CELSIUS RESOURCES LTD

ASX RELEASE | 13 November 2018

OPUWO COBALT PROJECT SCOPING STUDY UPDATE

HIGHLIGHTS

- **Updated Scoping Study scheduled for release in late Q1, 2019, which will reflect outcomes of four key work programs:**
    - **Test work program to confirm the assumptions made in the Scoping Study regarding the sulphating roast element of the base case downstream processing option**
    - **Additional metallurgical test work to be completed on the near surface oxide mineralisation from the Opuwo Mineral Resource.**
    - **Updated Mineral Resource Estimate to be completed in December, 2018.**
    - **Updated and enhanced mine scheduling to be completed on the updated Mineral Resource in Q1, 2019.**
- **These work programs will also contribute to the Pre-Feasibility Study (PFS) for the Project, scheduled for completion in Q3, 2019.**

Celsius Resources Limited ("Celsius" or "the Company") would like to provide an update on the ongoing feasibility studies on its 95% owned Opuwo Cobalt Project ("Project") in Namibia.

Celsius Managing Director, Brendan Borg commented:

"The Scoping Study for Opuwo released last week has generated a significant number of shareholder enquiries regarding the next steps for the Project, and in particular, the schedule for reporting production targets and financial metrics generated from the Study. Subject to ASX and Celsius Board approval, it is expected that the work programs discussed in this release will allow this information to be released in late Q1, 2019, well in advance of the Pre-Feasibility Study, scheduled for completion later in 2019."

Level 2, 22 Mount Street
Perth WA 6000
PO Box 7054, Cloisters Square,
Perth WA 6850

P: +61 8 6188 8181
F: +61 8 6188 8182
info@celsiusresources.com.au
www.celsiusresources.com.au

METALLURGICAL TESTWORK PROGRAM

The Scoping Study for Opuwo highlighted key metallurgical test work programs for completion early in the PFS schedule. The current base case for downstream processing of sulphide concentrates to be produced at Opuwo consists of a sulphating roast followed by atmospheric water leaching of the residue.

A sample of approximately 300-400 kg of mineralised material will be dispatched from Namibia to South Africa this week, to produce a minimum of 30 kg of concentrate through the flotation procedure established during the Scoping Study, for the purposes of conducting an initial two batch test work program to confirm the assumptions made in the Scoping Study regarding this method of leaching the Opuwo mineralisation. It is noted that an alternative option for leaching of the Opuwo concentrates, a moderate temperature and pressure autoclave, was evaluated extensively during the Scoping Study, and will continue to be explored during the Pre-Feasibility Study.

Due to sub-optimal recoveries from the near surface oxide ore type encountered in the limited test work during the Scoping Study, currently the mine schedule for the Project attributes no value to this part of the mineralisation, and it is treated as waste. This zone comprises less than 5% of the current Mineral Resource. Further metallurgical test work will be undertaken on this mineralisation type, to evaluate alternative methods of recovering the valuable metals from this zone, which if successful, will provide significant upside for the Project. These investigations will include assessing use of this material as a neutralizing agent in the process, to reduce reagent costs, in addition to recovering valuable metal credits.

UPDATED MINERAL RESOURCE

As previously announced, an updated Mineral Resource is scheduled for release in December, 2018. This work is on schedule, with remaining outstanding assays expected to be received within the next few weeks. If considered appropriate by the external resource estimation consultant, the updated Mineral Resource will include mineralisation from the West Zone at Opuwo, for which the Company recently released an Exploration Target. (ASX Announcement dated 17 October, 2018)

UPDATED MINE PLAN AND SCHEDULING

Once the updated Mineral Resource and metallurgical test work programs have been completed, updated and enhanced mine planning and scheduling will be completed.

UPDATED SCOPING STUDY

The Company will update the existing Scoping Study with the newly received information, and subject to Celsius Board approval and ASX approval, is aiming to release the results, including Scoping Study level production targets, and financial information derived from those targets, to the market late in Q1, 2019.

ABOUT THE OPUWO COBALT PROJECT

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 (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 a majority of Namibia's power, is located nearby. The Opuwo Project consists of four Exclusive Prospecting Licences covering approximately 1,470 km^2.

A maiden JORC Compliant Indicated and Inferred Mineral Resource was announced on 16 April, 2018, comprising 112.4 million tonnes, grading 0.11% cobalt, 0.41% copper and 0.43% zinc, at a cut-off grade of 0.06% cobalt. (Please refer to ASX announcement of 16 April, 2018 for more details on the Mineral Resource.)

Figure 1: Location of the Opuwo Cobalt Project, Namibia

Celsius Resources Contact Information

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Perth WA 6000
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www.celsiusresources.com.au

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.