

ACQUISITION OF INITIAL 30% INTEREST IN OPUWO COBALT PROJECT

Celsius Resources Limited ("Celsius" or "the Company") is pleased to announce that it has now completed the acquisition of the initial 30% interest in the Opuwo Cobalt Project (Opuwo Project), which it holds via a joint venture with Gazania Investments 196 (Pty) Ltd and Amor Investments (Pty) Ltd, who together hold the remaining 70% interest (Joint Venture).

This initial interest is held via the Company's wholly owned subsidiary, Opuwo Cobalt Pty Ltd (Opuwo Cobalt). Opuwo Cobalt in turn holds 30% of the issued share capital in Gecko Cobalt Holdings (Pty) Ltd (Gecko Cobalt). Gecko Cobalt is the Namibian joint venture entity which holds the ultimate title to EPL4346.

The Opuwo Project has the potential to host large-scale sediment hosted copper-cobalt mineralisation, and as a result of its expenditure to date on the Project, the Company has demonstrated this mineralisation over more than 15 km of strike length (refer ASX Announcement 2 August, 2017). Drilling is continuing at the Project, and a significant resource drilling campaign is scheduled to commence in October. As referred to in the ASX announcement of 3 July, 2017, Scoping Study activities have commenced, enabling an initial evaluation of the key areas of metallurgy and mining engineering.

The Company aims to continue to meet its expenditure obligations under the Joint Venture (refer below) so that it may acquire further interest in the Project under the staged earn in.

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 1). 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 A\$500,000 within 6 months of exercising the option to proceed,
- a further 30% to be earned following expenditure of a further A\$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 A\$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.

A Call Option in the JV agreement allows Celsius to acquire an additional 20% interest in the Project for A\$1.25 million, prior to the completion of a Bankable Feasibility Study.

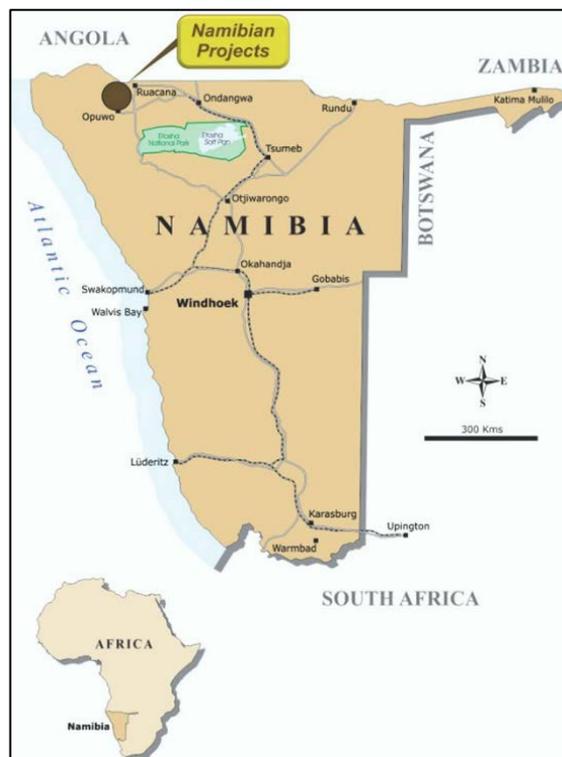


Figure 1: Location of the Opuwo Cobalt Project, Namibia

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 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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Celsius Resources Contact Information

Level 3, 216 St Georges Terrace
Perth WA 6000
PO Box 7775
Cloisters Square Perth WA 6850
P: +61 8 9226 4500
F: +61 8 9226 4300
E: info@celsiusresources.com.au
www.celsiusresources.com.au