

## POSITIVE SCOPING STUDY COMPLETED ON OPUWO COBALT PROJECT

### HIGHLIGHTS

- **Scoping Study confirms potential for a large scale and long-life operation.**
- **Preliminary mine planning completed, examining various open pit and underground mining scenarios.**
- **Sulphide concentrate produced from standard flotation methods.**
- **Project to produce refined products including cobalt sulphate (or hydroxide/metal), copper metal and zinc sulphate by either autoclave or roasting methods, with the roasting method used as the base case for the purpose of completing the Scoping Study.**
- **No deleterious elements identified that would affect the saleability or price of products.**
- **Infrastructure components to leverage off existing regional infrastructure, including hydroelectric power and network of sealed roads.**
- **Commenced high-level discussions with prospective offtake partners.**
- **Pre-Feasibility Study (PFS) to commence immediately, scheduled for completion in Q3, 2019, including investigation of identified value engineering and process optimisation opportunities and the incorporation of an updated Mineral Resource Estimate, expected later in 2018.**

### Cautionary Statement

The Scoping Study is a preliminary technical and economic study of the potential viability of the Opuwo Project required to reach a decision to proceed with more definitive studies. It is based on low level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves. Further exploration and evaluation work and appropriate studies are required before Celsius will be in a position to estimate any Ore Reserves or to provide any assurance of an economic development case.

The Scoping Study was based on material assumptions including assumptions about the availability of funding. While Celsius considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the range of proposed feasibility studies and potential mine development outcomes indicated in the Scoping Study, additional funding (beyond the PFS stage) will be required.

Investors should note that there is no certainty that Celsius will be able to raise funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of Celsius' existing shares. It is also possible that Celsius could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Celsius' proportionate ownership of the project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Celsius Resources Limited (“Celsius” or “the Company”) is pleased to advise that it has completed a Scoping Study (Study) on its 95% owned Opuwo Cobalt Project (“Project”) in Namibia. The results of the Study justify progression to a Pre-Feasibility level of Study at the Project, which will commence immediately.

The Study was completed with contributions from the following external consultants:

- Metallurgy and Process Development: HydrometWA Mineral Consultants, Orway Mineral Consultants, SGS Australia, SENET, Gecko Namibia
- CAPEX and OPEX estimates: Orway Mineral Consultants, SENET, Pivot Mining Consulting
- Geology, Exploration and Resources: DMT Kai Batla, Gecko Namibia
- Mining Studies: Pivot Mining Consultants, Auralia Mining Consulting
- Environmental, Water and Social: SLR Consulting
- Tailings Storage Facility Design: WWL Consulting Engineers and Scientists
- Power: EMCON Consulting

The Opuwo Project hosts Indicated and Inferred Mineral Resources, and an Exploration Target for the West Zone. A portion of the Inferred Mineral Resources/Exploration Target for the West Zone were included in the Scoping Study, and while not anticipated to feature as a significant proportion early in the mine plan, in accordance with ASX Interim Guidance: Reporting Scoping Studies, the ASX Listing Rules and ASIC Information Sheet 214, as the respective proportions of Inferred Mineral Resource and Exploration Target currently defined are likely determining factors in assessing project economics, Celsius is currently prevented from reporting a production target or forecast financial information based on a production target.

The results of the Study provide justification for the Company to proceed to a Pre-Feasibility Study (PFS) on the Project. The PFS will be preceded by a trade-off study, the outcomes of which will more clearly define the Scope of Work for the PFS. The Company will update the market as the results of these studies become available.

Celsius Managing Director, Brendan Borg commented:

***“The Project Scoping Study has identified that a potentially large and long-life operation is possible at Opuwo. The Study has identified two process routes that are technically viable, to produce downstream (or refined) products from the Opuwo Mineral Resource. Preliminary studies of environmental, social, power, infrastructure and water supply considerations indicate no significant impediments to the development of the Project. Further, a series of opportunities to enhance and more clearly define the economic value of the Project have been identified, and will form a key part of the Pre-Feasibility Study.”***

## NEXT STEPS

The Opuwo Project Team has recommended, and the Board has resolved:

- To proceed to Pre-Feasibility Study on the Project. The Pre-Feasibility Study will be preceded by the trade-off studies flagged in the Scoping Study. These will include, but are not limited to:
  - Optimised mine planning on the extended strike length and increased resource expected in the updated Mineral Resource Estimate.
  - Possible location of the refinery near Walvis Bay Port to limit logistics costs.
  - Improved flotation recoveries and coarser grind size designed specifically for roaster feed concentrate, which is likely to reduce both CAPEX and OPEX estimates.
  - Roaster/leach testwork, including confirmation of the feasibility of recovery of metal from the oxide mineralisation zone using the roaster processing method.
  - Capital/operating cost trade-off for the different cobalt products.
- To appoint Project specialist sub-contracting companies following full assessment of proposals received, including an overall Study Manager.

## SUMMARY OF FINDINGS

The Scoping Study was designed to evaluate the potential for economic extraction of the cobalt, copper and zinc contained in the Opuwo Mineral Resource. A base case extraction rate was selected, to be mined by underground mining techniques, with the possibility of adopting a combination of open pit and underground mining techniques also investigated. A preliminary assessment was also undertaken of a higher extraction rate, and will be further evaluated as studies progress.

The Scoping Study was completed at a greater level of detail than a traditional Scoping Study, to evaluate a variety of processing methods, which included the development of flowsheets for autoclave leaching method, as well as evaluating a traditional roasting method of liberating the target metals for leaching. Flowsheets and preliminary cost estimates have also been developed for the production of cobalt sulphate heptahydrate, cobalt hydroxide or cobalt metal from either the **autoclave** or **roasting** method. All methods will produce copper metal and zinc sulphate as by-products. Additionally, the roaster method will produce sulphuric acid and power by-products. Celsius currently considers the roasting method to be the base case processing method, and will undertake additional studies during preparation of the PFS to further evaluate the autoclave processing method.

The Opuwo Cobalt Project is located in the Kunene Region of northern Namibia, close to the regional capital of Opuwo. The Project comprises Exclusive Prospecting Licences (EPLs) 4346, 4540, 4350 and 4351, all of which are registered in the name of Gecko Cobalt Mining Pty Ltd. All licences are current, and EPL 4346 (which contains the Mineral Resource) and EPL 4350 have been recently extended to September 2020. Gecko Cobalt Mining Pty Ltd is 95% owned by Celsius Resources Limited. For the purposes of this Scoping Study, Celsius has assumed that relevant EPLs will be converted to Mining Licences to permit mining for the assumed life of mine.

The minerals of value are contained in the Dolomitic Ore Formation (DOF), which is a moderate to steeply dipping mineralised zone that persists over an extensive strike distance and outcrops at surface.

The Study, including preliminary project capital expenditure estimates, mining and processing costs, has been completed to an accuracy of +/-40%.

Potential open pit designs that were investigated contained a significant proportion of the oxide ore type, which demonstrated sub-optimal recoveries in the limited metallurgical test work done to date. Additional metallurgical test work is required to further investigate open pit opportunities, in conjunction with an updated mine plan incorporating the planned updated Mineral Resource. The Study therefore currently focuses primarily on underground mining as the base case.

The proposed plant comprises an initial crushing, milling (SAG + ball), flotation concentrator and options of roast leach and autoclave leach, to produce a variety of products as described above. The Opuwo DOF Mineral Resource represents a deposit with potential economic extraction.

The Study team included the Celsius team, supplemented by: DMT Kai Batla for the Mineral Resource Estimate; Pivot Mining Consulting for the Mining Studies; Orway Mineral Consulting for the concentrator test work and design assessment; and HydrometWA Mineral Consulting and SENET Consulting for the hydrometallurgical studies. SLR Consulting have carried out an initial social and environmental screening assessment. The estimation of capital costs and operating costs were prepared by the relative specialist consultants and consolidated by the Celsius Project Team.

A real US dollar (USD) financial model architecture was developed to assess the economic options for the Project and assist Celsius in designing future Project Studies.

The following preliminary schedule of the next steps is subject to available funding (beyond Pre-Feasibility Study), positive outcomes for the Pre-Feasibility Study and Feasibility Study, and favourable timelines for permitting (Table 1):

**Table 1: Forward Development Timeline**

Milestone	Target Timeline
Completion of Pre-Feasibility Study	Q3 2019
Completion of Feasibility Study/Decision to Mine	H2 2020

## GLOBAL MINERAL RESOURCE

Resource modelling and estimation has been completed by a Competent Person as defined by the JORC Code, from independent consultants DMT Kai Batla. This Maiden Indicated and Inferred Mineral Resource has an estimated 112.4 million tonnes, grading 0.11% cobalt, 0.41% copper and 0.43% zinc, at a cut-off grade of 0.06% cobalt (Table 2). The Mineral Resource was announced on 16 April, 2018, with supplementary information released on 13 June, 2018.

**Table 2: JORC Compliant Indicated and Inferred Mineral Resources**

Category	Ore Type	Cobalt Cut-off	Tonnage	Cobalt	Copper	Zinc	Contained Cobalt
		(ppm)	(Mt)	(%)	(%)	(%)	(t)
Indicated	Oxide	600	3.8	0.10	0.39	0.36	3,900
	Transition - Sulphide	600	1.6	0.10	0.42	0.38	1,700
	Fresh - Sulphide	600	66.5	0.11	0.42	0.41	73,700
TOTAL INDICATED		600	72.0	0.11	0.42	0.41	79,300
Inferred	Fresh - Sulphide	600	40.5	0.12	0.41	0.46	46,900
<b>TOTAL</b>		<b>600</b>	<b>112.4</b>	<b>0.11</b>	<b>0.41</b>	<b>0.43</b>	<b>126,100</b>

\* Note that minor rounding errors occur in this table.

### EXPLORATION TARGET - WEST ZONE

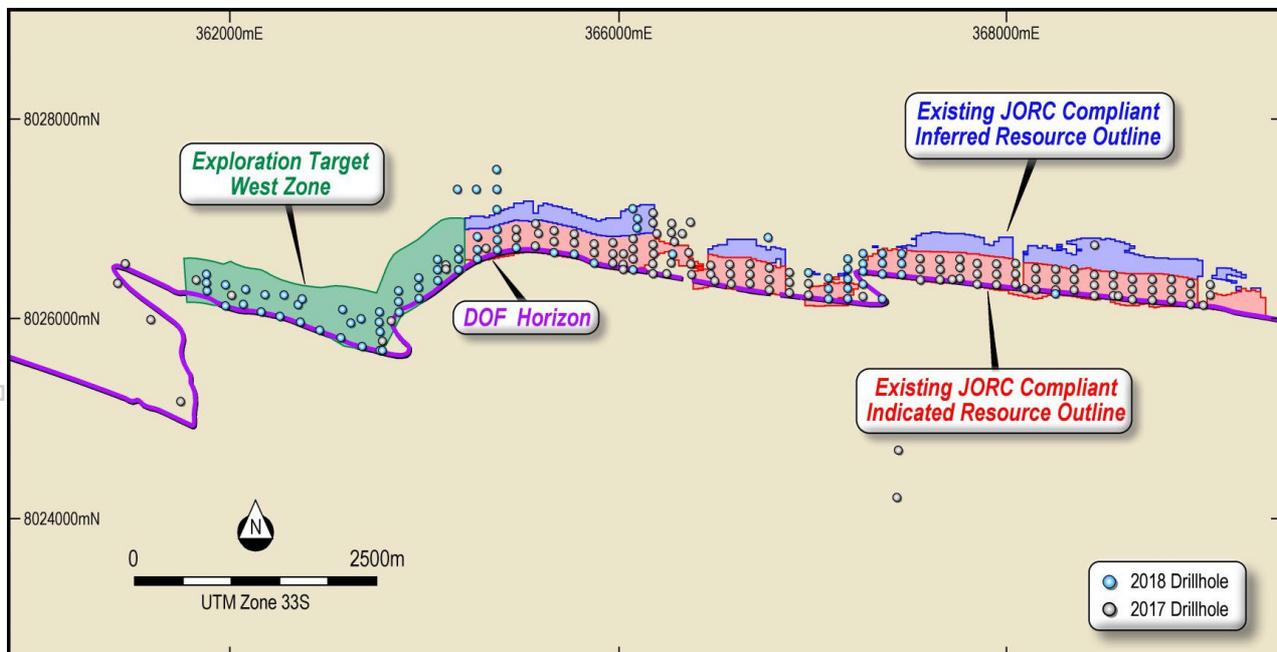
In addition to the Opuwo Mineral Resource, an Exploration Target was released for the West Zone (Table 3/Figure 1) on 17 October, 2018. Data from 52 holes drilled to the west of the existing Mineral Resource has enabled the Company to generate an **additional Exploration Target of between 34 and 51 million tonnes, grading approximately 0.08% - 0.18% cobalt, 0.26% - 0.62% copper, and 0.35% - 0.82% zinc**. It is noted that the potential quantity and grade is conceptual in nature, and that there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource for this zone.

**Table 3: Exploration Target - Opuwo Cobalt Project (West Zone)**

Opuwo Project Exploration Target - West Zone*				
Area	Tonnage Range (MT)	Co range (%)	Cu range (%)	Zn range (%)
West	34 - 51	0.08 - 0.18	0.26 - 0.62	0.35 - 0.82
<b>TOTAL</b>	<b>34 - 51</b>	<b>0.08 - 0.18</b>	<b>0.26 - 0.62</b>	<b>0.35 - 0.82</b>

\* Exploration Target for the West Zone is in addition to the existing JORC Compliant Mineral Resource of 112.4 MT grading 0.11% cobalt, 0.41% copper and 0.43% zinc, at a cut-off grade of 0.06% cobalt.

**Figure 1: Existing JORC Compliant Resource and West Zone Exploration Target**



## MINING OVERVIEW

Preliminary mine designs were generated in Gemcom Surpac™ based on the current Indicated Mineral Resource, which has a strike extent in excess of 7 km, has a variable thickness up to 17 m, and has a fairly consistent average dip of 54°. The mining method proposed for exploitation is a massive, long hole retreat open stope (LHOS) method. Stope drilling will take place from the ore drives and will be drilled upwards. Spiral ramps will be developed in the footwall of the orebody to access the stopes at depth and a connection drive will be developed from the ramp towards the orebody. Extraction of the ore will take place using ore drives developed to the furthest extent of the ore for the specific section retreating towards the centre, where the spiral ramp is situated (called a ramp section). The mining model has accounted for estimated ore loss and dilution. A minimum mining width of 4 m was assumed.

A high level schedule was developed based on the existing Indicated Mineral Resource and a portion of the Inferred Mineral Resource/Exploration Target. The oxide zone has currently been excluded from the schedule, pending further metallurgical testwork. **Based on the level of study and detail of work completed to date, no Ore Reserves are currently declared for the Opuwo Cobalt Project.**

## METALLURGY AND PROCESSING

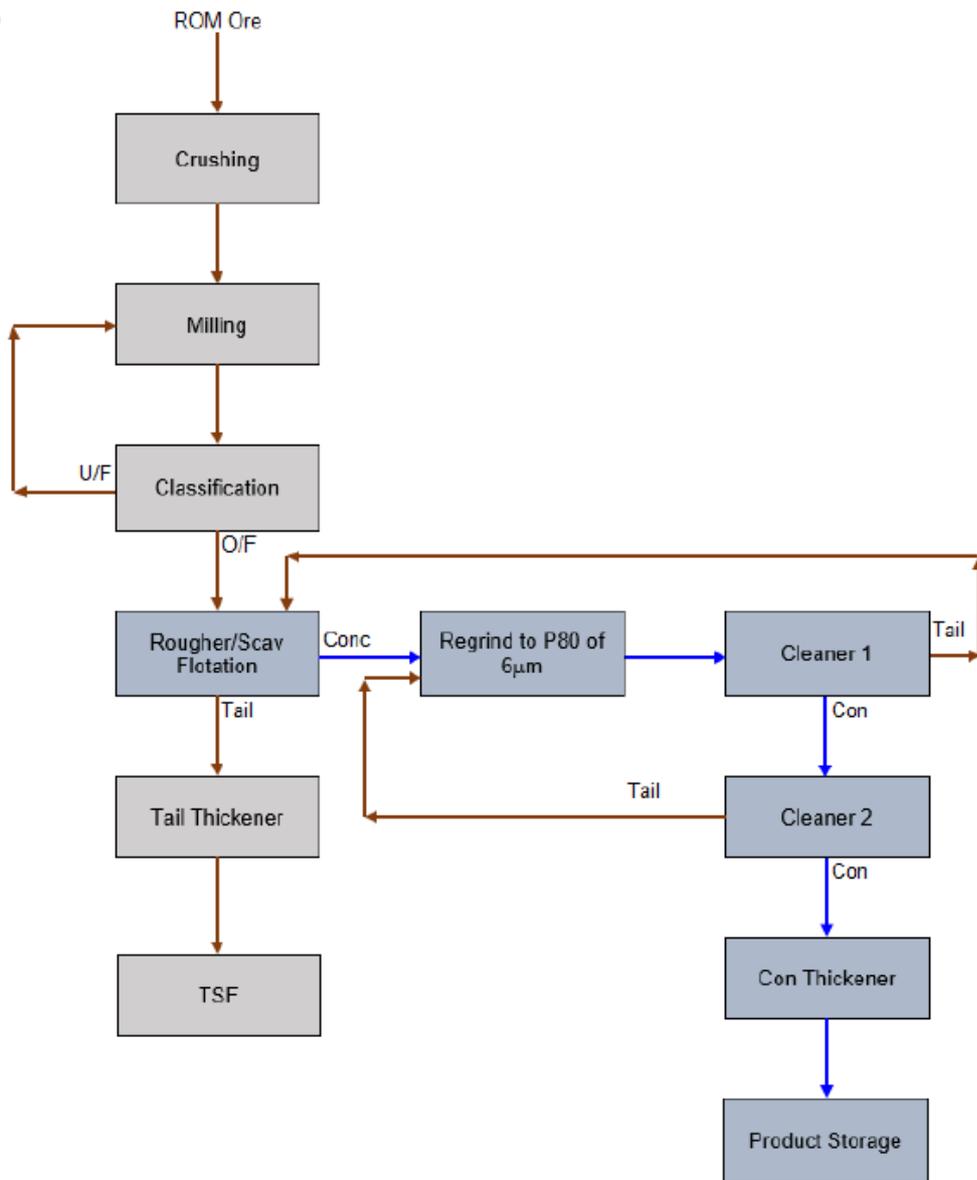
The comminution, flotation and hydrometallurgical test work has provided preliminary information about the physical characteristics and metallurgical response of the contained target minerals.

The **concentrator** for the Opuwo ore includes crushing, primary SAG milling, secondary ball milling, sulphide rougher flotation, followed by ultrafine regrind and cleaner and recleaner flotation to produce the final concentrate.

Orway Mineral Consultants (OMC) has utilised the comminution test work results for circuit selection and equipment sizing. Industry typical design parameters were assumed for the Scoping Study where test work was not completed. The sulphide concentrate produced from flotation comprises of cobalt, copper and zinc sulphides, as well as iron sulphides and other minor minerals.

An average estimated 78% Co, 76% Cu and 46% Zn recovery for the fresh ore was applied in the preliminary financial model for the concentrator, based on requirements for the autoclave processing method. Further metallurgical test work to optimise the flotation recoveries is planned, taking into consideration the differing requirements for the roasting/atmospheric leach processing method.

Figure 2: Preliminary Crushing, Milling and Flotation Flowsheet



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Two **refining** options were investigated for the downstream processing of the polymetallic flotation sulphide concentrate to be produced from the Opuwo Cobalt Project:

**Option 1** encompasses the leaching of the concentrates in a high pressure (HP) autoclave unit with the addition of oxygen for the dissolution of cobalt. This leach process essentially focuses on maximising the recovery of cobalt instead of copper and has various bleed-off streams and a high circulating load over the autoclave unit.

**Option 2** entails the treatment of the sulphide concentrates using a sulphating roast process before leaching in the hydrometallurgical refining process circuit. The sulphating roast process was selected as the preferred roasting route as this will allow for the maximum recovery of cobalt in the subsequent leach circuit. The resulting off-gas from the roaster will contain a low sulphur dioxide concentration, but it will be adequate for the production of acid. A further advantage is the co-generation of power stemming from the heat generated from the sulphuric acid plant. The subsequent hydrometallurgical process will entail the implementation of a traditional atmospheric leach to produce a pregnant leach solution.

The roasting option was selected as the base case, due to this option currently having lower predicted capital and operating costs, and lower technical risk. Trade off studies between these methods will continue through the PFS.

The subsequent process of refining the pregnant leach solution by means of solvent extraction, electrowinning and precipitation post-roasting or high pressure leaching is common to both options for the recovery of cobalt, copper and zinc. Both options provide for the production of three different cobalt final products:

- Cobalt sulphate heptahydrate crystal
- Cobalt cathode
- Cobalt hydroxide precipitate

In addition, copper will be produced as cathode and zinc is produced as zinc sulphate.

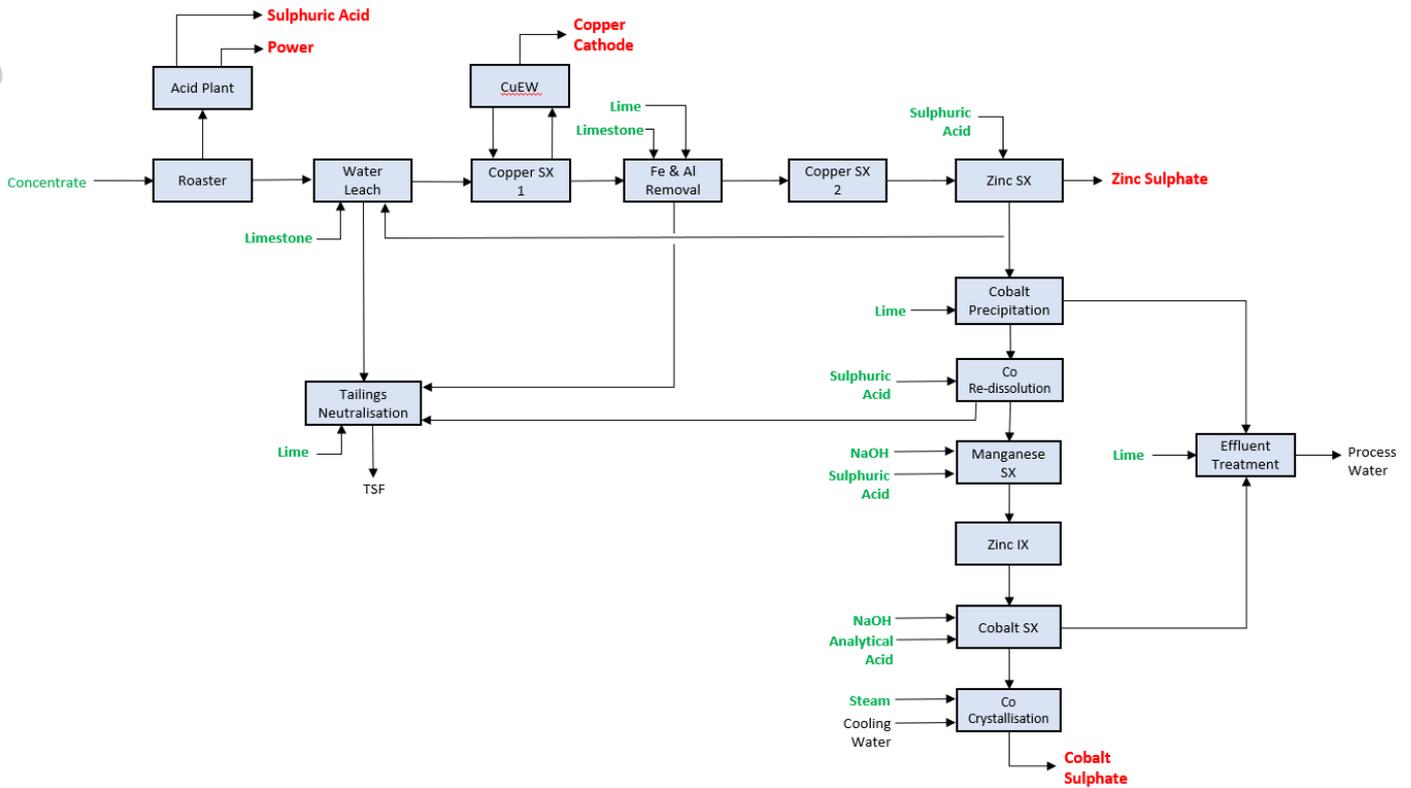
SGS Australia carried out the Hydrometallurgical test work under the direction of HydrometWA. SENET completed the process flow sheets and developed the capital and operating cost schedules.

Metallurgical test work was conducted for autoclave leaching and these results were included in the conceptualisation of the three overall flowsheets for the various cobalt products. No test work was conducted to date to substantiate the development of the roast/leaching, but its performance prediction used conservative assumptions based on SENET's in-house experience and knowledge of similar concentrates. The roasting metallurgical process is a well-tested technology with operating facilities as references. SENET referenced 3 African Copperbelt mines with similar geology and mineralogy to Opuwo, that use the roasting process for cobalt recovery. The assumed roaster recoveries for Co, Cu, Zn for Opuwo were 2 percentage points lower than the average recoveries those operations achieve.

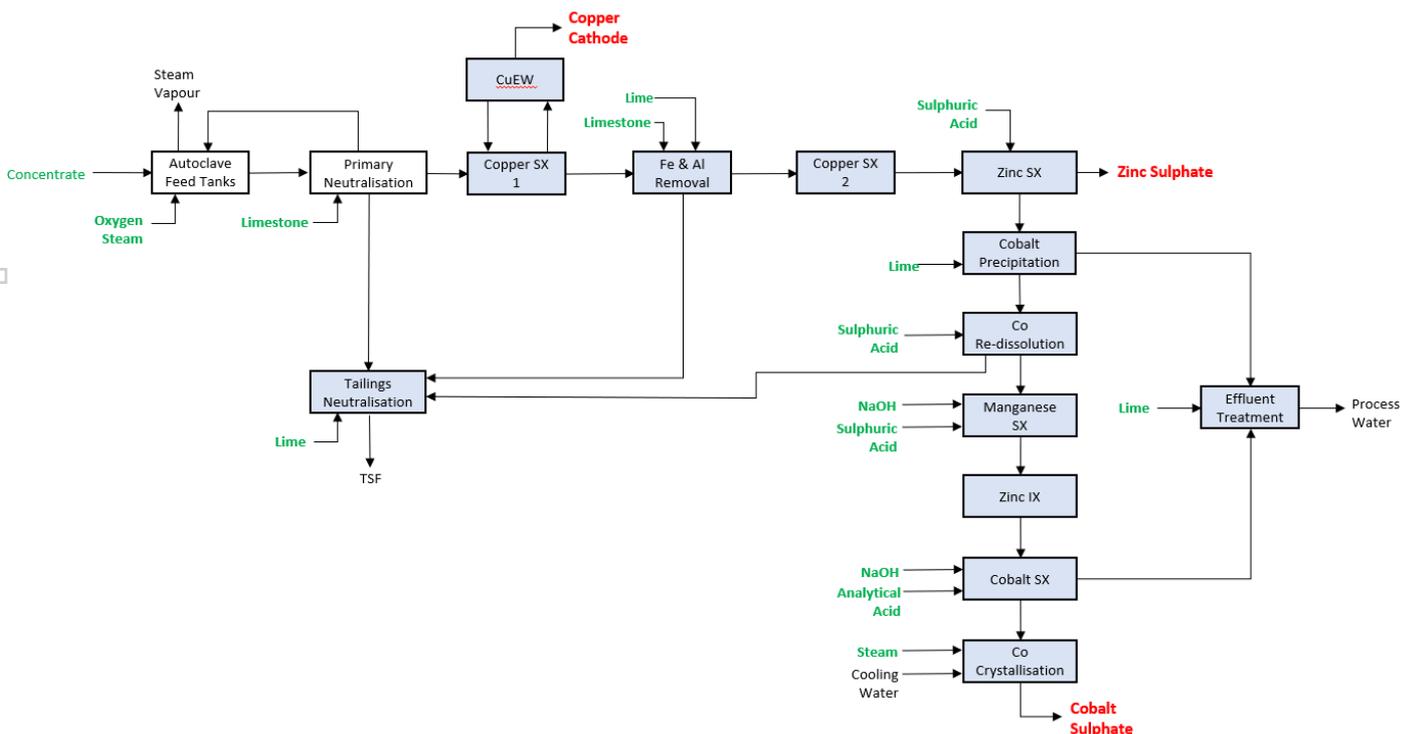
On this basis, an average estimated 81% Co, 93% Cu and 57% Zn recovery for the sulphide concentrate was applied for the refinery section of the process, including the downstream hydrometallurgical process recoveries. Hydrometallurgical process recoveries are based on mass balance modelling of the unit processes from SENET's in-house experience. Detailed chemical and mineralogical information from the Opuwo concentrate generated as part of the metallurgical test work program was used in this process.

No deleterious elements were identified in the test work that could affect the saleability or price of the products produced.

**Figure 3: Preliminary Roaster/Leach Option Flowsheet**



**Figure 4: Preliminary Autoclave Leach Option Flowsheet**



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## INFRASTRUCTURE

The Project team completed a scoping level study covering all related aspects of the infrastructure requirements including power, water, road access and waste management.

Opuwo is located approximately 700 km from the Port of Walvis Bay. There is a well paved road from Windhoek to the town of Opuwo and thereafter excellent gravel road access to the mine site, situated 35 km to the north. Local low-level water crossings will require an upgrade for large trucking volumes.

Infrastructure will include the following dedicated elements:

- Unsealed road from Opuwo (~35 km) and internal haulage roads.
- High voltage (HV) powerline from Ruacana Hippo switching station (~80 km) and step-down substation at the mine.
- Water supply line from the subterranean well fields including a water treatment plant.
- Sewerage treatment facility.
- Tailings storage facility and return water dams.
- Serviced construction camp situated in Opuwo.

An allowance has been made for the cost of offices, stores, workshops, fuel and reagent stores, laboratory, medical facility, control rooms and other prefabricated or steel framed buildings and items of miscellaneous infrastructure necessary to support the operations.

## TAILINGS STORAGE FACILITY AND POWER SUPPLY CAPITAL

WWL developed a conceptual layout and a preliminary cost estimate for the tailings storage facility (TSF). The TSF will be located to the south of the proposed mining operations and the process plant will be located on the footwall basement rocks. Trade-off studies are to be carried out on the lining mechanisms for the TSF and consideration is also being given to combined/separate leach tailings to the concentrator tailings. Provision was made in the initial capital cost and the sustaining capital cost estimates for the TSF.

EMCON was appointed to conduct a desktop study to investigate power supply options for the Project. The Ruacana 330/66kV substation, some 84 km away, supplies the town of Opuwo via a 66kV line. The Project's expected power demand is approximately 45-50 MVA, so the construction of a new 132kV line from Ruacana to a new 132/11kV substation at the mine (approximately 60 km) is likely to be required, and preliminary cost estimates have been obtained for this item.

## CAPITAL COST BASIS

The mining costs were estimated by Pivot Mining by benchmarking against two similar underground mining operations in Southern Africa, one located in South Africa that is currently being developed, and the other in the Democratic Republic of Congo, which is currently operating. Celsius validated these costs with benchmarking against an additional operating mine in Zambia with similar characteristics to Opuwo.

The process plant and infrastructure costs were estimated by external consultants, OMC and SENET. The costs for the Tailings Storage Facility (TSF) were provided by WWL. The capital costs include owner's project cost and contingency appropriate for this level of study at approximately 20%. The estimate base date is 2018 and at the exchange rate of 1US\$:N\$13.50. The estimate is deemed to have an accuracy of +/-40%. All costs have been determined on a US dollar basis.

Mining capital infrastructure provides for the access adits to the mine for 6 decline ramps. It includes development costs for the initial footprint over 3 years and the engineering infrastructure in the mine for power supply, ventilation, water reticulation and appropriate underground workshops. It also provides for the primary mining fleet of equipment including trucks, drills, load haul dump units, auxiliary vehicles and road maintenance vehicles.

Processing capital includes the concentrator plant and the roaster option with downstream hydrometallurgical processes including an acid plant with a turbine as the basis.

## **OPERATING COST BASIS**

The mining costs were estimated by Pivot Mining by benchmarking against two similar underground mining operations in Southern Africa, one located in South Africa that is currently being developed, and the other in the Democratic Republic of Congo, which is currently operating. Celsius validated these costs with benchmarking against an additional operating mine in Zambia with similar characteristics to Opuwo.

The mining model assumes the mining contractor will be responsible for all mining and underground infrastructure, with Celsius providing the capital equipment. Mine services, such as geology, survey, safety, grade control etc. will be provided by Celsius.

Sustaining capital includes ongoing decline development and an additional 3% of operating costs for sundry items (e.g. mobile and fixed plant replacement).

The concentrator process plant operating costs were estimated and compiled by OMC. The leaching and final product process costs were estimated and compiled by SENET Consulting with contributions from a number of sources including HydrometWA, and various equipment, service providers and reagent suppliers. Where costs were not available, reference was made from OMC, SENET and HydrometWA databases.

All costs have been determined on a US dollar (US\$) basis except for local Namibian costs, which were converted back to US\$. The approximate estimated unit costs determined are for the Base Case of underground mining, concentration of the ore and roasting of the concentrate, followed by atmospheric leaching of the target minerals and production of final products. Costs were calculated net of credits, and include transport of by products to China (copper) and to facilities for distribution/further treatment within Namibia (sulphuric acid/zinc sulphate).

## **ENVIRONMENTAL AND SOCIAL**

The Opuwo Cobalt Project is located in the north-western reaches of Namibia, which is the home to the Himba ethnic group. The Project area is situated in semi-arid terrain, categorised as "Woodland" area in Namibia. Rainfall is low and generally occurs only in the period from December to March. The carbonate rocks of the Otavi Group and meta-sediments of the Nosib Group, underlying the Project area, have moderate to high potential for groundwater resources.

A high level Environmental and Social Screening Report has been compiled to identify and evaluate environmental and social risks and potential impacts of the proposed Opuwo Cobalt Project. A full baseline study is scheduled to commence in late 2018. SLR Consulting identified no "fatal flaws" in the baseline screening study.

## FUNDING AND OFFTAKE

Celsius holds 95% of the issued capital in Gecko Cobalt (Pty) Ltd, which is the sole unencumbered holder of the Project. This ownership structure enhances opportunities and provides maximum flexibility for potential funding for the Project's development. It is noted that the Company is funded to complete a Pre-Feasibility Study on the Project.

The Scoping Study has provided the planned timetable of activities to deliver key development milestones that are conducive to the staged funding of the Project. The Board anticipates that the underlying economics will be further developed throughout preparation of the Pre-Feasibility Study prior to Celsius seeking further finance.

The Scoping Study and subsequent studies are expected to provide a platform for financing the Project through one, or a combination of, the following funding sources:

- traditional commercial/senior bank debt;
- the bond market;
- equity financing; and
- forward arrangements for sale of cobalt, copper, zinc and sulphuric acid products.

The Company has commenced high level discussions regarding the Project funding and/or offtake of potential Opuwo production with a number of interested parties. It is expected that these discussions will be progressed during the Pre-Feasibility Study for the Project, as the Project scope, economics and capital requirements become clearer.

The Company considers that the Opuwo Cobalt Project has a high strategic value, our understanding being that the Project is the largest sulphide based Mineral Resource located outside the Democratic Republic of Congo, where approximately 65% of the world's cobalt resources are located. Cobalt is a key, and currently irreplaceable, component of the lithium-ion battery. As such, it is anticipated that a long-life and stable supply of cobalt will be critical to manufacturers and end users in the rapidly expanding lithium-ion battery markets, and that this will assist in the financing of the Project.

## CONCLUSION

The Company is pleased with the outcome of the Scoping Study, which has confirmed:

- An extensive Mineral Resource has been defined, which can potentially satisfy a large, long life mine.
- No fatal flaws have been identified.
- Open pit or underground mining techniques are technically feasible to exploit the Mineral Resource, the economics of which will be further assessed against the updated Mineral Resource Estimate, following the completion of the current drilling program.
- Flotation of the target minerals is feasible and uncomplicated.
- The metals of interest can be extracted, but further metallurgical test work is required to optimise recoveries.
- Value engineering and process optimisation is yet to be completed.
- The Scoping Study has established a wide range of potential Project valuations.
- The potential Project valuations are most sensitive to scale of operations and metal pricing.

## 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 5). 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 a majority of Namibia's power, is located nearby. The Opuwo Project consists of four Exclusive Prospecting Licences covering approximately 1,470 km<sup>2</sup>.

A maiden JORC Compliant Indicated and Inferred Mineral Resource was announced on 16 April, 2018, comprising 112.4 million tonnes, grading 0.11% cobalt, 0.41% copper and 0.43% zinc, at a cut-off grade of 0.06% cobalt. (Please refer to ASX announcement of 16 April, 2018 for more details on the Mineral Resource.)

**Figure 5: Location of the Opuwo Cobalt Project, Namibia**



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**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.*

*Information in this report relating to Mineral Resource Estimates is based on information prepared by Mr. Dexter Ferreira, who is a Member of the South African Council for Natural Scientific Professions, which is a Recognised Professional Organisation (RPO). Mr. Ferreira is a Contract Resource Specialist for DMT Kai Batla Pty. Ltd., who act as Resource Consultants to Celsius. Mr. Ferreira 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. Ferreira consents to the inclusion of the data in the form and context in which it appears.*