

APPOINTMENT OF NEW MANAGING DIRECTOR OF CELSIUS

Celsius Resources is very pleased to announce that Mr. Brendan Borg has been appointed as Managing Director of the Company to fast track the development of the Opuwo Cobalt Project. Mr. Borg is a highly respected consultant geologist who has specialised in the “battery materials” sector including lithium, graphite and cobalt mineralisation, participating in numerous successful projects, in an investment and/or operational capacity. Mr. Borg has played a key role in the selection of the Opuwo Cobalt Project and exploration conducted by Celsius to date.

Mr. Borg has 20 years' experience gained working in management, operational and project development roles in the Exploration and Mining industries, with companies including Rio Tinto Iron Ore, Magnis Resources Limited, IronClad Mining Limited, Lithex Resources Limited and Sibelco Australia Limited. Brendan is a Director of geological consultancy Borg Geoscience Pty Ltd, and of a new energy minerals marketing firm, Minemark Pty Ltd.

To facilitate Mr. Borg joining the board Mr. Alistair Muir has agreed to step down from his role as Non-Executive Director. Alistair has been a director of Celsius since May 2013.

Celsius Chairman Bill Oliver said:

“I would like to thank Alistair for his work for Celsius over the last four years and wish him the best of luck with his future endeavours. Alistair is an extremely professional geologist who would complement any board or exploration team.

I would also like to welcome Brendan to the board and congratulate him on his appointment. He is already a key part of the team that has enabled drilling to commence so rapidly following the acquisition of the Project. Having been on site at Opuwo this week I believe the project represents a unique opportunity for the Company and we believe he is the ideal person to unlock value from the Opuwo Cobalt Project for our shareholders.”

Brendan Borg said:

“I am excited to have the opportunity to drive the Company's plans to rapidly evaluate and potentially develop the Opuwo Cobalt Project, in an environment of sustained global demand for cobalt and other battery related minerals that are key to the uptake of new energy technologies.”

The material terms of Mr Borg's executive agreement with Celsius is set out on the following page to this announcement.

Engagement of Mr Brendan Borg as Managing Director of Celsius

The Company has entered into an executive agreement with Mr Brendan Borg (via his private company Borg Geoscience Pty Ltd) to act as Managing Director of Celsius, with his employment to take effect on and from 18 April 2017.

Mr Borg will be paid an annual salary of \$320,000 (inclusive of GST) (subject to periodic review) and may, at the Board's discretion and subject to shareholder approval, receive performance based bonuses and non-cash benefits in addition to his salary. In addition (and subject to shareholder approval), Mr Borg will receive 6,000,000 unlisted options on the following terms:

2,000,000 options exercisable at \$0.05 expiring three (3) years from their date of issue, vesting on the delineation by the Company of a JORC compliant mineral resource of a minimum of 10MT@ a minimum of 1% Copper (Cu) equivalent at the Company's Opuwo Cobalt Project;

2,000,000 options exercisable at \$0.05 expiring three (3) years from their date of issue, vesting on the completion by the Company of a positive scoping study of the Company's Opuwo Cobalt Project, leading to the commencement of a pre-feasibility study; and

2,000,000 options exercisable at \$0.05 expiring three (3) years from their date of issue, vesting on the completion by the Company of a positive pre-feasibility study of the Company's Opuwo Cobalt Project, leading to the commencement of a definitive feasibility study or decision to mine.

Further details on the above options entitlement will be set out in a notice of meeting to be dispatched to shareholders in the coming weeks.

Mr Borg will be required to work on a minimum of 40 hours per week.

Both the Company and Mr Borg may terminate the engagement (without cause) by giving at least three (3) months' notice.

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 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 3 earn in.

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

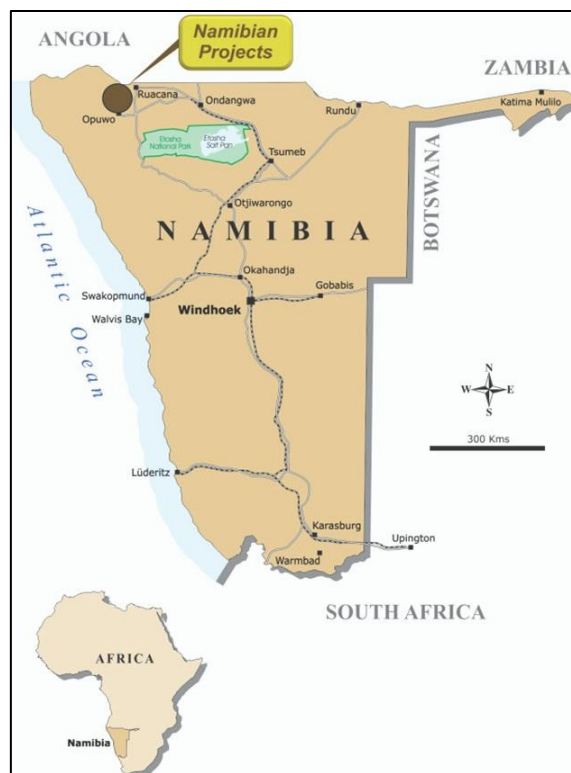


Figure 1. Location of the Opuwo Cobalt Project, Namibia

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.

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