

QUARTERLY ACTIVITIES REPORT

MARCH 2019

Corporate

During the Quarter the Company took the decision to significantly slow work on the evaluation of the Opuwo Project, until such time as the cobalt price improves markedly from current levels. The Opuwo Project hosts a substantial cobalt resource located in an excellent jurisdiction for mining, and the Company remains confident that the project continues to represent a key opportunity when the cobalt price improves and/or with successful optimisation of metallurgical recovery of the value metals from the mineralisation. One or both of these outcomes could significantly change the Board's view about the Opuwo Project and, should they occur, the Board will reassess the status of the Opuwo Project and accelerate work programs in response.

At the end of the Quarter, the Company held approximately **\$7.9 million** in cash reserves with approximately \$750,000 to be spent on the project in the forthcoming quarter. The majority of costs are associated with finalisation of in-progress mining, metallurgy and environmental studies, redundancies to staff, closing down of operations and community consultations regarding the altered timeframe for the Project.

As detailed previously, Mr Brendan Borg has stepped down from his role as Managing Director to a Non-Executive role. Mr Pine van Wyk will continue as Project Director however following a 3 month handover / notice period he will fill this role on a consultant basis. All director fees have been reduced to \$4,000 per month to assist in the preservation of the Company's cash reserves. The Company has commenced reviewing potential acquisitions and investments in commodities and jurisdictions which either complement or diversify the Company's current commodity exposure.

Opuwo Cobalt Project, Namibia (CLA 95%)

SCOPING STUDY

During the Quarter, the Company worked on trade-off and optimisation studies including updated resource modelling to incorporate new drilling completed since the declaration of the maiden Mineral Resource, and metallurgical test work aimed at verifying assumptions made in the Scoping Study about recovery of the value metals from the Opuwo Project mineralisation using conventional sulphating roast techniques.

A positive economic outcome from the Scoping Study is highly dependent on successful results from the metallurgical test work. The initial results from the current metallurgical program have demonstrated that further test work is required to optimise the process for recovery of the value metals (including cobalt) from the mineralisation. These tests were ongoing as at the date of this report.

ENVIRONMENTAL IMPACT ASSESSMENT

SLR Namibia was contracted to conduct the Environmental Impact Assessment (EIA) of the Opuwo Cobalt Project in January 2019. The EIA forms a substantial part of the Pre-Feasibility Study (PFS).

SLR commenced the EIA with public meetings in Windhoek and in the wider project area. The following Specialist Studies for the EIA have started: Air Quality, Groundwater, Noise, Archeology, Flora, Avi-Fauna, Fauna, Invertebrates, Socio-Economic and Visual.

DRILLING

DOF NORTHWEST ANTICLINE

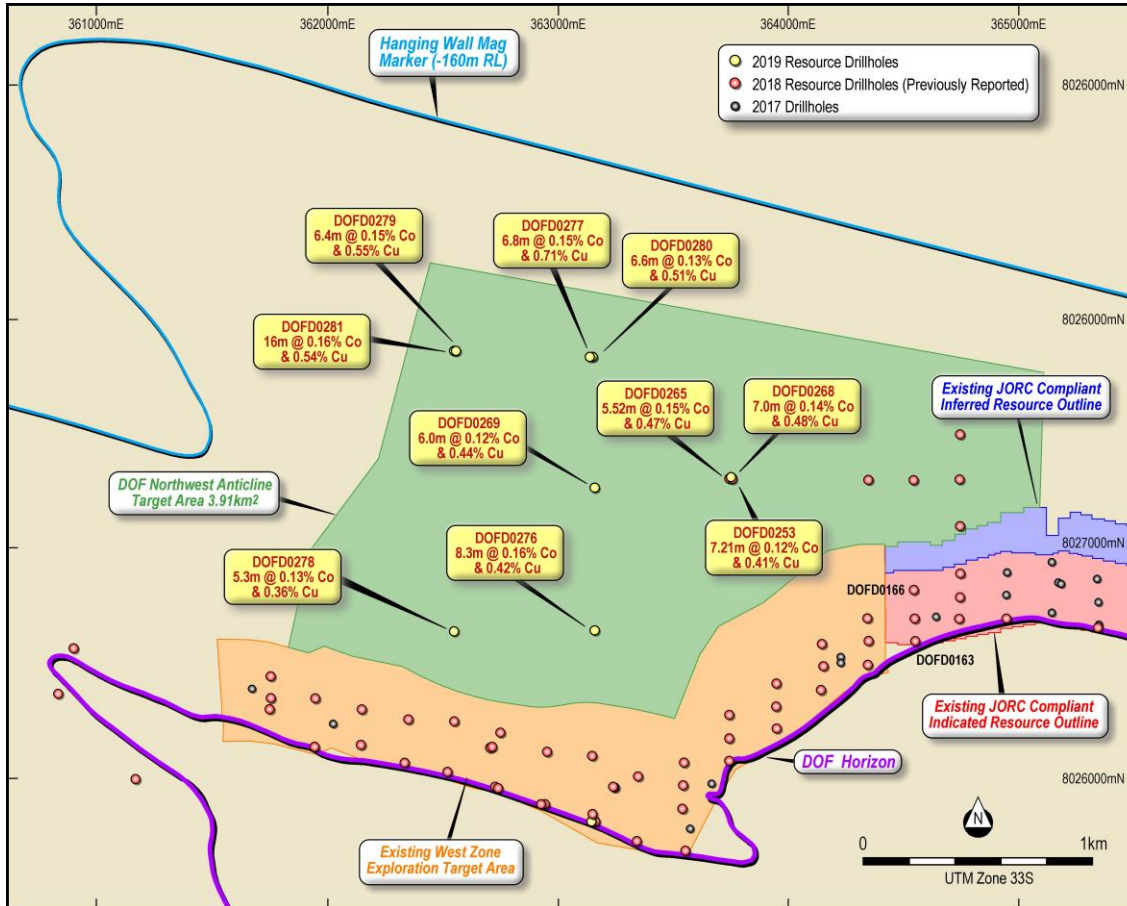
A potentially highly significant extension to the existing Mineral Resource and Exploration Target zones, dubbed the “DOF Northwest Anticline” Target, has been confirmed with the latest drilling at the Project (Figure 2). The new Northwest Anticline Target covers an additional area of 3.91 km² to the existing area of the Maiden Mineral Resource and Exploration Targets.

Significant intersections released during the Quarter included:

- **6.84 m @ 0.15% Co and 0.71% Cu**
- **6.35 m @ 0.15% Co and 0.55% Cu**
- **8.35 m @ 0.16% Co and 0.42% Cu**
- **16.00 m @ 0.16% Co and 0.54% Cu**
- **7.00 m @ 0.14% Co and 0.48% Cu**
- **5.32 m @ 0.13% Co and 0.36% Cu**
- **6.00 m @ 0.12% Co and 0.44% Cu**
- **6.60 m @ 0.13% Co and 0.51% Cu**

This new zone is characterised by thicker than average and significantly flatter dipping DOF style mineralisation than occurs elsewhere within the Mineral Resource, allowing the Company to consider alternative mining techniques as part of the ongoing Project studies. Modelling of the Northwest Anticline Target is currently being undertaken by the Company’s external consultants, including consideration of this new area for inclusion in the next Mineral Resource estimate based on both geological and mining factors.

Figure 1: DOF Northwest Anticline Drilling 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.

As reported in the previous Quarterly Activities Reports, Celsius completed a ground EM survey over its Leonora tenements during October – November 2017 which detected two bedrock anomalies. Follow up work programs to test these anomalies have been designed, however no further work was conducted during the 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.

Hann River Project, WA (E80/5117 CLA 100%, base metal rights on E80/5027)

Celsius has an Exploration Licence Application pending (E80/5117) over an area located in the Kimberley region of Western Australia, approximately 300 km east of Derby. The application area is considered prospective for copper and cobalt mineralisation, hosted in the Mt Carson Volcanics geological unit. An agreement is in place with Jindalee Resources Limited (ASX:JRL) regarding their adjacent granted Exploration Licence (E80/5027), whereby the diamond rights on CLA's licence application area have been exchanged for the base metal rights on E80/5027. The Company is currently negotiating access agreements with the Pastoral Lease holder of part of the land that covers the exploration licence application.

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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.