

15,000 METRE COBALT RESOURCE DRILLING PROGRAM COMMENCES AT OPUWO

HIGHLIGHTS

- 15,000 metre cobalt resource drilling program commenced, with 5 rigs scheduled to complete the program between now and mid-December.
- Maiden JORC Mineral Resource reporting scheduled for late January, 2018.
- First phase metallurgical and mineralogical testwork program confirms simple sulphide mineralogy.
- Metallurgical work continuing at SGS Australia to refine optimum parameters for recovery of cobalt and copper.

Celsius Resources Limited ("Celsius" or "the Company") is pleased to announce the commencement of a significant resource drilling program at its 95% owned Opuwo Cobalt Project ("Project") in Namibia.

The approximately 15,000 metre drilling program has commenced, with two rigs currently operating, and another three scheduled to arrive and commence operations next week. Three Reverse Circulation and two Diamond rigs will complete the program, with assay results expected to be received from mid-November, and into December and January. Resource reporting is targeted for late January, 2018.

The resource drilling program will target two key areas, with strike lengths of 5 km and 4.2 km, that have been identified in the wide spaced drilling conducted by Celsius earlier this year (Figure 1).

Celsius Managing Director, Brendan Borg commented:

"This aggressive cobalt resource drilling program at Opuwo aims to position Celsius to take advantage of the current boom in lithium ion battery related minerals, and to ensure that Celsius is well positioned to capitalise on its early-mover advantage in the cobalt space. Preliminary results from the metallurgical and mineralogical studies currently being undertaken have been encouraging, confirming simple sulphide mineralogy, and we look forward to reporting the detailed findings as they become available."

Exploration Target

As previously announced, the initial exploration target at Opuwo consists of **between 33 and 41 million tonnes, grading approximately 0.13% - 0.17% cobalt and 0.45% - 0.65% copper**, and covers a zone of approximately 11 km in the central portion of the project area, within a zone of over 15 km of mineralised strike identified by Celsius. 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).

The drilling program announced today aims to convert a significant proportion of this initial exploration target to a Mineral Resource (Figure 1).

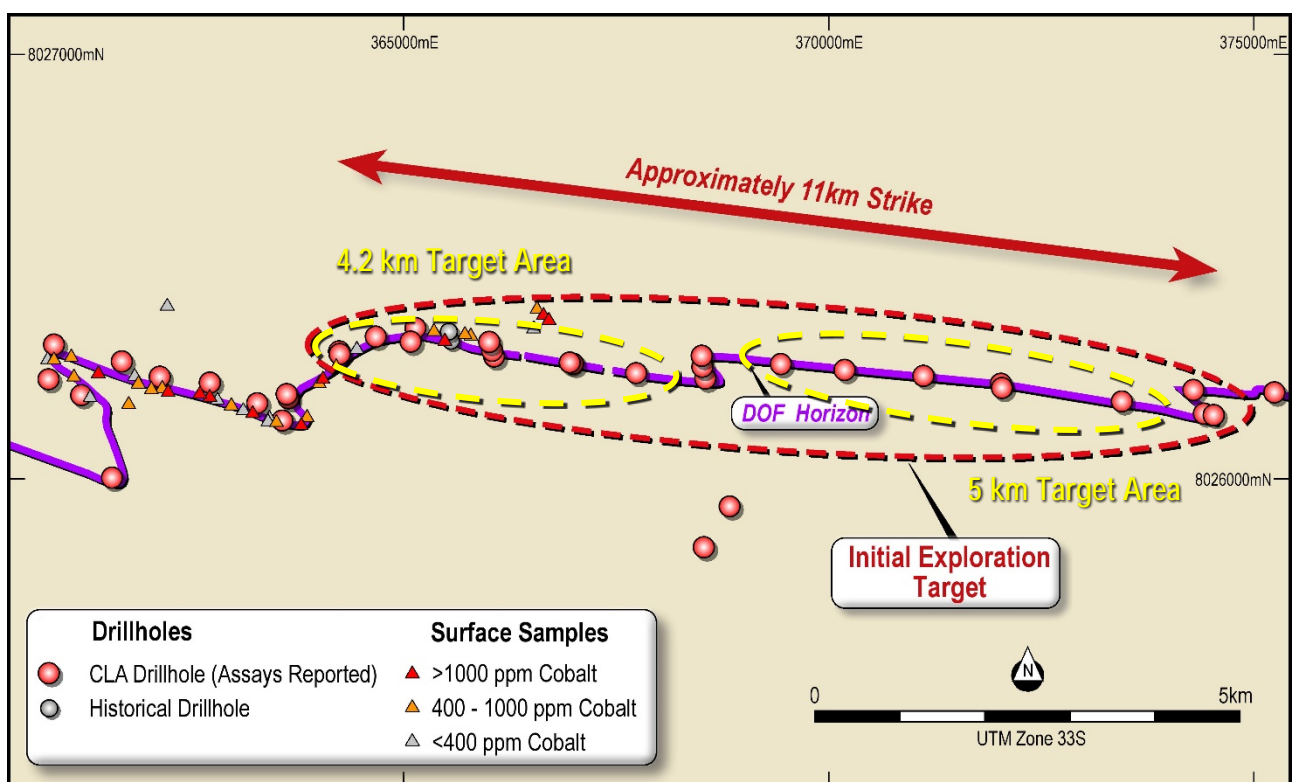


Figure 1: Drilling Focus Areas

Metallurgy and Mineralogy Testing Program

The metallurgical test work program currently being conducted at SGS Australia has focused on recovering the sulphide minerals into a concentrate. To assist in optimising this program, QEMSCAN analysis was conducted on a representative drill core sample to identify the cobalt, copper and zinc minerals that comprise the mineralisation. This analysis indicates that the cobalt mineral present is the cobalt sulphide mineral linnaeite/cattierite, with copper present as chalcopyrite. These results are in line with expectations, and are expected to allow a mineral concentrate to be created from the mineralisation through conventional flotation techniques.

The Company looks forward to providing further details on the metallurgical test work program results as they become available this month.

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 2). 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 4 Exclusive Prospecting Licences covering approximately 1,470 km².

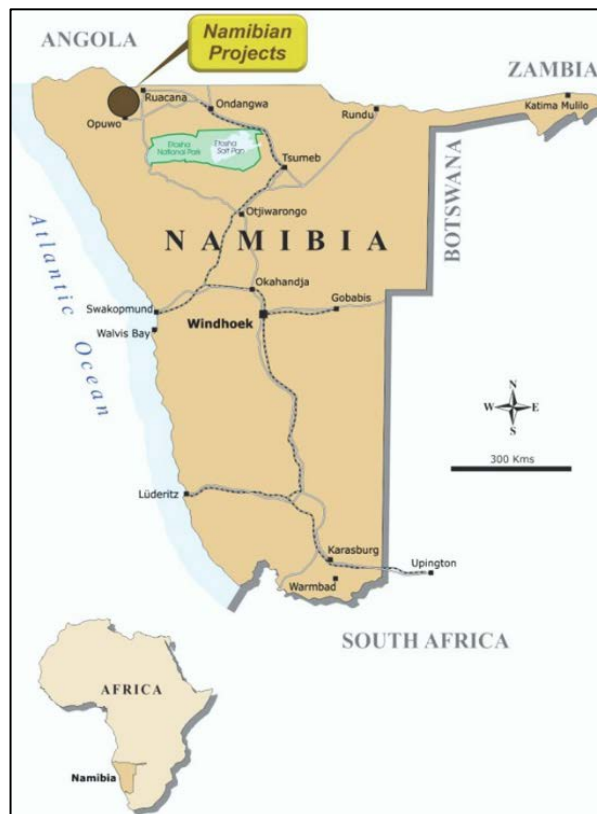


Figure 2: Location of the Opuwo Cobalt Project, Namibia

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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Competent Persons Statement

Information in this report relating to Exploration Results and Exploration Targets 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.