



## **DRILL PROGRAMME AND TIMEFRAME CONFIRMED** **FOR OPUWO COBALT PROJECT**

### **HIGHLIGHTS**

- Drill programme commencement scheduled for early March.
- First phase of drilling aims to systematically test along a 20km strike length of the Dolomite Ore Formation (DOF) using shallow Reverse Circulation (RC) drilling.
- RC drilling will also enable drill testing of three key areas:
  - Strike extensions to mineralisation identified in historical drilling
  - Below mineralisation identified in historical trenching and surface sampling
  - Interpreted DOF horizon below shallow cover
- Drillholes have been sited based on either DOF outcrop or ultra high resolution aeromagnetic data.
- Second phase of drilling will comprise diamond drilling to extend the best RC results, and allow samples to be collected for metallurgical testwork.
- 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.
- Opuwo Cobalt Project has potential to host large-scale sediment hosted copper-cobalt mineralisation, with approximately 30km strike length of prospective mineralised horizon.
- Legal due diligence near complete, with no material issues identified.
- 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 at a meeting on 2 March 2017).



Celsius Resources Limited (“Celsius” or “the Company”) is pleased to advise the timeframe for its maiden drilling programme at 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.

Drilling is scheduled to commence in early March at the Project to test a number of identified targets including:

- Testing strike and depth extensions to cobalt-copper-zinc mineralisation intersected in historical drillholes DOF01 and DOF02;  
(refer Figure 1 and 2; ASX Release – 19 January 2017)
- Testing below high grade trench samples and other surface samples from outcrop in the western portion of the DOF; and  
(refer Figure 1 and 2, ASX Release – 30 January 2017)
- Testing extensions to the DOF horizon under cover based on re-interpreted ultra high resolution aeromagnetics.  
(refer Figure 3)

The key aim of drilling is to provide a systematic first pass test along a 20km strike length of the DOF horizon. A series of shallow RC drillholes spaced between 500 and 1,500 metres apart are planned to be drilled in the first phase. First results are anticipated to be received by early April.

Drilling will also provide a first test of interpreted DOF positions under shallow cover. Ultra high resolution aeromagnetic data (as shown in Figure 3) indicates that there are a number of NW-SE structures in the central DOF where the horizon is masked by recent shallow cover as well as folding of the horizon, with both processes hypothesised to be potential for enrichment of the cobalt mineralisation.

Following the initial RC programme, a combination of RC and diamond drilling will test the DOF horizons below the shallow holes with an additional aim of collecting material for metallurgical testwork.

Drilling will be carried out by the Company’s partners in the Opuwo Cobalt Project, Gecko Namibia Pty Ltd, and both the Company’s consultant Brendan Borg and director Bill Oliver will be on site during the drilling campaign.

*“I look forward to being in Namibia while the drilling is underway and testing some of the hypotheses we have put forward about the Opuwo Project. This project has the potential for large scale cobalt-copper mineralisation and with the prevailing cobalt price is a fantastic opportunity for the Company.”* said Mr Borg.

## **Due Diligence and Transaction**

Celsius has received initial legal advice prepared by ENS Namibia which advises that it has not discovered any issues with the title for EPL4346. Some minor remaining searches are outstanding, following receipt of which, Celsius should be in a position to confirm that its due diligence is complete.

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 on the 2<sup>nd</sup> March 2017.

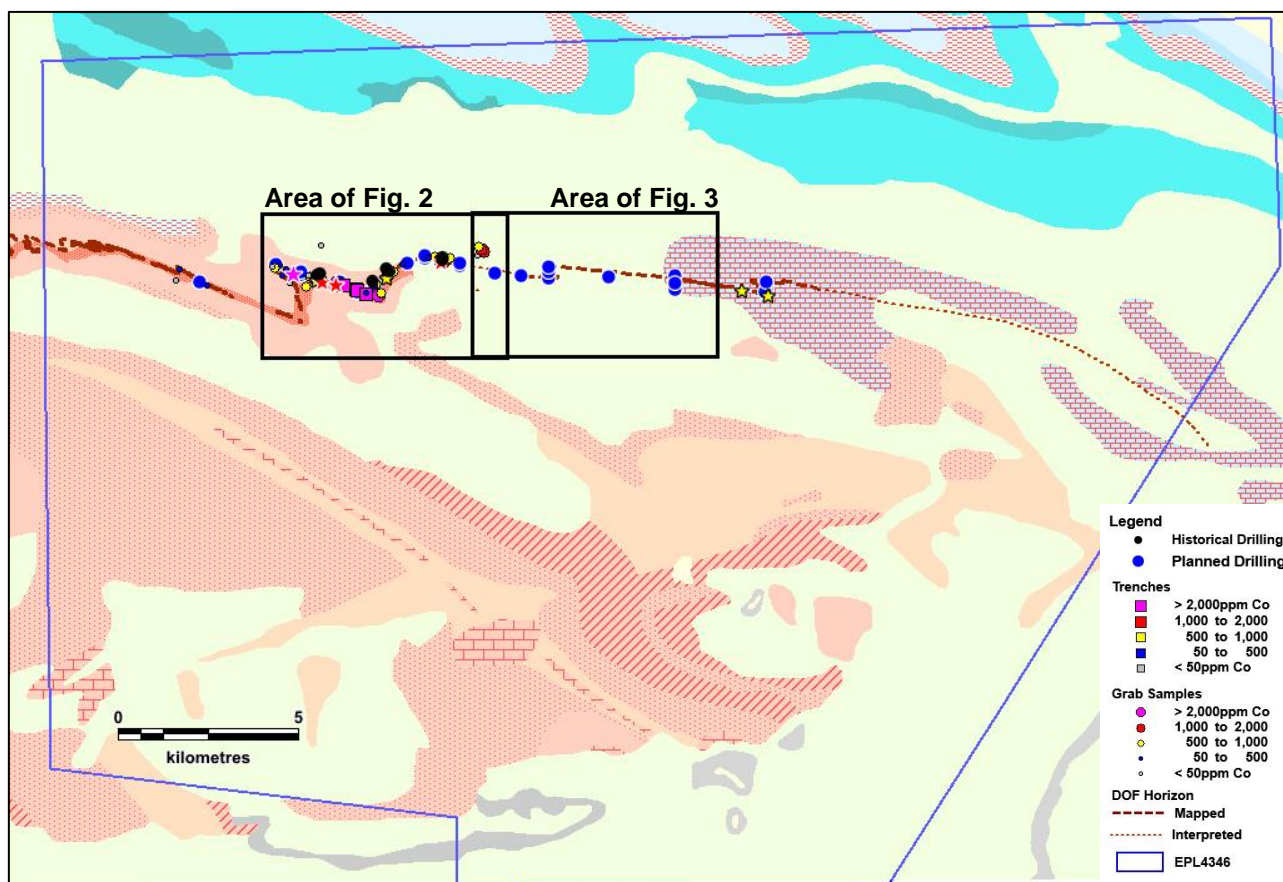


Figure 1. Geological Map of the Opuwo Cobalt Project showing mapped/inferred DOF, surface sampling, trenching and historic drill locations. Black box delineates area shown in Figures 2 & 3.

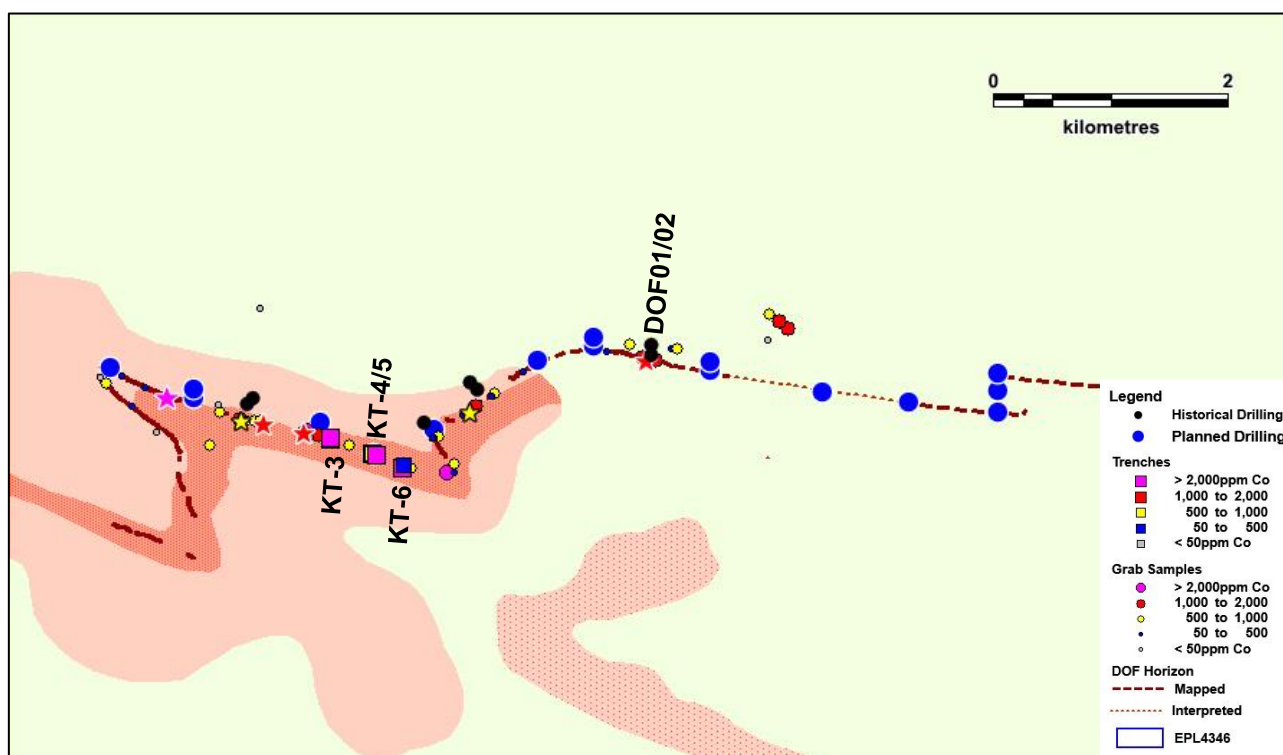
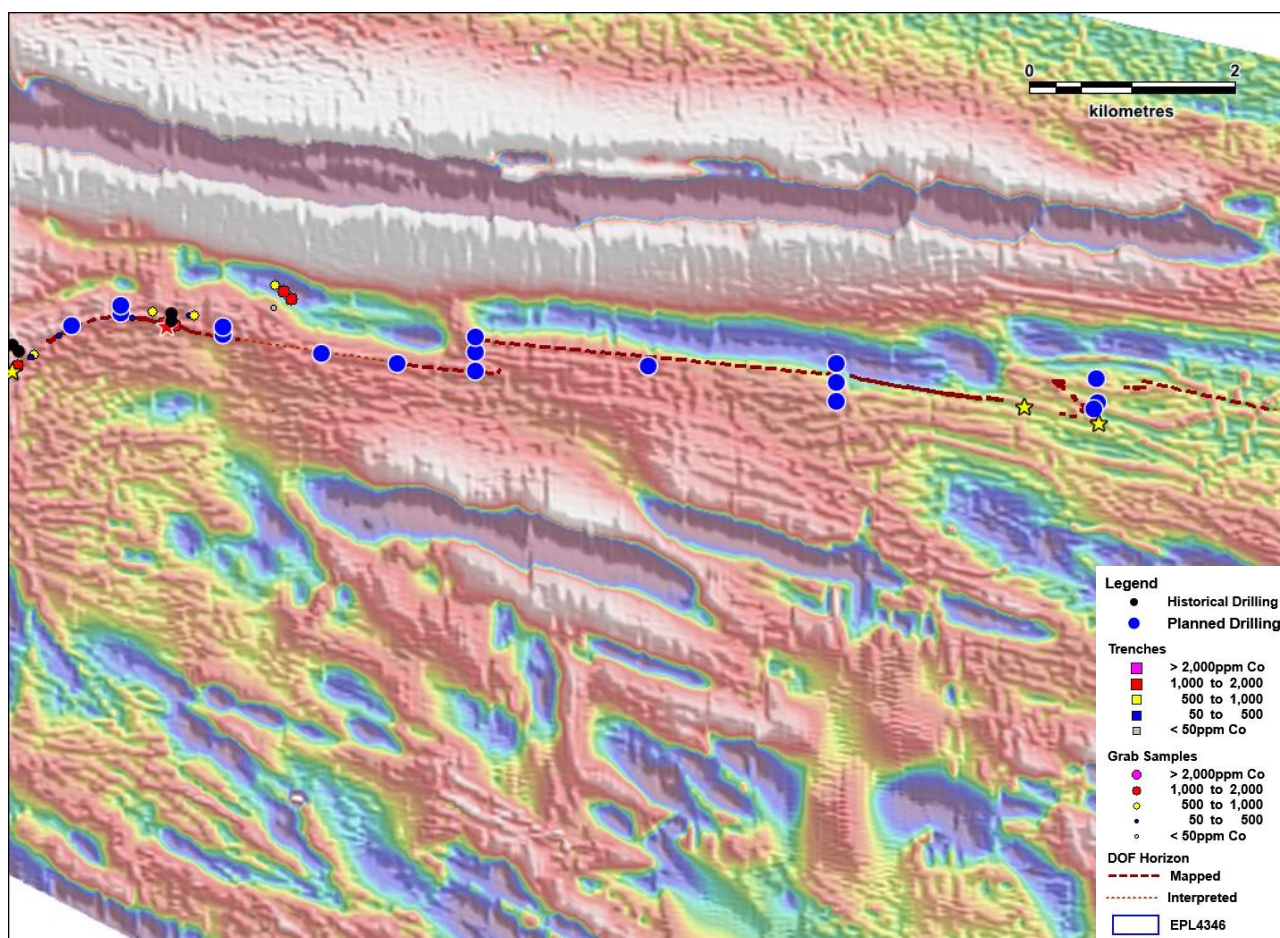


Figure 2. Plan showing area of trenching and drilling within the Opuwo Cobalt Project. CLA verification samples are shown as stars.



**Figure 3.** Plan showing ultra high resolution aeromagnetic data across the Opuwo Cobalt Project. The interpreted trace of the DOF horizon under cover and planned holes are also shown.

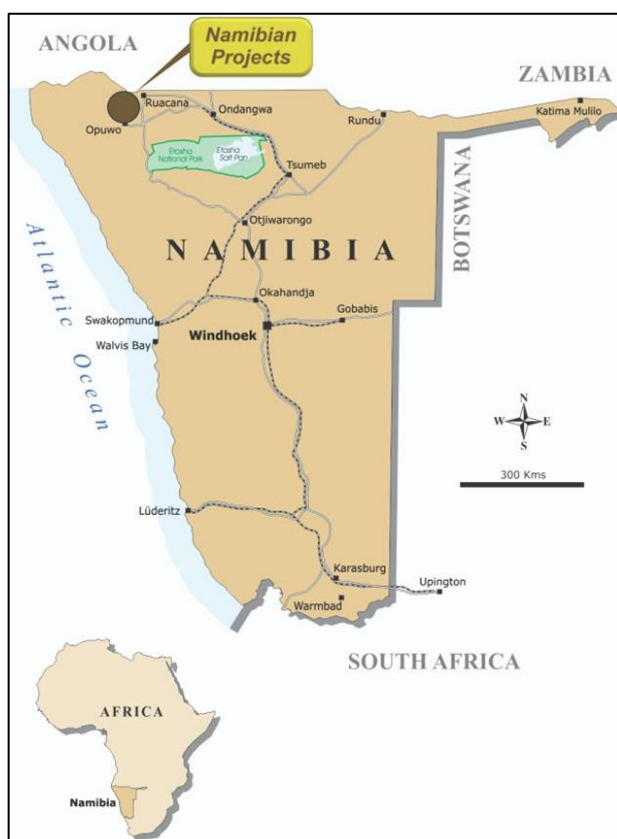
### Background on the Opuwo Cobalt Project

The Opuwo Cobalt Project is located in northwestern Namibia, approximately 800 km by road from the capital, Windhoek, and approximately 750 km from the port at Walvis Bay (Figure 4). The Project has excellent infrastructure with the regional capital of Opuwo approximately 30 km to the south, where services such as accommodation, fuel, supplies, and an airport and hospital are available, 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 4.** 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.

### **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 Person’s Statement**

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.