



CELSIUS

RESOURCES LTD

ANNUAL REPORT

2017

DIRECTORS

Mr William Oliver	Non-Executive Chairman
Mr Brendan Borg	Managing Director
Mr Ranko Matic	Non-Executive Director
Mr Pine van Wyk	Non-Executive Director

COMPANY SECRETARY

Ranko Matic

REGISTERED OFFICE & CONTACTS

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AUDITORS

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Your directors present their report, together with the financial statements on the consolidated entity, consisting of Celsius Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2017.

DIRECTORS

The names of directors in office at any time during or since the end of the year are listed below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION
Mr William Oliver	Non-Executive Chairman
Mr Brendan Borg	Managing Director (appointed 18 April 2017)
Mr Ranko Matic	Non-Executive Director
Mr Alistair Muir	Non-Executive Director (resigned 18 April 2017)
Pine van Wyk	Non-Executive Director (appointed 4 September 2017)

COMPANY SECRETARY

Mr Ranko Matic held the position of company secretary during and at the end of the financial year.

OPERATING RESULTS

The loss of the consolidated entity amounted to \$781,822 (2016: \$615,849) after providing for income tax and eliminating non-controlling equity interests.

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No dividend has been recommended.

PRINCIPAL ACTIVITIES

During the year, the principal activities of the consolidated entity consisted of mineral exploration and mineral extraction via joint venture arrangements.

REVIEW OF OPERATIONS

Opuwo Cobalt Project, Namibia (Celsius – 95%)

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. 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.

The Project consists of 4 Exclusive Prospecting Licences covering approximately 1,470 km² (Figure 1).

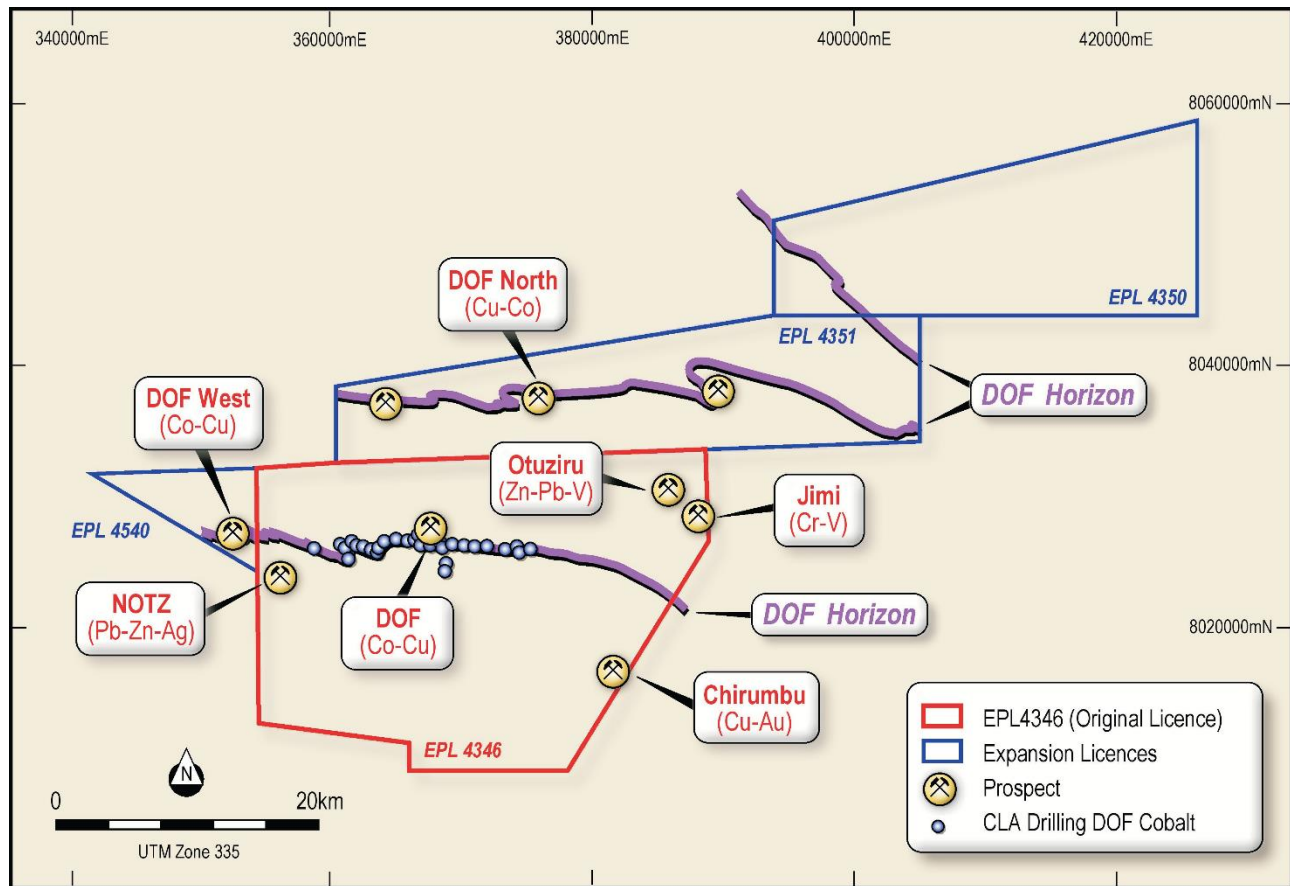


Figure 1: Opuwo Licence and Prospect Map

Celsius commenced exploration drilling on the Project in March, 2017, and have identified cobalt-copper-zinc mineralisation over approximately 15 km of strike length to date. Highlights from the drilling results reported to date include:

- 19 m @ 0.13% cobalt and 0.62% copper, including
- 7 m @ 0.13% cobalt and 1.11% copper
- 13 m @ 0.14% cobalt and 0.51% copper, including
- 10 m @ 0.17% cobalt and 0.66% copper
- 10 m @ 0.14% cobalt and 0.43% copper
- 7 m @ 0.17% cobalt and 0.49% copper, including
- 2 m @ 0.31% cobalt and 0.41% copper
- 7 m @ 0.16% cobalt and 0.64% copper
- 6 m @ 0.17% cobalt and 0.52% copper, including
- 4 m @ 0.23% cobalt and 0.62% copper
- 5 m @ 0.20% cobalt and 0.52% copper

The Company has reported an initial Exploration Target, consisting of between 33 and 41 million tonnes, grading approximately 0.13% - 0.17% cobalt and 0.45% - 0.65% copper, covering the central 11 km portion of the mineralised zone. 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).

A Scoping Study has commenced on the Project, with key consultants appointed, and work programs commenced.

Perth based Orway Mineral Consultants ("OMC") are designing and supervising the metallurgical test work program, with test work to be conducted in Perth by SGS Australia. The work will be 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.

Assuming positive results from the initial metallurgical and mining studies, the Company intends to embark on an aggressive resource drilling campaign in Q4, 2017, and is aiming to report a maiden JORC Mineral Resource and Scoping Study in Q1, 2018.

Western Australian Nickel Assets

Celsius holds an interest in two nickel assets in Western Australia. Celsius (through View Nickel Pty Ltd) has a 100% interest in the Abednegno Hill Nickel Project to the south and west of Minara Resources' Murrin Murrin nickel mine. The tenements are located near to Minara Resources' Murrin Murrin mine and the NiWest operation currently under development by GME Resources Ltd and are believed to have potential for both nickel laterite and nickel sulphide mineralisation. In addition the tenements are located between Leonora and Laverton, west of Dacian Gold's Mt Morgans Project and east of KIN Mining's Leonora Gold Project.

During the reporting period the Company completed a high resolution aeromagnetic survey and a ground gravity survey across the Abednegno Hill Project. As well as providing data on targets identified by historical exploration a number of previously unrecognised targets were identified. While both gold and nickel targets were identified in exploration to date the Company has determined to focus on targets prospective for nickel sulphide mineralisation. A high powered ground electromagnetic survey is planned for implementation in September to test priority targets associated with ultramafic lithologies and gravity anomalies.

Additionally the Company 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. The tenements covered by the Carnilya Hill Joint Venture (JV) include Mining Licences M26/47, M26/48, M26/49 and M26/453. Mincor has not advised the Company of any material results from exploration at the Carnilya Hill Project during the year. While the Carnilya Hill Project has several areas which could be of interest at higher nickel prices, the prices making these prospects viable are far above the prevailing price therefore due to its current financial situation Celsius has elected not to contribute to cash calls for the current period and dilute accordingly.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The consolidated entity continued its activities of mineral exploration and mineral extraction via joint venture arrangements.

The Directors are not aware of any other significant change in the state of affairs of the consolidated entity that occurred during the financial year other than as reported elsewhere in the Annual Report.

FINANCIAL POSITION

The net liabilities of the consolidated entity has increased to become net assets of \$5,345,590 as at 30 June 2017, an increase of \$6,250,338 from net liabilities of \$904,748 at 30 June 2016.

The consolidated entity's net working capital, being current assets less current liabilities is a net current asset of \$3,826,418 (2016: net current liability of \$1,068,505).

EVENTS AFTER THE REPORTING PERIOD

On 14 August 2017 the Company announced that it had completed the acquisition of the initial 30% interest in the Opuwo Cobalt Project, via its subsidiary Opuwo Cobalt Pty Ltd.

Further to the above acquisition, the Company announced on 4 September its plans to increase its holding to a 95% interest in the Opuwo Cobalt Project and acquire a further three licences that surround the Opuwo Cobalt Project. As part of this new agreement, the Company issued 43,750,000 fully paid ordinary shares to Gecko Namibia (Pty) Ltd (this was completed on 13 September 2017) in return for Opuwo Cobalt Pty Ltd to receive the 95% shareholding in Gecko Cobalt Holdings (Pty) Ltd which owns 100% of Gecko Cobalt Mining (Pty) Ltd who will ultimately own the licences (the transfers to the licences are currently being processed by the Minister of Mines in Namibia).

On 18 August 2017 the Company issued 18,000,000 unlisted options at an exercise price of \$0.05 expiring 18 August 2020. 6,000,000 options each were issued to William Oliver, Brendan Borg and Ranko Matic as part of their performance linked remuneration.

On 25 August, 28 August and 13 September 2017 the Company issued 300,000, 430,000 and 500,000 fully paid ordinary shares respectively as a result of listed options being exercised.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY DEVELOPMENTS

The Directors believe, on reasonable grounds, that to include in this report particular information regarding likely developments in the operations of the Company and the expected results of those operations in future financial years would be speculative and likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been included in this report.

ENVIRONMENTAL REGULATION

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory. The directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the "NGER Act") which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current or subsequent financial year. The directors will reassess this position as and when the need arises.

INFORMATION ON DIRECTORS

Mr William Oliver Non-Executive Chairman

Qualifications BSc (Hons), GDipAppFin (FINSIA), MAIG, MAusIMM.

Experience Mr Oliver was appointed to the position of director on 23 December 2011. Mr Oliver has 12 years' experience in the international resources industry working for both major and junior companies. He holds an honours degree in Geology from the University of Western Australia as well as a post-graduate diploma in finance and investment from FINSIA.

Mr Oliver has led large scale resource definition projects for Rio Tinto and previously worked in near mine exploration/resource definition roles for New Hampton Goldfields and Harmony Gold. He managed exploration in Portugal for Iberian Resources Limited including target generation and grassroots exploration across a range of commodities.

More recent roles include Exploration Manager for Bellamel Mining and BC Iron and he is currently Technical Director of Orion Gold NL (ASX:ORN) and Non-Executive Director of Minbos Resources Ltd (ASX:MNB). He has wide-ranging exploration experience including expertise in near-mine exploration/resource extension and resource definition as well as significant experience in the technical and economic evaluation of resources projects.

Interest in Shares and Options 532,834 ordinary shares
 166,667 listed options exercise price \$0.01 expiring 30 December 2018
 6,000,000 unlisted options exercise price \$0.05 expiring 18 August 2020

Directorships held in other listed entities Technical Director of Orion Gold NL (since 7 April 2014)
 Non-Executive Director of Minbos Resources Ltd (since 2 September 2013)

Mr Brendan Borg Managing Director

Qualifications BSc, MSc, MAusIMM

Experience Mr. Borg is a highly respected consultant geologist who has specialised in the "battery materials" sector including lithium, graphite and cobalt mineralisation, participating in numerous successful projects, in an investment and/or operational capacity. Mr. Borg has played a key role in the selection of the Opuwo Cobalt Project and exploration conducted by Celsius to date.

Mr. Borg has 20 years' experience gained working in management, operational and project development roles in the Exploration and Mining industries, with companies including Rio Tinto Iron Ore, Magnis Resources Limited, IronClad Mining Limited, Lithex Resources Limited and Sibelco Australia Limited. Brendan is a Director of geological consultancy Borg Geoscience Pty Ltd, and of a new energy minerals marketing firm, Minemark Pty Ltd.

Interest in Shares and Options 16,000,000 ordinary shares
 3,333,333 listed options exercise price \$0.01 expiring 30 December 2018
 6,000,000 unlisted options exercise price \$0.05 expiring 18 August 2020

Directorships held in other listed entities Nil

Mr Ranko Matic	Non-Executive Director and Company Secretary
Qualifications	B.Bus, CA
Experience	Over 25 years experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Ranko has considerable experience in a range of industries with particular exposure to public listed companies and large private enterprises. He is a Director of a Chartered Accounting firm and a Corporate Advisory company based in Perth, Western Australia and has specialist expertise and exposure in the areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Mr Matic has been involved in an advisory capacity in over 40 initial public offerings on the ASX in the last 15 years, as well as several recapitalisations of public listed companies.
Interest in Shares and Options	69,269 ordinary shares 6,000,000 unlisted options exercise price \$0.05 expiring 18 August 2020
Directorships held in other listed entities	Non-Executive Director of East Energy Resources Ltd (since 13 July 2007) Non-Executive Director of Argosy Minerals Limited (since 17 July 2014) Non-Executive Director of Antilles Oil and Gas NL (since 12 February 2016) Non-Executive Director of Valmec Limited (resigned 7 March 2017)
Mr Pine van Wyk	Non-Executive Director
Qualifications	NHD Met. Eng., B.Com, MBA
Experience	Mr van Wyk 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.
Interest in Shares and Options	2,406,250 ordinary shares Nil
Directorships held in other listed entities	Nil

MEETING OF DIRECTORS

Name	Number of meetings	Number eligible to attend	Number attended
Bill Oliver	2	2	2
Brendan Borg	2	2	2
Ranko Matic	2	2	2
Alistair Muir	2	0	0
Pine van Wyk	2	0	0

There were two directors meetings held during the financial year, however many board matters were dealt with via circular resolutions. The Company does not have a formally constituted audit committee or remuneration committee as the board considers that the Company's size and type of operation do not warrant such committees.

REMUNERATION REPORT (Audited)

This report details the nature and amount of the remuneration for each key management person of Celsius Resources Limited for 30 June 2017.

The remuneration report is set out under the following headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Option holdings
- F Shareholdings
- G Performance rights holdings
- H Related party disclosures

The information provided under headings A-H includes remuneration disclosures that are required under accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

A. Principles used to determine the nature and amount of remuneration

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board recognises that Celsius Resources Limited operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board will continue to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors, which currently stands at \$300,000 per annum, as approved by shareholders at the Annual General Meeting on 21 November 2006. The Board determines actual payments to directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

Performance-based Remuneration

The Company has established a Performance Rights Plan ("PRP") to provide ongoing incentives to Directors, Executives and Employees of the Company. The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of the Directors

and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the PRP are aligned with the successful growth of the Company's business activities.

The Directors and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the PRP is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

Group Performance, Shareholder Wealth and Directors and Executives Remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholder's investment objectives and director's and executive's performance. Currently, directors and executives are encouraged to hold shares in the Company to ensure the alignment of personal and shareholder interests. The Company provides performance based remuneration via their Performance Rights Plan. No Performance Rights are currently on issue.

The following summarises the performance of the Group over the last 5 financial years:

	2017	2016	2015	2014	2013
Revenue (\$)	6,743	2,325	2,648	4,523	256,016
Net profit/(loss) after income tax (\$)	(781,822)	(615,849)	(17,812,494)	(7,068,040)	(6,794,262)
Share price at year end (cents/share)	0.035	0.001*	0.001	0.001	0.015
Dividends paid (cents/share)	-	-	-	-	-

*Suspended as at 30 June 2016. The company last traded at 0.001 cents per share on the 27 January 2016.

B. Details of remuneration

Amounts of remuneration

The remuneration for each key management person of the Company for the year was as follows:

2017

Key Management Person	Short-term Benefits				Post-employment Benefits	Share based Payments		Total	Performance Related	Remuneration Consisting of Options
	Cash, salary & Commissions	Cash profit Share	Non-Cash Benefit	Other	Super-annuation	Equity (Shares & Performance Rights)				
						Options	Performance Rights)			
	\$	\$	\$	\$	\$	\$	\$	%	%	
Mr W Oliver (1)	36,000	-	-	-	-	-	-	36,000	-	-
Mr B Borg	58,990						-	58,990	-	-
Mr A Muir (2)	33,000	-	-	-	-	-	-	33,000	-	-
Mr R Matic (3)	36,000	-	-	-	-	-	-	36,000	-	-
	163,990	-	-	-	-	-	-	163,990		

2016

Key Management Person	Short-term Benefits				Post-employment Benefits	Share based Payments		Total	Performance Related	Remuneration Consisting of Options
	Cash, salary & Commissions	Cash profit Share	Non-Cash Benefit	Other	Super-annuation	Equity (Shares & Performance Rights)				
						Options				
\$	\$	\$	\$	\$	\$	\$	\$	%	%	
Mr W Oliver	36,000	-	-	-	-	-	-	36,000	-	-
Mr A Muir	36,000	-	-	-	-	-	-	36,000	-	-
Mr R Matic (3)	36,000	-	-	-	-	-	-	36,000	-	-
	108,000	-	-	-	-	-	-	108,000		

- 1 The above are solely director fees. Cash from other activities are also paid to Billandbry Consulting Pty Ltd, a company with which Mr Oliver is a shareholder and director. The payments are for the provision of geological consulting services and disclosed in section H of the Remuneration Report.
- 2 The above are solely director fees. Cash from other activities are also paid to Kanyalat Pty Ltd, a company with which Mr Muir is a shareholder and director. The payments are for the provision of geological consulting services and disclosed in section H of the Remuneration Report
- 3 The above are solely director fees. Cash from other activities are also paid to Bentleys Corporate Advisory (WA) Pty Ltd, a company with which Mr Matic is a shareholder and director. The payments are for the provision of corporate secretarial and accounting services and disclosed in section H of the Remuneration Report

C. Service agreements

There were no key management personnel that have or had service agreements for the year ended 30 June 2017, other than as disclosed below.

Employment Contracts of Key Management Personnel

Each member of the Company's key management personnel are employed on open ended employment contracts between the individual person and the Company. The Managing Director Mr Borg is employed as an executive as at the date of this report.

Non-Executive Directors have entered into a service agreement with the Company in the form of a letter of appointment.

The below is as at the date of the financial report:

Key Management Person	Appointment	Term of Agreement	Base Salary (excludes GST) \$ p.a.	Termination Benefit
Willam Oliver	Non-Executive Chairman	No fixed term	36,000	Nil
Brendan Borg	Managing Director	No fixed term	290,909	3 months
Ranko Matic	Non-Executive Director	No fixed term	36,000	Nil

D Share-based compensation

Options

There were no options granted or share based compensation provided during the year ended 30 June 2017.

Shareholdings

There were no shares issued to the directors during the year ended 30 June 2017. The shares issues related to payment of compensation for the financial year ended 30 June 2016.

E Option Holdings

The number options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

30 June 2017	Balance at beginning of the year	Granted as remuneration during the year	Acquired on-market or as part of capital raising	Exercise of options	Other changes during the year (resignation)	Balance at end of year
Mr W Oliver	-	-	166,667	-	-	166,667
Mr B Borg (appointed 18 April 2017)	-	-	3,333,333	-	-	3,333,333
Mr A Muir (resigned 18 April 2017)	-	-	166,667	-	(166,667)	-
Mr R Matic	-	-	-	-	-	-
	-	-	3,666,667	-	(166,667)	3,500,000

F Shareholdings

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

30 June 2017	Balance at beginning of the year	Granted as remuneration during the year	Purchased on-market or as part of capital raising	Other changes during the year (resignation)	Balance at end of year
Mr W Oliver	32,834	-	500,000	-	532,834
Mr B Borg (appointed 18 April 2017)	-	-	15,000,000	-	15,000,000
Mr A Muir (resigned 18 April 2017)	97,094	-	500,000	(597,094)	-
Mr R Matic	69,269	-	-	-	69,269
	199,197	-	16,000,000	(597,094)	15,602,103

G Performance Rights Holdings

There were no performance rights issued or on issue during the financial year.

H Related Party Disclosures

a) Transactions with related parties

During the year, there were payments made to Bentleys Corporate Advisory (WA) Pty Ltd, a company with which Mr Matic is a shareholder and director. The payments are for the provision of tax advisory services, corporate secretarial and accounting services and amounted to \$94,095 (2016: \$58,898). Payments were also made to this company for services provided as a director of the Company and amounted to \$36,000 (2016: \$36,000).

During the year, there were payments made to Kanyalat Pty Ltd, a company with which Mr Muir is a shareholder and director. The payments are for the provision of geological consulting services and amounted to \$1,800 (2016: nil). Payments were also made to this company for services provided as a director of the Company and amounted to \$33,000 (2016: \$36,000).

During the year, there were payments made to Billandbry Consulting Pty Ltd, a company with which Mr Oliver, is a shareholder and director. The payments are for the provision of geological consulting services and amounted to \$32,150 (2016: nil). Payments were also made to this company for services provided as a director of the Company and amounted to \$36,000 (2016: \$36,000).

DIRECTORS' REPORT

During the year, there were payments made to Borg Geoscience Pty Ltd, a company with which Mr Borg, is a shareholder and director. The payments are for the provision of Managing Director fees and amounted to \$58,990 (2016: nil).

There were no other transactions with related parties. All related party transactions are on normal commercial terms and conditions.

b) Payables owing to related parties

	2017	2016
	\$	\$
Billandbry Consulting Pty Ltd	10,400	15,950
Bentleys Corporate Advisory (WA) Pty Ltd	12,182	21,668
Kanyalat Pty Ltd	-	12,000
Borg Geoscience Pty Ltd	26,667	-
	<u>49,249</u>	<u>49,618</u>

This concludes the remuneration report, which has been audited.

SHARES UNDER OPTION

Unissued ordinary share of Celsius Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
14 December 2016	30 December 2018	\$0.01	91,516,364
18 May 2017	18 May 2020	\$0.05	16,000,000
19 May 2017	19 May 2020	\$0.075	2,000,000
19 May 2017	19 May 2020	\$0.10	2,000,000
19 May 2017	19 May 2020	\$0.125	2,000,000
18 August 2017	18 August 2020	\$0.05	18,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Celsius Resources Limited were issued during the year end 30 June 2017 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
14 December 2016	\$0.01	56,413,428

INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the directors and executives of the company for the costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on

behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

NON AUDIT SERVICES

Non-audit services were provided to the company by the Company's external auditor during the financial year. The Company paid \$8,000 (2016: nil) for the external auditor to provide an Independent Assurance Report for the Company's recapitalisation prospectus during the year.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners of RSM Australia Partners.

AUDITOR

RSM Australia Partners were appointed as the Company's auditors at the 2011 Annual General Meeting and continues in office in accordance with section 327 of the Corporations Act 2001.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' Independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



William Oliver
Non-Executive Chairman

Date: 29 September 2017
Perth

The Board has reviewed its current practices in light of the revised ASX Corporate Governance Principles and Recommendations with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

	PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
	Recommendation	Celsius Resources Ltd Current Practice
1.1	A listed entity should disclose: (a) respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management	Adopted The Directors have adopted a Board Charter which outlines the role of the Board. This is contained within their Corporate Governance Plan document, a copy of which is available on the Company's website – http://www.celsiusresources.com.au/profile/corporate-governance/ Executive Service Agreements outline functions of the executive directors. Non-executive Director appointment letters outline the terms and conditions of non-executive director appointments. As the Company recruits additional management, the roles and responsibilities of these persons will be considered and documented.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director	Adopted Material information in relation to a director up for re-election is provided in the Notice of Meeting for each AGM including background, other material directorships, term and the Board's consideration of them as independent or non independent director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Adopted All directors have a written agreement with the Company setting out the terms of their appointments.
1.4	The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.	Adopted The responsibilities of the Company Secretary are contained within the Board Charter.
1.5	A listed entity should: (a) Have a diversity Policy which includes requirements for Board/Committee to set measurable objectives for achieving gender diversity and assess them and achieving them annually (b) disclose that policy (c) disclose at end of reporting period how objectives are being achieved via: (i) respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how senior exec is defined); or (ii) if entity is a "relevant employer" under the Workplace Gender Equality Act, the entities most recent "Gender Equality	Partially Adopted The Company has adopted a Diversity Policy within its Corporate Governance Plan document. Although it contains objectives, they are general in nature and not considered measurable. There are no immediate plans to further develop these objectives to include measurable objectives. The Company makes the following disclosures regarding the proportion of women employed in the organisation: - Women on Board: 0% - Women in Senior Management: 0% - Women in whole organisation: 0%
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and	Adopted The Company has a performance evaluation policy, as detailed in Schedule 6 of its Corporate Governance Plan document

	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	providing for an annual review on the board, directors and management. An evaluation has not taken place within the financial period.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Adopted. As detailed above, the Company has a performance evaluation policy which include the performance of executives. An evaluation did not take place this financial period.
PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE		
	Recommendation	Celsius Resources Limited Current Practice
2.1	The board of a listed entity should: (a) Have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by a independent director; and disclose: (i) the charter of the committee; (ii) the members of the committee; and (iii) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or (b) If it does not have a nomination committee disclose that fact and the processes it employs to address board succession issue and to ensure that the board has the appropriate balance of skills, knowledge experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Not Adopted The Company does not have a separate nomination committee and the full board will consider the matters and issues arising that would usually fall to the nomination committee in accordance with the Nomination Committee Charter. The Company has adopted a Nomination Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Nomination Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee. The Nomination Committee Charter is detailed in Schedule 5 of the Corporate Governance Plan document available on the Company's website http://www.celsiusresources.com.au/profile/corporate-governance/
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Not Adopted The Company currently has a mixture of skills on the Board, including technical, financial, business, management and leadership. There is a statement on Board Composition contained on the Corporate Governance page on the Company's website. http://www.celsiusresources.com.au/profile/corporate-governance/ . There is no immediate plans to develop and disclose a Board Skills Matrix.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors (b) if a director has an interest, position, association or relationship as described in Box 2.3 (Factors relevant to assessing independence) but the board is of the opinion that it doesn't compromise the independence of the director, nature of the interest, position, association or relationship and an explanation as to why the board is of that opinion; and (c) the length of service of each director.	Adopted. (a) Ranko Matic – Independent William Oliver – Independent (b) n/a (c) Ranko Matic - appointment 5 November 2012 – 4 years 11 months William Oliver – appointment - 23 December 2010 - 7 years, 9 month
2.4	A majority of the Board of a listed entity should be independent directors.	Not Adopted. Currently 50% of the board are considered independent directors as per box 2.3 of the ASX Corporate Governance Principles and Recommendations.
2.5	The Chair of a Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Adopted. William Oliver is the current Chairman of the Company and Brendan Borg is the Managing Director of the Company, this

		recommendation is satisfied.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Adopted. The induction of new directors is currently completed by the Company Secretary. All Directors have access to professional development opportunities to improve on their skills and knowledge to assist in their roles as directors.
PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING		
	Recommendation	Celsius Resources Limited Current Practice
3.1	A listed entity should: (a) Have a code of conduct for its directors, senior executives and employees; and (b) (b) disclose that code of conduct or a summary of it.	Adopted. Copy of Code of Conduct is contained within the Company's Corporate Governance Plan which is published on the Company's website and available at http://www.celsiusresources.com.au/profile/corporate-governance/
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING		
	Recommendation	Celsius Resources Limited Current Practice
4.1	The board of a listed entity should: (a) have an audit committee which: (i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board; And disclose: (iii) the charter of the committee (iv) the relevant qualifications and experience of the member of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Not Adopted The role of the audit committee is currently undertaken by the full board. The Company has adopted an Audit and Risk Committee Charter which is published in the Company's Corporate Governance Plan and available on the Company's website http://www.celsiusresources.com.au/profile/corporate-governance/ The Board follows the Audit and Risk Committee Charter which provides for integrity of corporate reporting and the removal of the external auditor and the rotation of the audit engagement partner.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Adopted
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit	Adopted

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
	Recommendation	Celsius Resources Limited Current Practice
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it	Adopted. The Company has a Continuous Disclosure Policy which is published in the Company's Corporate Governance Plan document which is available on the Company's website. Refer http://www.celsiusresources.com.au/profile/corporate-governance/
PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS		
	Recommendation	Celsius Resources Limited Current Practice
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Adopted Refer to the Company's Corporate Governance page on its website – http://www.celsiusresources.com.au/profile/corporate-governance/
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Adopted The Company has a Shareholder Communication strategy which is contained in the Company's Corporate Governance Plan document, which is published on its website – http://www.celsiusresources.com.au/profile/corporate-governance/
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Adopted The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to be asked at the meeting to the Board and to the Company's auditors.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Adopted
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
	Recommendation	Celsius Resources Limited Current Practice
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, And disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Not Adopted The Company does not currently have a Risk Committee. The role of the risk committee is undertaken by the whole board. The Board follows the Audit and Risk Committee Charter and the Risk Management plan as contained within the Corporate Governance Plan document as published on the company's website http://www.celsiusresources.com.au/profile/corporate-governance/ Within the "disclosure – Risk Management" section of the Corporate Governance Plan, the Company undertakes regular risk management reviews.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	Adopted. The Board reviews risk on a regular basis with following policies and procedures forming part of the Company's Risk Management Framework:

	(b) disclose, in relation to each reporting period, whether such a review has taken place.	- Audit and Risk Committee Charter - Disclosure – Risk Management, as in Schedule 8 in the Corporate Governance document. A review has not taken place in the reporting period.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Not Adopted The Company does not have a structured formalised internal audit function, however historically the Board has reviewed the internal control systems and risk management policies on an annual basis. Internal controls are reviewed on an annual basis.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Not Adopted. The Company does not have a sustainability policy. However the Company does have the following policies: - Occupational Health and Safety Policy - Community Engagement Policy - Environmental Policy As available on the Company's website, which does address some of these sustainability issues.
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
	Recommendation	Celsius Resources Limited Current Practice
8.1	The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Not Adopted. The Company does not have a Remuneration Committee. The role of the remuneration committee is currently undertaken by the full board. The Company has adopted a Remuneration Committee Charter which is contained within the Company's Corporate Governance Plan document and published on the Company's website http://www.celsiusresources.com.au/profile/corporate-governance/. The Board follows the Remuneration Committee Charter which provides for dealing with board remuneration issues.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Adopted. This information is contained within the Remuneration Report of the Annual Report. Setting remuneration for executives is set out in the Remuneration Committee Charter.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Not Applicable

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**



		Consolidated	
	Notes	2017	2016
		\$	\$
Revenue	3	6,743	2,325
Directors' and employee benefits expense		(70,021)	(96,000)
Share based payment	12	(116,600)	-
Legal and other professional fees		(233,063)	(265,045)
Finance costs		(22,860)	(156,387)
Travel and accommodation		(1,965)	-
Other expenses	4	(344,056)	(98,206)
Foreign exchange (loss)/gain		-	(2,536)
Loss before income tax		(781,822)	(615,849)
Income tax expense	5	-	-
Loss for the year		(781,822)	(615,849)
Other comprehensive income			
<i>Items that may be reclassified subsequently to operating result</i>		-	-
Total comprehensive loss for the year		(781,822)	(615,849)
Earnings per share		Cents	Cents
- Basic earnings per share	19	(0.40)	(0.39)
- Diluted earnings per share	19	(0.40)	(0.39)

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**



	Notes	Consolidated	
		2017	2016
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	6	3,856,237	22,166
Trade and other receivables		47,731	74,905
Total current assets		3,903,968	97,071
Non-current assets			
Deferred exploration expenditure	7	1,519,172	163,757
Total non-current assets		1,519,172	163,757
Total assets		5,423,140	260,828
LIABILITIES			
Current liabilities			
Trade and other payables	8	77,550	279,581
Borrowings	9	-	885,995
Total current liabilities		77,550	1,165,576
Total liabilities		77,550	1,165,576
Net assets/(liabilities)		5,345,590	(904,748)
EQUITY			
Issued capital	10	35,472,171	28,919,711
Reserves	11	479,700	754,245
Accumulated losses		(30,606,281)	(30,578,704)
Total equity/(deficiency in equity)		5,345,590	(904,748)

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**



	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Option Reserve	Total
Balance at 1 July 2015	28,753,892	(29,962,855)	40,077	714,168	(454,718)
Loss for the year	-	(615,849)	-	-	(615,849)
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss) / income for the year	-	(615,849)	-	-	(615,849)
Transactions with owners, directly in equity					
Issue of share capital	187,602	-	-	-	187,602
Capital raising costs	(21,783)	-	-	-	(21,783)
Balance at 30 June 2016	28,919,711	(30,578,704)	40,077	714,168	(904,748)
Balance at 1 July 2016	28,919,711	(30,578,704)	40,077	714,168	(904,748)
Loss for the year	-	(781,822)	-	-	(781,822)
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss) / income for the year	-	(781,822)	-	-	(781,822)
Transactions with owners, directly in equity					
Issue of capital	7,191,187	-	-	15,900	7,207,087
Capital raising costs	(638,727)	-	-	-	(638,727)
Share based payments	-	-	463,800	-	463,800
Expiration of options	-	754,245	(40,077)	(714,168)	-
Balance at 30 June 2017	35,472,171	(30,606,281)	463,800	15,900	5,345,590

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 30 JUNE 2017**



		Consolidated	
	Notes	2017	2016
		\$	\$
Cash flows from operating activities			
Expenditure on mining interests		(1,058,122)	(26,372)
Payments to suppliers and employees		(556,909)	(356,911)
Interest received		6,743	2,325
Interest paid		-	(88)
Net cash outflow from operating activities	20	(1,608,288)	(381,046)
Cash flows from financing activities			
Proceeds from issue of shares		5,733,886	-
Payment of capital raising costs		(291,527)	(3,668)
Net cash inflow from financing activities		5,442,359	(3,668)
Net increase/(decrease) in cash held		3,834,071	(384,714)
Cash at the beginning of the financial year		22,166	406,880
Cash at the end of the financial year	6	3,856,237	22,166

The accompanying notes form part of this financial report.

These consolidated financial statements and notes represent those of Celsius Resources Limited and its controlled entities (the "consolidated entity" or "Group"). The separate financial statements of the parent entity, Celsius Resources Limited have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 29 September 2017 by the directors of the company.

1. Summary of significant accounting policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Corporations Act 2001, Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. Except for cash flow information, these financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Celsius Resources Limited at the end of the reporting period. A controlled entity is any entity over which Celsius Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist where the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated entity have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the statement of financial position and statement of profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

c) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated financial statements, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of profit or loss and other comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of profit or loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

d) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

1. Summary of significant accounting policies (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Celsius Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 12 August 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

e) Trade receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 120 days from the date of recognition.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

f) Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

The depreciable amount of all plant and equipment is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

1. Summary of significant accounting policies (continued)

g) Impairment of assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset is impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in the profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

i) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated entity during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

j) Borrowings

Loans and debentures are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

On issue of convertible notes, the fair value of the liability component, being the obligation to make future payments of principal and interest to noteholders, is calculated using a market interest rate for an equivalent non-convertible note. The residual amount, representing the fair value of the conversion option, is included in equity as other equity securities with no recognition of any change in the value of the option in subsequent periods. The liability is included in borrowings and carried on an amortised cost basis with interest on the notes recognised as borrowing costs on an effective yield basis until the liability is extinguished on conversion or maturity of the notes.

1. Summary of significant accounting policies (continued)

k) Exploration and evaluation expenditure

Exploration and evaluation expenditures are written off as incurred, except when such costs are expected to be recouped through successful development and exploitation, or sale, of an area of interest. In addition, exploration assets recognised on acquisition of an entity are carried forward provided that exploration and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

The expenditure carried forward when recovery is expected represents an accumulation of direct net exploration and evaluation costs incurred by or on behalf of the consolidated entity and applicable indirect costs, in relation to separate areas of interest for which rights of tenure are current.

If it is established subsequently that economically recoverable reserves exist in a particular area of interest, resulting in the decision to develop a commercial mining operation, then in that year the accumulated expenditure attributable to that area, to the extent that it does not exceed the recoverable amount for the area concerned, will be transferred to mine development. As such it will be subsequently amortised against production from that area. Any excess of accumulated expenditure over recoverable amounts will be written off to the statement of profit or loss and other comprehensive income.

l) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with short periods to maturity and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

n) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

o) Employee benefits

Equity-settled compensation

The consolidated entity operates equity-settled share based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account.

Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is shown in the option reserve.

1. Summary of significant accounting policies (continued)

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using an appropriate valuation model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

p) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

r) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

s) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

1. Summary of significant accounting policies (continued)

Amortised cost is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- d. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (All other loans and receivables are classified as non-current assets).

ii. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired.

Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

1. Summary of significant accounting policies (continued)

t) Critical accounting judgments, estimates and assumptions

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

There have been no judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in these financial statements.

Following is a summary of the key assumptions concerning the future and other key sources of estimation at reporting date that have not been disclosed elsewhere in these financial statements.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Share based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

(v) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(w) New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected

1. Summary of significant accounting policies (continued)

credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective. Although the directors anticipate that the adoption of AASB 9 will impact the Group's financial statements the impact of its adoption has been assessed to be immaterial.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Given the Group does not currently generate revenue and it is not anticipated to do so in the near future the adoption of this standard is unlikely to have a material impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116 : Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements the impact of its adoption has been assessed to be immaterial.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (continued)



2. Segment information

The consolidated entity operates within two geographical segments within mineral exploration and extraction being Australia and Namibia. The segment information provided to the chief operating decision maker is as follows:

2017	Exploration activities AUSTRALIA \$	Exploration Activities NAMIBIA \$	Consolidated \$
Segment revenue	6,743	-	6,743
Total revenue			6,743
Segment result before income tax	(781,772)	(50)	(781,822)
Profit before income tax			(781,822)
Segment assets	4,207,531	1,215,609	5,423,140
Total assets			5,423,140
Segment liabilities	77,550	-	77,550
Total Liabilities			77,550
2016	Exploration activities AUSTRALIA \$	Exploration Activities NAMIBIA \$	Consolidated \$
Segment revenue	2,325	-	2,325
Total revenue			2,325
Segment result before income tax	(615,849)	-	(615,849)
Profit before income tax			(615,849)
Segment assets	260,828	-	260,828
Total assets			260,828
Segment liabilities	1,165,576	-	1,165,576
Total Liabilities			1,165,576

	Consolidated	
	2017	2016
	\$	\$
3. Other income		
Interest	6,743	2,325
	6,743	2,325

4. Other expenses

Expenses, excluding finance costs, included in the Statement of Profit or Loss and Other Comprehensive Income classified by nature

Marketing & Promotion	106,652	-
Consulting fees	23,000	-
Regulatory costs	140,033	93,328
Sundry expenses	74,371	4,878
	344,056	98,206

5. Income tax expense

	Consolidated	
	2017	2016
	\$	\$
Loss before income tax expense	(781,822)	(615,849)
Tax at the Australian tax rate of 27.5% (2016: 28.5%)	(215,001)	(175,517)
Tax effect amounts which are not deductible in calculating taxable income	60,407	52,220
Deferred tax assets not brought to account	154,594	123,297
Income tax expense	-	-
Tax benefit not recognised – opening balance	26,320,497	27,645,437
Reduction in opening deferred taxes resulting from reduction in tax rate	(263,205)	(1,382,272)
	26,057,292	26,263,165
Tax benefit not recognised – current year	(632,994)	57,332
Tax benefit at 27.5% not recognised (2016: 28.5%)	25,424,298	26,320,497

The deferred tax asset attributable to carried forward income tax losses and temporary differences has not been recognised as an asset as the company has not commenced trading and the availability of future profits to recoup these losses is not considered probable at the date of this report.

6. Cash and cash equivalents

Cash at bank and on hand	506,237	22,166
Short-term bank deposits	3,350,000	-
	3,856,237	22,166

7. Deferred exploration expenditure

Expenditure brought forward	163,757	137,264
Expenditure acquired during the year (Note 17)	277,778	-
Expenditure incurred during the year	1,077,637	26,493
Expenditure carried forward	1,519,172	163,757

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of the mineral resource.

8. Trade and other payables

Trade creditors	54,950	267,081
Accrued expenses	22,600	12,500
	77,550	279,581

9. Borrowings

Convertible notes	-	700,000
Accrued interest on convertible notes	-	185,995
	-	885,995

The prior year balance comprised of Convertible Notes issued to various noteholders. The Convertible Notes and accrued interest were converted into 90,885,457 fully paid ordinary shares and 45,442,734 listed options on 14 December 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (continued)



	Consolidated	
	2017	2016
	\$	\$
10. Issued Capital		
Ordinary shares – fully paid	37,903,175	30,711,988
Capital raising costs	(2,431,004)	(1,792,277)
	<u>35,472,171</u>	<u>28,919,711</u>

a) Ordinary Shares

	2017	2016		2017	2016
Date	No. of shares	No. of shares	Issue price \$	\$	\$
At the beginning of the reporting period:	1,614,034	3,010,530,130		28,919,711	28,753,892
1:2,000 Share Consolidation during the year					
– 5 February 2016	-	(3,217,362,840)	-	-	-
Shares issued during the year					
– 9 September 2015	-	12,077,300	0.0009	-	10,870
– 1 December 2015	-	196,369,444	0.0009	-	176,732
– 14 December 2016	278,346,629	-	0.01	2,783,467	-
– 30 January 2017	4,500,000	-	0.01	45,000	-
– 31 January 2017	4,500,000	-	0.01	45,000	-
– 1 February 2017	5,300,000	-	0.01	53,000	-
– 9 February 2017	10,370,621	-	0.01	103,706	-
– 14 February 2017	6,682,808	-	0.01	66,828	-
– 14 February 2017	1,800,000	-	0.03	54,000	-
– 16 February 2017	3,833,332	-	0.01	38,333	-
– 17 February 2017	840,000	-	0.01	8,400	-
– 20 February 2017	1,115,000	-	0.01	11,150	-
– 27 February 2017	630,000	-	0.01	6,300	-
– 28 February 2017	800,000	-	0.01	8,000	-
– 1 March 2017	500,000	-	0.01	5,000	-
– 2 March 2017	5,175,000	-	0.01	51,750	-
– 3 March 2017	1,500,000	-	0.01	15,000	-
– 6 March 2017	27,777,773	-	0.01	277,778	-
– 7 April 2017	1,000,000	-	0.01	10,000	-
– 27 April 2017	1,836,667	-	0.01	18,367	-
– 18 May 2017	94,594,600	-	0.037	3,500,000	-
– 18 May 2017	80	-	0.10	8	-
– 19 May 2017	3,900,000	-	0.01	39,000	-
– 20 June 2017	750,000	-	0.01	7,500	-
– 23 June 2017	1,950,000	-	0.01	19,500	-
Options exercised	-	-	-	24,100	-
Capital raising costs	-	-	-	(638,727)	(21,783)
At the end of the reporting period	<u>459,316,544</u>	<u>1,614,034</u>		<u>35,472,171</u>	<u>28,919,711</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll, each share is entitled to one vote.

b) Capital Management

The objectives of management when managing capital is to safeguard the Group's ability to continue as a going concern, so that the Group may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2017 and 2016 is as follows:

	2017	2016
	\$	\$
Cash and cash equivalents	3,856,237	22,166
Trade and other receivables	47,731	74,905
Trade and other payables	(77,550)	(279,581)
Short term borrowings	-	(885,995)
Working capital position	<u>3,826,418</u>	<u>(1,068,505)</u>

11. Reserves

	Consolidated	
	2017	2016
	\$	\$
Option reserve	15,900	714,168
Share based payment reserve	463,800	40,077
	<u>479,700</u>	<u>754,245</u>
<i>Movements</i>		
Option reserve		
Balance 1 July	714,168	714,168
Transfer to accumulated losses	(714,168)	-
Issue of options	40,000	-
Exercise of options	(24,100)	-
Balance 30 June	<u>15,900</u>	<u>714,168</u>
Share based payments reserve		
Balance 1 July	40,077	40,077
Transfer to accumulated losses	(40,077)	-
Issue of options for services	116,600	-
Issue of options for capital raising activities	347,200	-
Balance 30 June	<u>463,800</u>	<u>40,077</u>

i. A summary of the movements of all company options issues is as follows:

	Number	Weighted average exercise price
Options outstanding as at 30 June 2015	<u>84,500,000</u>	<u>\$0.0295</u>
Cancelled	(59,500,000)	\$0.0313
Consolidated 1:2,000	(24,987,500)	\$50.00
Expired	(12,500)	\$50.00
Options exercisable as at 30 June 2016	<u>-</u>	<u>-</u>
Issued	169,929,792	\$0.0169
Exercised	(55,183,428)	\$0.01
Options exercisable as at 30 June 2017	<u>114,746,364</u>	<u>\$0.0137</u>

55,183,428 listed options with an exercise price of \$0.01 were exercised during the financial year (2016: Nil).

There were no options granted to employees during the year (2016: Nil).

There were no shares issued to directors during the year which related to remuneration of the prior financial year (2016: \$176,733).

Set out below are the options exercisable at the end of the financial year:

Issue date	Expiry date	2017 Number	2016 Number
14 December 2016	30 December 2018	92,746,264	-
18 May 2017	18 May 2020	16,000,000	-
19 May 2017	19 May 2020	6,000,000	-
		<u>114,746,264</u>	<u>-</u>

- ii A summary of the movements of all company performance shares issues is as follows:

	Number
Performance shares outstanding as at 30 June 2016	<u>927,000,000</u>
Consolidated 1:2,000	(926,536,453)
Cancelled	(463,547)
Performance shares outstanding as at 30 June 2017	<u>-</u>

At the competition of the Company's capital raising in December 2016, all performance shares were cancelled after this was approved at a general meeting of ordinary shareholders in Oct 2016.

There was no value associated with the performance shares cancelled during the financial year.

12. Share based payment transactions

Share based payments in the financial statements include \$347,200 in capital raising costs (2016: nil) and \$116,600 in share based payment expense to consultants (2016: nil). The total fair value of the options issued for the share based payments during the financial year was \$463,800 (2016: nil). For the options issued during the current financial year a Black Scholes option pricing model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Number of Options	Value per Option	Total Value
		\$	\$	%	%	#	\$	\$
18 May 2017	18 May 2020	0.035	0.050	113	0	16,000,000	0.0217	347,200
19 May 2017	19 May 2020	0.038	0.075	113	0	2,000,000	0.0213	42,600
19 May 2017	19 May 2020	0.038	0.100	113	0	2,000,000	0.0193	38,600
19 May 2017	19 May 2020	0.038	0.125	113	0	2,000,000	0.0177	35,400
						<u>22,000,000</u>		<u>463,800</u>

13. Interests of Key Management Personnel ("KMP")

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2017.

The total remuneration paid to KMP of the company and the group during the year are as follows:

	2017	2016
	\$	\$
Short-term employee benefits	163,990	108,000
Post-employment benefits	-	-
Share based payments	-	-
	<u>163,990</u>	<u>108,000</u>

14. Related parties

a) Parent entity

The parent entity is Celsius Resources Limited.

b) Controlled entities

Interests in controlled entities are set out in note 17.

c) Key management personnel

Disclosures relating to key management personnel are set out in the Remuneration Report in the Directors' Report.

d) Transactions and balances with related parties

Disclosures relating to transactions with related parties are set out in the Remuneration Report in the Directors' Report.

15. Remuneration of auditors

	Consolidated	
	2017	2016
	\$	\$
<i>RSM Australia Partners</i>		
Audit and review fees	27,500	24,500
Other – Independent Assurance Report	8,000	-
	<u>35,500</u>	<u>24,500</u>

16. Commitments for expenditure

(a) Tenement Expenditure Commitments:

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

	2017 \$	2016 \$
The Company has tenement rental and expenditure commitments payable of:		
– not later than 12 months	1,610,801	97,222
– between 12 months and 5 years	250,000	-
	1,860,801	97,222

(b) Capital commitments

There are no capital commitments contracted for at balance date.

17. Controlled entities

Name of Entity	Country of Incorporation	Class of Shares	Percentage Owned (%)	
			2017	2016
Opuwo Cobalt Pty Ltd	Australia	Ordinary	100%	-
View Nickel Pty Ltd	Australia	Ordinary	100%	100%

On 6 March 2017 the Company issued 27,777,773 fully paid ordinary shares at an issue price of \$0.01 each as consideration for the purchase of 100% of the shares in Opuwo Cobalt Pty Ltd.

Management has determined that the acquisition of Opuwo Cobalt Pty Ltd does not meet the definition of a business within AASB 3 *Business Combinations* and has accounted for the transaction as an asset acquisition within AASB 6 *Exploration and Evaluation of Mineral Resources*. The mining tenements acquired for \$277,778 are included within deferred exploration expenditure as at 30 June 2017. No other assets or liabilities were acquired in the transaction.

18. Events after the reporting period

On 14 August 2017 the Company announced that it had completed the acquisition of the initial 30% interest in the Opuwo Cobalt Project, via its subsidiary Opuwo Cobalt Pty Ltd.

Further to the above acquisition, the Company announced on 4 September its plans to increase its holding to a 95% interest in the Opuwo Cobalt Project and acquire a further three licences that surround the Opuwo Cobalt Project. As part of this new agreement, the Company issued 43,750,000 fully paid ordinary shares to Gecko Namibia (Pty) Ltd (this was completed on 13 September 2017) in return for Opuwo Cobalt Pty Ltd to receive the 95% shareholding in Gecko Cobalt Holdings (Pty) Ltd which owns 100% of Gecko Cobalt Mining (Pty) Ltd who will ultimately own the licences (the transfers to the licences are currently being processed by the Minister of Mines in Namibia).

On 18 August 2017 the Company issued 18,000,000 unlisted options at an exercise price of \$0.05 expiring 18 August 2020. 6,000,000 options each were issued to William Oliver, Brendan Borg and Ranko Matic as part of their performance linked remuneration.

On 25 August, 28 August and 13 September 2017 the Company issued 300,000, 430,000 and 500,000 fully paid ordinary shares respectively as a result of listed options being exercised.

18. Events after the reporting period (continued)

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity the results of those operations, or the state of affairs of the consolidated entity in future financial years.

19. Earnings per share

	Consolidated	
	2017	2016
	\$	\$
a) Reconciliation of earnings to profit or loss:		
Loss	(781,822)	(615,849)
Loss used to calculate basic and diluted EPS	(781,822)	(615,849)
	Number	Number
b) Weighted average number of ordinary shares used as the denominator in calculating basic EPS	192,880,255	1,566,988
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	192,880,255	1,566,988
c) Anti-dilutive options on issue not used in dilutive EPS calculation	62,124,939	-

20. Cash flow information

	Consolidated	
	2017	2016
	\$	\$
a) Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss after income tax	(781,822)	(615,849)
Share based payment	116,600	-
Interest expense paid in shares	22,860	-
Payments to suppliers and employees in shares	564,347	169,488
Change in operating assets and liabilities and net of effects from purchase of controlled entity:		
Trade debtors and receivables	27,174	(64,265)
Deferred exploration expenditure	(1,355,415)	(26,493)
Trade and other creditors	(202,032)	156,073
Net cash outflow from operating activities	(1,608,288)	(381,046)

Non-cash investing activities

On 6 March 2017 the Company issued 27,777,773 fully paid ordinary shares at an issue price of \$0.01 each as consideration for the purchase of 100% of the shares in Opuwo Cobalt Pty Ltd.

21. Parent entity disclosures

(a) Financial Position

Assets

Current Assets

Non-Current Assets

Total Assets

Liabilities

Current Liabilities

Non-Current Liabilities

Total Liabilities

Equity

Issued capital

Reserves

Accumulated losses

Total Equity

(b) Financial Performance

Profit/(loss) for the year

Other comprehensive income

Total Comprehensive Loss

(c) Contingent Liabilities of the Parent Entity

There are no such contingencies.

(d) Commitments of the Parent Entity

Not later than 12 months

Between 12 months and 5 years

Total

	2017 \$	2016 \$
Current Assets	3,902,017	100,572
Non-Current Assets	1,360,988	1
Total Assets	5,263,005	100,573
Liabilities		
Current Liabilities	77,550	1,165,576
Non-Current Liabilities	-	-
Total Liabilities	77,550	1,165,576
Equity		
Issued capital	35,472,171	28,919,711
Reserves	479,700	754,245
Accumulated losses	(30,766,415)	(30,738,959)
Total Equity	5,185,456	(1,065,003)
(b) Financial Performance		
Profit/(loss) for the year	(781,703)	6,080,516
Other comprehensive income	-	-
Total Comprehensive Loss	(781,703)	6,080,516
(c) Contingent Liabilities of the Parent Entity		
There are no such contingencies.		
(d) Commitments of the Parent Entity		
Not later than 12 months	1,500,000	-
Between 12 months and 5 years	250,000	-
Total	1,750,000	-

22. Financial Risk Management

The consolidated entity's principal financial instruments comprise cash and short-term deposits. The consolidated entity has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations.

The consolidated entity's activities expose it to a variety of financial risks, including, credit risk, liquidity risk, foreign exchange rate risk and cash flow interest rate risk. The company is not exposed to price risk.

Risk management is carried out by the Board of Directors, who evaluates and agree upon risk management and objectives.

(a) Market Risk

Interest rate risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

22. Financial Risk Management (continued)

2017	Floating Interest Rate	Fixed Interest Rate		Non-Interest Bearing	Total	Weight Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	2017 \$	2017 \$	2017 \$	2017 \$	2017 \$	2017 %
Financial Assets						
Cash	506,237	3,350,000	-	-	3,856,237	0.54%
Trade and other receivables	-	-	-	47,731	47,731	-
Total Financial Assets	506,237	3,350,000	-	47,731	3,903,968	
Financial Liabilities						
Trade and other payables	-	-	-	77,550	77,550	-
Total Financial Liabilities	-	-	-	77,550	77,550	

2016	Floating Interest Rate	Fixed Interest Rate		Non Interest Bearing	Total	Weight Effective Interest Rate
		1 Year or Less	1 to 5 Years			
	2016 \$	2016 \$	2016 \$	2016 \$	2016 \$	2016 %
Financial Assets						
Cash	22,166	-	-	-	22,166	1.01%
Trade and other receivables	-	-	-	74,905	74,905	-
Total Financial Assets	22,166	-	-	74,905	97,071	
Financial Liabilities						
Trade and other payables	-	-	-	279,581	279,581	-
Total Financial Liabilities	-	-	-	279,581	279,581	

The consolidated entity policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The consolidated entity does not have any receivables or payables that may be affected by interest rate risk.

Sensitivity analysis

At 30 June 2017, if interest rates had changed by +/-100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for both the consolidated entity and the parent entity would have been \$12,477 (2016: \$222) lower/higher as a result of lower/higher interest income from cash and cash equivalents. Management have deemed a movement of 100 basis points to be an appropriate measure for this sensitivity analysis.

(b) Credit risk

The consolidated entity does not have any significant concentrations of credit risk. Credit risk is managed by the Board of Directors and arises from cash and cash equivalents as well as credit exposure including outstanding receivables.

22. Financial Risk Management (continued)

All cash balances held in Australia are held at internationally recognised institutions

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets disclosed within the financial report.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Financial assets that are neither past due and not impaired are as follows:

	2017	2016
	\$	\$
Financial assets - counterparties without external credit rating		
Financial assets with no defaults in the past	47,731	74,905
Cash and cash equivalents		
'AA' S&P rating	3,856,237	22,166

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The consolidated entity's exposure to the risk of changes in market interest rates relate primarily to cash assets.

The directors monitor the cash-burn rate of the consolidated on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The financial liabilities the consolidated entity had at reporting date were other payables incurred in the normal course of the business. These were non interest bearing and were due within the normal 30-60 days terms of creditor payments.

Maturity analysis for financial liabilities

Financial liabilities of the consolidated entity comprise trade and other payables. As at 30 June 2017 and 30 June 2016 all financial liabilities are contractually maturing within 60 days.

(d) Foreign currency risk

Foreign exchange risks arise when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency.

As at 30 June 2017, the consolidated entity does not currently hold any funds in foreign currency bank accounts so the foreign currency risk is minimal.

(e) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the consolidated entity at the reporting date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the consolidated entity is the current bid price. At reporting date the consolidated entity had no such financial assets.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

23. Contingent Assets and Liabilities

The Group had no contingent assets or liabilities as at 30 June 2017 and 30 June 2016.

24. Company Details

The registered office and principal place of business is:

Level 3, London House

216 St Georges Terrace

Perth WA 6000

Telephone: 08 9226 4500

Facsimile: 08 9226 4300

Email: info@celsiusresources.com.au

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as stated in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



William Oliver
Non-Executive Chairman

Date: 29 September 2017
Perth

RSM Australia Partners

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Perth WA 6000

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Celsius Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads "A Whyte".
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 29 September 2017

RSM Australia Partners

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CELSIUS RESOURCES LIMITED**

Opinion

We have audited the financial report of Celsius Resources Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed this matter
Acquisition of Opuwo Cobalt Pty Ltd Refer to Note 17 in the financial statements	
On 9 January 2017, the Group acquired 100% of the issued capital of Opuwo Cobalt Pty Ltd (OCPL) for consideration of \$277,778 through the issue of 27,777,773 fully paid ordinary shares at an issue price of \$0.01 each. The acquisition was considered by management to be an asset acquisition, as it did not meet the definition of a business within AASB 3 <i>Business Combinations</i> and resulted in the recognition of capitalised exploration and evaluation expenditure of \$277,778 being the rights to the Opuwo Cobalt Project. The acquisition of OCPL is considered to be a key audit matter because it is material to the Group and the acquisition accounting involves the exercise of significant management judgement to determine the accounting treatment of the acquisition, and the fair value of the consideration paid.	Our audit procedures in relation to the acquisition of OCPL included: • Reviewing the acquisition agreements to understand the transaction and the related accounting considerations; • Evaluating management's determination that the acquisition did not meet the definition of a business within AASB 3 and therefore was an asset acquisition as opposed to a business combination; • Assessing management's determination of the fair value of the consideration paid; and • Assessing the appropriateness of the disclosures in the financial report in respect of the acquisition.

Key audit matter	How our audit addressed this matter
Carrying Value of Capitalised Exploration Expenditure Refer to Note 7 in the financial statements	
The Group has capitalised exploration and evaluation expenditures with a carrying value of \$1,519,172 in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the assets including: • Determination of whether the exploration and evaluation expenditures can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessing whether any indicators of impairment are present; and • Determination of whether exploration activities have reached a stage at which the existence of an economically recoverable reserves may be determined.	Our audit procedures in relation to the carrying value of the deferred exploration and evaluation asset included: • Obtaining evidence that the Group has valid rights to explore in the specific area; • Enquiring with and assessing management's basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage where it can be concluded that no commercially viable quantities of mineral resources exists; • Enquiring with management and reviewing budgets and plans to test that the Group will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific area; • Reviewing whether management has received sufficient data to conclude that the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and • Reviewing minutes of directors' meetings and ASX announcements to ensure that the Group had not resolved to discontinue activities in the specific area.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in within the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Celsius Resources Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 29 September 2017

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 15 September 2017.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	278	10,969	0.00%
1,001 – 5,000	14	30,862	0.01%
5,001 – 10,000	7	60,573	0.01%
10,001 – 100,000	359	15,479,886	3.36%
100,001 – 9,999,999,999	407	444,964,254	96.62%
Total	1,065	460,546,544	100.00%

Unmarketable Parcels

Minimum Parcel Size	Holders	Units
Minimum \$500.00 parcel at \$0.045 per unit	11,112	305
		166,971

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% of Units
1	GECKO NAMIBIA (PTY) LTD	43,750,000	8.86%
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	24,859,813	4.93%
3	CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	19,000,000	3.77%
4	MR BRENDAN JAMES BORG & MRS ERIN BELINDA BORG <BORG FAMILY SUPER A/C>	16,000,000	3.17%
5	PHEAKES PTY LTD <SENATE A/C>	15,500,000	3.07%
6	FEATHERBED AUSTRALIA PTY LTD <FEATHERBED AUST FAMILY A/C>	13,065,947	2.59%
7	VANTAGE HOUSE LIMITED	13,000,000	2.58%
8	ASIA PRINCIPAL CAPITAL - CORPORATE FINANCE PTY LTD	12,033,333	2.39%
9	ANDIUM PTY LIMITED	10,000,000	1.98%
10	BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	8,784,549	1.74%
11	RIGI INVESTMENTS PTY LTD <THE CAPE A/C>	8,702,703	1.73%
12	GOLDEN DAWN LIMITED	7,277,777	1.44%
13	SEQUOI NOMINEES PTY LTD <THE SEQUOI A/C>	7,055,555	1.40%
14	CITICORP NOMINEES PTY LIMITED	6,771,789	1.34%
15	GREENSEA INVESTMENTS PTY LTD	6,000,000	1.19%
16	METIS PTY LTD	5,500,000	1.09%
17	NALEY PTY LTD	5,350,000	1.06%
18	DR SALIM CASSIM	5,000,000	0.99%
18	SILVER KNIGHT HOLDINGS PTY LTD <GANDOSSO FAMILY A/C>	5,000,000	0.99%
19	TOM HALE PTY LTD	4,054,060	0.80%
20	MR PAUL HARTLEY WATTS	4,000,000	0.79%
20	MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL <WALL FAMILY SUPER A/C>	4,000,000	0.79%
Total		244,705,526	48.52%
Total Issued Capital		504,296,544	100.00%

(c) Twenty largest optionholders

The names of the twenty largest holders of quoted options are:

Rank	Name	Units	% of Units
1	BRIJOHN NOMINEES PTY LTD <NELSONIO A/C>	8,400,000	9.18%
2	GREENSEA INVESTMENTS PTY LTD	7,500,000	8.20%
3	NATIONAL NOMINEES LIMITED	3,774,514	4.12%
4	MR BRENDAN JAMES BORG & MRS ERIN BELINDA BORG <BORG FAMILY SUPER A/C>	3,333,333	3.64%
5	PHEAKES PTY LTD <SENATE A/C>	3,000,000	3.28%
6	DR SALIM CASSIM	2,666,667	2.91%
7	MR INNES ROBERT PEARCE	2,212,500	2.42%
8	MR PAUL HARTLEY WATTS	2,000,000	2.19%
8	MR DAVID GILLAM & MRS SADE GILLAM <D & S GILLAM FAMILY A/C>	2,000,000	2.19%
8	MR WILLIAM MARR & MR DAVID MARR & MS EDITH BRUTMAN <DOMAIN MOTORS P/L S/F A/C>	2,000,000	2.19%
8	5150 CAPITAL PTY LTD <NO 2 A/C>	2,000,000	2.19%
8	AR1 CAPITAL PTY LTD	2,000,000	2.19%
9	MR DAVID JAMES WALL <THE RESERVE A/C>	1,700,000	1.86%
10	ALEXANDER HOLDINGS (WA) PTY LTD	1,614,755	1.76%
11	JEKOR PTY LTD <JEKOR S/F A/C>	1,585,000	1.73%
12	KOJEN PTY LTD <KORSINCZKY FAMILY A/C>	1,509,755	1.65%
13	DIDCAL PTY LTD <AB CHAPMAN FAMILY S/F A/C>	1,500,000	1.64%
13	MR ANTHONY DELOITTE DAVIS & MS PHYLLIS JANE POLKINGHORNE <DAVIS POLKINGHORNE RF A/C>	1,500,000	1.64%
13	MRS HILARY SOMERVILLE STATHAM	1,500,000	1.64%
14	MR JERKO PETER ZUVELA <JAKKZ DISCRETIONARY A/C>	1,496,913	1.64%
15	MR ROBERT DAVID LURIE <THE RDL A/C>	1,375,000	1.50%
16	MR PAUL VENDA DIVIN	1,265,000	1.38%
17	AURORA CAPITAL MANAGEMENT AUSTRALIA PTY LTD	1,200,000	1.31%
18	ROCKMEISTER CAPITAL MANAGEMENT PTY LIMITED <ROCKMEISTER SUPER FUND A/C>	1,100,000	1.20%
19	MR BENJAMIN JOHN POLKINGHORNE	1,070,000	1.17%
20	MRS HILARY SOMERVILLE STATHAM & MR THOMAS CHARLES STATHAM <MERLIN SUPER FUND A/C>	1,050,000	1.15%
Total		60,353,437	65.95%
Total Issued Capital		91,516,364	100.00%

(d) Substantial shareholders

Name	Units	%
GECKO NAMIBIA (PTY) LTD	43,750,000	8.68

The above fully paid ordinary shares are subject to voluntary escrow. 21,875,000 are escrowed until 13 March 2018 and 21,875,000 are escrowed until 13 September 2018.

(e) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

ADDITIONAL INFORMATION

(f) Unlisted Options

The following options are on issue:

16,000,000 unlisted options with an exercise price of \$0.05 expiring 18 May 2020

2,000,000 unlisted options with an exercise price of \$0.075 expiring 19 May 2020

2,000,000 unlisted options with an exercise price of \$0.10 expiring 19 May 2020

2,000,000 unlisted options with an exercise price of \$0.125 expiring 19 May 2020

(g) Schedule of interest in mining tenements

Location	Tenement	Percentage held / earning
Namibia	EL 4346	95%
Namibia	EL 4350	95%
Namibia	EL 4351	95%
Namibia	EL 4540	95%
Eastern Goldfields, WA	E39/1641	100%
Eastern Goldfields, WA	E39/1684	100%
Carnilya Hill, WA	L26/0241	30%
Carnilya Hill, WA	M26/0047	30%
Carnilya Hill, WA	M26/0048	30%
Carnilya Hill, WA	M26/0049	30%
Carnilya Hill, WA	M26/0453	30%