QUARTERLY ACTIVITIES REPORT

MARCH 2017

Opuwo Cobalt Project, Namibia (CLA earning 76%)

On January 19, 2017, the Company announced it had acquired the option to earn an interest in the highly prospective Opuwo Cobalt Project in Namibia via staged exploration expenditure.

Drilling commenced at the Project in March, aimed at testing the mineralisation identified in surface sampling and limited drilling, across a strike length of approximately 20 km. Wide spaced drilling has been completed across approximately 11 km of strike, with the mineralised horizon intersected in each drill 'fence' to date (Figures 1 to 3).

As reported during April (post Quarter end), significant intercepts from each hole, using a cutoff grade of 500 ppm cobalt, were:

- **19 m @ 1,292 ppm cobalt, 0.62% copper and 0.71% zinc**, from 87 m (DOFR04)
- **7 m @ 1,716 ppm cobalt, 0.49% copper and 0.61% zinc**, from 66 m (DOFR06)
- **7 m @ 1,559 ppm cobalt, 0.64% copper and 0.61% zinc**, from 88 m (DOFR08)
- **7 m @ 1,299 ppm cobalt, 0.53% copper and 0.62% zinc**, from 54 m (DOFR10)
- **5 m @ 1,498 ppm cobalt, 0.44% copper and 0.48% zinc**, from 57 m (DOFR11)
- **6 m @ 1,213 ppm cobalt, 0.55% copper and 0.39% zinc**, from 46 m (DOFR03)
- **5 m @ 1,414 ppm cobalt, 0.53% copper and 0.45% zinc**, from 76 m (DOFR09)
- **4 m @ 1,475 ppm cobalt, 0.80% copper and 0.62% zinc**, from 41 m (DOFR07)
- **4 m @ 1,290 ppm cobalt, 0.57% copper and 0.45% zinc**, from 44 m (DOFR05)

Within these zones, higher grade intersections were encountered, most notably:

- **7 m @ 1,321 ppm cobalt, 1.11% copper and 1.10% zinc**, from 87 m (DOFR04)
- **2 m @ 3,075 ppm cobalt, 0.41% copper and 1.13% zinc**, from 69 m (DOFR06)

The Company is highly encouraged by these initial results, with average grades and thicknesses improving upon the two discovery holes drilled in 2015, and is optimistic that a significant tonnage of cobalt, copper and zinc can be defined at Opuwo.

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This initial phase of drilling is designed to test a 20 km (of a total 30 km) strike length of the cobalt-copper mineralised DOF horizon. Wide spaced drilling has been completed across approximately 11 km of strike, with the mineralised horizon intersected in each drill 'fence' to date (Figures 1 and 3). Geophysical data is being used to assist with drill targeting in areas of poor outcrop.

Drilling is ongoing, with a total of twenty shallow RC holes completed for 1,627 metres, with the focus moving to the western portion of the project where higher grade cobalt mineralisation (up to 4,300 ppm, or 0.43%) has been identified in surface sampling and trenching. Further results will be reported as they come to hand.

Diamond drilling will commence in May, providing samples for first pass metallurgical testing. The planned metallurgical studies, along with preliminary mining studies and resource definition drilling, are expected to contribute to a Scoping Study for the Project, planned for completion before the end of 2017.

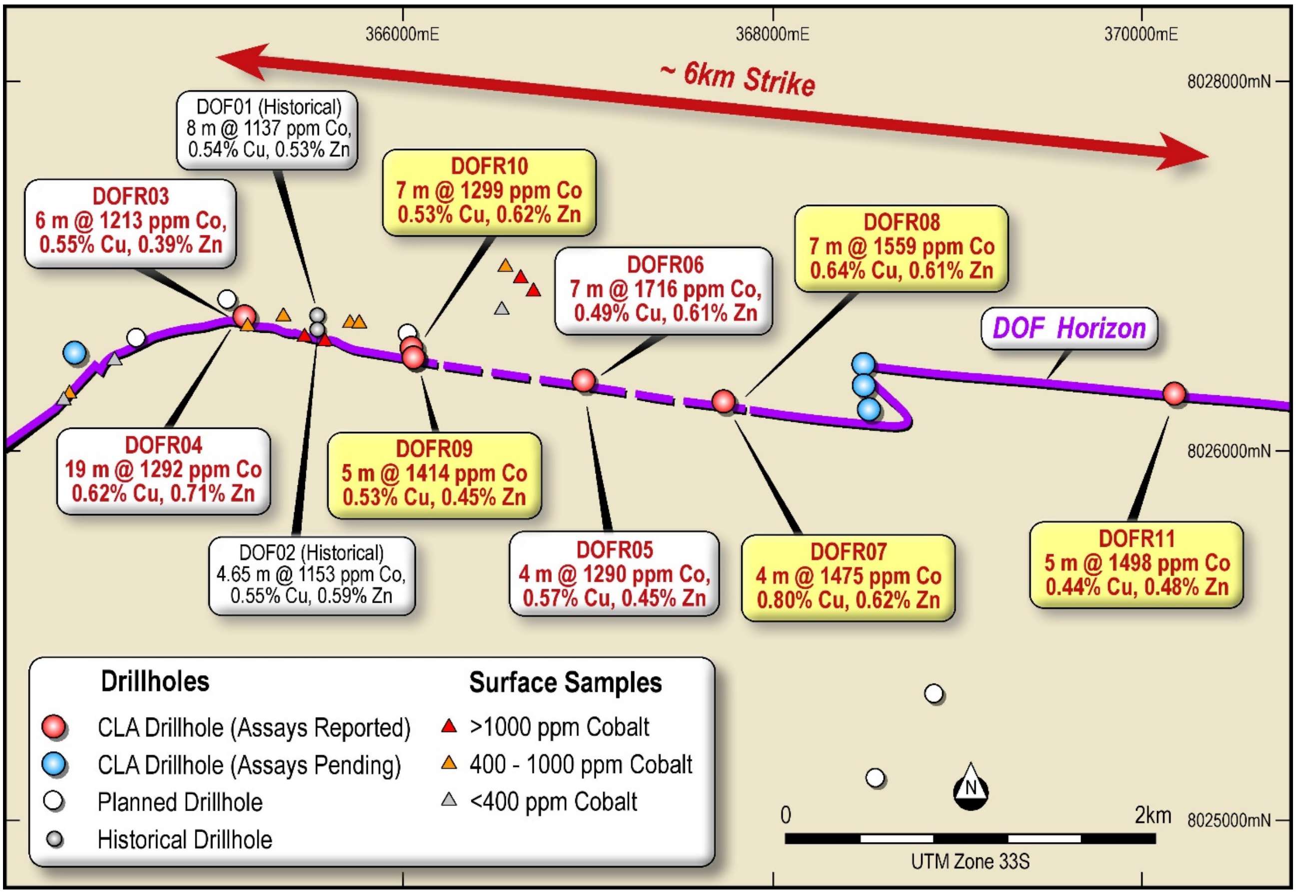

Figure 1: Drilling Assay Results extending mineralised strike to 6 km

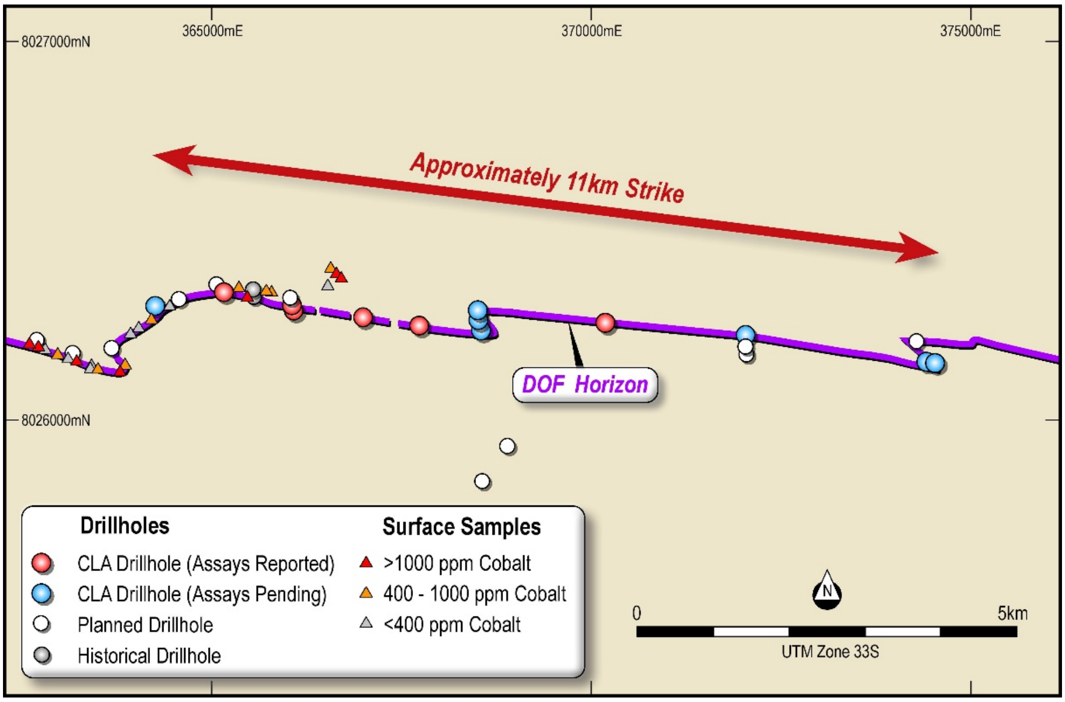

Figure 2: Drilling extending mineralised strike to over 11 km

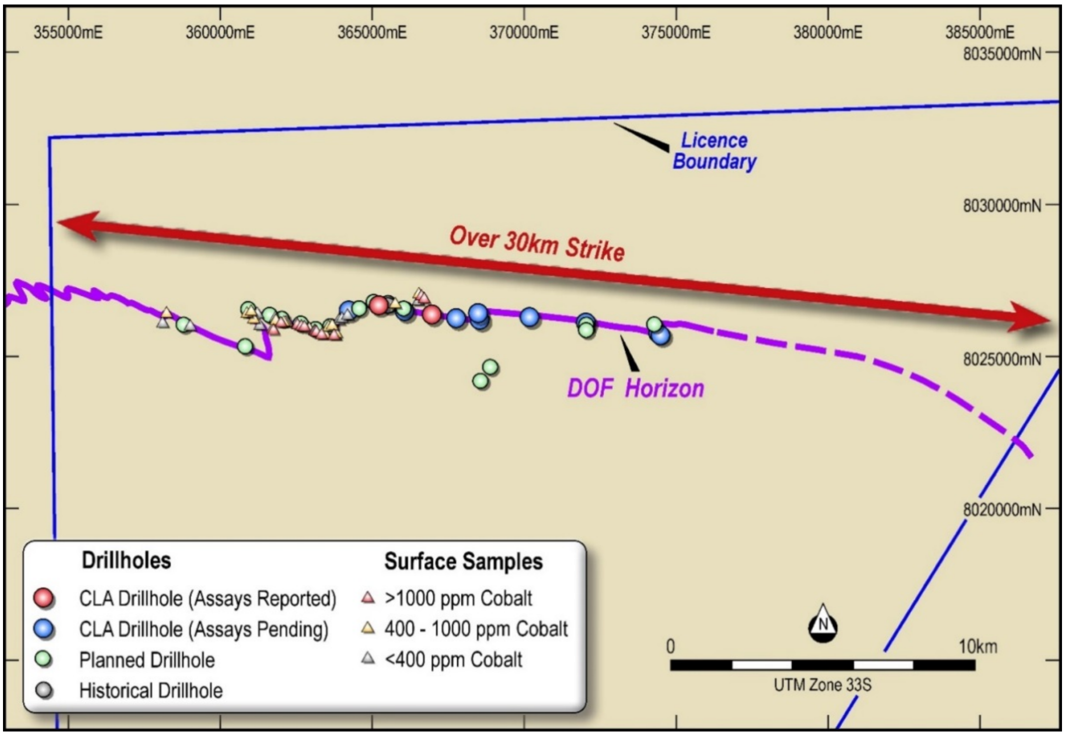

Figure 3: Strike length of mapped and interpreted DOF at the Project

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 (ppm)	Copper (%)	Zinc (%)	Manganese (%)
DOFR03	365148	8026718	-55	180	58	46	52	**6**	**1,213**	**0.55**	**0.39**	**1.43**
DOFR04	365148	8026720	-90	180	112	87	106	**19**	**1,292**	**0.62**	**0.71**	**1.75**
including						87	94	**7**	**1,321**	**1.11**	**1.10**	**1.53**
DOFR05	366981	8026370	-55	180	55	44	48	**4**	**1,290**	**0.57**	**0.45**	**1.69**
DOFR06	366981	8026373	-90	180	86	66	73	**7**	**1,716**	**0.49**	**0.61**	**1.92**
including						69	71	**2**	**3,075**	**0.41**	**1.13**	**3.17**
DOFR07	367745	8026254	-55	180	50	41	45	**4**	**1,475**	**0.80**	**0.62**	**1.91**
DOFR08	367742	8026266	-90	180	99	88	95	**7**	**1,559**	**0.64**	**0.61**	**1.69**
DOFR09	366049	8026549	-55	180	87	76	81	**5**	**1,414**	**0.53**	**0.45**	**1.59**
DOFR10	366060	8026497	-90	180	66	54	61	**7**	**1,299**	**0.53**	**0.62**	**1.57**
DOFR11	370176	8026304	-55	180	70	57	62	**5**	**1,498**	**0.44**	**0.48**	**1.58**
DOFR12	370176	8026305	-90	180	90	*Results Pending*						
DOFR13	372034	8026137	-55	180	50	*Results Pending*						
DOFR14	372034	8026138	-85	180	70	*Results Pending*						
DOFR15	374531	8025781	-55	200	130	*Results Pending*						
DOFR16	374421	8025771	-55	200	70	*Results Pending*						
DOFR17	374422	8025788	-90	200	70	*Results Pending*						
DOFR18	368497	8026351	-55	180	117	*Results Pending*						
DOFR19	368526	8026224	-55	180	99	*Results Pending*						
DOFR20	368497	8026469	-55	180	80	*Results Pending*						
DOFR21	364230	8026530	-55	180	87	*Results Pending*						
DOFR22	364230	8026530	-80	180	81	*Results Pending*						

Note: Significant intersections reported using a cutoff grade of 500 ppm (0.05%) cobalt

Table 1: CLA Drilling at the Opuwo Cobalt Project

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 4). 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.

Celsius is gaining exposure to the Project via the following stages of expenditure on exploration:

- An initial 30% interest will be earned by expenditure of $500,000 within 6 months of exercising the option to proceed,
- a further 30% to be earned following expenditure of a further $1,000,000 within 12 months of completing the stage 1 earn in, and
- a final 16% to be earned following expenditure of a further $1,000,000 within 6 months of completing the stage 2 earn in.

Following the earning of the 76% interest all parties will be required to contribute to exploration.

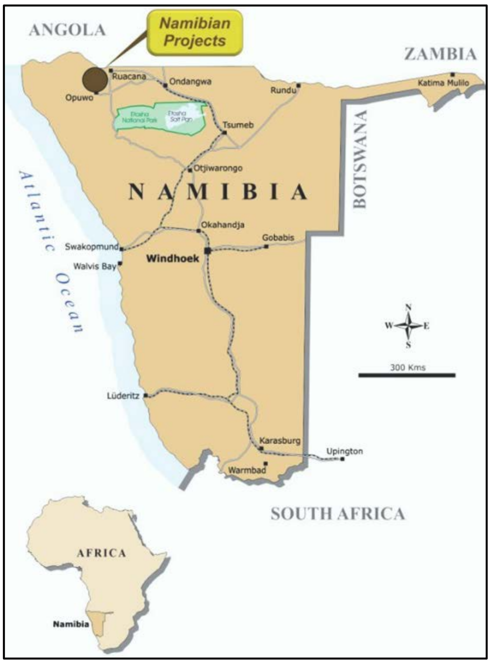

Figure 4: Location of the Opuwo Cobalt Project, Namibia

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.

During the Quarter a ground gravity survey was completed over the Abednegno Hill Project. Data is being processed and interpreted and results will be released once this is completed. Field work planned for the Quarter was deferred due to rain and is anticipated to be completed during the current 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 (**Joint Venture**). Mincor Resources NL (**Mincor**, ASX:MCR) is the operator of the Carnilya Hill JV. No activity was reported by Mincor during the quarter.

Corporate

Mr. Brendan Borg was appointed as Managing Director during the Quarter. Mr. Borg is a highly respected consultant geologist who has specialised in the "battery materials" sector including lithium, graphite and cobalt mineralisation and has been a key part of the commencement of exploration at the Opuwo Project since its acquisition by Celsius.

At the end of the Quarter, the Company held approximately $1.38 million in cash reserves.

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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, assay methods including quality assurance and quality control measure as reported in ASX announcements dated 20 and 27 April, 2017.