CELSIUS RESOURCES LTD

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QUARTERLY ACTIVITIES REPORT

JUNE 2018

Opuwo Cobalt Project, Namibia (CLA 95%)

Maiden JORC compliant Mineral Resource Reported

During the Quarter, the Company reported a maiden JORC compliant Mineral Resource for the Opuwo Project.

The Mineral Resource estimate comprises 112.4 million tonnes at a grade of 0.11% cobalt, 0.41% copper, and 0.43% zinc, at a cutoff grade of 0.06% (or 600 ppm) cobalt. The Mineral Resource estimate represents contained cobalt of 126,100 tonnes and consists of:

- 72.0 million tonnes at a grade of 0.11% cobalt, 0.42% copper and 0.41% zinc in the Indicated category, and a further
- 40.5 million tonnes at a grade of 0.12% cobalt, 0.41% copper and 0.46% zinc in the Inferred category.

The resource has been further split by ore type, as specified in Table 1. Over 95% of the Mineral Resource is comprised of the fresh sulphide ore type, a key feature of the Opuwo Project.

Table 1: JORC Compliant Indicated and Inferred Mineral Resources

Category	Ore Type	Cobalt Cut-off (ppm)	Tonnage (Mt)	Cobalt (%)	Copper (%)	Zinc (%)	Contained Cobalt (t)
Indicated	Oxide	600	3.8	0.10	0.39	0.36	3,900
	Transition - Sulphide	600	1.6	0.10	0.42	0.38	1,700
	Fresh - Sulphide	600	66.5	0.11	0.42	0.41	73,700
TOTAL INDICATED		600	72.0	0.11	0.42	0.41	79,300
Inferred	Fresh - Sulphide	600	40.5	0.12	0.41	0.46	46,900
TOTAL		600	112.4	0.11	0.41	0.43	126,100

* Note that minor rounding errors occur in this table.

Table 2 highlights the variation in grade and tonnes of the deposit at various cut-off grades.

Table 2: JORC Compliant Indicated and Inferred Mineral Resources at Various Cobalt Cut-off Grades

Cobalt Cut-off (ppm)	Tonnage (Mt)	Cobalt (%)	Copper (%)	Zinc (%)	Contained Cobalt (t)
0	294.4	0.06	0.24	0.33	177,100
200	238.7	0.07	0.28	0.37	169,100
400	146.7	0.10	0.37	0.41	142,800
600	112.4	0.11	0.41	0.43	126,100
800	87.9	0.12	0.44	0.44	109,100
1000	66.4	0.14	0.46	0.45	89,700
1200	44.7	0.15	0.49	0.46	66,000
1400	24.6	0.16	0.50	0.47	40,000
1600	9.6	0.19	0.46	0.45	17,900
1800	5.5	0.20	0.45	0.42	10,900
2000	3.1	0.21	0.45	0.34	6,300

* Note that minor rounding errors occur in this table.

The Mineral Resource estimate covers a zone of approximately 10 km, with mineralisation remaining open in all directions. Mineralisation, and grade continuity, has already been confirmed over a total of more than 15 km of strike, with over 100 km of total prospective strike identified. The Mineral Resource is considered to have excellent potential for expansion, with further drilling.

Resource modelling and estimation has been completed by independent consultants, DMT Kai Batla.

Please refer to the ASX releases of 16 April, 2018 and 13 June, 2018 for further details regarding the Mineral Resource.

Drilling Continuing

Drilling continued at the Opuwo Cobalt Project during the Quarter, aimed primarily at expanding the existing Indicated and Inferred Mineral Resource to the west, and expanding and better defining the mineralisation in the central portion of the resource area (Figures 1 and 2). A further aim of the drilling conducted to date in 2018 has been to collect further samples for metallurgical testwork, focused on the minor ore types (transitional and oxide) comprising approximately 5% of the Mineral Resource.

A reconnaissance drill program has been completed at the DOF North target, located some 10 km north of the DOF resource area (Figure 3), with a small number of assays outstanding as at the date of this report. Results are expected to be reported in early August, 2018, along with further assays from the ongoing drilling in the DOF Mineral Resource expansion areas.

One diamond core (DC) and one reverse circulation (RC) drill rig are continuing operations at the Project, with current drilling aimed at expanding the existing Mineral Resource. Assays from holes in these areas are expected during the September Quarter, with the aim of producing an updated Mineral Resource early in the fourth Quarter of 2018.

Significant intercepts from assays reported from this drilling program during the Quarter were:

- 5.33 m @ 0.14% Co and 0.49% Cu, from 184.00 m (DOFD0162)
- 6.38 m @ 0.11% Co and 0.42% Cu, from 65.00 m (DOFD0169)
- 5.00 m @ 0.13% Co and 0.50% Cu, from 38.00 m (DOFD0164)
- 6.80 m @ 0.09% Co and 0.45% Cu, from 18.20 m (DOFD0185)
- 5.35 m @ 0.11% Co and 0.54% Cu, from 132.00 m (DOFD0168)
- 5.28 m @ 0.11% Co and 0.55% Cu, from 27.97 m (DOFD0187)
- 5.10 m @ 0.11% Co and 0.41% Cu, from 21.90 m (DOFD0163)
- 5.00 m @ 0.10% Co and 0.40% Cu, from 103.00 m (DOFD0167)
- 3.56 m @ 0.14% Co and 0.48% Cu, from 186.27 m (DOFD0182)
- 4.43 m @ 0.11% Co and 0.48% Cu, from 191.21 m (DOFD0161)
- 4.35 m @ 0.11% Co and 0.31% Cu, from 136.00 m (DOFD0166)
- 4.00 m @ 0.11% Co and 0.37% Cu, from 80.00 m (DOFD0165)
- 3.75m @ 0.10% Co and 0.48% Cu, from 153.25 m (DOFD0171)
- 3.60m @ 0.10% Co and 0.51% Cu, from 232.00 m (DOFD0177)
- 5.00m @ 0.07% Co and 0.45% Cu, from 55.00 m (DOFD0170)
- 3.75m @ 0.10% Co and 0.48% Cu, from 153.25 m (DOFD0171)
- 3.00m @ 0.11% Co and 0.41% Cu, from 135.00 m (DOFD0179)
- 2.81m @ 0.11% Co and 0.48% Cu, from 237.53 m (DOFD0173)
- 2.66m @ 0.11% Co and 0.32% Cu, from 112.00 m (DOFD0183)
- 2.62m @ 0.06% Co and 0.49% Cu, from 18.92 m (DOFD0180)

Please refer to the announcement of 7 June, 2018, and Table 3 in this announcement, for further detail regarding these results.

Figure 1: Latest Drilling Results - Opuwo Cobalt Project

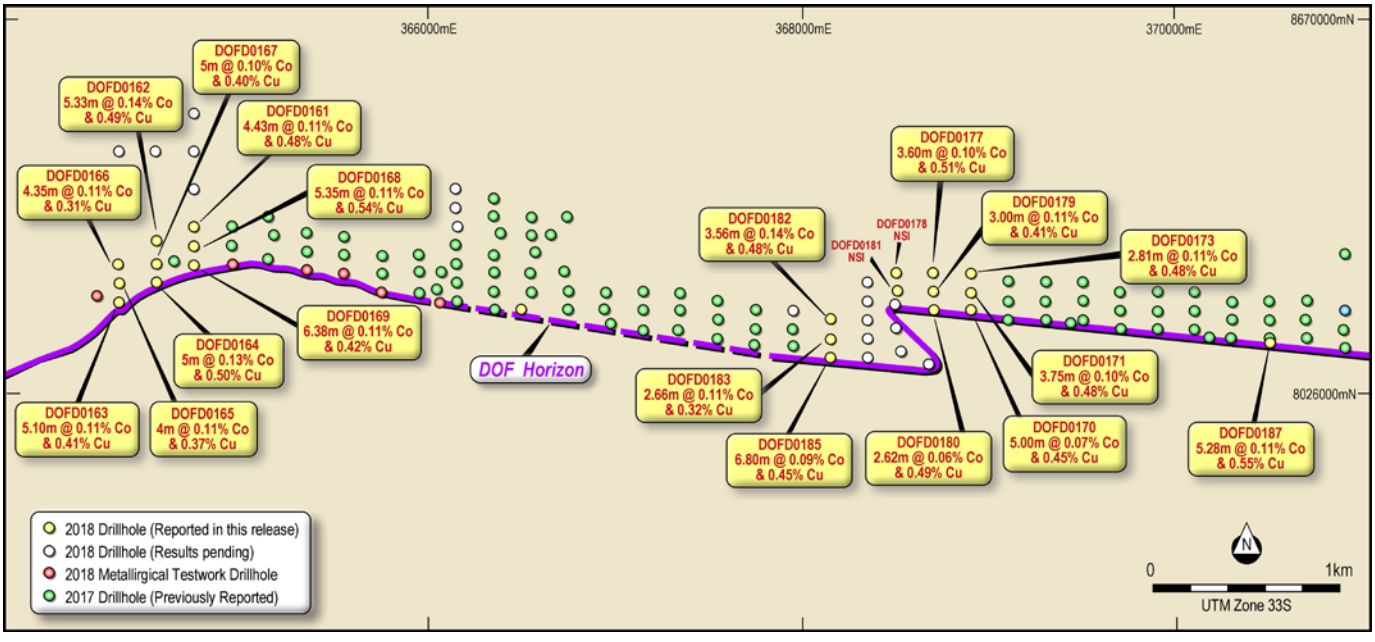

Figure 2: Drilling Continuing at Opuwo

SkyTEM Survey

Subsequent to the end of the Quarter, a helicopter-borne electromagnetic and magnetic geophysical survey commenced over three key licences that comprise the Opuwo Cobalt Project (Figures 3 and 4). The objectives of the survey are:

- To assist in geological mapping of near surface conductive sedimentary horizons, which is expected to include the Dolomite Ore Formation (DOF);
- To delineate discrete conductive zones along the sedimentary horizons; and
- To detect deeper discrete conductive bodies that may be related to deeper stockwork or semi-massive/massive sulphide mineralisation in feeder zones.

Final interpreted results and data products are expected from the survey in September/October, 2018.

Figure 3: SkyTEM Survey Extents and Regional Prospects

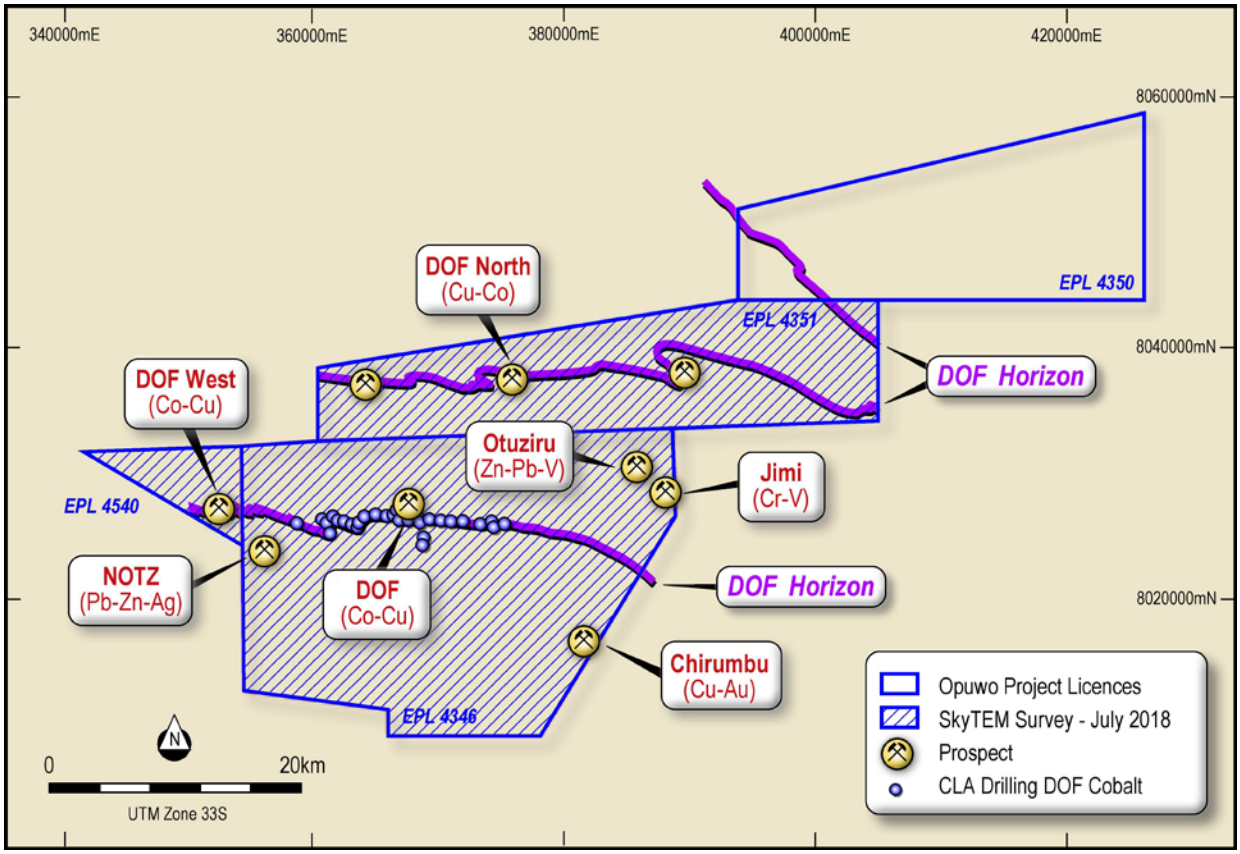

Figure 4: SkyTEM Survey underway at Opuwo

Scoping Study

Flotation testwork conducted as part of the Scoping Study has achieved improvements in concentrate grade and metal recovery percentages, whilst successive iterations of the leaching testwork have had the effect of significantly reducing reagent and power requirements (and therefore the expected operating costs), owing to a higher concentrate feed into the process, and utilising a reduction in required leaching intensity. Opportunities for further metallurgical process improvements have also been identified, which are expected to allow further beneficial iterations to reagent and power requirements, and therefore operating cost estimates.

To fully evaluate these opportunities, further metallurgical test work is currently being performed by SGS Perth. Upon completion of this additional metallurgical test work, the process mass balance model will be updated, which will form the basis of plant sizing and capital and operating cost estimates across both the concentrate and refinery processes for inclusion in the Scoping Study, which is now expected to be completed early in Q4, CY2018.

Significant progress has been made on modelling mine design options for the Opuwo Cobalt Project with a number of options being evaluated.

Based on the preliminary results of the mining studies, it is expected that the Indicated portion of the Mineral Resource will be mined using a combination of open pit and underground methods (open stoping), and that the Inferred portion of the Mineral Resource will be mined using underground methods (open stoping) only.

Significant progress has been made on a number of other projects aspects including:

- conceptual tailings disposal study has been completed.
- environmental screening study has been completed, with baseline monitoring commenced.
- high-level study on power and water availability has been completed.

Table 3: Drilling Results reported during the June, 2018 Quarter

Hole ID	Easting (UTM Zone 33S)	Northing (UTM Zone 33S)	Planned Dip (deg)	Planned Azimuth (grid)	Final Depth (m)	Intercept from (m)	Intercept to (m)	Interval (m)	Cobalt (%)	Copper (%)	Zinc (%)
DOFD0161	364749	8026895	-55	175	206.26	191.21	195.64	4.43	0.11	0.48	0.61
DOFD0162	364548	8026823	-55	175	194.37	184.00	189.33	5.33	0.14	0.49	0.50
DOFD0163	364350	8026498	-55	180	38.12	21.90	27.00	5.10	0.11	0.41	0.45
DOFD0164	364552	8026600	-55	180	50.07	38.00	43.00	5.00	0.13	0.50	0.49
DOFD0165	364350	8026599	-55	177	90.10	80.00	84.00	4.00	0.11	0.37	0.51
DOFD0166	364346	8026698	-55	175	167.36	136.00	140.35	4.35	0.11	0.31	0.43
DOFD0167	364551	8026699	-55	177	116.38	103.00	108.00	5.00	0.10	0.40	0.42
DOFD0168	364748	8026792	-55	177	143.35	132.00	137.35	5.35	0.11	0.54	0.57
DOFD0169	364747	8026694	-55	180	83.5	65.00	71.38	6.38	0.11	0.42	0.39
DOFD0170	368899	8026454	-55	180	68.22	55.00	60.00	5.00	0.07	0.45	0.40
DOFD0171	368902	8026550	-55	177	170.54	153.25	157.00	3.75	0.10	0.48	0.61
DOFD0172	366148	8026502	-54	180	59.06	*Metallurgical Testwork Hole - Results Pending*					
DOFD0173	368903	8026648	-55	175	302.48	237.53	240.34	2.81	0.11	0.48	0.50
DOFD0174	365755	8026553	-53	180	44.55	*Metallurgical Testwork Hole - Results Pending*					
DOFD0175	365546	8026652	-54	180	62.06	*Metallurgical Testwork Hole - Results Pending*					
DOFD0176	364949	8026700	-54	180	56.04	*Metallurgical Testwork Hole - Results Pending*					
DOFD0177	368699	8026655	-55	175	245.48	232.00	235.60	3.60	0.10	0.51	0.58
DOFD0178	368502	8026650	-55	175	323.36	*No Significant Intersection*					
DOFD0179	368700	8026554	-55	177	149.48	135.00	138.00	3.00	0.11	0.41	0.55
DOFD0180	368702	8026450	-55	180	53.24	18.92	21.54	2.62	0.06	0.49	0.36
DOFD0181	368504	8026552	-55	177	158.35	*No Significant Intersection above 500ppm cutoff*					
DOFD0182	368151	8026407	-55	175	203.48	186.27	189.83	3.56	0.14	0.48	0.52
DOFD0183	368148	8026302	-55	177	122.47	112.00	114.66	2.66	0.11	0.32	0.49
DOFD0184	365349	8026659	-55	180	44.24	*Metallurgical Testwork Hole - Results Pending*					
DOFD0185	368151	8026198	-55	180	41.20	18.20	25.00	6.80	0.09	0.45	0.46
DOFD0186	368700	8026200	-55	177	38.14	*Hole Abandoned*					
DOFD0186B	368698	8026191	-55	177	83.25	*Results Pending*					
DOFD0187	370500	8026273	-55	180	59.17	27.97	33.25	5.28	0.11	0.55	0.54
DOFD0188	368506	8026356	-55	180	197.25	*Results Pending*					
DOFD0189	368497	8026479	-55	177	367.54	*Results Pending*					
DOFD0190	368346	8026202	-55	180	53.06	*Results Pending*					
DOFD0191	368352	8026301	-55	177	137.35	*Results Pending*					
DOFD0192	368354	8026396	-55	175	245.34	*Results Pending*					
DOFD0193	367542	8026804	-55	170	461.47	*Results Pending*					
DOFD0194	368352	8026497	-55	170	335.34	*Results Pending*					
DOFD0195	368348	8026601	-55	170	560.35	*Results Pending*					
DOFD0196	367949	8026452	-55	177	311.00	*Results Pending*					
DOFD0197	366188	8026898	-55	180	137.54	*Results Pending*					
DOFD0198	366198	8026996	-55	177	206.54	*Results Pending*					
DOFD0199	366147	8027097	-55	170	278.37	*Results Pending*					
DOFD0200	364749	8027100	-55	172	347.54	*Results Pending*					
DOFD0201	364747	8027302	-55	170	281.35	*Results Pending*					
DOFD0202	364750	8027502	-55	170	359.43	*Results Pending*					
DOFD0203	364546	8027298	-55	180	359.36	*Results Pending*					
DOFD0204	364350	8027300	-55	180	554.43	*Results Pending*					

* Intercepts reported at a cutoff grade of 500ppm, or 0.05% cobalt

Abednegno Hill Project, WA (CLA 100%)

The Abednegno Hill Nickel Project comprised two exploration tenements located to the south and west of Minara Resources' Murrin Murrin nickel mine.

During the Quarter the Company completed the sale of E39/1641 to a private individual. As reported in the December Activities Report no EM anomalies were detected within this tenement.

The Company retains E39/1684 and continues to explore the tenement for nickel sulphide mineralisation.

Carnilya Hill Project, WA (CLA 30%)

Celsius (through View Nickel Pty Ltd) owns a 30% joint venture interest in the Carnilya Hill Joint Venture in Western Australia with Mincor Resources NL. Mincor Resources NL (ASX:MCR) is the operator of the Carnilya Hill JV. No activity was reported by Mincor during the quarter.

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

Celsius has an Exploration Licence Application pending (E80/5117) over an area located in the Kimberley region of Western Australia, approximately 300 km east of Derby. The application area is considered prospective for copper and cobalt mineralisation, hosted in the Mt Carson Volcanics geological unit. An agreement is in place with Jindalee Resources Limited (ASX:JRL) regarding their adjacent granted Exploration Licence (E80/5027), whereby the diamond rights on CLA's licence application area have been exchanged for the base metal rights on E80/5027. The Company plans to provide further information on this Project as the application process progresses.

Corporate

The Company completed a capital raising of $12 million during the Quarter, comprising a placement to institutional and sophisticated investors, which raised $9 million, and a Share Purchase Plan, which raised a further $3 million. Funds were raised at 18.5 cents per share.

Mr. Pine van Wyk was appointed as Project Director for the Opuwo Project during the Quarter.

At the end of the Quarter, the Company held approximately $12.4 million in cash reserves.

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Competent Persons Statement

Information in this report relating to Exploration Results is based on information reviewed by Mr. Brendan Borg, who is a Member of the Australasian Institute of Mining and Metallurgy and Managing Director of Celsius Resources. Mr. Borg has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Borg consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to Mineral Resource Estimates is based on information prepared by Mr. Dexter Ferreira, who is a Member of the South African Council for Natural Scientific Professions, which is a Recognised Professional Organisation (RPO). Mr. Ferreira is a Contract Resource Specialist for DMT Kai Batla Pty. Ltd., who act as Resource Consultants to Celsius. Mr. Ferreira has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Ferreira consents to the inclusion of the data in the form and context in which it appears.