For personal use only

CELSIUS RESOURCES LTD

ASX RELEASE | 16 January 2018

OPUWO COBALT RESOURCE DRILLING ASSAYS

HIGHLIGHTS

- Four further batches of assays from the recently completed resource drilling program received, with highlights including:
  - 6 m @ 0.15% Co and 0.51% Cu, including 2 m @ 0.25% Co and 0.52% Cu
  - 5 m @ 0.13% Co and 0.66% Cu, including 2 m @ 0.15% Co and 1.11% Cu
  - 3 m @ 0.21% Co and 0.41% Cu, including 1 m @ 0.35% Co and 0.39% Cu
  - 5 m @ 0.12% Co and 0.56% Cu
  - 5 m @ 0.12% Co and 0.37% Cu
  - 4 m @ 0.14% Co and 0.60% Cu
- Deeper mineralisation (450.50 m to 454.46 m) confirmed on the western side of the project in DOFD0103 - 3.96 m @ 0.13% Co and 0.45% Cu.
- Further resource drilling assays to be reported throughout January and early February, followed by reporting of maiden Mineral Resource.

Celsius Resources Limited ("Celsius" or "the Company") is pleased to provide an update on the latest resource drilling program assays from its 95% owned Opuwo Cobalt Project ("Project") in Namibia.

Four new batches of assays have now been received, with results demonstrating the highly consistent nature of the expansive mineralised zone at Opuwo. Significantly, deeper mineralisation has again been confirmed in DOFD0103, this time on the western side of the Project area (Figure 1). This hole intersected 3.96 m @ 0.13% Co and 0.45% Cu, from 450.50 m. Notably, this drill hole also intersected lead-zinc-silver mineralisation over 12.65 m (from 235.35 m), with a peak result of 1 m @ 1.56% Pb, 0.59% Zn and 13.5 g/t Ag. (236 m – 237 m). Lead-zinc mineralisation is known to occur elsewhere on the Project tenements, at the Otiziru and NOTZ Prospects.

Celsius Managing Director, Brendan Borg commented:

"The assay results from the resource drilling program at Opuwo continue to demonstrate the consistent nature of the mineralisation. Additionally, further evidence of significant depth extension to the mineralisation continues to demonstrate that this is a very large mineralised system."

Level 3, 216 St Georges Terrace,
Perth WA 6000
PO Box 7775, Cloisters Square,
Perth WA 6850

P: + 61 8 9226 4500
F: + 61 8 9226 4300
info@celsiusresources.com.au
www.celsiusresources.com.au

For personal use only

Latest Results

Laboratory assays have been received from the next four batches of samples (Figure 1/Appendix 1). Significant intersections from these batches include:

- 6 m @ 0.15% Co and 0.51% Cu, from 132 m, including
  2 m @ 0.25% Co and 0.52% Cu, from 133 m (DOFR0096)
- 5 m @ 0.13% Co and 0.66% Cu, from 122 m, including
  2 m @ 0.15% Co and 1.11% Cu, from 122m (DOFR0121)
- 3 m @ 0.21% Co and 0.41% Cu, from 110 m, including
  1 m @ 0.35% Co and 0.39% Cu, from 111 m (DOFR0105)
- 5 m @ 0.12% Co and 0.56% Cu, from 200 m (DOFD0123)
- 5 m @ 0.12% Co and 0.37% Cu, from 118 m (DOFR0104)
- 4 m @ 0.14% Co and 0.60% Cu, from 83 m (DOFR0088)
- 4 m @ 0.14% Co and 0.39% Cu, from 265 m (DOFR0087)
- 5 m @ 0.11% Co and 0.36% Cu, from 213 m (DOFR0120)
- 3 m @ 0.18% Co and 0.53% Cu, from 146 m (DOFR0101)
- 4 m @ 0.13% Co and 0.60% Cu, from 39 m (DOFR0091)
- 4 m @ 0.13% Co and 0.35% Cu, from 169 m (DOFR0092)
- 3.96 m @ 0.13% Co and 0.35% Cu, from 450.50 m (DOFD0103)
- 7 m @ 0.07% Co and 0.60% Cu, from 21 m (DOFR0093)
- 3.18 m @ 0.15% Co and 0.52% Cu, from 241.20 m (DOFD0085)
- 4 m @ 0.12% Co and 0.36% Cu, from 32 m (DOFR0090)

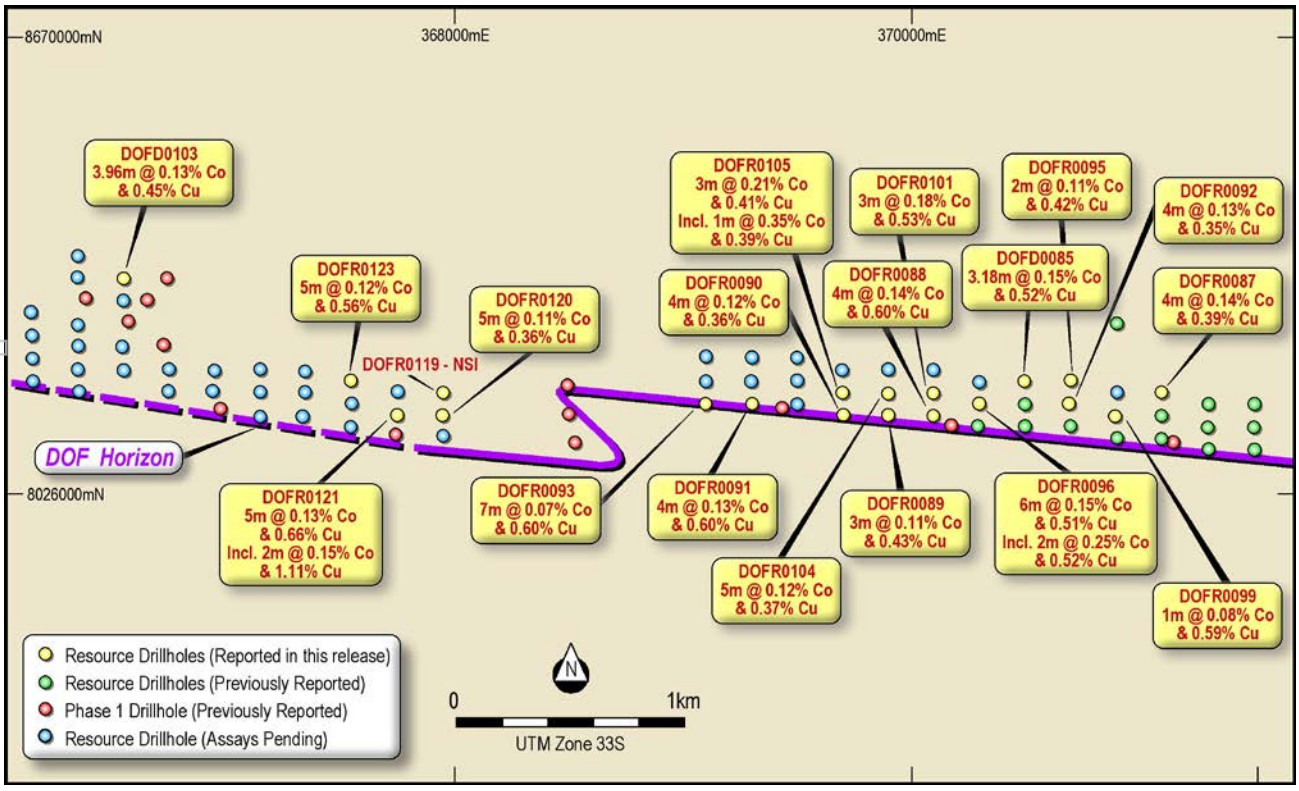

Figure 1: Resource Drilling Hole Locations and Assay Reporting Progress.

For personal use only

About the Opuwo Cobalt Project

Celsius is aiming to define a long life, reliable source of cobalt at Opuwo. The Company considers the Project to have the following advantages:

- Large scale.
- Favourable mineralogy: cobalt and copper sulphide minerals.
- Low in deleterious elements: notably arsenic, cadmium and uranium.
- Mining friendly, politically stable and safe location with excellent infrastructure.
- Cobalt: best exposure to lithium ion battery boom.

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 2). 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.

The Opuwo Project consists of four Exclusive Prospecting Licences covering approximately 1,470 km^2.

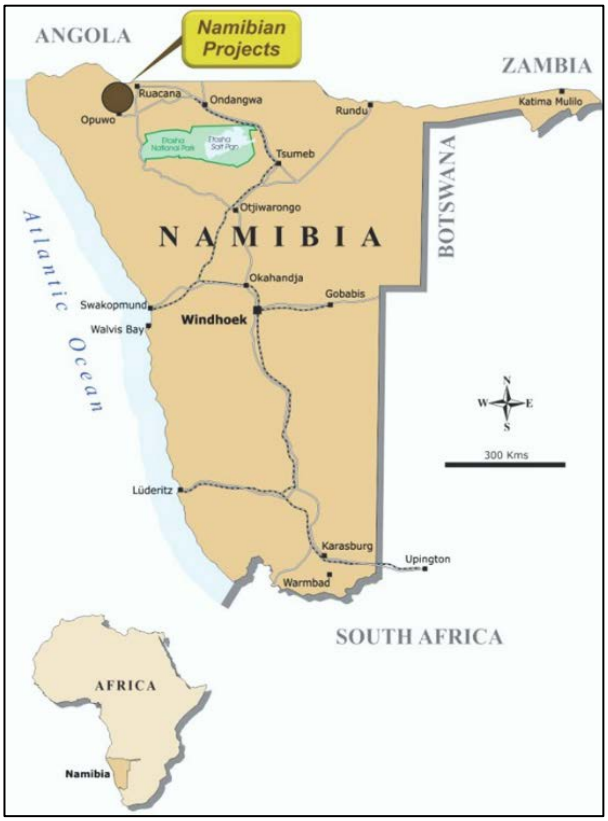

Figure 2: Location of the Opuwo Cobalt Project, Namibia

Celsius Resources Contact Information

Level 3, 216 St Georges Terrace
Perth WA 6000
PO Box 7775
Cloisters Square Perth WA 6850
P: +61 8 9226 4500
F: +61 8 9226 4300
E: info@celsiusresources.com.au
www.celsiusresources.com.au

Competent Persons Statement

Information in this report relating to Exploration Results and Exploration Targets is based on information reviewed by Mr. Brendan Borg, who is a Member of the Australasian Institute of Mining and Metallurgy and Managing 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.

For personal use only

For personal use only

Appendix 1: Resource Drilling Program - Significant Intersections

Hole ID	Easting (UTM Zone 33S)	Northing (UTM Zone 33S)	Planned Dip (deg)	Planned Azimuth (grid)	Final Depth (m)	Intercept from (m)	Intercept to (m)	Interval (m)	Cobalt (%)	Copper (%)	Zinc (%)
DOFD0062	370503	8026297	-55	180	92.16	56.92	61.46	**4.54**	0.12	0.48	0.44
AND						80.76	85.00	**4.24**	0.15	0.45	0.54
DOFR0064	372107	8026347	-55	180	267.00	260	264	**4**	0.12	0.29	0.31
DOFD0065	371902	8026153	-55	180	38.06	28	32.94	**4.94**	0.12	0.40	0.38
DOFD0066	371900	8026249	-55	180	143.37	136	140.37	**4.37**	0.17	0.46	0.47
DOFR0067	372100	8026245	-55	180	173.00	162	167	**5**	0.12	0.52	0.50
DOFR0068	371702	8026197	-55	180	75.00	66	69	**3**	0.11	0.54	0.23
DOFR0069	371707	8026396	-55	180	231.00	221	224	**3**	0.14	0.49	0.49
DOFR0070	371702	8026302	-55	180	151.00	143	147	**4**	0.14	0.36	0.55
DOFD0071	371901	8026350	-55	180	254.37	233	238	**5**	0.12	0.39	0.49
DOFR0073	371503	8026397	-55	180	227.00	219	223	**4**	0.14	0.34	0.49
DOFR0074	371500	8026197	-55	180	81.00	*Mineralised below 500ppm Co cutoff*					
DOFR0075	371503	8026295	-55	180	147.00	134	138	**4**	0.13	0.34	0.41
DOFR0076	371302	8026199	-55	180	73.00	59	66	**7**	0.12	0.46	0.34
DOFD0077	370901	8026747	-55	180	500.34	490	494	**4**	0.13	0.40	0.32
DOFR0078	371302	8026298	-55	180	153.00	146	147	**1**	0.08	0.56	0.56
DOFR0079	371303	8026398	-55	180	225.00	*Mineralised below 500ppm Co cutoff*					
DOFD0080	370503	8026398	-55	180	173.16	165.2	168	**2.8**	0.13	0.60	0.42
DOFR0081	371099	8026243	-55	180	78.00	66	71	**5**	0.09	0.33	0.27
DOFR0082	371099	8026347	-55	180	171.00	161	164	**3**	0.12	0.31	0.36
DOFR0083	370902	8026248	-55	180	84.00	69	73	**4**	0.09	0.33	0.32
DOFR0084	370700	8026301	-55	180	90.00	80	84	**4**	0.1	0.42	0.36
DOFD0085	370499	8026499	-55	180	251.18	241.20	244.38	**3.18**	0.15	0.52	0.74
DOFR0086	370299	8026297	-55	180	90.00	77	81	**4**	0.13	0.43	0.42
DOFR0087	371101	8026448	-55	180	282.00	265	269	**4**	0.14	0.39	0.48
DOFR0088	370102	8026348	-55	180	93.00	83	87	**4**	0.14	0.60	0.38
DOFR0089	369901	8026347	-55	180	62.00	50	53	**3**	0.11	0.43	0.37
DOFR0090	369701	8026353	-55	180	57.00	32	36	**4**	0.12	0.36	0.40
DOFR0091	369303	8026400	-55	180	66.00	39	43	**4**	0.13	0.60	0.46
DOFR0092	370699	8026400	-55	180	184.00	169	173	**4**	0.13	0.35	0.45
DOFR0093	369100	8026401	-55	180	69.00	21	28	**7**	0.07	0.60	0.40
DOFD0094	369502	8026602	-55	180	278.42	*Results Pending*					
DOFR0095	370702	8026502	-55	180	279.00	269	271	**2**	0.11	0.42	0.48
DOFR0096	370304	8026398	-55	180	144.00	132	138	**6**	0.15	0.51	0.40
including						133	135	**2**	0.25	0.52	0.50
DOFD0097	369502	8026503	-55	180	146.36	*Results Pending*					
DOFR0098	370902	8026450	-55	180	372.00	162	166	**4**	0.11	0.41	0.56
DOFR0099	370898	8026348	-55	180	215.00	211	212	**1**	0.08	0.59	0.24
DOFD0100	369500	8026400	-55	180	59.18	*Results Pending*					
DOFR0101	370101	8026447	-55	180	156.00	146	149	**3**	0.18	0.53	0.59
DOFD0102	367350	8026548	-55	180	236.40	*Results Pending*					
DOFD0103	366551	8026947	-55	180	464.36	*Results Pending*					
DOFR0104	369903	8026447	-55	180	129.00	118	123	**5**	0.12	0.37	0.47
DOFR0105	369699	8026450	-55	180	126.00	110	113	**3**	0.21	0.41	0.37
including						111	112	**1**	0.35	0.39	0.39
DOFR0106	369302	8026499	-55	180	137.00	*Results Pending*					
DOFD0107	367349	8026451	-55	180	167.30	*Results Pending*					
DOFR0108	370102	8026551	-55	180	261.00	*Results Pending*					
DOFR0109	370302	8026498	-55	180	221.00	*Results Pending*					
DOFD0110	367349	8026352	-55	180	86.11	*Results Pending*					
DOFR0111	369902	8026550	-55	180	219.00	*Results Pending*					
DOFR0112	369700	8026549	-55	180	198.00	*Results Pending*					

For personal use only

Hole ID	Easting (UTM Zone 33S)	Northing (UTM Zone 33S)	Planned Dip (deg)	Planned Azimuth (grid)	Final Depth (m)	Intercept from (m)	Intercept to (m)	Interval (m)	Cobalt (%)	Copper (%)	Zinc (%)
DOFR0113	369301	8026602	-55	180	231.00	*Results Pending*					
DOFD0114	366350	8027048	-55	180	602.38	*Results Pending*					
DOFD0115	370907	8026450	-55	180	428.50	*Results Pending*					
DOFR0116	369100	8026499	-55	180	126.00	*Results Pending*					
DOFR0117	369100	8026601	-55	180	213.00	*Results Pending*					
DOFR0118	367751	8026450	-55	180	216.00	*Results Pending*					
DOFR0119	367950	8026448	-55	180	209.00	*Hole failed to reach target depth*					
DOFR0120	367948	8026348	-55	180	225.00	213	218	**5**	**0.11**	**0.36**	**0.53**
DOFR0121	367751	8026352	-55	180	138.00	122	127	**5**	**0.13**	**0.66**	**0.55**
including						122	124	**2**	**0.15**	**1.11**	**0.96**
DOFR0122	367954	8026251	-55	180	147.00	*Results Pending*					
DOFR0123	367548	8026501	-55	180	210.00	200	205	**5**	**0.12**	**0.56**	**0.70**
DOFR0124	367548	8026403	-55	180	138.00	*Results Pending*					
DOFD0125	366548	8026650	-55	180	254.49	*Results Pending*					
DOFR0126	367548	8026299	-55	180	57.00	*Results Pending*					
DOFR0127	367150	8026550	-55	180	226.00	*Results Pending*					
DOFR0128	367151	8026343	-55	180	54.00	*Results Pending*					
DOFR0129	366950	8026543	-55	180	189.00	*Results Pending*					
DOFD0130	366148	8026799	-55	180	392.80	*Results Pending*					
DOFR0131	366750	8026453	-55	180	220.00	*Results Pending*					
DOFR0132	367150	8026451	-55	180	133.00	*Results Pending*					
DOFR0133	366943	8026451	-55	180	117.00	*Results Pending*					
DOFD0134	366351	8026950	-55	180	200.38	*Results Pending*					
DOFR0135	366552	8026850	-55	180	290.50	*Results Pending*					
DOFR0136	366553	8026545	-55	180	225.00	*Results Pending*					
DOFR0137	366154	8026600	-55	180	130.00	*Results Pending*					
DOFR0138	366153	8026504	-55	180	60.00	*Results Pending*					
DOFR0139	366351	8026453	-55	180	99.00	*Results Pending*					
DOFR0140	366751	8026549	-55	180	261.00	*Results Pending*					
DOFR0141	366353	8026552	-55	180	157.00	*Results Pending*					
DOFR0142	365949	8026549	-55	180	75.00	*Results Pending*					
DOFD0143	366150	8026699	-55	180	176.48	*Results Pending*					
DOFD0144	365948	8026749	-55	180	227.36	*Results Pending*					
DOFR0145	366354	8026650	-55	180	184.00	*Results Pending*					
DOFR0146	365749	8026551	-55	180	69.00	*Results Pending*					
DOFR0147	365945	8026661	-55	180	147.00	*Results Pending*					
DOFR0148	365550	8026650	-55	180	36.00	*Results Pending*					
DOFR0149	365349	8026667	-55	180	45.00	*Results Pending*					
DOFR0150	365750	8026747	-55	180	191.00	*Results Pending*					
DOFR0151	364953	8026701	-55	180	54.00	*Results Pending*					
DOFR0152	365550	8026850	-55	180	219.00	*Results Pending*					
DOFD0153	365347	8026871	-55	180	206.36	*Results Pending*					
DOFR0154	365751	8026650	-55	180	109.00	*Results Pending*					
DOFR0155	365548	8026751	-55	180	150.00	*Results Pending*					
DOFR0156	364952	8026898	-55	180	206.00	*Results Pending*					
DOFR0157	365350	8026770	-55	180	129.00	*Results Pending*					
DOFR0158	364951	8026798	-55	180	126.00	*Results Pending*					
DOFD0159	366351	8026746	-55	180	101.33	*Results Pending*					
DOFR0160	365149	8026949	-55	180	274.00	*Results Pending*					

Results reported at 0.05% (500ppm) Co cutoff.
Results reported this release in green.

For personal use only

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
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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	• Reverse Circulation (RC) and Diamond Core (DC) drilling using standard equipment. • Sampling was undertaken at one metre intervals for RC and based on lithology/mineralisation changes for DC. • Drilling designed to intersect the DOF horizon based on mapped or interpreted location.
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).*	• Reverse circulation (RC) percussion and oriented Diamond Core (DC).
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Recovery generally recorded as good, with poor recovery in a small number of samples due to groundwater.

For personal use only

Criteria	JORC Code explanation	Commentary
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drilling logged in detail on a metre by metre basis for RC and on lithology/mineralisation for DC. • Lithology, alteration and oxidation logged qualitatively. • Sulphide and quartz vein content logged quantitatively. • All DC holes are photographed, as are RC representative chip rays. • A Niton portable XRF analyser is used to assist in determining mineralised horizons.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC drill samples split using a rig mounted cone splitter. • Diamond Core is cut using a core saw. Generally, half core is submitted to the laboratory, except where a duplicate is taken, in which case quarter core is submitted for each. • Field duplicates collected to confirm representivity of sampling from both RC and DC drilling.
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.* • *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.* • *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.*	• Samples were prepared at Activation Laboratories Limited (ACTLABS) Windhoek laboratory, and assayed at ACTLABS in Ancaster, Canada. A total acid digestion sample preparation method and ICP finish were utilised. • No geophysical tools were used to determine any element concentration in these results. • A Niton hand held XRF analyser is used to assist in selection of samples to be sent to the laboratory. • The drilling program included field duplicates, standards and blanks that were inserted into the drill sequence, in addition to the standard QA/QC samples and procedures used by the laboratory. A second (umpire) laboratory is being utilised to provide additional verification of key mineralised zones prior to resource modelling and estimation. • One of the field inserted standards occasionally reported marginally outside the acceptable tolerances for cobalt analysis, and is currently being investigated.

For personal use only

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Mineralised zones reported in assays correspond approximately with the zones as logged in the field, and the tenor of grades is consistent with previous drilling and surface sampling. • Several RC/DC twin holes have been completed, and do not show any systematic bias towards one drilling method or another. Further twin holes will be completed as part of the current drilling program. • An electronic database containing collars, geological logging and assays is maintained by the Company. • No adjustment to assay data has been made.
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All sampling located initially by hand held GPS. • UTM grid WGS84 Zone 33 (South). • Holes are surveyed using Differential GPS (DGPS) prior to resource modelling. • Downhole surveys to measure hole deviation are being routinely completed.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Drill spacing in the initial phase of drilling was approximately every 500 – 1,000 metres along the strike of the DOF horizon (based on mapping/interpretation). • Current closer spaced drilling is on a nominal 200 metres x 100 metres grid. • Optimum drill spacing to delineate a Mineral Resource, and the category of that resource, is not yet confirmed. This will be determined by consultant resource geologists from assay data/assessment of grade variability.
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.* • *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.*	• Drilling of angled holes aimed to test perpendicular to DOF horizon. All current holes are angled at 55 degrees, which, based on visual observations in the drill core, intersects the mineralisation approximately perpendicular. • Further drilling, and geological modelling, will more accurately define the orientation of the geological features and mineralisation and enable any biases to be determined.
Sample security	• *The measures taken to ensure sample security.*	• Drill samples delivered to laboratory by senior Celsius or Gecko Namibia staff.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of drilling methods and sampling procedures has been undertaken by the Company's external Resource Geologists. No significant issues were identified.

For personal use only

Section 2 Reporting of Exploration Results

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.* • *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 Opuwo Cobalt Project comprises four Exclusive Prospective Licences EPLs 4346, 4350, 4351 and 4540, currently undergoing the transfer process to a subsidiary of the Company. • EPL 4346 is undergoing the renewal process for a further two year term from June 2017.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous work carried out by Kunene Resources includes geological mapping, outcrop sampling, soil sampling, high resolution magnetic and radiometric data and hyperspectral data. Two holes were drilled in 2015, which intersected cobalt, copper and zinc mineralisation.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• 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 • The upper Nosib or Ombombo Formation consists of a sequence of finely intercalated siltstones and shales with minor sandstone, marlstone, limestone and dolostone layers.
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *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.*	• All information detailed in Appendix 1. Drillholes are yet to be accurately surveyed using DGPS, however, this is planned prior to resource modeling.
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.* • *Where aggregate intercepts incorporate short lengths of high*	• Simple length weighted averages were used for reporting of significant intercepts. Significant intercepts were reported using a cutoff grade of 0.05% (or 500 ppm) cobalt.

For personal use only

Criteria	JORC Code explanation	Commentary
	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. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Orientation of drilling vs dip of DOF horizon likely means that the downhole length reported for angled holes (-55 degrees) approximates true width. Holes drilled straight (-90 degrees) would overestimate true thickness. All holes in this resource definition phase of drilling are angled at -55 degrees. • More accurate determination of the orientations and thickness of mineralisation will be possible with further drilling and geological modelling.
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.*	• Refer Figure 1. Sectional views have previously been provided and will be updated once further data is available.
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 holes have been reported in Appendix 1.
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.*	• Geophysical and geological datasets detailed in previous releases. • Aeromagnetic data is used as a guide to determining the presence of the mineralised horizon where it is not outcropping.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned further work detailed in this, and previous releases, and in figures. • Closer spaced drilling is currently being undertaken at the DOF Prospect, with the aim of delineating a Mineral Resource. • Exploration on other parts of the Project will comprise geophysical surveys and surface sampling to define targets for further drilling.