CELSIUS RESOURCES LTD

**ASX RELEASE** | 30 July 2020

# PROSPECTIVE GOLD TARGETS IDENTIFIED WITHIN YASS GOLD PROJECT, LACHLAN FOLD BELT

## HIGHLIGHTS

- **Multiple high priority targets identified at Yass gold project following geological and geophysical data review**
- **Geology at Gooda and Daltons prospects interpreted to host NNE & NNW intersecting structure similar to the historic Caledonian Mines area held by Sky Metals**
- **Key targets located 8 km along strike from Caledonian Mines**
- **Draft instrument of Grant for ELA 5928 received (final grant to shortly follow), paving the way for field activities to commence at the Project.**
- **Celsius continues to review potential acquisitions and investments in commodities which complement or diversify the Company's current commodity exposure**

Celsius Resources Limited (**Celsius** or **the Company**) (ASX: CLA) is pleased to announce it has identified ten priority gold targets within its 100% owned Yass gold project in the Lachlan Fold Belt region of NSW, Australia.

The priority targets have been developed following a review of all available geological and geophysical data at the project, which comprises the historic high grade Gooda and Daltons gold fields near the town of Yass in NSW, along strike from the Caledonian Mines area held by Sky Metals (ASX.SKY)

**Commenting on the prospective targets, Celsius Resources Chairman Bill Oliver said:**

*"The Lachlan Ford Belt is an increasingly active exploration region due to the exciting gold deposits which have recently been discovered. We are pleased to be able to generate some high-quality targets within the region at both the Yass and Cullarin West projects. The forthcoming grant of ELA 5928 will allow Celsius to build an exciting exploration campaign at these projects and I look forward to updating investors and the broader market as the program progresses."*

Multiple geological similarities to the Caledonian Mines area have been identified, located 8 km along strike to the north where 81 m at 0.9 g/t Au was returned from historical trenching and 6 m at 8 g/t Au from historic drilling.

Magnetic data indicates prominent intersecting north-northeast and north-northwest structures at the Caledonian Mines area with similar structures observed at the Gooda and Daltons prospects held by Celsius (Figure 2).

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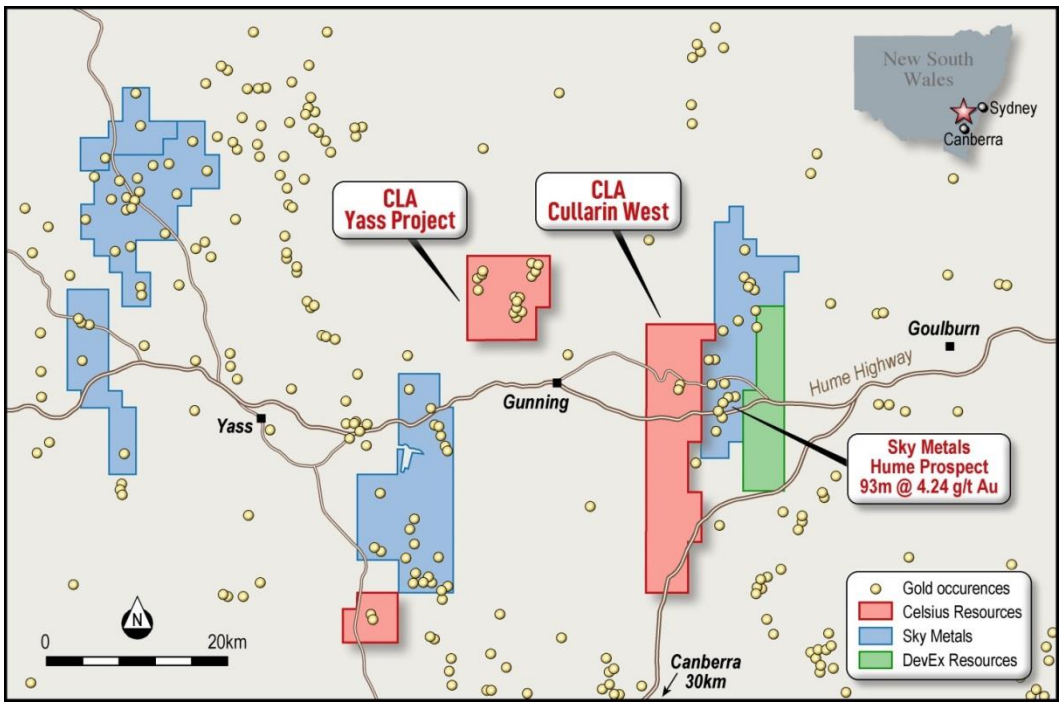


**Figure 1: Location map of Cullarin West Project and Sky Metals' Cullarin discovery**

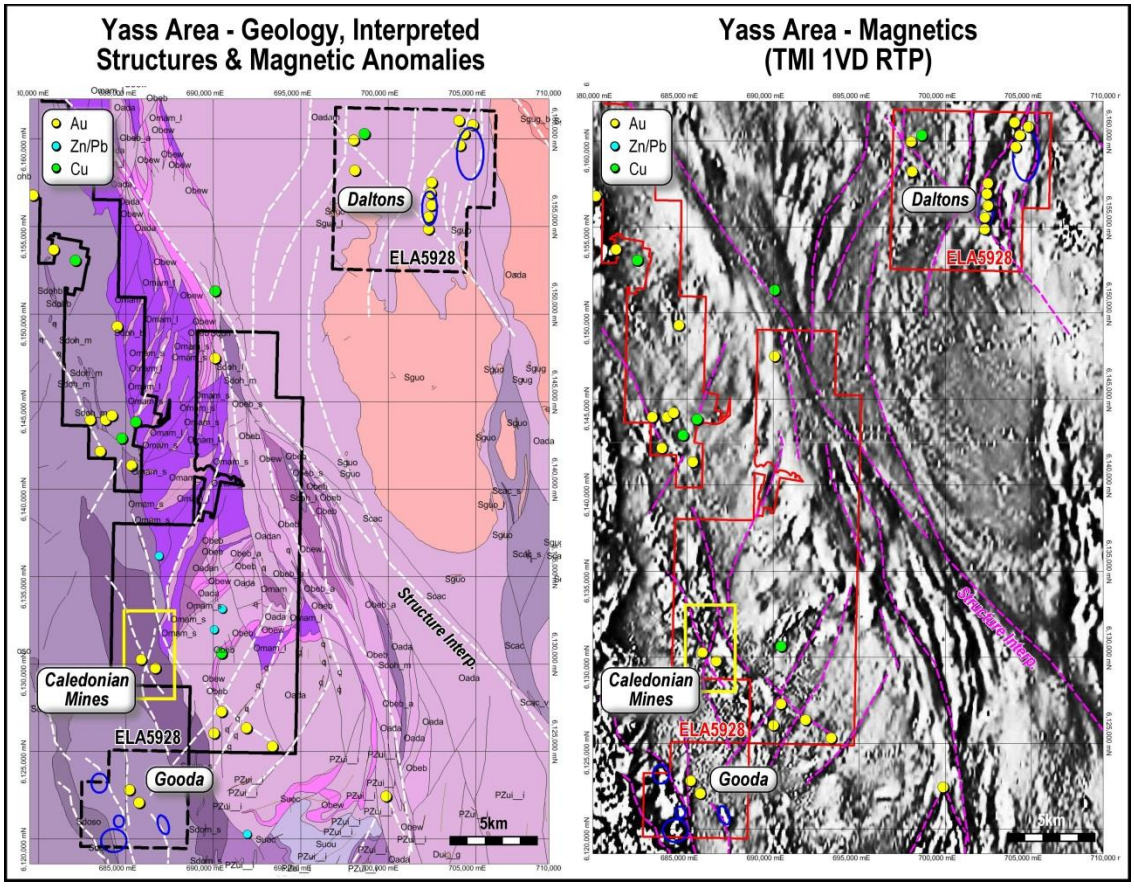


**Figure 2: Geological interpretation and magnetics at the Yass Gold Project**

Elevated potassium anomalies at the Caledonian gold mines area are associated with NNE and NNW structures interpreted at Gooda and to a lesser extent at Daltons (Figure 3).

Several other target areas have been identified in the airborne magnetic and radiometric data, including prominent magnetic high features particularly in the Gooda Creek gold mines area (blue polygons) which also hosts a large potassium anomaly.

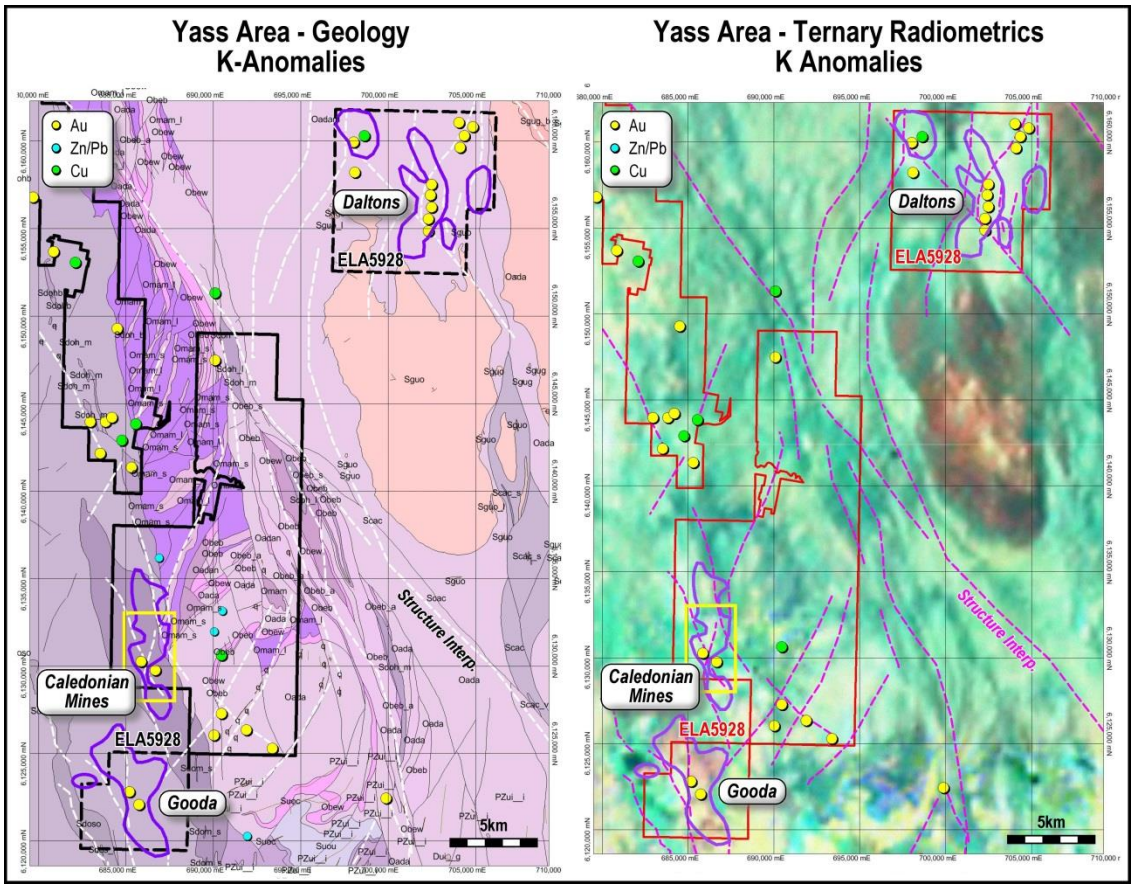


**Figure 3: Interpreted potassic alteration at the Yass Gold Project based on radiometrics**

High grade gold intercepts in historical drilling at both Gooda (1.95 m at 23.1 g/t Au and 1.02% Cu) and Daltons (1.0 m at 27.1 g/t Au) are typical of high grade shoots found within McPhillamys style gold mineralisation in the Silurian volcanics of the Lachlan Fold Belt (ASX Announcement 4 June 2020).

At Gooda, the dacitic volcaniclastic host rocks and quartz-pyrite-chalcopyrite veining are very similar to the host rocks and mineralisation style found at the McPhillamys deposit.

At Daltons, XRF soil data indicates 8 km strike of elevated arsenic-zinc-lead-copper-in-soil partly coincident with high grade drill intercepts and rock samples up to 29.3 g/t Au.

In total between the two areas 10 high priority targets has been identified for reconnaissance field work, 4 of which are McPhillamy's-style Au-Cu-Zn-Pb targets hosted in Silurian or Ordovician volcanics (Figure 4).

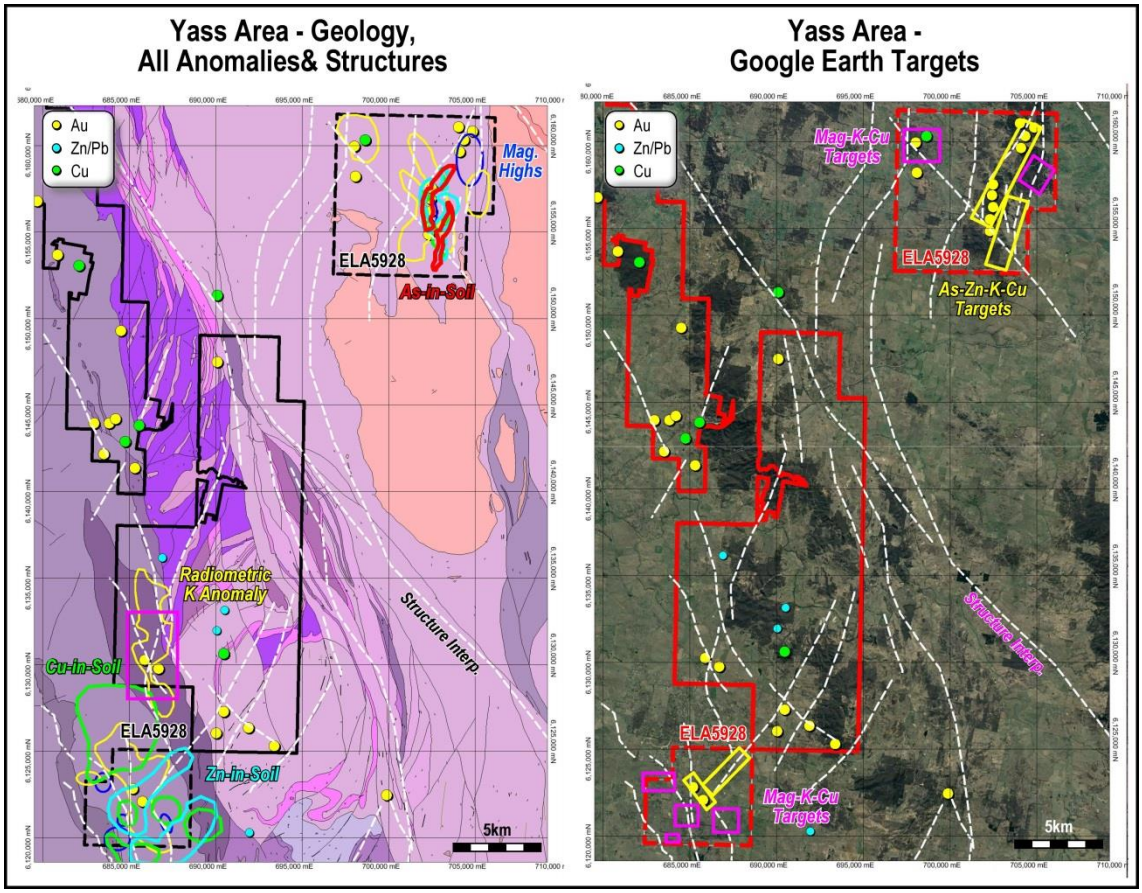


**Figure 4: All anomalies and structures at the Yass Gold Project over interpreted geology and priority targets identified from review.**

Celsius has earlier this week received notice that the Department of Regional NSW – Mining, Exploration and Geoscience ("Department") has proposed to grant an Exploration Licence in satisfaction of Exploration Licence Application No. 5928. Celsius will now proceed with the administrative steps to allow final grant of the licence as soon as possible, which will allow commencement of field activities on the Project.

Initial field activities will comprise landholder consultation and land access negotiation to the key target areas, followed by geochemical sampling programs aimed at defining drill targets.

In addition to Cullarin West, Celsius continues to review potential acquisitions and investments in commodities which complement or diversify the Company's current commodity exposure.

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

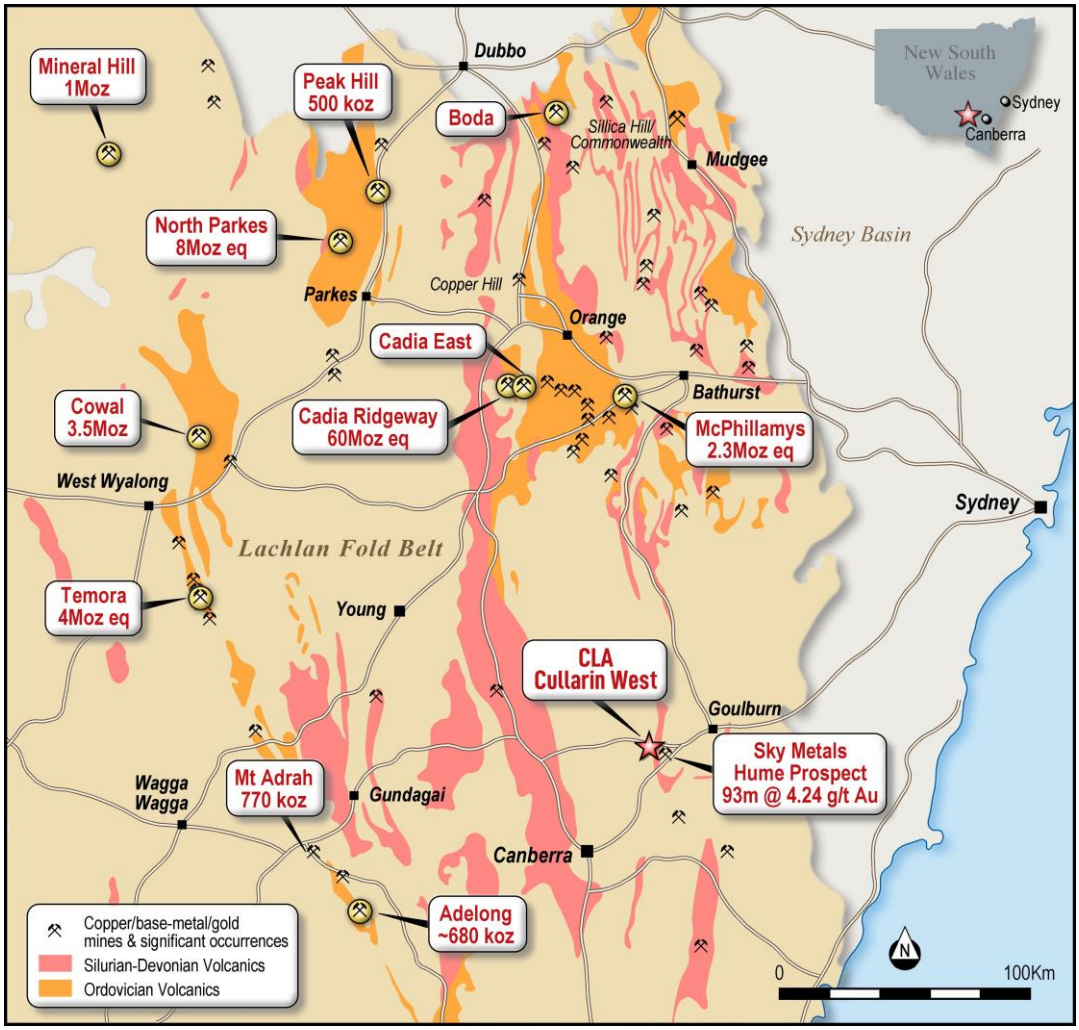


**Figure 5: Regional Map**

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### *Competent Persons Statement*

*Information in this report relating to Exploration Results is based on information reviewed by Leo Horn, who is a Member of the Australian Institute of Geoscientists and a consultant to Celsius Resources. Mr. Horn 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. Horn consents to the inclusion of the data in the form and context in which it appears.*

## *Appendix 1: The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results for the Cullarin West Project.*

### *Section 1: Sampling Techniques and Data*

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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *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.* | • Geophysical datasets sourced from the NSW Geological Survey via its Minview platform. Datasets reviewed included magnetics (Total Magnetic Intensity (TMI) and TMI 1st vertical derivate, both Reduced to Pole (RTP)), radiometrics (K, Th, U and ternary images created by combination of K-Th-U coverage as R-G-B colours) and mapped / interpreted geological coverages.<br>• Soil sampling at the Daltons prospect was conducted by Commissioners Gold Ltd in 2010. The methodology adopted invoved removing the top 12-15 cm of soil and taking the XRF reading in-situ on the exposed soil at the bottom of hole then refilling the hole with removed material. |
| *Drilling techniques* | • *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).* | • Reported diamond drilling at Gooda Creek was conducted by Transit Mining Pty Ltd in 1987. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • A 100% core recovery was achieved by Transit Mining Pty Ltd in 1987 at Gooda Creek |
| *Logging* | • *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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Simplified geological logs were recorded by Transit Mining on the diamond drill core at Gooda Creek which are appropriate for reporting exploration results. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • Drill results at Gooda Creek were obtained by splitting and sampling half core over 0.1 to 0.8 m intervals which are considered appropriate for the reporting of exploration results.<br>• The sub sampling technique for the soils samples is not reported, as to whether the sample was sieved in the field or submitted in its entirety to the laboratory. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *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.*<br>• *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.* | • Soil sampling at Daltons was conducted utilizing a handheld Olympus Innov-X Omega XRF Analyser. The in-situ soil samples were analysed using the SOIL mode setting for a total of 60 seconds each. QAQC was not conducted on the soil samples however the results are considered appropriate for reporting areas of anomalous base metals and arsenic soil anomalism<br>• Publicly available geophysical data has been checked and validated before integration into the NSW-wide database |

| | | |
|---|---|---|
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • At Gooda Creek a several field duplicate samples were selected for reassay and the results matched the original assay within reasonable tolerance |
| *Location of data points* | • *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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • XRF soil sampling locations point at Daltons were surveyed using a standard handheld GPS<br>• The location of Gooda Creek drill collar locations are recorded in a local grid that have been transformed into MGA 1994<br>• All information uses Map Grid of Australia (1994). |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Traverse XRF soil sampling at Daltons were spaced 200 m apart and reading stations were taken every 100 m. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *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.* | • XRF soil sampling at Daltons at 100 m spacing was conducted across strike of the north-south string gold mineralized structures. |
| *Sample security* | • *The measures taken to ensure sample security.* | • No details of sample security reported. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • No audits or reviews have been undertaken. |

## *Section 2: Reporting of Exploration Results*

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *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.*<br>• *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.* | • The Cullarin West Project comprises a single Exploration License Application ELA5928.<br>• To the Company's knowledge no environmental or culturally significant sites are located within the application area<br>• A number of private properties are located across the application area and access will need to be negotiated with landowners |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • Historical exploration was carried out by North Broken Hill Limited (subsequently North Ltd), Transit Mining and Commissioners Gold Limited. Previous work referred to in this announcement was carried out by Continental Explorations Pty Ltd and compiled by Golden Cross Operations Pty Ltd.<br>• Historical exploration in the area has occurred over a number of years with data being compiled as part of initial evaluation of the project. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The tenement is situated near to and along the eastern margin of the Siluro-Ordivician Molong Belt; part of the Macquarie Arc of the Lachlan Fold Belt. Major copper-gold deposits occur in the Ordovician volcanics in the Lachlan Fold Belt where porphyry gold-copper deposits formed within a 1,000km long intraoceanic island arc. The Silurian volcanic sequence is now understood to host gold mineralisation associated with volcanic hosted massive sulphide deposits (VHMS deposits) and sub-volcanic porphyries. Mineralisation models for Silurian-hosted mineralisation is still evolving aided by recent discoveries such as Sky's Hume Deposit. |
| *Drill hole Information* | • *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:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *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.*<br>• | • Drillhole information reported in ASX Announcement 4 June 2020 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Data aggregation methods* | • *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.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Composite assays for Gooda Creek are reported at a cutoff grade of 0.2 g/t Au |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *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').* | • The true width of mineralisation has not yet been verified at Gooda Creek and more drilling may be required to properly assess the true thickness |
| *Diagrams* | • *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.* | • See relevant maps in the body of this announcement. |
| *Balanced reporting* | • *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.* | • All available data has been presented in figures. |
| *Other substantive exploration data* | • *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.* | • Exploration data for the project continues to be reviewed and assessed and new information will be reported if material. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • Further work is detailed in the body of the announcement. |