant as no assay results reported.

Criteria	JORC Code explanation	Commentary
	data storage (physical and electronic) protocols. • *Discuss any 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.*	• All sampling located by GPS • UTM grid WGS84 Zone 33 (South).
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 know, 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. • 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 consultant geologist / Competent Person.
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 time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Opuwo Cobalt Project comprises a single Exclusive Prospective License EPL4346 owned by Kunene Resources (Pty) Ltd. • License renewal application was submitted on 8 March 2017 for a further two year term from June 2017 to June 2019.

Criteria	JORC Code explanation	Commentary
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 survey and hyperspectral survey.
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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *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 Appendix 1.

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.*	• No assay results reported so not applicable.
Relationship between mineralisation widths and intercept	• *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*	• Orientation of drilling vs dip of DOF horizon likely means that the donwhole length reported for the DOF is not true width. • Determination of the orientations and thickness of mineralisation will be possible with further drilling.

Criteria	JORC Code explanation	Commentary
lengths	*hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	
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.
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.*	• No assays reported so not applicable.
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 release and Figure 1.