



## **SURFACE SAMPLES CONFIRM POTENTIAL OF OPUWO COBALT PROJECT**

### **HIGHLIGHTS**

- Verification surface samples taken from the Opuwo Cobalt Project in Namibia by Mr Brendan Borg, a consultant to Celsius, as part of due diligence have returned results as anticipated based on historical data.
- From 11 samples 5 return assays greater than 1000ppm Co, up to a maximum of 3655ppm Co.
- Opuwo Cobalt Project has potential to host large-scale sediment hosted copper-cobalt mineralisation, with approximately 30km strike length of prospective mineralised horizon.
- Over 20km of the horizon is outcropping and has been mapped and sampled with the horizon not closed off to the East.
- From 55 historical surface samples of the DOF horizon and it's adjacent lithologies, 12 samples returned assays greater than 1000ppm Co, with 4 returning assays above 2000ppm Co.
- Verification samples also support historical trenching results, which include:
  - 3m at 2714ppm Co + 0.30% Cu + 1.09% Zn (K-T4)
  - 2m at 2490ppm Co + 0.50% Cu + 1.30% Zn (K-T5)
- Seven historical drillholes completed in the project area. Of these, only two drillholes, drilled in one location, have been assayed for cobalt with following results:
  - 8m at 1137ppm Co + 0.54% Cu + 0.53% Zn from 60.4m
  - 4.65m at 1153ppm Co + 0.55% Cu + 0.59% Zn from 106.65m
- Celsius to acquire 100% of Opuwo Cobalt Pty Ltd, which holds an option to acquire the Opuwo Cobalt Project in Namibia. Opuwo Cobalt Pty Ltd has entered into a farm-in agreement to earn staged interests in the Opuwo Cobalt Project.
- Acquisition of Opuwo Cobalt Pty Ltd to be satisfied by issuing 27,777,773 shares to the shareholders of Opuwo Cobalt Pty Ltd (following shareholder approval).



Celsius Resources Limited (“Celsius” or “the Company”) is very pleased to announce it has received results from verification samples completed during its recent visit to the acquired Opuwo Cobalt Project (“Project”) in Namibia. As announced on 19 January 2017 Celsius is acquiring an option to earn up to 76% of the Project.

Sampling returned cobalt grades up to 3655ppm Co, with 5 of 11 samples returning grades above 1000ppm Co (Appendix 1, Figure 1). Copper-zinc values ranged between 0.15 and 0.72%Cu and 0.07 and 2.26% Zn.

Significantly samples correlate well with surface sampling completed by historical explorers and the vendor in the area. Results from these samples are also shown on Figure 1 and tabulated in Appendix 2. Of the 55 samples collected in the area 12 have grades above 1000ppm Co with 4 above 2000ppm Co.

Results are also consistent with the historical drilling results from DOF01 and DOF02 as detailed in the ASX Announcement of 19 January 2017:

- 8m at 1137ppm Co + 0.54% Cu + 0.53% Zn from 60.4m (DOF02)
- 4.65m at 1153ppm Co + 0.55% Cu + 0.59% Zn from 106.65m (DOF01)

It should be emphasized that both the historical and recent verification samples are grab samples taken from locations of geological interest and serve only to show the potential of the mineralised horizon within the Opuwo Cobalt Project (the Dolomite Ore Formation or “DOF”) as well as to assist in planning of the Company’s maiden drill programme at the Project, which is well advanced.

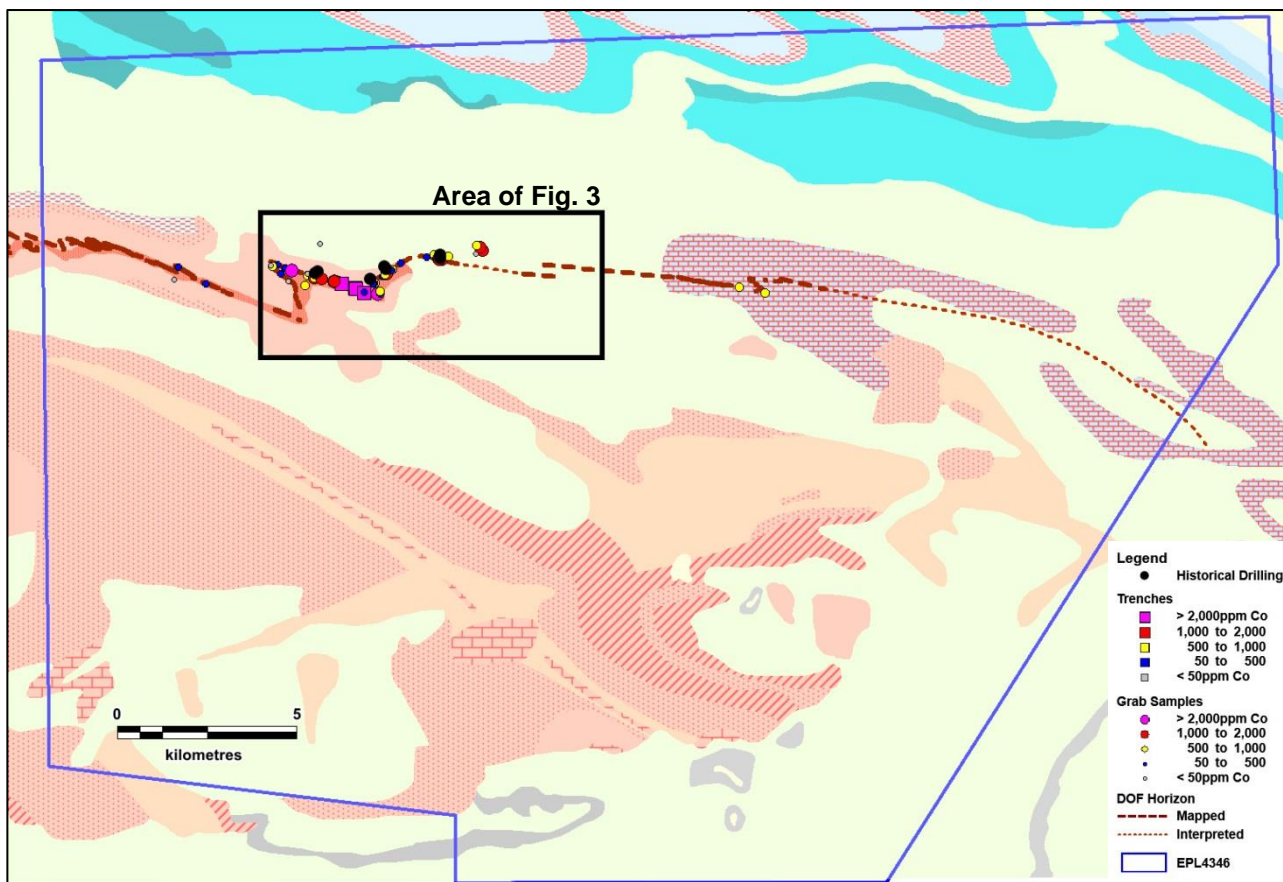
A more representative phase of surface sampling was completed in 2012-2013 with the excavation of surface trenches. Sampling was carried out of each meter by channel sampling the exposed weathered bedrock. Results of these include:

- 3m at 2714ppm Co + 0.30% Cu + 1.09% Zn (K-T4)
- 2m at 2490ppm Co + 0.50% Cu + 1.30% Zn (K-T5)
- 2m at 1635ppm Co + 0.20% Cu + 0.54% Zn (K-T3)
- 3m at 1586ppm Co + 0.02% Cu + 0.80% Zn (K-T6)

As can be seen the tenor of mineralisation in trenching is broadly similar to that encountered in drilling, again providing encouragement for sub surface mineralisation along a substantial strike extent of the DOF. Drill testing below trench K-T4 and K-T5 will form part of the initial drill programme.

## **Planned Exploration**

Due to the advanced nature of the Opuwo Cobalt Project, the immediate focus of exploration will be drilling. Preparations are well advanced for the Company’s maiden drilling programme at Opuwo with drilling to initially test the mostly covered DOF horizon along strike from historical drill holes DOF01/02 to determine the key controls of mineralisation, and thus, vectors to potentially thicker and/or higher grade mineralisation. Samples from drilling will also be used to carry out first pass metallurgical testwork, principally liberation and leaching tests.



**Figure 2.** Geological Map of the Opuwo Cobalt Project showing mapped/inferred DOF, surface sampling, trenching and historic drill locations. Black box delineates area shown as Figure 3.



**Figure 3.** Plan showing area of trenching and drilling within the Opuwo Cobalt Project. CLA verification samples are circled in white.



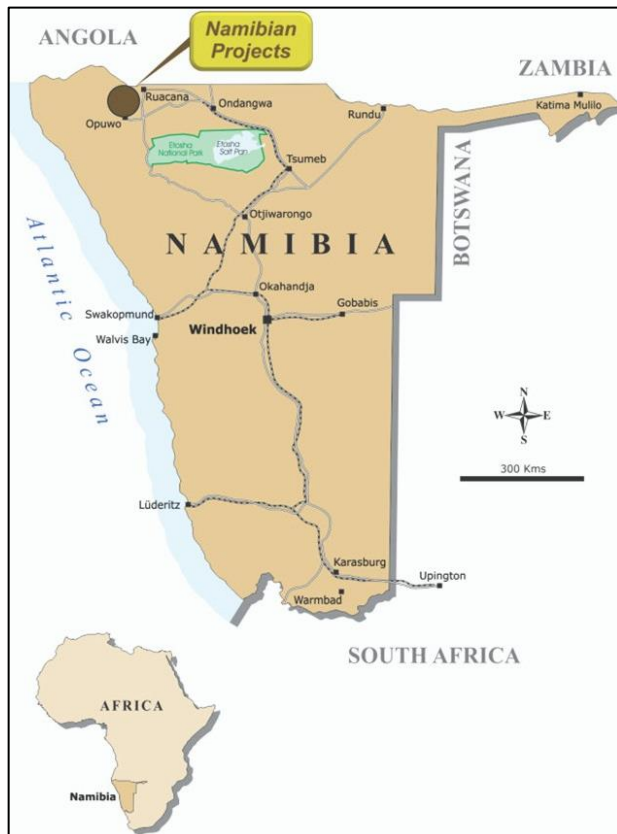
## Background on the Opuwo Cobalt Project

The Opuwo Cobalt Project is located in northwestern Namibia, approximately 800 km by road from the capital, Windhoek, and approximately 750 km from the port at Walvis Bay (Figure 3). 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, and good quality bitumen roads connecting 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.

Despite intensive surface exploration by previous explorers, only seven drill holes have tested the DOF horizon with five percussion holes drilled below outcropping DOF and two diamond holes drilled at the western end of the covered zone. Only the recently drilled holes DOF01 and DOF02 were assayed for cobalt, with significant results of:

- 8m at 1137ppm Co + 0.54% Cu + 0.53% Zn from 60.4m (DOF02)
- 4.65m at 1153ppm Co + 0.55% Cu + 0.59% Zn from 106.65m (DOF01)

*(Refer ASX Announcement 19 January 2016)*



**Figure 3.** Location of the Opuwo Cobalt Project, Namibia



Celsius will gain exposure to the project by acquiring 100% of Opuwo Cobalt Pty Ltd, which in turn holds the right to earn up to 76% of the Opuwo Cobalt Project by expenditure on exploration:

- An initial 30% interest will be earned by expenditure of \$500,000 within 6 months of exercising the option to proceed,
- a further 30% to be earned following expenditure of a further \$1,000,000 within 12 months of completing the stage 1 earn in, and
- a final 16% to be earned following expenditure of a further \$1,000,000 within 6 months of completing the stage 3 earn in.

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

The acquisition of Opuwo Cobalt Pty Ltd will be satisfied by the issuing of 27,777,773 shares to the shareholders of Opuwo Cobalt Pty Ltd, following shareholder approval at a meeting currently planned to be held on the 2<sup>nd</sup> March 2017.

## **Background on Cobalt**

Cobalt has a diverse range of metallurgical and chemical uses ranging from aircraft engines to rechargeable batteries. Strong demand for rechargeable batteries has been the biggest growth driver for cobalt consumption and demand is forecast to continue to increase as batteries are used more and more in households and vehicles. Cobalt cathode chemistry continues to be the product of choice for applications requiring thin, flexible and high energy density batteries with best possible cycle life. Furthermore, automotive related demand for cobalt containing battery materials is expected to rapidly increase in coming years with increasing sales of plug in hybrid and fully electric vehicles.

In its 2016 market outlook respected industry group CRU stated: "The refined cobalt market will fall into a 3,000 tonne deficit this year following seven years of overcapacity and oversupply. CRU anticipates prices to increase onward into 2017 as global demand for refined cobalt exceeds the 100,000 tonne mark and mine and refined supply tightens."

Cobalt resources and production are concentrated in the Democratic Republic of Congo, which has close to half the world's cobalt reserves and accounts for more than half of the world's production. The balance of the world's cobalt is concentrated in Australia, Cuba, Zambia, New Caledonia, Canada, Russia and Brazil. Notably the United States has no domestic resources of cobalt ore. As a result of the industrial importance of cobalt and the concentration of supply, cobalt is classed as a strategic mineral by the USGS and as a critical raw material by the EU.

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## **Competent Persons Statement**

The information in this report that relates to Exploration Results for the Celsius sampling at the Opuwo Cobalt Project complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) and has been compiled by Mr Brendan Borg, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Borg is a consultant to Celsius Resources Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Borg consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The Exploration Results are based on standard industry practices for drilling, logging, sampling, assay methods including quality assurance and quality control measure as detailed in Appendix 4.

The information in this report that relates to historical Exploration Results and other technical information for the Opuwo Cobalt Project complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) and has been compiled by Dr Rainer Ellmies, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Ellmies is the General Manager of Gecko Exploration (Pty) Ltd which owns an interest in the Opuwo Cobalt Project. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. Dr Ellmies consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The Exploration Results are based on standard industry practices for drilling, logging, sampling, assay methods including quality assurance and quality control measure as detailed in Appendix 4.

## Appendix 1. Results from CLA verification sampling at the Opuwo Cobalt Project

Sample ID	Easting	Northing	Co (ppm)	Cu (%)	Zn (%)
DOFSS001	365496	8026607	1735	0.72	0.40
DOFSS002	362024	8026090	748	0.49	0.57
DOFSS003	362222	8026067	1270	0.29	0.44
DOFSS004	362558	8025998	298	0.15	0.21
DOFSS005	362575	8025999	985	0.43	0.22
DOFSS006	362575	8025999	1565	0.55	0.23
DOFSS007	362575	8025999	1395	0.29	0.20
DOFSS008	363982	8026170	678	0.28	0.58
DOFSS009	361388	8026286	3655	0.22	2.26
DOFSS010	373854	8025819	748	0.52	0.07
DOFSS011	374583	8025659	778	0.34	0.11

### Notes:

1. It is recommended that the supporting information contained in Appendix 4 is read in conjunction with these results.

## Appendix 2. Results from previous surface sampling at the Opuwo Cobalt Project

Sample ID	Easting	Northing	Co (ppm)	Cu (%)	Zn (%)
K001	361307	8025983	8	0.02	0
K002	361753	8025867	590	0.01	0.17
K003	362010	8026093	524	0.7	0.43
K004	362010	8026093	340	0.15	0.38
K005	361842	8026159	740	0.42	0.29
K006	361834	8026208	18	0.01	0.01
K008	362184	8027044	8	0	0
K010	362011	8026095	640	0.69	0.44
K012	362030	8026090	460	0.15	0.19
K013	362059	8026080	534	0.45	0.39
K014	362038	8026087	680	1.38	0.63
K016	362133	8026075	826	0.14	0.47
K017	362193	8026075	880	0.86	1
K020	362580	8025992	2180	0.59	1.3
K021	362588	8025990	460	0.15	0.41
K022	362695	8025962	1880	0.44	1.35
K023	358117	8026042	6	0.01	0.01
K024	363708	8025946	630	0.36	0.2
K025	363679	8025934	218	0.03	0.31
K026	363668	8025931	476	0.4	0.32
K030	363929	8026133	238	1.05	0.25
K031	364032	8026204	155	0.12	0.36
K032	364032	8026200	1060	0.82	1.03
K033	364194	8026313	549	0.09	0.46
KT1S1	362018	8026089	35	0.01	0.05
KT1S2	362018	8026089	1520	0.53	0.37
KT1S3	362021	8026094	193	0.2	0.39
K036	364168	8026284	212	0.28	0.39
K039	364437	8026495	364	0.2	0.33
K040	361008	8026457	435	0.14	0.16
K041	361207	8026368	291	0.17	0.18
K042	361092	8026203	474	0.23	0.12
K043	360868	8026399	734	0.42	0.52

Sample ID	Easting	Northing	Co (ppm)	Cu (%)	Zn (%)
K044	360821	8026443	33	0.01	0.03
K045	359010	8025930	205	0.12	0.08
K049	358242	8026378	467	1.16	0.03
K051	363478	8025675	549	0.21	0.57
K054	363202	8025779	3830	0.53	2.18
K055	363149	8025795	1040	2.21	1.07
K056	363109	8025810	77	0.02	0.13
K057	362955	8025869	721	0.36	0.78
K058	362793	8025925	4300	0.75	2.6
K501	363785	8025633	2227	0.38	1.35
K502	363848	8025636	252	0.1	0.31
K503	363851	8025711	563	0.57	0.4
OKL78	365351	8026728	997	0.23	0.64
OKL80	365158	8026675	441	0.98	0.41
OKL83	365467	8026617	1603	0.78	0.59
OKL90	365574	8026592	1930	0.48	0.21
OKL96	366703	8026862	1048	0.22	0.12
K1314	365711	8026692	406	0.32	0.24
K1322	366531	8026764	18	0.01	0.02
K1344	366633	8026933	1172	0.59	0.34
K1345	366551	8026995	888	0.14	0.13
K1346	365759	8026690	612	0.54	0.16

Notes:

1. It is recommended that the supporting information contained in Appendix 4 is read in conjunction with these results.

**Appendix 3. Significant Results from historical trenching at the Opuwo Cobalt Project**

Trench	Easting	Northing	Orientation	Total Length	From	To	Length (m)	Co (ppm)	Cu (%)	Zn (%)
KT-3	362794	8025924	200	4	2	4	2	1634	0.20	0.54
KT-4	363148	8025795	200	4	1	4	3	2715	0.30	1.09
KT-5	363180	8025783	200	4	2	4	2	2490	0.50	1.29
KT-6	363412	8025625	200	5	1	4	3	1586	0.02	0.80

Notes:

1. Based on the dip of mineralisation estimated from drilling intersections (refer Figure 3, ASX Release 19 January 2016) the relationship between reported width and true width may be approximately 2:1, however this will only be verified through drilling.
2. It is recommended that the supporting information contained in Appendix 4 is read in conjunction with these results.



**Appendix 4. The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results for the Opuwo Cobalt Project**

**Section 1 Sampling Techniques and Data**

(Criteria in this section apply to all succeeding sections.)

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Rock chip / grab sampling carried out for CLA by consultant geologist / Competent Person.</li> <li>• Historical rock chip / grab sampling carried out by various geologists.</li> <li>• Samples chosen for collection and assay at the geologists discretion.</li> <li>• Trenching sampled by channel sampling of bedrock using hammer and chisel, with samples composited on 1m lengths.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>• No drilling reported so not applicable.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No drilling reported so not applicable.</li> <li>• "Recovery" from trench sampling believed acceptable and therefore sampling reasonably representative of surface mineralisation.</li> <li>• Grab samples not representative, used only to verify presence of mineralisation for due diligence and guide future work programmes.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Logging</b>	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• Geological notes taken for each sample, used to guide future work programmes.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• Trench sampling believed reasonably representative of surface mineralisation, also comparable with drill results on DOF01/02.</li> <li>• Grab samples not representative, to verify presence of mineralisation for due diligence and guide future work programmes. Results consistent with results in trenching and drilling.</li> <li>• Best endeavours made when collecting channel to sample entire interval evenly.</li> <li>• Best endeavours made when collecting grab samples to take largest possible sample of item of interest.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>• CLA verification samples submitted to Bureau Veritas Swakopmund for analysis using ICP-OES. Samples were digested using a mixture of acids to obtain a total digest. Duplicate measurements were taken on each sample.</li> <li>• Historical samples submitted to SGS for analysis by ICP-OES.</li> <li>• No geophysical tools quoted in this report.</li> <li>• Standard SGS lab QA/QC only.</li> <li>• Absence of QA/QC sampling from grab samples not believed to be significant due to the first pass nature of this sampling.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data..</li> </ul>	<ul style="list-style-type: none"> <li>• Not completed.</li> <li>• No twin holes</li> <li>• No adjustment to assay data.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>All sampling located by GPS</li> <li>UTM grid WGS84 Zone 33 (South).</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Samples taken in ad hoc nature, not on consistent spacing.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable / possible in grab sampling.</li> <li>Trench samples taken at an angle to dip of mineralised horizon.</li> <li>Based on the dip of the mineralised horizon interpreted from drilling (refer Figure 3, ASX Release 19 January 2016) trench intercepts may be up to double the true width of mineralisation.</li> <li>Further drilling will better determine the orientation of the geological features and mineralisation and enable any biases to be determined.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Verification samples delivered to laboratory by consultant geologist / Competent Person.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No review has been carried out.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Opuwo Cobalt Project comprises a single Exclusive Prospective License EPL4346 owned by Kunene Resources (Pty) Ltd.</li> <li>The license is will undergo the renewal process in March 2017 for a further two year term from June 2017..</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Previous work carried out by Kunene Resources includes geological mapping, outcrop sampling, soil sampling, high resolution magnetic and radiometric data and hyperspectral data.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Copper-cobalt mineralisation is developed in a sedimentary package of likely Nosib succession. Arkose quartzitic sandstones and conglomerates of the footwall Nosib Formation are exposed to the west and southwest</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>The upper Nosib or Ombombo Formation consists of a sequence of finely intercalated siltstones and shales with minor sandstone, marlstone, limestone and dolostone layers.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling reported.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>All results greater than 0.2% Cu and/or 1000ppm Co used to determine significant intersections in trenching.</li> <li>Assays from trenching weighted by sample length.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>All results in Appendix 3 are sampled widths</li> <li>Based on the dip of the mineralised horizon interpreted from drilling (refer Figure 3, ASX release 19 January 2016) trench intercepts may be up to double the true width of mineralisation.</li> <li>Determination of the orientations and thickness of mineralisation will be possible with further drilling.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Refer Figures 1 and 2.</li> </ul>

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Reporting is representative, all samples are shown on Figures 1 and 2.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>Geophysical and geological datasets detailed in report.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Planned further work detailed in report.</li> </ul>