

## QUARTERLY ACTIVITIES REPORT

JUNE 2020

### Summary

During the Quarter, the Company acquired 100% of the Cullarin West Project (comprising ELA5928) located in the highly sought-after Lachlan Fold Belt region of NSW, Australia. The Company completed an initial site visit as part of its due diligence and recently completed a detailed review of available geological, geochemical and geophysical data sourced from historical exploration and open file regional surveys.

In addition the Company continued work programs which keep the Opuwo Project in good standing in terms of in country expenditure and reporting including Corporate Social Responsibility (CSR) programs, government consultation regarding the current status of the Project and limited on ground activities assessing targets generated from data review and collecting baseline environmental data.

The Company also 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-gold, copper, cobalt, manganese, gold, uranium, high-purity alumina (HPA). As at today's date a transaction is yet to be completed, although detailed due diligence and ASX engagement has been completed on a number of opportunities.

At the end of the Quarter, the Company held approximately **\$5.67 million** in cash.

### Cullarin West Project, NSW (CLA 100%)

The Cullarin West prospect is located adjacent to and along strike of Sky Metals' (ASX:SKY) Cullarin discovery (93 m at 4.24 g/t gold from 56 m, refer ASX.SKY Announcement 10 February 2020) (See Figure 1 for Location Map). An initial review, including a site visit, indicates the project is underlain by similar geological and structural features which host mineralisation at Cullarin. Only limited historical exploration has been undertaken in the tenement area due to widespread recent cover obscuring bedrock geology.

A historical diamond drillhole at Cullarin West (DDH W-1 drilled in 1978) showed elevated levels of silver and base metals in "drill sludges" (refer ASX Announcement 4 June 2020). Sludge samples were not analysed for gold due to the focus being on base metals. The drill core was not cut or sampled and is stored at the NSW core library in Londonderry. Celsius is in the process of accessing this core and sampling it ahead of a significant program of low detection limit geochemical sampling designed to define further drilling targets.

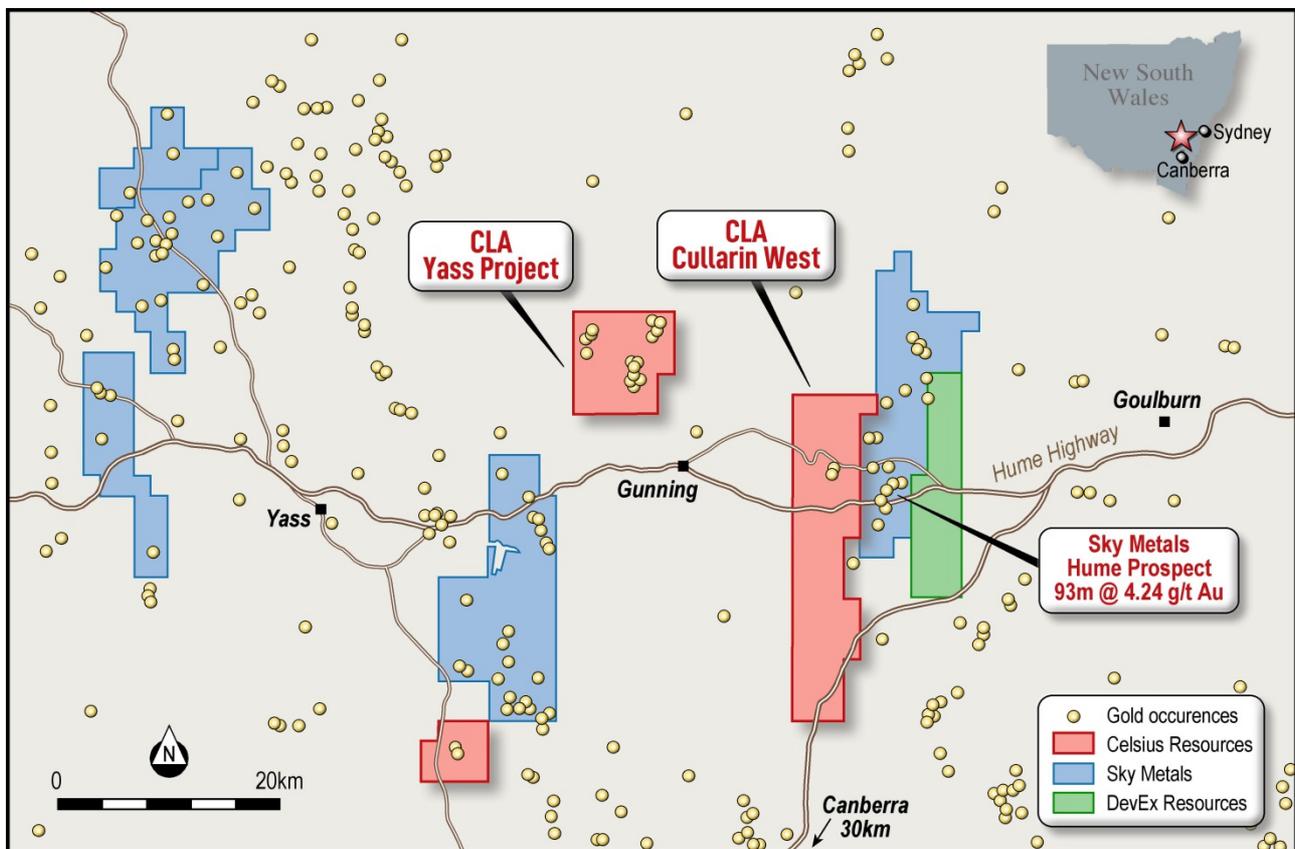


Figure 1: Location map of Cullarin West Project and Sky Metals' Cullarin discovery

The tenement also includes the historical Gooda Creek and Daltons Goldfields which together form the Yass Gold Project (for further details refer ASX Announcement 4 June 2020):

- Gooda Creek: A high grade, small scale gold mine that averaged 6 oz/t (180 g/t) pre-1900 (government records). Limited shallow drilling at Gooda Creek in the 1987 returned 1.95 m at 23.1 g/t gold and 1.0% copper.
- The Daltons Goldfield: Hosts multiple gold occurrences that have seen small scale, high grade production recorded (+10g/t Au) with little modern exploration conducted. A limited drill program conducted in 2012 returned a best result of 1 m @ 27.1 g/t gold.

A desktop review of publicly available geological and geophysical information was undertaken by consultants to the Company during the Quarter. At the Cullarin West Project seven targets were identified, including seven priority targets (Figure 2). Targets 1, 2 and 3 are interpreted to be McPhillamy's style gold-copper-zinc-lead targets hosted in Silurian volcanics along the extension to the Hume Trend, geologically similar to the Hume Target within Sky Metals' Cullarin project. Targets 1, 4, 5, 6 and 7 are interpreted to be Cadia style porphyry style copper-gold targets that occur close to the Ordovician Silurian contact, including circular magnetic high features on the license similar to those at the Boda prospect, a discovery by Alkane Resources (refer to ASX:ALK announcement 9 September 2019). Further details on the Cullarin West targets are contained in the ASX Announcement of 8 July 2020.

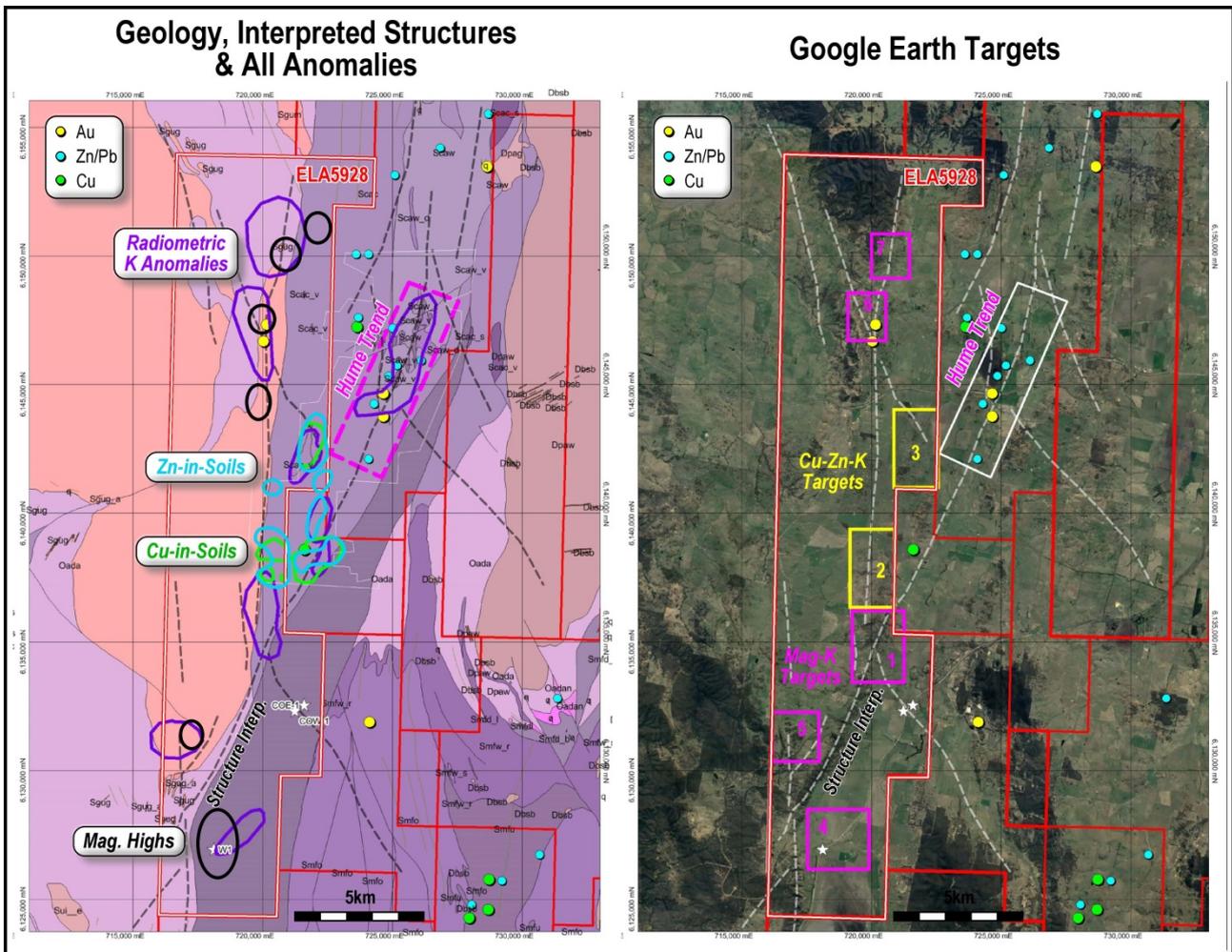


Figure 2: All anomalies and structures at Cullarin West over interpreted geology and priority targets identified from review.

At the Yass Gold Project 10 high priority targets were identified for reconnaissance field work, 4 of which are McPhillamy's-style Au-Cu-Zn-Pb targets hosted in Silurian or Ordovician volcanics (Figure 3). These targets demonstrate multiple geological similarities to the Caledonian Mines area located 8 km along strike to the north where 81 m at 0.9 g/t Au was returned from trenching and 6 m at 8 g/t Au from historic drilling. Further details on the targets at the Yass Gold Project can be found in the ASX Announcement of 30 July 2020.

The high grade gold intersections in historic drilling at the Yass Project referred to above are typical of high grade shoots at McPhillamys style gold deposits (refer ASX Announcement 4 June 2020). At Gooda, the dacitic volcanoclastic host rocks and quartz-pyrite-chalcopyrite veining is very similar to the host rocks and mineralisation style at McPhillamys while 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

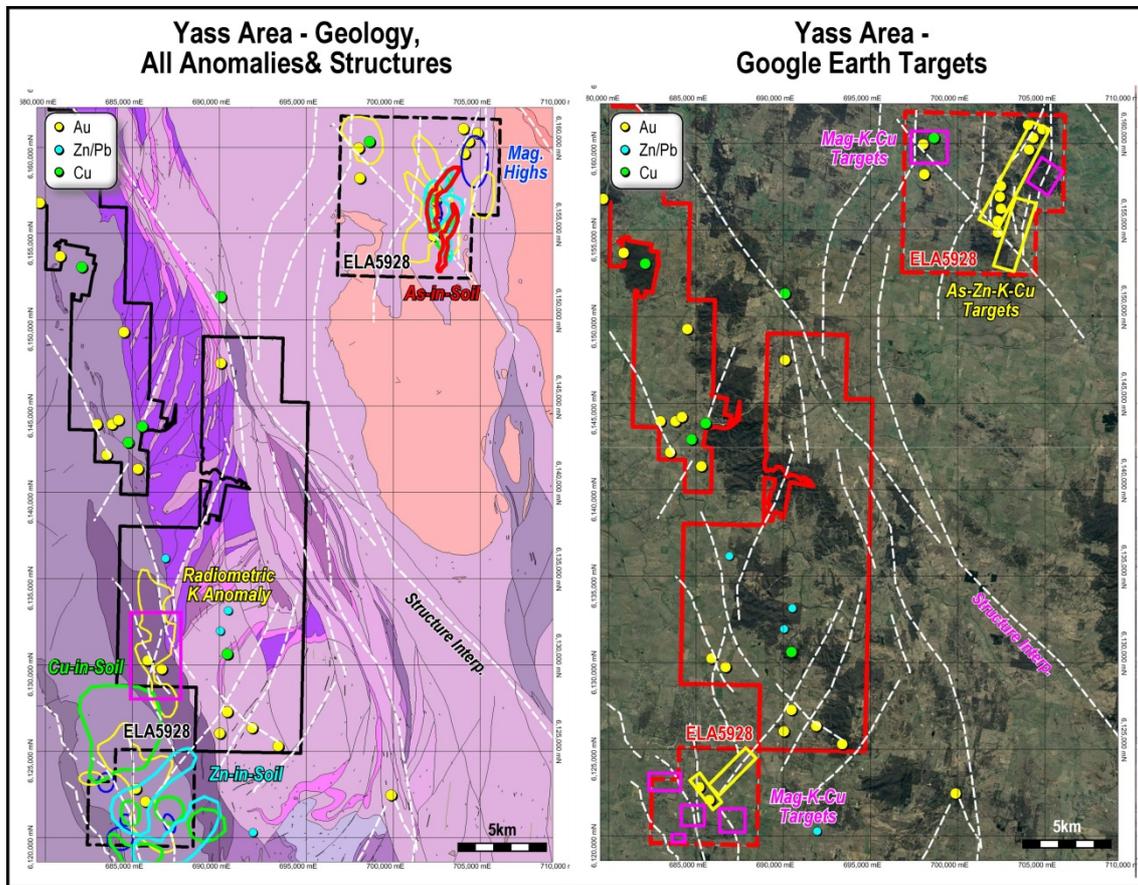


Figure 3: All anomalies and structures at the Yass Gold Project over interpreted geology and priority targets identified from review.

Subsequent to the end of the Quarter Celsius received notice that the Department of Regional NSW – Mining, Exploration and Geoscience (“Department”) 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.

Reconnaissance field work will now be undertaken, upon tenement grant, on the high priority targets within the licence following completion of access agreements with the relevant landowners. Field work will initially comprise comprehensive mapping and outcrop sampling across the defined targets, along with close spaced soil sampling in suitable areas, with the aim of delineating targets for drill testing later in the year.

### *Opuwo Cobalt Project, Namibia (CLA 95%)*

#### **OPUWO COBALT PROJECT**

During the Quarter the Company continued to assess ways of improving the viability of the Opuwo Cobalt Project given the prevailing cobalt price. It is noteworthy that the copper price is currently approaching US\$6,500 / t which is similar to the levels in March 2018 when cobalt prices were at their peak. Potential for projects in the region to provide synergies and economies of scale continue to be investigated. In addition the review and re interpretation of drilling data and metallurgical testwork results continued during the Quarter.

In Namibia baseline environmental monitoring was suspended due to lockdowns related to COVID-19. The Company is awaiting feedback from the Ministry of Environment and Tourism on the EIA Scoping Report submitted (along with any public submissions). Once the Scoping Report is approved specialist environmental and social studies would be able to commence, readying the Project to ramp up the PFS to meet forthcoming demand for cobalt and copper.

### *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.

### *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.

### Corporate and Expenditure

At the end of the Quarter, the Company held approximately **\$5.67 million** in cash reserves, with ongoing costs continuing to be managed during the Quarter.

During the Quarter the Company's expenditure was primarily on activities related to the acquisition and exploration of the Cullarin West Project and exploration and development of the Opuwo Cobalt Project with details in the Cashflow Report (Appendix 5B) appended to this report. The costs included under "Corporate" include costs associated with due diligence into new project opportunities.

Payments were made to related parties for directors' fees as listed in section 6 of the Cashflow Report.

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### ***Competent Persons Statement***

*Information in this report relating to Exploration Results is based on information reviewed by Mr. Brendan Borg, who is a Member of the Australasian Institute of Mining and Metallurgy and a Non-Executive Director of Celsius Resources. Mr. Borg 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. Borg consents to the inclusion of the data in the form and context in which it appears.*

**Tenement Table: ASX Listing Rule 5.3.3**

**Mining tenement interests held at the end of the quarter and their location**

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER / APPLICANT	PERMIT STATUS	PERMIT EXPIRY	INTEREST / CONTRACTUAL RIGHT
<b>Western Australia</b>					
Carnilya Hill	M26/47	View Nickel Pty Ltd	Granted	30/05/2026	30%
Carnilya Hill	M26/48	View Nickel Pty Ltd	Granted	30/05/2026	30%
Carnilya Hill	M26/49	View Nickel Pty Ltd	Granted	30/05/2026	30%
Carnilya Hill	M26/453	View Nickel Pty Ltd	Granted	14/12/2036	30%
Carnilya Hill	L26/241	View Nickel Pty Ltd	Granted	09/08/2028	30%
Abednegno Hill	E39/1684	View Nickel Pty Ltd	Granted	31/10/2022	100%
<b>Namibia</b>					
	EL 4346	Gecko Cobalt Holdings	Granted		95%
	EL 4351	Gecko Cobalt Holdings	Granted		95%
	EL 4351	Gecko Cobalt Holdings	Granted		95%

**The mining tenement interests relinquished during the quarter and their location**

Nil.

**The mining tenement interests acquired during the quarter and their location**

Nil.

**Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter**

Not applicable.

**Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter**

Nil.