

QUARTERLY ACTIVITIES REPORT

SEPTEMBER 2017

Opuwo Cobalt Project, Namibia (CLA 95%)

Celsius Moves to Immediate 95% Interest in Opuwo and Acquires Surrounding Licences

During the Quarter, Gecko Namibia and Celsius entered into an acquisition agreement (“Acquisition Agreement”) pursuant to which Celsius moved to a 95% interest in EPL 4346 (through its shareholding in Gecko Cobalt Holdings (Pty) Ltd) in consideration for issuing Gecko with 31,250,000 shares in Celsius. Celsius was previously earning a 76% interest in the Project via staged expenditure, with a call option providing the ability for Celsius to acquire an additional 20% from Gecko Namibia (Pty) Ltd (“Gecko”) for AUD 1.25 million, prior to the completion of a Bankable Feasibility Study.

Additionally, Gecko agreed to sell Celsius a 95% interest in three surrounding licences in the Opuwo region (the “Additional EPLs”), covering approximately 782 km², taking the contiguous landholding of the expanded Celsius owned Opuwo Project to approximately 1,470 km², for consideration of 12,500,000 shares in Celsius. The remaining 5% in all project licences will be retained by Amor Investments (Amor), a local Namibian Company owned by historically disadvantaged Namibians.

Highly Prospective New Licences

Celsius has so far defined mineralisation over approximately 15 km of strike, of a potential total of 30 km, at the existing Opuwo licence, EPL 4346. The new licences acquired by Celsius extend the prospective cobalt and copper stratigraphic horizon to over **100 km**. Historical sampling and laboratory assays over this additional strike zone, consisting of just 16 samples, yielded results of up to **8.3% copper** and **0.32% cobalt**, illustrating the high potential to identify further cobalt and copper mineralisation on the new licences. Details of the available historical sampling are provided in Table 1.

The expansion of the land position at Opuwo allows Celsius to explore for possible source zones and additional cobalt-copper mineralisation in the vicinity of the known DOF mineralisation. To this end, an airborne electromagnetic survey is planned for 2018 to identify possible accumulations of massive sulphides and potential extensions to the known Dolomite Ore Formation (DOF) cobalt-copper mineralisation. This survey will include the new licences.

In addition to the cobalt-copper mineralisation investigated by Celsius to date, and other similar targets, the new licences are considered to have significant potential for other commodities including zinc-lead-vanadium (Otuziru Prospect), copper-gold (Chirumbu Prospect), chromium-vanadium (Jimi Prospect) and lead-zinc-silver (NOTZ Prospect) (Figure 1).

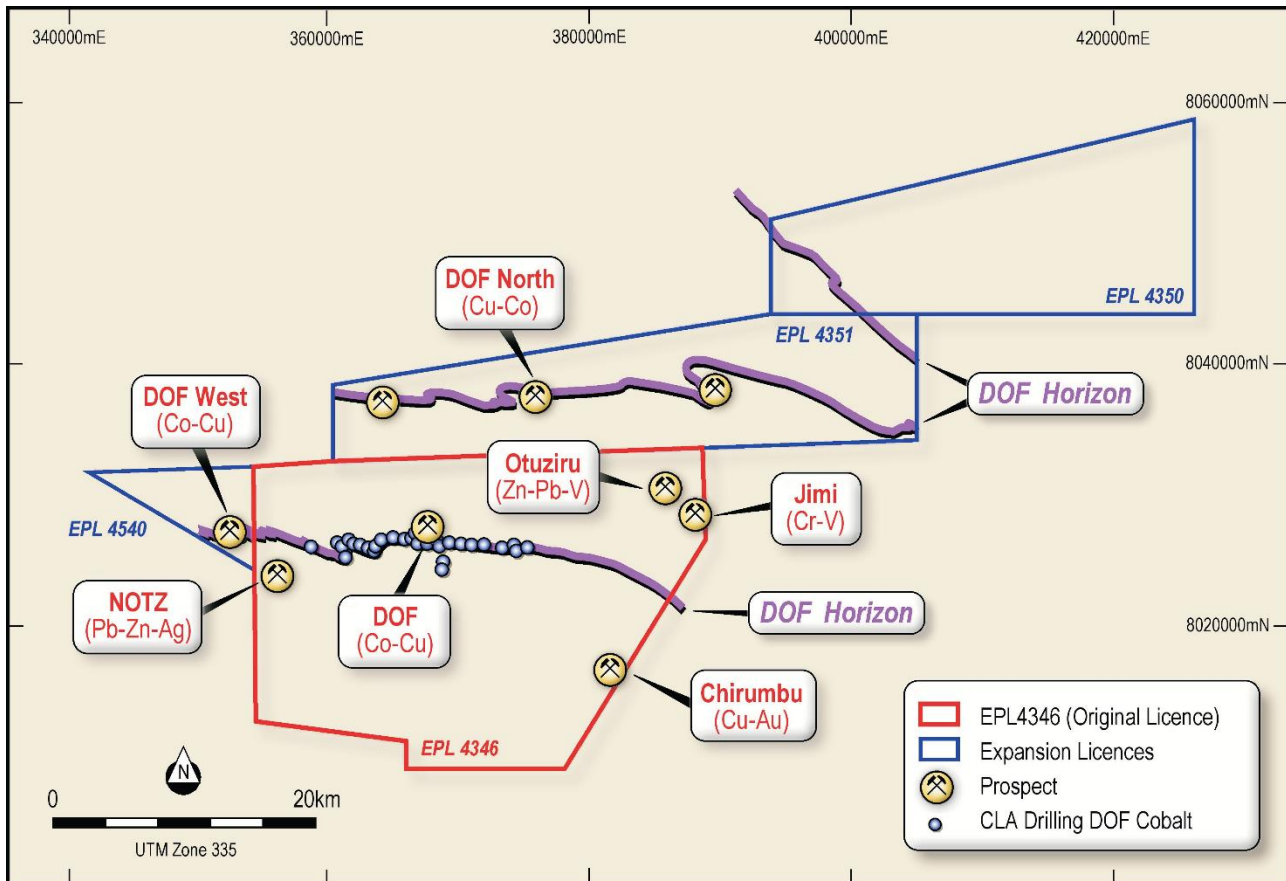


Figure 1: Expanded Licence Position

Initial Reconnaissance Drilling Program

The Company's maiden drilling program was completed at the Project during the Quarter, which was successful in identifying cobalt-copper mineralisation over more than 15 km of strike (Figure 2, Table 2).

As previously reported, significant intercepts from each hole, using a cutoff grade of 0.05% cobalt, were:

- **19 m @ 0.13% cobalt and 0.62% copper**, from 87 m, including **7 m @ 0.13% cobalt and 1.11% copper**, from 87 m (DOFR04)
- **13 m @ 0.14% cobalt and 0.51% copper**, from 125 m, including **10 m @ 0.17% cobalt and 0.66% copper**, from 125 m, including **3 m @ 0.23% cobalt and 0.46% copper**, from 132 m (DOFR40)
- **10 m @ 0.14% cobalt and 0.43% copper**, from 62 m (DOFR22)
- **7 m @ 0.17% cobalt and 0.49% copper**, from 66 m, including **2 m @ 0.31% cobalt and 0.41% copper**, from 69 m (DOFR06)
- **7 m @ 0.16% cobalt and 0.64% copper**, from 88 m (DOFR08)
- **7 m @ 0.13% cobalt and 0.53% copper**, from 54 m (DOFR10)

- 7 m @ 0.11% cobalt and 0.47% copper, from 148 m, including
- 2 m @ 0.17% cobalt and 0.53% copper, from 152 m (DOFR33)
- 6 m @ 0.17% cobalt and 0.52% copper, from 71 m, including
- 4 m @ 0.23% cobalt and 0.62% copper, from 73 m (DOFR21)
- 6 m @ 0.13% cobalt and 0.64% copper, from 147 m (DOFR26)
- 6 m @ 0.13% cobalt and 0.37% copper, from 56 m (DOFR14)
- 6 m @ 0.12% cobalt and 0.55% copper, from 46 m (DOFR03)
- 6 m @ 0.10% cobalt and 0.39% copper, from 53 m (DOFR39)
- 5 m @ 0.20% cobalt and 0.52% copper, from 80 m (DOFR12)
- 5 m @ 0.18% cobalt and 0.55% copper from 84 m, including
- 3 m @ 0.21% cobalt and 0.68% copper from 85 m (DOFR28)
- 5 m @ 0.15% cobalt and 0.44% copper, from 57 m (DOFR11)
- 5 m @ 0.14% cobalt and 0.53% copper, from 76 m (DOFR09)
- 5 m @ 0.13% cobalt and 0.36% copper, from 173 m (DOFR27)
- 5 m @ 0.12% cobalt and 0.66% copper, from 87 m (DOFR19)
- 4 m @ 0.15% cobalt and 0.80% copper, from 41 m (DOFR07)
- 4 m @ 0.14% cobalt and 0.56% copper, from 26 m (DOFR24)
- 4 m @ 0.14% cobalt and 0.53% copper, from 153 m (DOFR32)
- 4 m @ 0.14% cobalt and 0.51% copper, from 85 m (DOFR31)
- 4 m @ 0.13% cobalt and 0.57% copper, from 44 m (DOFR05)

Remaining assays from this initial drilling program have been received and are currently being compiled and interpreted. These results include an area where additional Dolomite Ore Formation (DOF) was discovered in two drill holes located approximately 350 metres north of the known and mapped mineralisation. The significance of this occurrence is currently being evaluated.

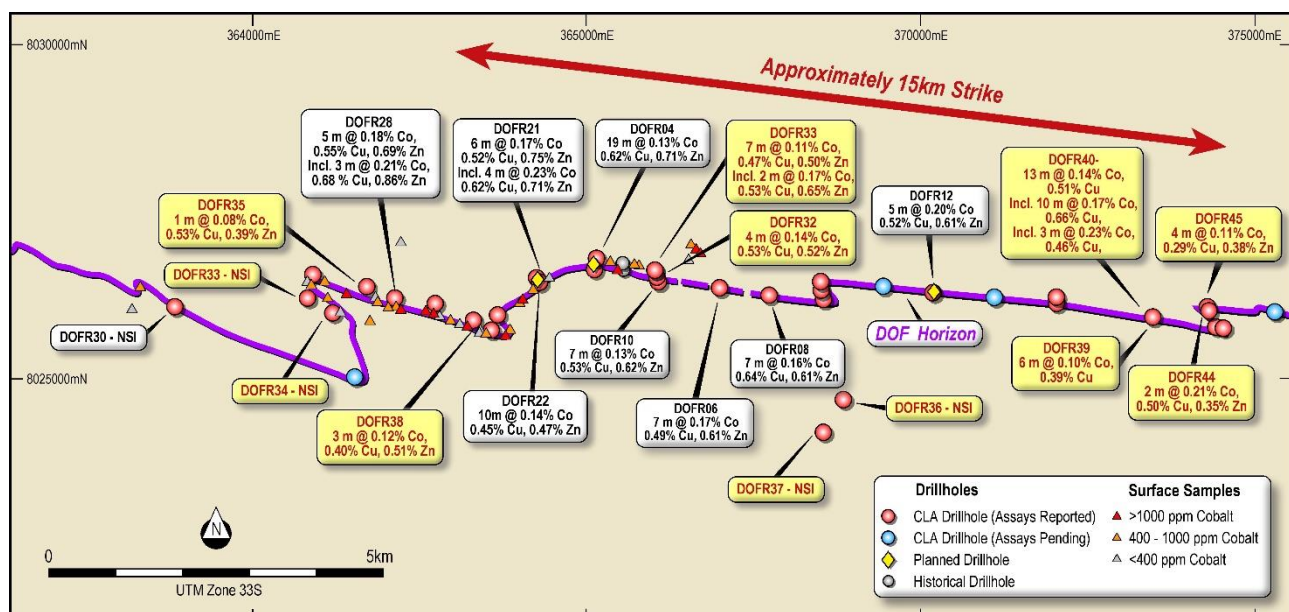


Figure 2: Drilling Assay Results extending mineralised strike to 15 km

Resource Drilling Program

Subsequent to the end of the Quarter, the Company announced the commencement of an approximately 15,000 metre drilling program, with three Reverse Circulation and two Diamond rigs to complete the program, concluding in mid-December. Assay results are expected to be received from late-November, and into December and January. Resource reporting is targeted for the first Quarter of 2018.

The resource drilling program is targeting 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 3). The program is designed to convert a significant portion of the initial exploration target, consisting of **between 33 and 41 million tonnes, grading approximately 0.13% - 0.17% cobalt and 0.45% - 0.65% copper**, to a JORC Mineral Resource. 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).

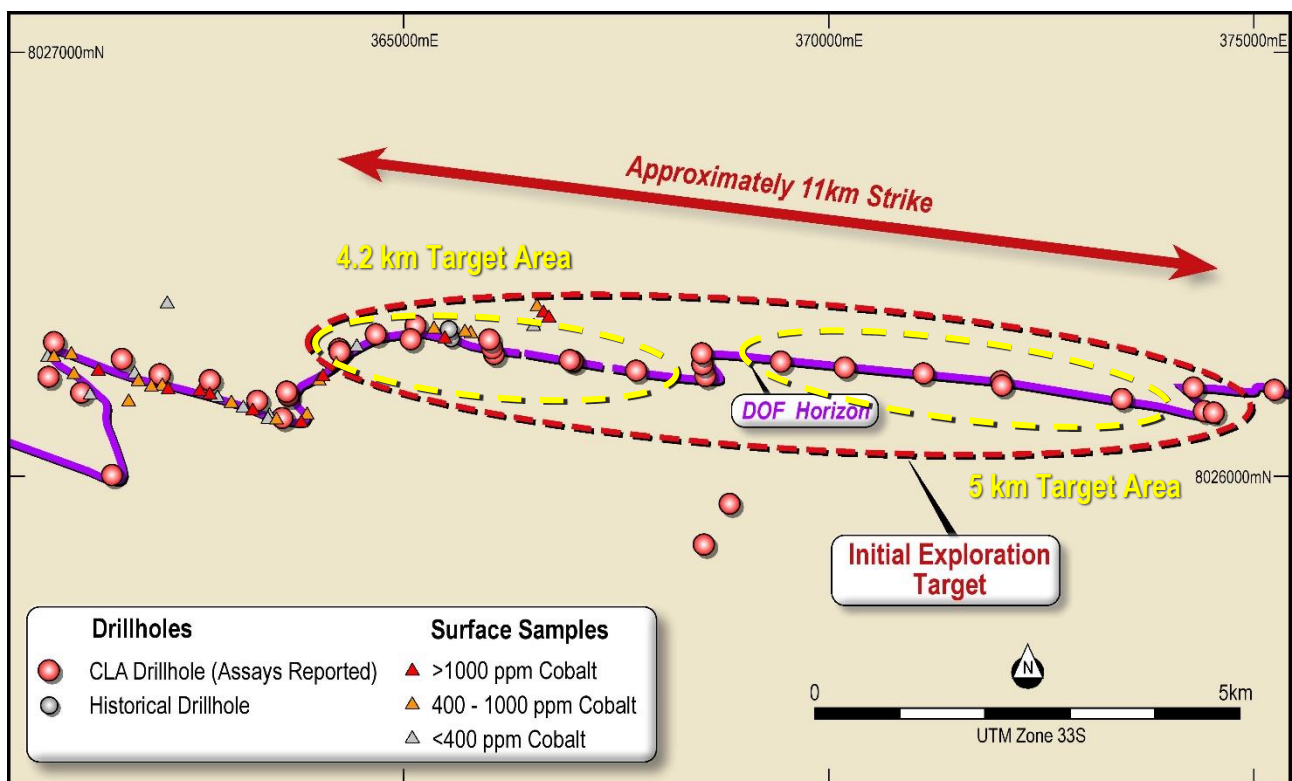


Figure 3: Resource Drilling focus areas.

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 linnæite (Co_3S_4), 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 in November.

Opuwo Scoping Study

Perth based Orway Mineral Consultants (“OMC”) have been engaged to design and supervise the metallurgical test work program, with test work being conducted in Perth by SGS Australia. The work is being supervised by Mr. Grenvil Dunn of Hydromet Pty Ltd, who has particular relevant experience in African cobalt and copper ores. The Scope of Work includes:

- Testwork definition and analysis for comminution and flotation scouting;
- Circuit selection, equipment sizing and engineering design;
- Capital and operating cost estimates (accuracy +/- 50%).

Auralia Mining Consulting (Auralia) have been appointed to evaluate the mining methods and costs associated with possible development of the Project. The Company’s joint venture partner, Gecko Namibia, is providing local costing data to optimise these studies. Auralia is a boutique mining consultancy whose principals have extensive experience in sub-Saharan Africa, including work on projects in Zambia and South Africa. They have also completed recent studies into Australian cobalt projects.

Baseline environmental studies have been initiated at the Project by the Company’s consultants.

Table 1: Results from historical sampling on new licences

Sample Name	UTM Zone 33S Easting (m)	UTM Zone 33S Northing (m)	Co (ppm)	Cu (%)	Comment
KK1644	350374.0	8027128.2	241	0.84	
KK1645	351265.6	8026957.9	1773	0.01	
K046	351276.3	8026946.9	4.9	0.00	
KK1614	353584.3	8027296.1	54.8	0.07	
KK1631	352897.9	8026959.0	3200	0.36	
V02	389326.0	8037940.3	180	0.00	
V03	388996.0	8038181.9	12	0.25	
V05	388974.8	8038170.7	14	8.30	
OVWR1	388622.3	8038633.5	1.4	1.57	
OVWR2	388643.5	8038633.6	1.6	2.54	
RCC1-1	404503.0	8034887.5	10	0.02	
RCC1-2	404311.0	8035130.0	4	0.94	
RCC1-3	404321.6	8035119.0	12	0.10	
EWIS	398120.0	8049638.4	0.7	6.23	Pb - 1.67%
HZWIS	378417.7	8037500.5	86.7	4.06	
BZIS	365926.5	8037520.0	2.4	1.64	Au - 1.09 g/t

Table 2: Drilling Results, Opuwo Cobalt Project

Hole ID	Easting (UTM Zone 33S)	Northing (UTM Zone 33S)	Dip	Azimuth (mag)	Final Depth (m)	Intercept From (m)	Intercept To (m)	Interval (m)	Cobalt (%)	Copper (%)	Zinc (%)	Manganese (%)
DOFR03	365148	8026718	-55	180	58	46	52	6	0.12	0.55	0.39	1.43
DOFR04	365148	8026720	-90	180	112	87	106	19	0.13	0.62	0.71	1.75
including						87	94	7	0.13	1.11	1.10	1.53
DOFR05	366981	8026370	-55	180	55	44	48	4	0.13	0.57	0.45	1.69
DOFR06	366981	8026373	-90	180	86	66	73	7	0.17	0.49	0.61	1.92
including						69	71	2	0.31	0.41	1.13	3.17
DOFR07	367745	8026254	-55	180	50	41	45	4	0.15	0.80	0.62	1.91
DOFR08	367742	8026266	-90	180	99	88	95	7	0.16	0.64	0.61	1.69
DOFR09	366049	8026549	-55	180	87	76	81	5	0.14	0.53	0.45	1.59
DOFR10	366060	8026497	-90	180	66	54	61	7	0.13	0.53	0.62	1.57
DOFR11	370176	8026304	-55	180	70	57	62	5	0.15	0.44	0.48	1.58
DOFR12	370176	8026305	-90	180	90	80	85	5	0.20	0.52	0.61	1.83
DOFR13	372034	8026137	-55	180	50	37	40	3	0.09	0.24	0.63	1.17
DOFR14	372034	8026138	-85	180	70	56	62	6	0.13	0.37	0.28	1.8
DOFR15	374531	8025781	-55	200	130	No Significant Intercept (missed DOF horizon)						
DOFR16	374421	8025771	-55	200	70	11	17	6	0.08	0.22	0.18	0.83
and						19	21	2	0.09	0.28	0.13	1.39
DOFR17	374422	8025788	-90	200	70	No Significant Intercept (below 500ppm reporting cutoff grade)						
DOFR18	368497	8026351	-55	180	117	No Significant Intercept (missed DOF horizon)						
DOFR19	368526	8026224	-55	180	99	87	92	5	0.12	0.66	0.42	1.53
DOFR20	368497	8026469	-55	180	80	29	32	3	0.11	0.33	0.39	2.08
DOFR21	364229	8026530	-55	180	87	71	77	6	0.17	0.52	0.75	1.76
including						73	77	4	0.23	0.62	0.71	1.91
including						75	76	1	0.39	0.65	1.33	2.32
DOFR22	364232	8026504	-90	180	81	62	72	10	0.14	0.45	0.47	1.53
DOFR23	363667	8025977	-55	135	41	23	26	3	0.11	0.39	0.44	2.09
DOFR24	363667	8025980	-90	135	40	26	30	4	0.14	0.56	0.54	2.31
DOFR25	360902	8026568	-55	200	200	No Significant Intercept (missed DOF horizon)						
DOFR26	365187	8026845	-55	180	170	147	153	6	0.13	0.64	0.61	1.82
DOFR27	365187	8026844	-75	180	184	173	178	5	0.13	0.36	0.47	1.81
DOFR28	362029	8026240	-55	200	93	84	89	5	0.18	0.55	0.69	2.06
including						85	88	3	0.21	0.68	0.86	2.55
DOFR29	362709	8026133	-55	200	189	180	183	3	0.12	0.48	0.59	1.86
DOFR30	358774	8026077	-55	200	181	No Significant Intercept (missed DOF horizon)						
DOFR31	363577	8025781	-55	200	96	85	89	4	0.14	0.51	0.73	1.91
DOFR32	366065	8026655	-55	180	162	153	157	4	0.14	0.53	0.52	1.53
DOFR33	366064	8026654	-75	180	165	148	155	7	0.11	0.47	0.50	1.62
including						152	154	2	0.17	0.53	0.65	2.50
DOFR34	361175	8026001	-55	40	228	No Significant Intercept (missed DOF horizon)						
DOFR35	361673	8026389	-55	200	179	170	171	1	0.08	0.53	0.39	1.53
DOFR36	368860	8024691	-75	180	150	No Significant Intercept						
DOFR37	368845	8024216	-75	180	150	No Significant Intercept						
DOFR38	363250	8025960	-55	180	170	161	164	3	0.12	0.40	0.51	1.30
DOFR39	373527	8025932	-55	180	70	53	59	6	0.10	0.39	0.08	1.34
DOFR40	373525	8025936	-90	180	147	125	138	13	0.14	0.51	0.09	1.26
including						125	135	10	0.17	0.66	0.10	1.54
including						132	135	3	0.23	0.46	0.11	1.51
DOFD41	365144	8026720	-90	180	122	Results Pending						
DOFD42	364231	8026531	-55	180	80.46	Results Pending						
DOFR43	360837	8026366	-55	30	120	No Significant Intercept (missed DOF horizon)						
DOFR44	374379	8026090	-55	180	70	41	43	2	0.21	0.50	0.35	1.24
DOFR45	374379	8026093	-90	180	69	58	62	4	0.11	0.29	0.38	1.39

Table 2: Drilling Results, Opuwo Cobalt Project (continued)

Hole ID	Easting (UTM Zone 33S)	Northing (UTM Zone 33S)	Dip	Azimuth (mag)	Final Depth (m)	Intercept From (m)	Intercept To (m)	Interval (m)	Cobalt (ppm)	Copper (%)	Zinc (%)	Manganese (%)
DOFR46	375393	8026015	-55	180	200	Results Pending						
DOFR47	361483	8025183	-55	180	190	Results Pending						
DOFR48	366737	8026948	-55	210	200	Results Pending						
DOFD49	370176	8026305	-90	135	95.49	Results Pending						
DOFR50	366570	8026762	-55	210	99	Results Pending						
DOFR51	371146	8026225	-55	180	100	Results Pending						
DOFR52	369440	8026385	-55	180	49	Results Pending						

Notes: Significant intersections reported using a cutoff grade of 0.05% cobalt (500 ppm)
 Previous announcements reported cobalt in ppm (1,000 ppm = 0.1%)

Note: Please refer to ASX releases dated July 3, 2017 and September 4, 2017 for further detail regarding these assay results.

Abednegno Hill Project, WA (CLA 100%)

The Abednegno Hill Nickel Project is located to the south and west of Minara Resources' Murrin Murrin nickel mine.

A ground electromagnetic (EM) survey commenced on the Project subsequent to the end of the Quarter, with results to be available during the December Quarter.

Carnilya Hill Project, WA (CLA 30%)

Celsius (through View Nickel Pty Ltd) owns a 30% joint venture interest in the Carnilya Hill Joint Venture in Western Australia with Mincor Resources NL. Mincor Resources NL (ASX:MCR) is the operator of the Carnilya Hill JV. No activity was reported by Mincor during the quarter.

Corporate

The Managing Director of Gecko Namibia, Mr. Pine van Wyk, joined the board of Celsius during the Quarter, as a non-executive director.

Pine van Wyk (NHD Met. Eng., B.Com, MBA) is a Metallurgical Engineer by profession, with extensive experience in the mining industry, particularly in developing and operating mines in Namibia. He holds commercial qualifications (B.Com and MBA), with a focus on project management. He spent eight years at Rössing Uranium, where his roles included Superintendent Acid Plant and Metallurgical Services, Superintendent Strategic Projects and Engineering Manager. In 2005, he joined Paladin Energy Ltd at their

Langer Heinrich Uranium project as Operations Manager, taking the project from feasibility to full production. In 2008 he joined Gecko Namibia as Director Projects and in 2014 became Managing Director of the Gecko Namibia group of companies.

Subsequent to the end of the Quarter, Celsius announced a capital raising of approximately \$3.9 million, at an issue price of 5.5 cents per share. The Placement was heavily oversubscribed and attracted strong interest from a large number of domestic and international institutional and professional investors. Project vendor and substantial shareholder, Gecko Namibia, elected to participate in the capital raising, increasing their percentage ownership in the Company as a result.

At the end of the Quarter, the Company held approximately \$3.3 million in cash reserves. The cash balance will be boosted by approximately \$3.9 million (less costs) upon completion of the capital raising mentioned above.

- ENDS -

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Competent Persons Statement

Information in this report relating to Exploration Results 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. The Exploration Results are based on standard industry practices for drilling, logging, sampling and assay methods, including quality assurance and quality control measures, as reported in various ASX announcements during April to September, 2017.