

QUARTERLY ACTIVITIES REPORT

SEPTEMBER 2019

Summary

During the Quarter, the Company continued with work programs aimed at keeping the Opuwo Project in good standing, in terms of in country expenditure and reporting, Corporate Social Responsibility (CSR) programs, and community and government consultation regarding the current status of the Project. Exploration programs have been developed for targets in the broader Opuwo Project for possible implementation during the coming period.

In addition, the Company continued reviewing potential acquisitions and investments in commodities which complement or diversify the Company's current commodity exposure. Specifically, the Company has reviewed projects in commodities including nickel, copper, cobalt, manganese and gold. Whilst two of these opportunities advanced past detailed technical, environmental and legal due diligence, along with ASX review of the potential transactions, as at today's date a transaction is yet to be completed.

Corporate

At the end of the Quarter, the Company held approximately **\$6.557 million** in cash reserves, with ongoing costs having reduced significantly during the Quarter due to completion of all significant Opuwo Cobalt Project work programs and significant reduction in staff and consultant numbers. A Namibian Value Added Tax (VAT) refund of NAD \$3,177,912 (approximately AUD \$316k) was received during the Quarter, bolstering the Company's current cash balance.

During the Quarter, the Company received a defective 249D notice seeking director changes, and has not received a replacement notice as at the date of this report. The Company has had discussions with the group of shareholders which lodged the notice and will update the market with any further developments as necessary. The Company aims to maintain communication with all shareholders and, in compliance with the Listing Rules, will report any material matters via ASX Announcements.

Opuwo Cobalt Project, Namibia (CLA 95%)

METALLURGICAL FLOWSHEET REVIEW AND OPTIMISATION

Finalised reports from external consultants were received and reviewed during the Quarter, relating to the roasting process, flotation optimisation testwork and logistic trade-off studies completed earlier in the year. These reports have been reviewed and a number of areas where further testwork would be beneficial identified.

The Company has resolved to engage a third-party mineral processing firm to conduct a detailed review of all work completed so far on the various processing options for Opuwo ore by a number of consultants, and to

recommend a clear path forward for potential future testwork programs. Quotes are currently being sought and it is planned that this work will commence in the current Quarter, followed by implementation of programs of work based on the recommendations.

During the Quarter, the Company's fully owned subsidiary, Select Leach Pty Ltd, re-filed an Australian Provisional Patent Application for a processing method under development for the mineralisation from Opuwo.

ENVIRONMENTAL IMPACT ASSESSMENT

As stated last Quarter the Environmental Impact Assessment Scoping Report for the Opuwo Cobalt Project was finalised, reviewed and lodged for public comment. This is an important step for the development of the Project and the Company looks forward to receiving feedback from the Scoping Report so that it can address any issues raised.

The Company continues to carry out regular monitoring and stakeholder engagement at the Opuwo Project as per its commitments under the EIA. This data will also contribute towards baseline data for future environmental studies at the Project which would be undertaken as part of a PFS.

OPUWO REGIONAL EXPLORATION

The Company's in country team have developed exploration programs for two of the most promising regional targets that are part of the Opuwo Project (Figure 1), namely the Chirumbu copper-gold Prospect and the Otuziru lead-zinc-silver-vanadium Prospect. (refer ASX announcement 30 November, 2018)

At Chirumbu, grades of up to 8.18 g/t Au and 28.5% Cu were returned in surface sampling (different samples), followed by 4 drillholes completed in 2013 and 2016, which returned low grade copper-gold-silver mineralisation (refer ASX Announcement 30 November 2018). A program of approximately 100 surface locations is planned for implementation in the current Quarter, with a program of 4 drillholes planned to follow thereafter, contingent upon results of the surface sampling program.

Drilling of 16 diamond drillholes was undertaken by Bannon Limited in 2013 at Otuziru, and identified lead-zinc-silver mineralisation (refer ASX.BNX Announcement 2 July 2013). A program of 600 metres of Reverse Circulation (RC) drilling has been planned to test for extensions of the previously identified mineralised zone, and also for possible feeder zones for the observed mineralisation associated with faulting.

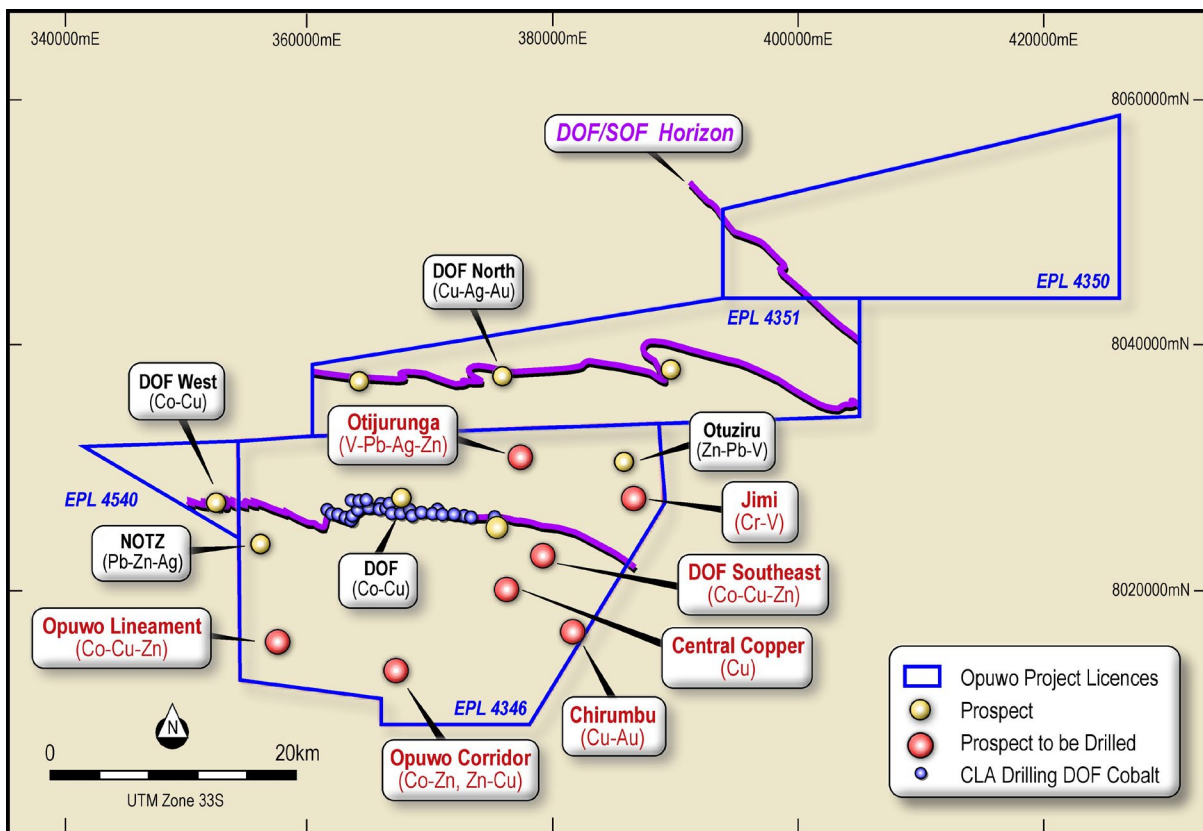


Figure 1 – Opuwo Regional Targets

Abednegno Hill Project, WA (CLA 100%)

The Abednegno Hill Nickel Project is located to the south and west of Minara Resources' Murrin Murrin nickel mine.

As reported in the previous Quarterly Activities Reports, Celsius completed a ground EM survey over its Leonora tenements during October – November 2017 which detected two bedrock anomalies. Follow up work programs to test these anomalies have been designed, however no further work was conducted during the Quarter. Given the recent improvement in the nickel price and forward forecasts, the Company is evaluating opportunities to unlock value from the Abednegno Hill Project, either by implementation of exploration programs, and/or seeking JV opportunities to advance the Project.

Carnilya Hill Project, WA (CLA 30%)

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

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

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

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Competent Persons Statement

Information in this report relating to Exploration Results is based on information reviewed by Mr. Brendan Borg, who is a Member of the Australasian Institute of Mining and Metallurgy and a Non-Executive 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.