

Quarterly Activities Report

For the period ended 31 December 2021



31 JANUARY 2022

HIGHLIGHTS

- Drilling of MCB Project's third hole (MCB-036) completed with a final drilling depth of 860m and average core recovery at 97%.
- MCB-036 total intersection of 671m @ 0.43% copper and 0.12g/t gold, from 19m downhole, including internal shallow higher-grade intervals of 122m @ 0.92% copper and 0.24 g/t gold from 27 and 13m @ 3.69% copper and 0.39g/t gold from 89m.
- Positive Scoping Study completed in December 2021 with **25 year mine life**, payback of 2.7 years and Pre Tax IRR of **35%**
- Revised Mineral Resource estimate at Opuwo Cobalt Project completed, resulting in a doubling of the Mineral Resource Estimate.
- Closing cash as at 31 December 2021 of **\$1.96m**.

Celsius Resources Limited (“Celsius” or the “Company”) (ASX: CLA) is pleased to provide the following summary of the Company’s activities for the Quarter ended 31 December 2021.

PROJECTS

MAALINAO-CAIGUTAN-BIYOG COPPER-GOLD PROJECT (“MCB PROJECT”), PHILIPPINES (100%)

Makilala Mining Company, Inc, Celsius’ Philippine subsidiary, continues to advance its exploration and feasibility work program for the MCB Project in the Cordillera Administrative region, approximately 320km north of Manila.

With a final depth of 860m, drilling of hole MCB-036 was completed, the results of which was released on 13 December 2021. Shallow copper mineralisation was identified from 19m down hole, extending down to 691m. Several higher-grade intervals were intersected, including a well-defined high-grade core which is above a cut-off grade of approximately 0.5% copper.

Vibrating Wire Piezometer sensors were installed at 8m and 63m, and initial results were collected to support the hydrogeological study.

Geological logging, point load testing of cores, and assay sampling up to 860m were completed during the period.

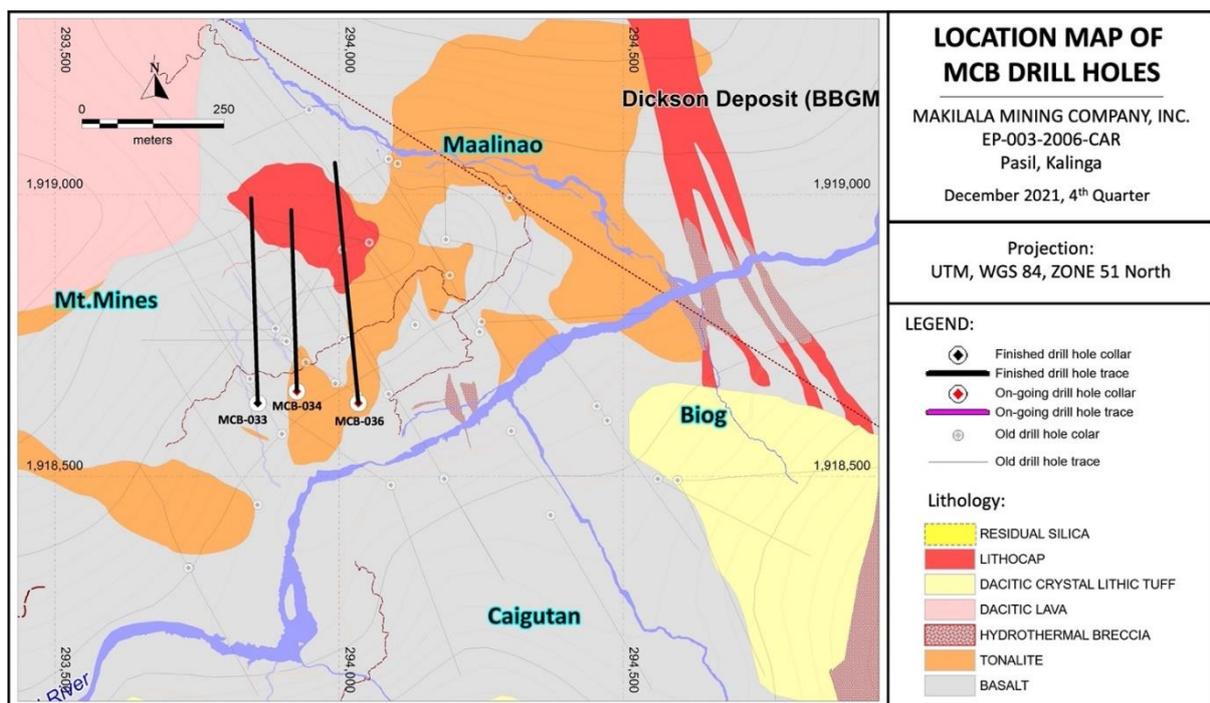


Figure 1. Location Map of MCB Project showing completed drill holes MCB-033, MCB-034, and MCB-036.

Scoping Study

A positive Scoping Study was completed in early December 2021 which indicated that the MCB project is technically robust and financially viable based on the maiden mineral JORC Resource (January

2021). The project had a pre Tax NPV(8%) of USD618M at an IRR of 35% with a 2.7 year payback period and a 25 year mine life.

Study results were presented to the Tribal Council of Elders of the host community, the Local Government Unit (LGU), the National Commission on Indigenous Peoples (NCIP), and the Regional Mines and Geosciences Bureau (MGB). Feedback from stakeholders was favourable and supportive of the MCB project.

Five (5) diamond drill holes to test the shallow copper mineralisation zone and eight (8) geotechnical drill holes to target gaps around mine infrastructure and major fault structures is to commence shortly with the new drill contractors being engaged post reporting to undertake geotechnical and hydrogeological studies.

At the completion of the drill program , the resource model will be updated and a Pre-Feasibility study will commence.

Environmental and Community Development Work Programs

Community lockdowns were intensified in the fourth Quarter of 2021 due to the entry of the COVID 19 Delta variant in the country and in particular, Kalinga Province. This has affected program implementation and consequently affecting timelines of key project activities. Despite movement restrictions within and around the project area, community development and environmental work program initiatives were still implemented during the quarter.

Among the initiatives carried out under these work programs during the period is the tree planting initiatives to support the Philippine government’s reforestation and climate change mitigation efforts through the National Greening Program. The activity was participated by Makilala Mining employees, community members, and a local landowner.



Tree planting activity at Makilala Mining’s National Greening Program site.

Construction of a multi-purpose room for the community high school was also completed during the period. This is a collaborative effort between Makilala Mining and the Parents-Teachers-Community Association. The completion of the room allows the Senior High School students to no longer have to travel three hours to the nearest High School.



Alexander Madera, MCB's Project Manager, handling the Certificate of Turn-over and Acceptance to Mr. Jerry Yamson, the Assistant Schools Division Supervisor during the Batong Buhay National High School Multi-Purpose Room Inauguration and Blessing Ceremony.

Makilala Mining's community development implementation efforts were highly appreciated by the host community in the project area. This was evident in a letter sent by the community at the end of 2021 which was signed the Barangay Captain, Indigenous People's Mandatory Representative and the Council of Elders' Chairperson and Vice-chairperson, stating among others:

"We, along with our constituents, would like to thank the company for keeping up with your social and environmental commitments, along with ensuring we have a proactive and transparent relationship despite the challenges brought about by the COVID-19 pandemic."

SAGAY COPPER-GOLD PROJECT, PHILIPPINES (100%)

Celsius Resources' Philippine subsidiary, Tambuli Mining Company, Inc., commenced drilling operations for its Sagay Copper-Gold Project in November 2021 following ground mobilisations.

The first drill hole (SGY-031) was terminated in December with a drilling depth of 1,173m. The hole was backfilled and grouted in preparation for the installation of vibrating wire piezometer sensors in January 2022. Core logging, core sampling, and collection and storage of metallurgical samples were also completed during the period.

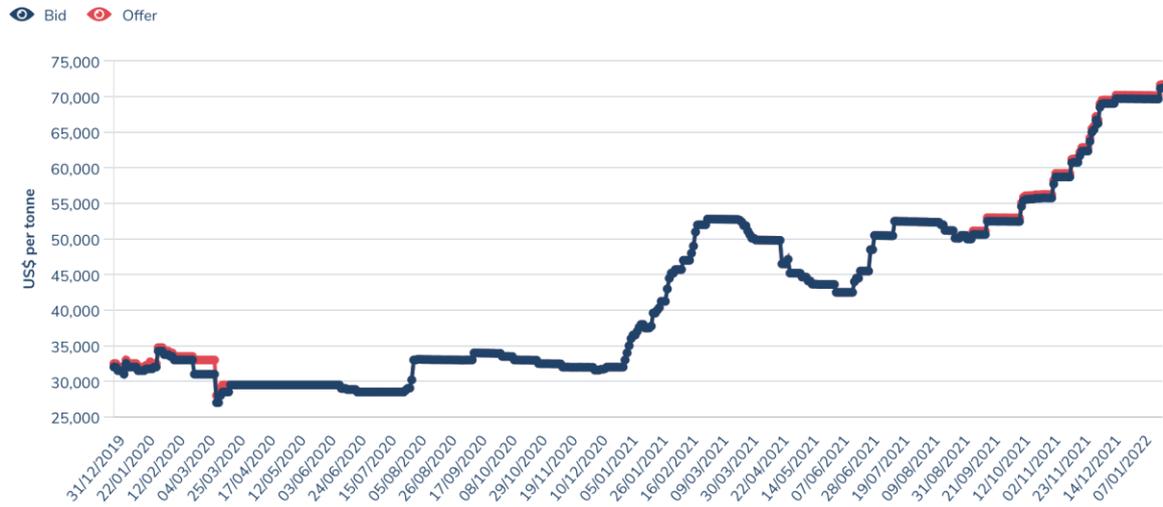
Drill site preparations for the second hole (SGY-038) have been completed. Landowner consent for road access, rehabilitation, and site field inspection have also been secured.

OPUWO COBALT PROJECT, NAMIBIA (95%)

During the Quarter, the Company continued to notice the upswing in Cobalt prices during 2021. This is driving the renewed focus to advance the project. Two ongoing mineralogy studies with the University of Leoben (Austria) have shown that cobalt has a strong association with the zinc sphalerite minerals rather than the previous thought copper / iron minerals. This would explain the previous poor floatation results where the zinc was suppressed. The poor concentrator recoveries meant the high pressure autoclave refining stage was uneconomic due to high gangue minerals. It is now thought that focussing on a zinc flotation with roasting in conjunction with, or hydrometallurgical refining would achieve an economic outcome. The Company now plans to obtain fresh metallurgical samples by diamond drill core and undertake a new metallurgical test program.

The Company is entertaining approaches from various parties interested to partner the ongoing test work process ranging from JV to outright sale.

LME Cobalt Official Prices graph



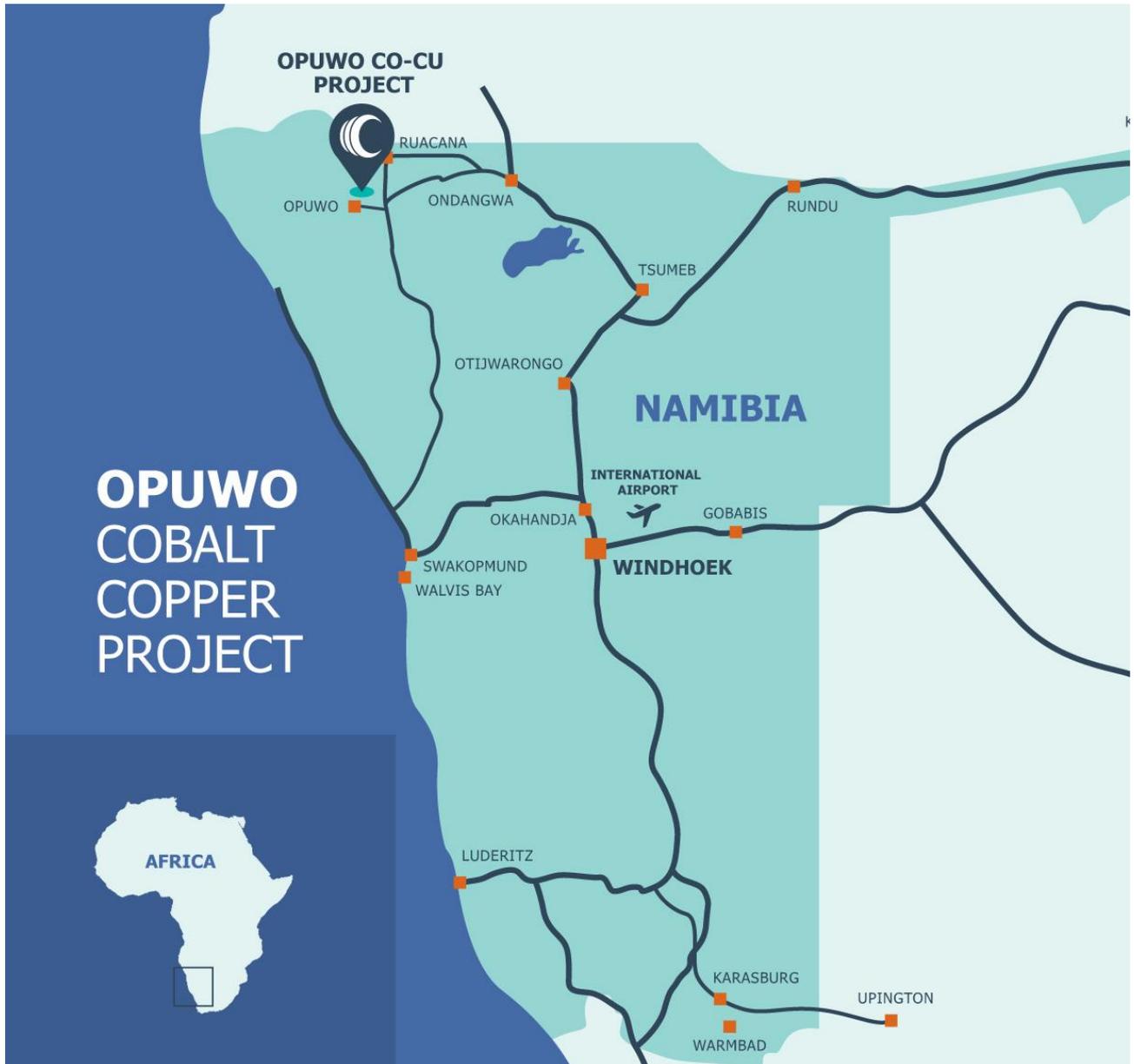


Figure 2. Location map of the Opuwo Cobalt-Copper Project.

CULLARIN WEST PROJECT, NSW (100%)

As previously announced, a desktop review of publicly available geological and geophysical information has identified numerous targets at the Cullarin West and Yass Projects (refer ASX Announcements 8 July 2020 and 30 July 2020).

The Company is reviewing options to divest or partner the project.

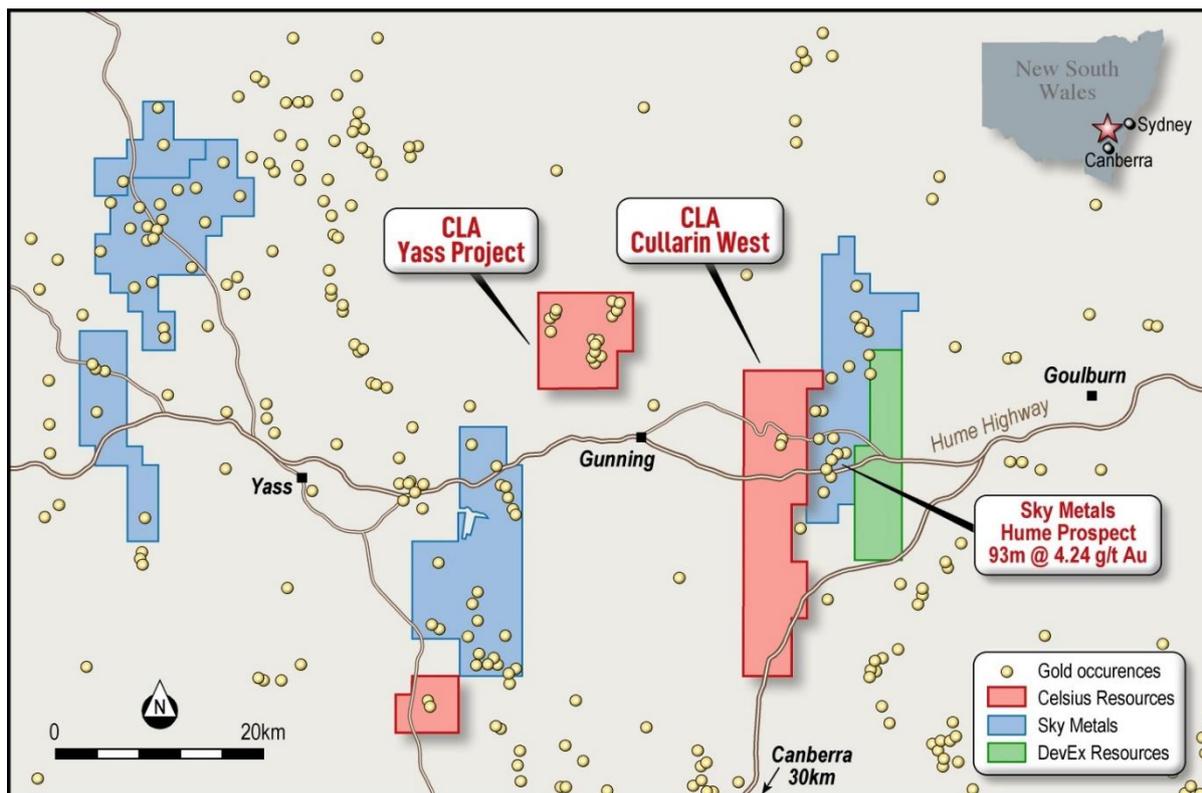


Figure 3. Location map of Cullarin West Project and Sky Metals' Cullarin discovery.

ABEDNEGNO HILL PROJECT, WA (100%)

The Abednegno Hill Nickel Project is located to the south and west of Minara Resources' Murrin nickel mine. Given the recent improvement in the nickel price and forward forecasts, the Company is evaluating opportunities to unlock value from the Abednegno Hill Project, either by implementation of exploration programs, and/or seeking JV opportunities to advance the Project.

CORPORATE AND EXPENDITURE

At the end of the Quarter, the Company held approximately **\$1.96 million** in cash reserves. Approximately \$794,000 was spent on exploration expenditure which primarily relates to the exploration and development of the MCB project, together with work on updating the Mineral Resource at the Opuwo Cobalt Project. As outlined in the Appendix 5B (section 6) approximately \$143,000 were made to related parties and their associates, this being for directors' fees, exploration consulting fees and general consulting fees.

On 1 October 2021, it was announced that 17,650,000 performance rights were issued to employees under the employee incentive scheme on the 20 September 2021.

On 9 November 2021, Mr Michael Hulmes was appointed as a Non-Executive Director to the Celsius Board.

On 2 December 2021, 7,500,000 performance rights were issued to Mr. Blair Sergeant which was approved by shareholders at the Company's AGM on 18 November 2021.

During the quarter, it was announced on 1 December 2021 that a positive Scoping Study was completed on the MCB Copper-Gold Project. As a result, 6,750,000 performance rights that were issued to employees and Mr. Blair Sergeant were exercised and converted to fully paid ordinary shares on 3 December 2021.

On 15 December 2021, Mr. Blair Sergeant resigned from the Board as an Executive Director – Corporate effective immediately. As a result of his resignation, the remaining 5,000,000 performance rights lapsed.

It was announced on 24 December 2021 that Mr. Robert Gregory will be appointed as Managing Director of the Company effective 1 January 2022.

This announcement has been authorised by the Board of Directors of Celsius Resources Limited.

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***Tenement Table:** ASX Listing Rule 5.3.3 Mining tenement interests held at the end of the quarter and their location.*

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER / APPLICANT	PERMIT STATUS	PERMIT EXPIRY	INTEREST / CONTRACTUAL RIGHT
Western Australia					
Abednegno Hill	E39/1684	View Nickel Pty Ltd	Granted	31/10/2022	100%
Cullarin West	EL 8996	Cullarin Metals Pty Ltd	Granted	17/08/2026	100%
Namibia					
	EL 4346	Gecko Cobalt Holdings	Granted	07/03/2023	95%
	EL 4351	Gecko Cobalt Holdings	Granted	15/06/2021	95%
	EL 4540	Gecko Cobalt Holdings	Granted	09/02/2023	95%
Philippines					
Batong Buhay	EP 003-2006-CAR	Makilala Mining Company Inc.	Granted	25/11/2022	100%
Guinaang	EXPA-110-CAR	Makilala Mining Company Inc.	Application under appeal	01/03/2017	100%
Colayo	EXPA-0073-CAR	Makilala Mining Company Inc.	Application under appeal	28/07/2016	100%
Batong Buhay West	EXPA-00109-CAR	Makilala Mining Company Inc.	Application under appeal	01/03/2017	100%

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER / APPLICANT	PERMIT STATUS	PERMIT EXPIRY	INTEREST / CONTRACTUAL RIGHT
Philippines					
Dobdob	EXPA-000101VII	PDEP, Inc.	Permit application submitted	04/07/2016	100%
Panadon	EXPA-000127-VIII	PDEP, Inc.	Permit application submitted	27/07/2009	100%
Sagay	EP-000003-VI	Tambuli Mining Company Inc.	Granted	10/08/2023	100%

The mining tenement interests relinquished during the quarter and their location
Nil

The mining tenement interests acquired during the quarter and their location
Nil

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter
Not applicable.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter
Nil

Competent Persons Statement

Information in this report relating to Exploration Results and Mineral Resources for the MCB Project is based on information compiled, reviewed and assessed by Mr. Steven Olsen, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Olsen is a consultant to Celsius Resources and 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. Olsen consents to the inclusion of the data in the form and context in which it appears.

The information in this Report that relates to the estimate of Mineral Resources for the Opuwo Project is based upon, and fairly represents, information and supporting documentation compiled by Mr Kerry Griffin, a Competent Person, who is a Member of the Australian Institute of Geoscientists (AIG). Mr Griffin is a Principal Geology Consultant at Mining Plus Pty Ltd and an independent consultant engaged by Celsius Resources Pty Ltd for this work and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Griffin consents to the inclusion in this announcement of matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource for the MCB Project or the Opuwo Project. The Company also confirms that all material assumptions and parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. Please refer to the ASX Announcement of 12 January 2021.