

## CELSIUS MOVES TO 95% INTEREST AT EXPANDED OPUWO COBALT PROJECT

### HIGHLIGHTS

- Celsius moves to immediate 95% interest in Opuwo Cobalt Project.
- Gecko Namibia to become the largest shareholder of Celsius as a result of the transaction.
- New licences surrounding Opuwo totaling approximately 782 km<sup>2</sup> acquired (95% interest) from Gecko Namibia.
- Over 100 km of cobalt-copper prospective horizon now under control of Celsius.
- Pine van Wyk (Gecko Namibia Managing Director) appointed to Celsius Board.

Celsius Resources Limited ("Celsius" or "the Company") is pleased to announce significant positive developments regarding the ownership structure and expansion of the scope of the Opuwo Cobalt Project ("Project") in Namibia.

Celsius Managing Director, Brendan Borg commented:

*"The desire of the Company's Joint Venture Partner, Gecko Namibia, to ensure they maintain their interest in the Opuwo Project, through taking a direct shareholding in Celsius, is in our view a striking endorsement for the Project. We look forward to working with Gecko's board nominee, Pine van Wyk, whose demonstrated experience in developing and operating mines in Namibia will be of significant benefit to the Company. The expanded landholding announced today places Celsius in a dominant position in a region that has the potential to be a significant cobalt and copper district."*

### Background

Prior to today's announcement, Celsius held a 30% interest in the Project (EPL 4346), earning up to 76% via staged expenditure of AUD 2.5 million. A call option provided the ability for Celsius to acquire an additional 20% from Gecko Namibia (Pty) Ltd ("Gecko") for AUD 1.25 million, prior to the completion of a Bankable Feasibility Study.

### *Immediate 95% interest in Opuwo and acquisition of surrounding licences*

Gecko and Celsius have entered into an acquisition agreement (“Acquisition Agreement”) pursuant to which Celsius will move to a 95% interest in EPL 4346 (through its shareholding in Gecko Cobalt Holdings (Pty) Ltd) in consideration for issuing Gecko with 31,250,000 shares in Celsius. Additionally, Gecko has agreed to sell to Celsius a 95% interest in three surrounding licences in the Opuwo region (the “Additional EPLs”), covering approximately 782 km<sup>2</sup>, taking the contiguous landholding of the expanded Celsius owned Opuwo Project to approximately 1,470 km<sup>2</sup>, for consideration of 12,500,000 shares in Celsius. The remaining 5% in all project licences will be retained by Amor Investments (Amor), a local Namibian Company owned by historically disadvantaged Namibians.

Gecko has agreed to a voluntary escrow lock on the Celsius shares it receives as 50% for 6 months from completion and 50% for 12 months from completion. The Company does not require Shareholder Approval for this issue of shares as they fall within the capacity available under Listing Rule 7.1. Completion under the Acquisition Agreement remains subject to Gecko making an application in terms of Section 39(1) of the Minerals Act for the approval by the Minister of the transfer of the Additional EPLs to Gecko Cobalt Mining (Pty) Ltd). The ownership structure of the entities following completion under the Acquisition Agreement is set out in Figure 2 in the “About Gecko” section below.

### *Highly Prospective New Licences*

Celsius has so far defined mineralisation over approximately 15 km of strike, of a potential total of 30 km at the existing Opuwo licence, EPL 4346. The new licences acquired by Celsius extend the prospective cobalt and copper stratigraphic horizon to over **100 km**. Historical sampling and laboratory assays over this additional strike zone, consisting of just 16 samples, yielded results of up to **8.3% copper** and **0.32% cobalt**, illustrating the high potential to identify further cobalt and copper mineralisation on the new licences. Details of the available historical sampling are provided in Appendix 1.

The expansion of the land position at Opuwo allows Celsius to explore for possible source zones and additional cobalt-copper mineralisation in the vicinity of the known DOF mineralisation. To this end, an airborne electromagnetic survey is planned for Q4 2017 to identify possible accumulations of massive sulphides and potential extensions to the known Dolomite Ore Formation (DOF) cobalt-copper mineralisation. This survey will include the new licences.

In addition to the cobalt-copper mineralisation investigated by Celsius to date, and other similar targets, the new licences are considered to have significant potential for other commodities including zinc-lead-vanadium (Otuziru Prospect), copper-gold (Chirumbu Prospect), chromium-vanadium (Jimi Prospect) and lead-zinc-silver (NOTZ Prospect) (Figure 1).

### *Pine van Wyk to join Celsius Board*

As a result of this transaction, Gecko Namibia will become the largest shareholder of Celsius with a shareholding of approximately 8.68%. The Managing Director of the Gecko Namibia, Mr. Pine van Wyk, will join the board of Celsius with immediate effect, as a non-executive director.

Pine van Wyk (NHD Met. Eng., B.Com, MBA) 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.

New Celsius Director, Pine van Wyk commented:

*“Gecko Namibia is excited about the strategic joint venture with Celsius. The experience and capacity of Gecko in the Namibian mining industry will add significant value to the Opuwo Project. The Gecko in-country support base enables Celsius to effectively accelerate the development of this Project. I further believe that the additional licences, now under the control of Celsius, bring the potential to develop a world class project. I am looking forward to working with the Board of Celsius to develop another significant project in Namibia.”*

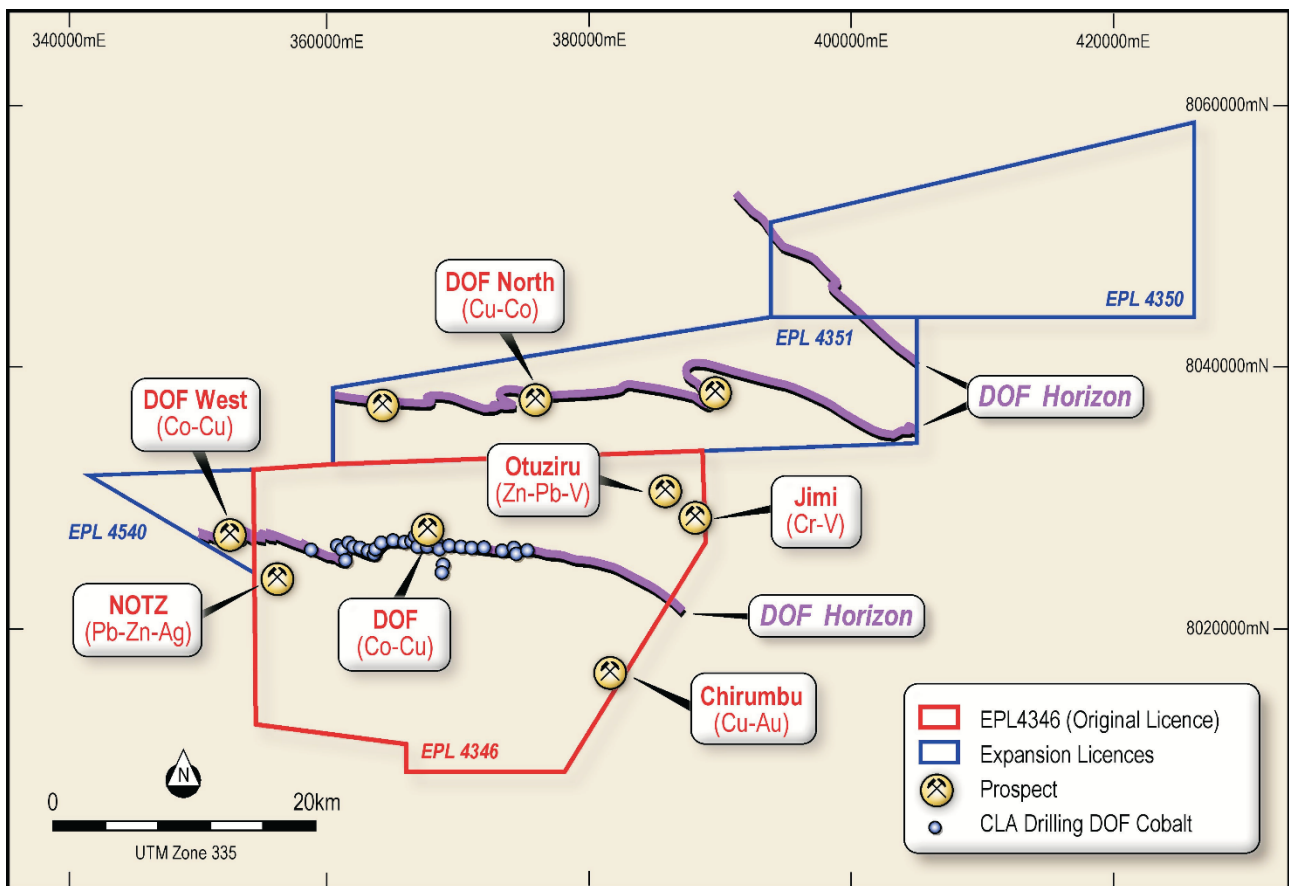


Figure 1: Expanded Licence Position

### About Gecko Namibia

Gecko Namibia (Pty) Ltd is a wholly Namibian owned company. In addition to developing its own projects in the mineral and chemical industry, Gecko focusses on providing services to the mining industry of Namibia by providing exploration and blasthole drilling, contract mining, chemical analyses, R&D metallurgical test work, civil engineering and construction, process design and plant construction.

Gecko currently operates the Okanjande Graphite Mine in partnership with major global graphite producer, Imerys, and the Cape Cross Salt operations. It is also the owner of the Okorusu Fluorspar Mine in northern Namibia. Additionally, the Gecko Group is one of the largest holders of Exclusive Prospecting Licences in Namibia, covering a large variety of commodities.

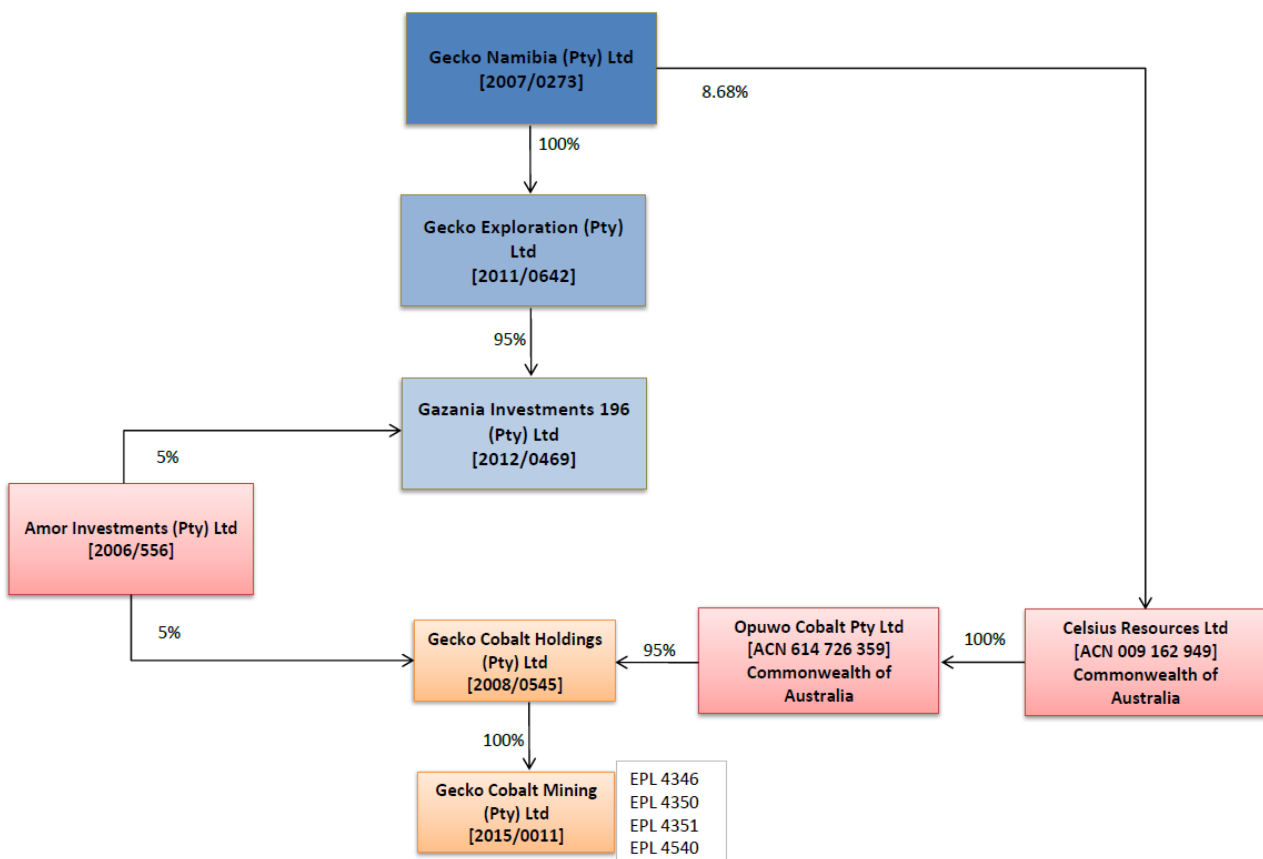
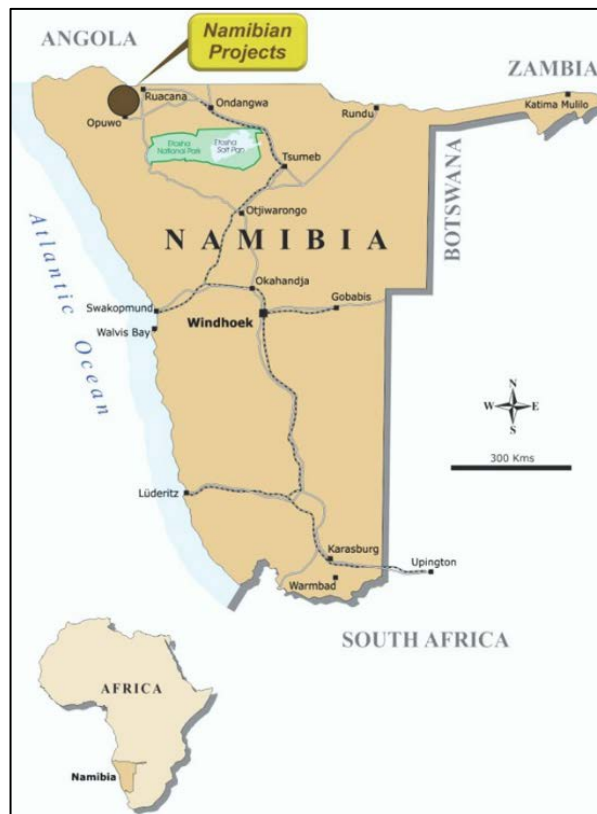


Figure 2: Ownership Structure of the Opuwo Cobalt Project (Post transaction completion)

### *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. 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.

On completion of the Acquisition Agreement, Celsius will own 95% of the 4 Exclusive Prospecting Licences comprising the Project, covering approximately 1,470 km<sup>2</sup>.



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

### *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 increasingly adopted 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 the 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 of 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 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, and post transaction completion, shares in Celsius. 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 measures as detailed in Appendix 2.

## Appendix 1. Results from historical DOF sampling on new licences

Sample Name	UTM Zone 33S Easting (m)	UTM Zone 33S Northing (m)	Co (ppm)	Cu (%)	Comment
KK1644	350374.0	8027128.2	241	0.84	
KK1645	351265.6	8026957.9	<b>1773</b>	0.01	
K046	351276.3	8026946.9	4.9	0.00	
KK1614	353584.3	8027296.1	54.8	0.07	
KK1631	352897.9	8026959.0	<b>3200</b>	0.36	
V02	389326.0	8037940.3	180	0.00	
V03	388996.0	8038181.9	12	0.25	
V05	388974.8	8038170.7	14	<b>8.30</b>	
OVWR1	388622.3	8038633.5	1.4	<b>1.57</b>	
OVWR2	388643.5	8038633.6	1.6	<b>2.54</b>	
RCC1-1	404503.0	8034887.5	10	0.02	
RCC1-2	404311.0	8035130.0	4	0.94	
RCC1-3	404321.6	8035119.0	12	0.10	
EWIS	398120.0	8049638.4	0.7	<b>6.23</b>	Pb - 1.67%
HZWIS	378417.7	8037500.5	86.7	<b>4.06</b>	
BZIS	365926.5	8037520.0	2.4	<b>1.64</b>	Au - 1.09 g/t

### Note:

1. It is recommended that the supporting information contained in Appendix 2 is read in conjunction with these results.

Appendix 2. 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.)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> </ul>	<ul style="list-style-type: none"> <li>• Historical rock chip / grab sampling carried out by various geologists.</li> <li>• Samples chosen for collection and assay at the geologist's discretion.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>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.</li> </ul>	
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</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>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>No drilling reported so not applicable.</li> <li>Grab samples not representative, used only to verify presence of mineralisation for due diligence and guide future work programmes.</li> </ul>
<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> </ul>	<ul style="list-style-type: none"> <li>Grab samples not representative, to verify presence of mineralisation for due diligence and guide future work programmes.</li> <li>Best endeavours made when collecting grab samples to take largest possible sample of item of interest.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <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>	
<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>Historical samples submitted to ACME, Actlabs, ALS, Bureau Veritas and SGS for analysis by ICP-OES or ICP-MS.</li> <li>No geophysical tools quoted in this report.</li> <li>Standard 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>
<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>

Criteria	JORC Code explanation	Commentary
<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>Further sampling (and 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>Samples delivered to laboratory by Kunene Resources Namibia.</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 four Exclusive Prospecting Licences (EPL4346, EPL 4350, EPL 4351 and EPL 4540) owned by Kunene Resources (Pty) Ltd, a subsidiary of Gecko Namibia.</li> <li>Three licences are active and one is currently in the renewal process.</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> <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> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>No drilling reported.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>○ down hole length and interception depth</li> <li>○ hole length.</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>	
<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>● Not applicable.</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>● Determination of the orientations and thickness of mineralisation will be possible with future 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 Figure 1.</li> </ul>
<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</li> </ul>	<ul style="list-style-type: none"> <li>● Geophysical and geological datasets detailed in report.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Planned further work detailed in report.</li> </ul>