



**ABN 95 009 162 949**

**HALF-YEAR FINANCIAL REPORT**

---

**31 DECEMBER 2017**

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**DIRECTORS**

William Oliver – Non-Executive Chairman  
Brendan Borg – Managing Director  
Ranko Matic – Non-Executive Director  
Pine van Wyk – Non-Executive Director

**COMPANY SECRETARY**

Melanie Ross

**AUDITORS**

RSM Australia Partners  
Level 32 Exchange Tower  
2 The Esplanade  
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**SOLICITORS**

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**SHARE REGISTRY**

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267 St Georges Terrace  
PERTH WA 6000  
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**STOCK EXCHANGE LISTING**

Australian Securities Exchange Limited  
(Home Branch - Perth)  
ASX Code: CLA

**REGISTERED OFFICE**

Level 3, London House  
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PERTH WA 6000

**CONTACTS**

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Your Directors present their report together with the half-year financial report on the consolidated entity, consisting of Celsius Resources Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2017.

## **Directors**

The Directors in office at the date of this report and at any time during the half-year are as follows.

|                |   |
|----------------|---|
| William Oliver | Non-Executive Chairman                              |
| Brendan Borg   | Managing Director                                   |
| Ranko Matic    | Non-Executive Director                              |
| Pine van Wyk   | Non-Executive Director (appointed 4 September 2017) |

## **PRINCIPAL ACTIVITIES**

During the year, the principal activities of the consolidated entity consisted of mineral exploration and mineral extraction via joint venture arrangements.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

## **Review of Operations**

### **Corporate**

The consolidated net loss of the Company after income tax for the six months ended 31 December 2017 amounted to \$743,017 (31 December 2016: \$282,186).

On 29 July 2017 the Company acquired a 30% interest in the Opuwo Cobalt Project, through its wholly owned subsidiary Opuwo Cobalt Pty Ltd ('OPU'), by acquiring 30% of the shares on issue in Gecko Cobalt Holdings (Pty) Ltd ('GCH'), which in turn holds 100% of the shares on issue in Gecko Cobalt Mining (Pty) Ltd ('GCM'). GCM holds the original Opuwo exploration licence and the acquisition included a further three new exploration licences surrounding the original Opuwo licence held. The acquisition was completed upon the confirmation that AUD\$500,000 had been spent by the Company on the Opuwo Cobalt Project.

On 13 September the Company issued 43,750,000 fully paid ordinary shares at an issue price of \$0.04 each (with 50% of the shares voluntarily escrowed for 6 months from the date of issue and the balance voluntarily escrowed for 12 months from the date of issue) as consideration for the completion of acquiring a further 65% of the Opuwo Cobalt Project. An additional AUD\$600,000 expenditure by the Company on the Oupwo Cobalt Project up to this acquisition date was included in the cost of the acquisition.

On 2 November 2017 the Company completed a placement to institutional and professional investors, issuing 71,636,636 shares to raise \$3,940,015.

During the period 11,623,936 listed options were exercised, raising \$116,239, and 2,000,000 unlisted options were exercised raising \$100,000. Also during the period 18,000,000 unlisted options were issued at an exercise price of \$0.05, with an expiry date of 18 August 2020, vesting upon various performance hurdles.

On 22 November 2017 Melanie Ross was appointed to the position of Company Secretary and Ranko Matic stepped down from this role and has continued on as a non-executive director.

### **Opuwo Cobalt Project, Namibia (Celsius – 95%)**

Celsius is aiming to define a long life, reliable source of cobalt at Opuwo. The Company considers the Project to have the following advantages:

- Large scale.
- Favourable mineralogy: cobalt and copper sulphide minerals.
- Low in deleterious elements: notably arsenic, cadmium and uranium.
- Mining friendly, politically stable and safe location with excellent infrastructure.
- Cobalt: best exposure to lithium ion battery boom.

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. 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 Opuwo Project consists of four Exclusive Prospecting Licences covering approximately 1,470 km<sup>2</sup>. (Figure 1)

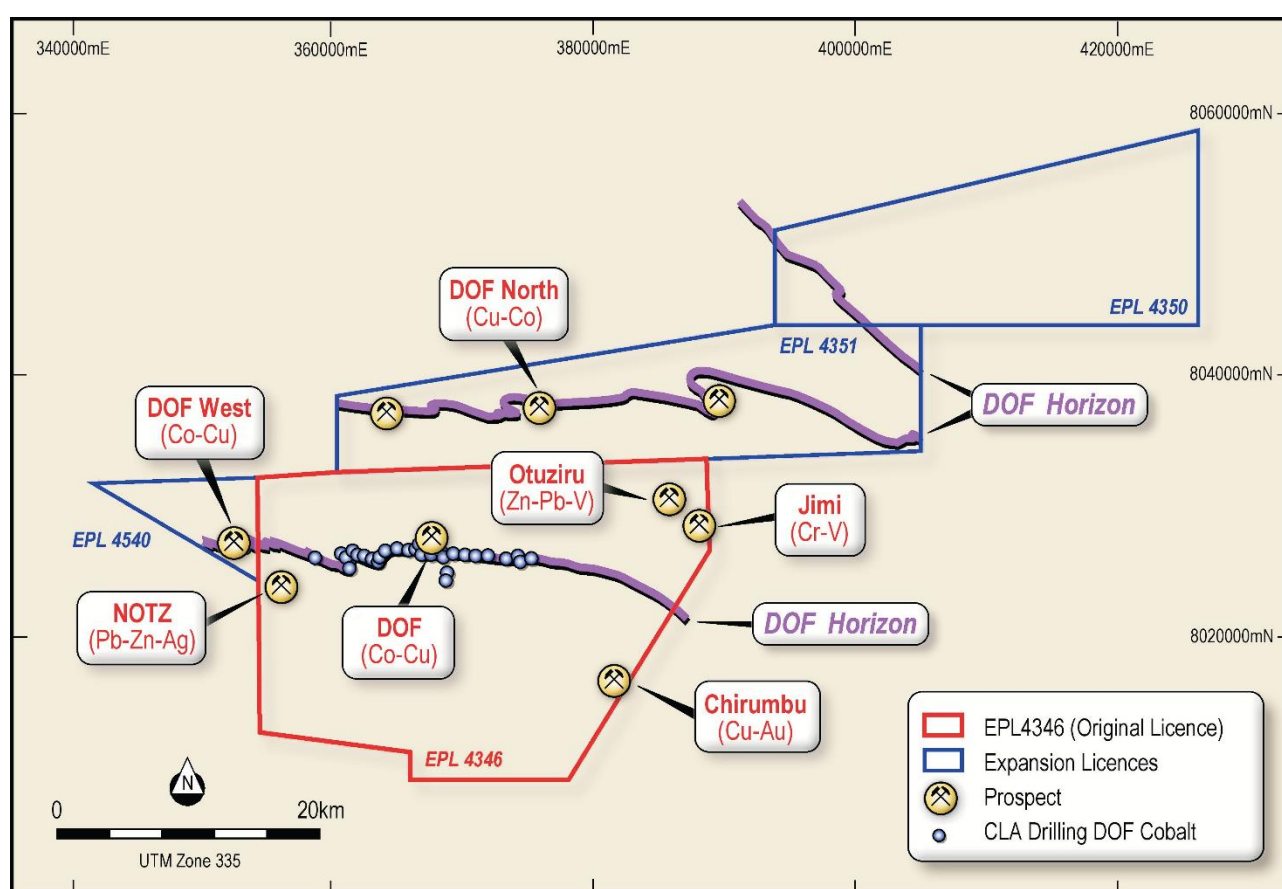


Figure 1: Opuwo Licence and Prospect Map

Celsius continued exploration drilling on the Project during the second half, and have identified cobalt-copper-zinc mineralisation over approximately 15 km of strike length to date. In October, 2017, the

Company embarked on a resource definition drilling campaign, with the aim of delineating a maiden Mineral Resource at the Project. This drilling was completed in December, 2017, and resource modelling and estimation is currently underway. Highlights from the drilling resource drilling results reported to date include:

- 17 m @ 0.14% cobalt and 0.42% copper
- 10 m @ 0.13% cobalt and 0.45% copper
- 10 m @ 0.12% cobalt and 0.59% copper
- 7.49 m @ 0.14% cobalt and 0.79% copper, including  
5 m @ 0.15% cobalt and 1.01% copper
- 6 m @ 0.15% cobalt and 0.51% copper, including  
2 m @ 0.25% cobalt and 0.52% copper
- 7.7 m @ 0.11% cobalt and 0.52% copper
- 5 m @ 0.16% cobalt and 0.48% copper
- 7 m @ 0.11% cobalt and 0.46% copper
- 6.3 m @ 0.12% cobalt and 0.46% copper
- 4 m @ 0.18% cobalt and 0.50% copper

A Scoping Study for the Project is well advanced, with component work programs continuing. Metallurgical test work has confirmed the simple sulphide mineralogy of the mineralisation at the Project, with up to 88% of the cobalt recoverable using conventional sulphide flotation techniques. Subsequent leach extraction test work has demonstrated that approximately 95% of the cobalt and copper is able to be leached using relatively low temperature and pressure conditions. Further optimisation of the flotation and leach parameters is ongoing. The Company is planning to produce downstream products, namely cobalt sulphate heptahydrate and copper cathodes in Namibia, from the Project.

Assuming positive results from the Scoping Study due in May, 2018, the Company plans to embark on an aggressive Pre-Feasibility Study program, commencing in the first half of 2018.

### **Western Australian Nickel Assets**

Celsius holds an interest in two nickel assets in Western Australia. Celsius (through View Nickel Pty Ltd) has a 100% interest in the Abednegno Hill Nickel Project to the south and west of Minara Resources' Murrin Murrin nickel mine. The tenements are located near to Minara Resources' Murrin Murrin mine and the NiWest operation currently under development by GME Resources Ltd and are believed to have potential for both nickel laterite and nickel sulphide mineralisation. In addition the tenements are located between Leonora and Laverton, west of Dacian Gold's Mt Morgans Project and east of KIN Mining's Leonora Gold Project.

During the reporting period the Company completed a high resolution aeromagnetic survey and a ground gravity survey across the Abednegno Hill Project. As well as providing data on targets identified by historical exploration a number of previously unrecognised targets were identified. While both gold and nickel targets were identified in exploration to date the Company has determined to focus on targets prospective for nickel sulphide mineralisation.

A high powered ground electromagnetic (EM) survey was completed during October – November 2017. A broad bedrock conductor was delineated in the centre of E39/1684, parallel to a known ultramafic unit and the regional stratigraphy. The area is covered by recent cover including a creek system and therefore the geological setting for this conductor is unknown. A smaller, local anomaly was identified in the west of the tenement area. This lies in the centre of the Corkscrew Anticline, where thickening of the

known ultramafic units may have occurred. Follow up field work is planned and drill testing of this anomaly may be required.

Additionally the Company owns a 30% joint venture interest in the Carnilya Hill Joint Venture in Western Australia with Mincor Resources NL (Joint Venture). Mincor Resources NL (Mincor, ASX:MCR) is the operator of the Carnilya Hill JV. The tenements covered by the Camilya Hill Joint Venture (JV) include Mining Licences M26/47, M26/48, M26/49 and M26/453. Mincor has not advised the Company of any material results from exploration at the Carnilya Hill Project during the year. While the Carnilya Hill Project has several areas which could be of interest at higher nickel prices, the prices making these prospects viable are far above the prevailing price therefore Celsius has elected not to contribute to cash calls for the current period and dilute accordingly.

### **Events Subsequent to Reporting Date**

During the period subsequent to the half-year end, 3,759,127 options were exercised at a price of \$0.01 per share.

The Company has also issued 26,500,000 unlisted options to various consultants and service providers with exercise prices of between \$0.075 and \$0.225 expiring within a two to three year time period from the date of issue. All the unlisted options issued will vest upon the achievement of various performance hurdles.

Other than the above, no other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

### **Auditor's Independence Declaration**

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is included within this half-year financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Brendan Borg  
Managing Director

Dated this 16<sup>th</sup> day of March 2018

**CELSIUS RESOURCES LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**



|  | <b>Consolidated</b>         |                             |
|--|-----------------------------|-----------------------------|
|  | <b>31 December<br/>2017</b> | <b>31 December<br/>2016</b> |
|  | <b>\$</b>                   | <b>\$</b>                   |
| Other income                                   | 35,288                      | 278                         |
| Director fees                                  | (62,546)                    | (32,400)                    |
| Legal and other professional fees              | (104,538)                   | (131,152)                   |
| Interest expense                               | -                           | (22,860)                    |
| Share Based Payments                           | (184,676)                   | -                           |
| Travel & Accommodation                         | (40,799)                    | -                           |
| Other expenses                                 | (385,746)                   | (96,052)                    |
| <b>Loss before income tax</b>                  | <b>(743,017)</b>            | <b>(282,186)</b>            |
| Income tax expense                             | -                           | -                           |
| <b>Loss for the period</b>                     | <b>(743,017)</b>            | <b>(282,186)</b>            |
| Other comprehensive income                     | 173,350                     | -                           |
| <b>Total comprehensive loss for the period</b> | <b>(569,667)</b>            | <b>(282,186)</b>            |
| Total comprehensive loss attributable to:      |                             |                             |
| Non-controlling interests                      | (13)                        | -                           |
| Members of the parent                          | (569,654)                   | (282,186)                   |
|  | <b>(569,667)</b>            | <b>(282,186)</b>            |
| <b>Loss per share:</b>                         | <b>Cents</b>                | <b>Cents</b>                |
| Basic loss per share                           | (0.14)                      | (0.98)                      |
| Diluted loss per share                         | (0.14)                      | (0.98)                      |

The accompanying notes form part of this interim financial report.



**CELSIUS RESOURCES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**



|  |             | <b>Consolidated</b>                |                                |
|--|-------------|------------------------------------|--------------------------------|
|  | <b>Note</b> | <b>31 December<br/>2017<br/>\$</b> | <b>30 June<br/>2017<br/>\$</b> |
| <b>ASSETS</b>  |             |                                    |                                |
| <b>Current Assets</b>  |             |                                    |                                |
| Cash and cash equivalents                                      |             | 4,271,675                          | 3,856,237                      |
| Trade and other receivables                                    |             | 457,653                            | 47,731                         |
| <b>Total Current Assets</b>                                    |             | <b>4,729,328</b>                   | <b>3,903,968</b>               |
| <b>Non-Current Assets</b>                                      |             |                                    |                                |
| Exploration and evaluation expenditure                         | 3           | 6,634,233                          | 1,519,172                      |
| <b>Total Non-Current Assets</b>                                |             | <b>6,634,233</b>                   | <b>1,519,172</b>               |
| <b>Total Assets</b>  |             | <b>11,363,561</b>                  | <b>5,423,140</b>               |
| <b>LIABILITIES</b>   |             |                                    |                                |
| <b>Current Liabilities</b>                                     |             |                                    |                                |
| Trade and other payables                                       |             | 395,407                            | 77,550                         |
| <b>Total Current Liabilities</b>                               |             | <b>395,407</b>                     | <b>77,550</b>                  |
| <b>Non-Current Liabilities</b>                                 |             |                                    |                                |
| Provision for Rehabilitation                                   | 4           | 232,753                            | -                              |
| <b>Total Non-Current Liabilities</b>                           |             | <b>232,753</b>                     | <b>-</b>                       |
| <b>Total Liabilities</b>                                       |             | <b>628,160</b>                     | <b>77,550</b>                  |
| <b>Net Assets/ (Liabilities)</b>                               |             | <b>10,735,401</b>                  | <b>5,345,590</b>               |
| <b>EQUITY</b>  |             |                                    |                                |
| Issued capital   | 5           | 41,160,730                         | 35,472,171                     |
| Reserves   |             | 787,526                            | 479,700                        |
| Accumulated losses   |             | (31,349,285)                       | (30,606,281)                   |
| Equity attributable to the owners of Celsius Resources Limited |             | 10,598,971                         | 5,345,590                      |
| Non-controlling interest                                       |             | 136,430                            | -                              |
| <b>Total Equity</b>  |             | <b>10,735,401</b>                  | <b>5,345,590</b>               |

The accompanying notes form part of this interim financial report.

**CELSIUS RESOURCES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**



| Consolidated   | Issued<br>Capital | Accumulated<br>Losses | Foreign<br>Currency<br>Translation<br>Reserve | Share<br>Based<br>Payments<br>Reserve | Option<br>Reserve | Non<br>Controlling<br>Interest | Total             |
|--|-------------------|-----------------------|---|---------------------------------------|-------------------|--------------------------------|-------------------|
|  | \$                | \$                    | \$  | \$                                    | \$                | \$                             | \$                |
| <b>Balance at<br/>1 July 2016</b>                      | 28,919,711        | (30,578,704)          | -   | 40,077                                | 714,168           | -                              | (904,748)         |
| Loss for the period                                    | -                 | (282,186)             | -   | -                                     | -                 | -                              | (282,186)         |
| Other<br>comprehensive<br>income                       | -                 | -                     | -   | -                                     | -                 | -                              | -                 |
| <b>Total<br/>comprehensive<br/>loss for the period</b> | -                 | (282,186)             | -   | -                                     | -                 | -                              | (282,186)         |
| Issue of share<br>capital                              | 2,783,467         | -                     | -   | -                                     | 40,000            | -                              | 2,823,467         |
| Expiration of options                                  | -                 | 754,245               | -   | (40,077)                              | (714,168)         | -                              | -                 |
| Capital raising costs                                  | (50,976)          | -                     | -   | -                                     | -                 | -                              | (50,976)          |
| <b>Balance at<br/>31 December 2016</b>                 | 31,652,202        | (30,106,645)          | -   | -                                     | 40,000            | -                              | <b>1,585,557</b>  |
| <b>Balance at<br/>1 July 2017</b>                      | 35,472,171        | (30,606,281)          | -   | 463,800                               | 15,900            | -                              | 5,345,590         |
| Loss for the period                                    | -                 | (743,004)             | -   | -                                     | -                 | (13)                           | (743,017)         |
| Other<br>comprehensive<br>income                       | -                 | -                     | 173,350                                       | -                                     | -                 | -                              | 173,350           |
| <b>Total<br/>comprehensive<br/>loss for the period</b> | -                 | (743,004)             | 173,350                                       | -                                     | -                 | (13)                           | (569,667)         |
| Issue of share<br>capital                              | 5,906,254         | -                     | -   | -                                     | -                 | -                              | 5,906,254         |
| Options exercised                                      | 50,200            | -                     | -   | (43,400)                              | (6,800)           | -                              | -                 |
| Share based<br>payments                                | -                 | -                     | -   | 184,676                               | -                 | -                              | 184,676           |
| Capital raising costs                                  | (267,895)         | -                     | -   | -                                     | -                 | -                              | (267,895)         |
| Recognition of non-<br>controlling interest<br>on acq  | -                 | -                     | -   | -                                     | -                 | 136,443                        | 136,443           |
| <b>Balance at<br/>31 December 2017</b>                 | 41,160,730        | (31,349,285)          | 173,350                                       | 605,076                               | 9,100             | 136,430                        | <b>10,735,401</b> |

The accompanying notes form part of this interim financial report.

**CELSIUS RESOURCES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**



|   | <b>Consolidated</b> |                    |
|---|---------------------|--------------------|
|   | <b>31 December</b>  | <b>31 December</b> |
|   | <b>2017</b>         | <b>2016</b>        |
|   | <b>\$</b>           | <b>\$</b>          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |                     |                    |
| Payments to suppliers and employees                 | (354,576)           | (210,421)          |
| Payments for exploration and evaluation             | (3,163,855)         | (74,799)           |
| Interest received                                   | 35,288              | 278                |
| Net cash outflow from operating activities          | (3,483,143)         | (284,942)          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |                     |                    |
| Proceeds from share issue                           | 4,156,254           | 1,682,043          |
| Proceeds from share funds held in trust             | 8,200               | -                  |
| Payment for capital raising                         | (265,873)           | (41,343)           |
| Net cash inflow/(outflow) from financing activities | 3,898,581           | 1,640,700          |
| Net increase/(decrease) in cash held                | 415,438             | 1,355,758          |
| Cash at the beginning of the financial period       | 3,856,237           | 22,166             |
| Cash at the end of the financial period             | <b>4,271,675</b>    | <b>1,377,924</b>   |

The accompanying notes form part of this interim financial report.

## **1. BASIS OF PREPARATION**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Celsius Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year financial report has also been prepared on an accruals basis and is based on historical costs, modified, where applicable by the measurement at fair value for certain classes of assets and liabilities. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted in the annual financial report for the year ended 30 June 2017, except as set out below:

### ***New and Revised Accounting Standards and Interpretations***

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

### **Reporting Basis and Conventions**

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**CELSIUS RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**



**2. SEGMENT INFORMATION**

The consolidated entity operates within two geographical segments within mineral exploration and extraction being Australia and Namibia. The segment information provided to the chief operating decision maker is as follows:

| <b>Six month ended 31 December 2017</b> | Exploration<br>activities<br>AUSTRALIA<br>\$ | Exploration<br>Activities<br>NAMIBIA<br>\$ | Consolidated<br>\$ |
|---|--|--|--------------------|
| Segment revenue                         | 32,980                                       | 2,308                                      | 35,288             |
| Total revenue                           |  |  | 35,288             |
| Segment result before income tax        | (742,754)                                    | (263)                                      | (743,017)          |
| Loss before income tax                  |  |  | (743,017)          |
| <b>At 31 December 2017</b>              |  |  |                    |
| Segment assets                          | 4,697,351                                    | 6,666,210                                  | 11,363,561         |
| Total assets                            |  |  | 11,363,561         |
| Segment liabilities                     | 387,516                                      | 240,644                                    | 628,160            |
| Total Liabilities                       |  |  | 628,160            |
| <b>Six month ended 31 December 2016</b> | Exploration<br>activities<br>AUSTRALIA<br>\$ | Exploration<br>Activities<br>NAMIBIA<br>\$ | Consolidated<br>\$ |
| Segment revenue                         | 278  | -  | 278                |
| Total revenue                           |  |  | 278                |
| Segment result before income tax        | (282,186)                                    | -  | (282,186)          |
| Loss before income tax                  |  |  | (282,186)          |
| <b>At 30 June 2017</b>                  |  |  |                    |
| Segment assets                          | 4,207,531                                    | 1,215,609                                  | 5,423,140          |
| Total assets                            |  |  | 5,423,140          |
| Segment liabilities                     | 77,550                                       | -  | 77,550             |
| Total Liabilities                       |  |  | 77,550             |

### 3. EXPLORATION AND EVALUATION EXPENDITURE

|  | 31 December 2017 | 30 June 2017     |
|--|------------------|------------------|
| Expenditure brought forward at the beginning of the period | 1,519,172        | 163,757          |
| Acquisition expenditure during the period (i)              | 2,850,000        | 277,778          |
| Incurred expenditure during the period                     | 2,265,061        | 1,077,637        |
| Expenditure carried forward at the end of the period       | <u>6,634,233</u> | <u>1,519,172</u> |

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of the mineral resource.

- (i) On 29 July 2017 the Company acquired a 30% interest in the Opuwo Cobalt Project, through its wholly owned subsidiary Opuwo Cobalt Pty Ltd ('OPU'), by acquiring 30% of the shares on issue in Gecko Cobalt Holdings (Pty) Ltd ('GCH'), which in turn holds 100% of the shares on issue in Gecko Cobalt Mining (Pty) Ltd ('GCM'). GCM holds the original Opuwo exploration licence and the acquisition included a further three new exploration licences surrounding the original Opuwo licence held. The acquisition was completed upon the confirmation that AUD\$500,000 had been spent by the Company on the Opuwo Cobalt Project.

On 13 September 2017 as consideration for acquiring a further 65% of the Opuwo Cobalt Project the Company issued 43,750,000 fully paid ordinary shares at an issue price of \$0.04 each at an aggregate value of \$1,750,000. An additional AUD\$600,000 expenditure by the Company on the Oupwo Cobalt Project up to this acquisition date was included in the cost of the acquisition.

Management has determined that the acquisition of 95% interest in the Opuwo Cobalt Project does not meet the definition of a business within AASB 3 *Business Combinations* and has accounted for the transaction as an asset acquisition within AASB 6 *Exploration and Evaluation of Mineral Resources*.

### 4. PROVISIONS

|                              | 31 December 2017 | 30 June 2017 |
|------------------------------|------------------|--------------|
| Provision for rehabilitation | 232,753          | -            |
|                              | <u>232,753</u>   | <u>-</u>     |

The Group, through its wholly owned subsidiary, View Nickel Pty Ltd, has 30% joint venture interest in the Carnilya Hill Joint Venture. The Carnilya Hill Joint Venture is subject to potential cost in respect to the rehabilitation of the mine. Accordingly, through its joint venture interest, the Group has provided for its share of the estimated amount of the total rehabilitation. The rehabilitation provision is triggered either when the JV decides to complete the full rehabilitation, when the Department of Mines and Petroleum mandates the JV must complete the full rehabilitation or when the tenements are relinquished. None of these events are expected to occur in the near future.

## 5. ISSUED CAPITAL

|  | Number of<br>Shares | \$                |
|--|---------------------|-------------------|
| At the beginning of the reporting period | 459,316,544         | 35,472,171        |
| Shares issued during the period:         |                     |                   |
| - 25 August 2017                         | 300,000             | 3,000             |
| - 29 August 2017                         | 430,000             | 4,300             |
| - 13 September 2017                      | 44,250,000          | 1,755,000         |
| - 20 October 2017                        | 1,000,000           | 10,000            |
| - 1 November 2017                        | 1,500,000           | 15,000            |
| - 2 November 2017                        | 71,636,636          | 3,940,015         |
| - 6 November 2017                        | 1,496,913           | 14,969            |
| - 20 November 2017                       | 325,592             | 3,256             |
| - 28 November 2017                       | 1,216,667           | 12,167            |
| - 4 December 2017                        | 2,000,000           | 100,000           |
| - 8 December 2017                        | 1,490,764           | 14,907            |
| - 15 December 2017                       | 1,964,000           | 19,640            |
| - 21 December 2017                       | 1,400,000           | 14,000            |
| Capital raising costs                    | -                   | (267,895)         |
| Options exercised                        | -                   | 50,200            |
| <b>At reporting date</b>                 | <b>588,327,116</b>  | <b>41,160,730</b> |

During the period 18,000,000 unlisted options were issued at an exercise price of \$0.05, with an expiry date of 18 August 2020, vesting upon various performance hurdles.

## 6. COMMITMENTS

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

|   | 31 December 2017 | 30 June 2017     |
|---|------------------|------------------|
| The Group has tenement rental and expenditure commitments payable of: |                  |                  |
| - not later than 12 months  | 589,109          | 1,610,801        |
| - between 12 months and 5 years                                       | 373,846          | 250,000          |
|   | <u>962,955</u>   | <u>1,860,801</u> |

## 7. DIVIDENDS

No dividends have been paid or provided for during the half-year (2016: nil).

#### **8. EVENTS SUBSEQUENT TO REPORTING DATE**

During the period subsequent to the half-year end, 3,759,127 options were exercised at a price of \$0.01 per share.

The Company has also issued 26,500,000 unlisted options to various consultants and service providers with exercise prices of between \$0.075 and \$0.225 expiring within a two to three year time period from the date of issue. All the unlisted options issued will vest upon the achievement of various performance hurdles.

Other than the above, no other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Brendan Borg  
Managing Director  
Dated this 16<sup>th</sup> day of March 2018

**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
CELSIUS RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Celsius Resources Limited which comprises the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Celsius Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

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*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of Celsius Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Celsius Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM  
RSM AUSTRALIA PARTNERS

Perth, WA  
Dated: 16 March 2018

  
ALASDAIR WHYTE  
Partner

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Celsius Resources Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

**RSM****RSM AUSTRALIA PARTNERS**

Perth, WA  
Dated: 16 March 2018

A handwritten signature in black ink that reads 'A Whyte'.  
**ALASDAIR WHYTE**  
Partner**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

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