

QUARTERLY ACTIVITIES REPORT

DECEMBER 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, gold, uranium and high-purity alumina (HPA). As at today's date a transaction is yet to be completed, although detailed due diligence has been completed on a number of opportunities.

At the end of the Quarter, the Company held approximately **\$6.177 million** in cash.

Opuwo Cobalt Project, Namibia (CLA 95%)

OPUWO REGIONAL EXPLORATION

During the Quarter excellent results were returned from sampling at Chirumbu with 13 samples above 1g/t gold and 37 samples > 1.0% copper (refer Figure 1, 2 and ASX Announcement 23 December 2019). These included peak values of 56.9g/t gold in sample AR022 and 36.9% copper in AR112.

Mineralisation at the Chirumbu Gold-Copper Prospect has previously been determined to be hosted in carbonate-quartz veins and systematic rock chip sampling of outcropping and subcropping veins was completed to provide an increased sample coverage to provide a more robust interpretation for the orientation of mineralised structures at Chirumbu.

Mineralised samples (> 1.g/t gold or > 1.0% copper) fall into two NNW-trending zones (Figure 1) named the Eastern and Western Vein Zones. These zones are between 10m and 30m wide and include evidence of brecciation and hydrothermal stockworking as well as an increase in density of quartz-carbonate veining. These zones are at a high angle to the regional stratigraphy (which is an anticlinal structure dipping to the north-west). Historical drilling was oriented perpendicular to stratigraphy (geological layering) rather than perpendicular to the veining (refer Figure 1).

Limited, shallow historical drilling by Kunene Resources yielded no significant results (refer ASX.BNX Announcement 22 March 2013) but is interpreted to have been oriented sub-optimally to intersect the

mineralised vein system and further work will be completed to better target follow up drilling. This is likely to comprise an IP survey to identify any potential sub surface accumulations of sulphide minerals and delineate favourable lithologies such as shale horizons, as well as further mapping to understand the spatial relationship of mineralised veins

OPUWO COBALT PROJECT

During the Quarter Celsius continued exploration activities focused on locating potential feeder zones for the Opuwo Cobalt Deposit. The aim is to identify higher grade zones which would enhance the viability of the Opuwo Cobalt Project.

Previously the company completed a SkyTEM aerial survey, along with downhole EM on certain deeper drillholes within the project. Current exploration efforts aim to add data through inexpensive data review, such as a current review of the geochemical signature of mineralisation in Celsius' drilling data by renowned international consultant Scott Halley.

The Company has commissioned HiSeis Pty Ltd to ascertain the potential for hard rock seismic to assist in exploration for the feeder zone. The initial step is to complete a series of measurements on existing drill core securely stored at the project core shed in Opuwo to ascertain if the DOF horizon represents a seismic reflector, as well as complete a reconnaissance of the project area to determine its suitability for future surveys. HiSeis will be onsite at Opuwo in February to complete these tasks.

METALLURGICAL FLOWSHEET REVIEW AND OPTIMISATION

During the Quarter, the Company received a number of tenders from third-party mineral processing firms located in Australia, Africa, North America and Europe to conduct a detailed review of all work completed so far on the various processing options for Opuwo ore. The various tenders have been put through a detailed TEAR process (Tender Evaluation, Adjudication and Recommendation) and final recommendations will be made to the board in coming weeks.

PRE FEASIBILITY STUDY ACTIVITIES

While intensive testwork and studies have ceased at Opuwo the Company continues to advance trade-off studies to improve the viability of the Opuwo Cobalt Project. The Company recently received results from a study to investigate the OPEX and CAPEX effects of locating some or all of the processing facility closer to port facilities at Walvis Bay in Namibia. The results of the study will provide inputs into the CAPEX and OPEX costings for the PFS, as and when it commences.

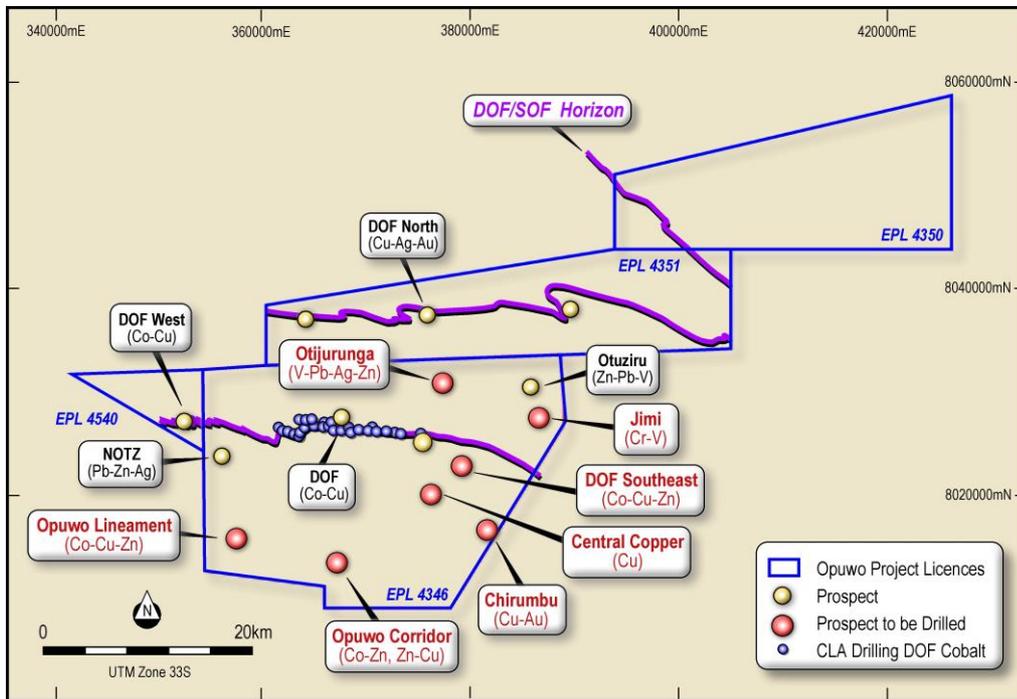


Figure 1 – Opuwo Regional Targets

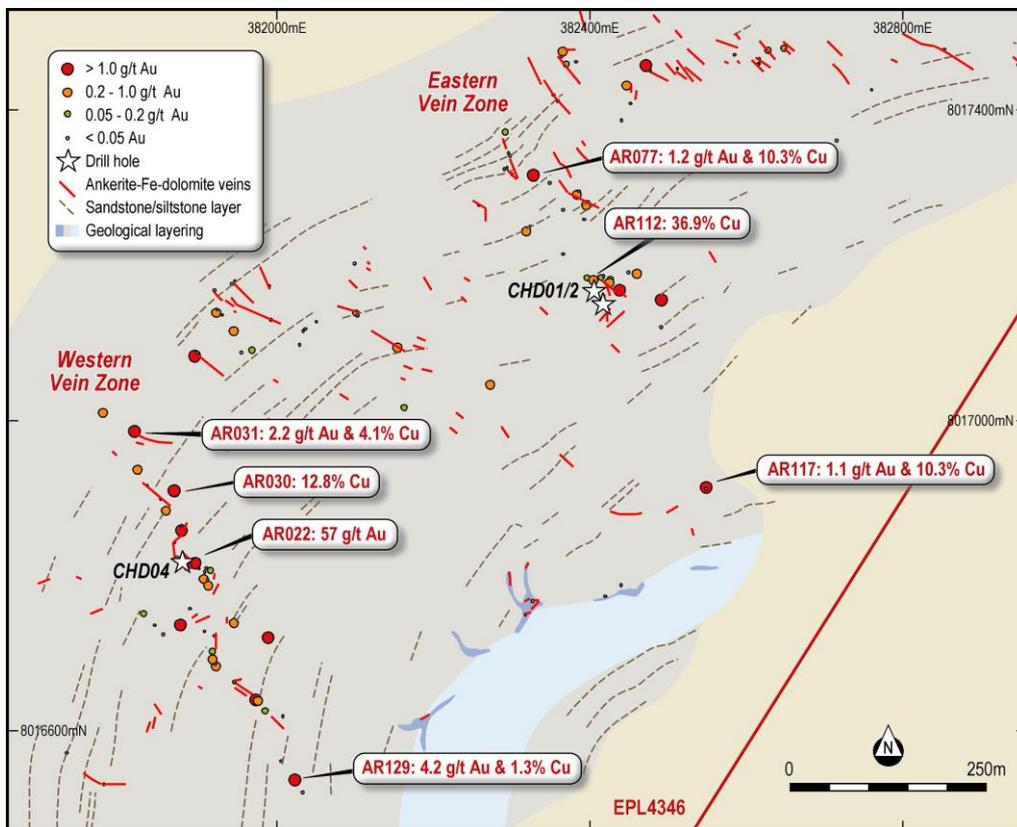


Figure 2 – Results from surface sampling at Chirumbu along with geological mapping

Corporate

At the end of the Quarter, the Company held approximately **\$6.177 million** in cash reserves, with ongoing costs continuing to be reduced during the Quarter.

During the Quarter, the Company received a 249D notice seeking director changes. A shareholder meeting was called to vote on the proposed changes however the notice was withdrawn prior to the meeting. The Board appreciates the support of shareholders and will continue to focus on increasing shareholder value.

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. 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. A detailed review of the Abednegno Hill Project and specifically the EM targets identified in the 2017 survey was completed during the Quarter.

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.

Summary of tenement holdings and movements and their location:

Tenement Reference	Tenement	Location	Interest at beginning of quarter	Acquired/Disposed	Interest at end of quarter
Opuwo Cobalt Project	EPL 4346	Dolomite Ore Formation, northern Namibia	95%	-	95%
Opuwo Cobalt Project	EPL 4351	Dolomite Ore Formation, northern Namibia	95%	-	95%
Opuwo Cobalt Project	EPL 4540	Dolomite Ore Formation, northern Namibia	95%	-	95%
E39/1684	NICKEL	Eastern Goldfields, WA	100%	-	100%
L26/0241	CARNILYA	Carnilya Hill, WA	30%	-	30%
M26/0047	CARNILYA	Carnilya Hill, WA	30%	-	30%
M26/0048	CARNILYA	Carnilya Hill, WA	30%	-	30%
M26/0049	CARNILYA	Carnilya Hill, WA	30%	-	30%
M26/0453	CARNILYA	Carnilya Hill, WA	30%	-	30%

Summary of farm-in or Farm-out arrangements

Tenement	Tenement Reference	Location	Interest at beginning of quarter	Acquired/Disposed	Interest at end of quarter
N/A					

This announcement has been authorised by the Board of Directors of Celsius Resources Limited.

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Competent Persons Statement

Information in this report relating to Exploration Results is based on information reviewed by Dr Rainer Ellmies, who is a Member of the Australasian Institute of Mining and Metallurgy and the Principal Geological Advisor for the Opuwo Project of Celsius Resources. Mr. Ellmies discovered the Opuwo deposit in 2012 and 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. Ellmies consents to the inclusion of the data in the form and context in which it appears.