

QUARTERLY ACTIVITIES REPORT

DECEMBER 2020

Summary

During the Quarter, the Company progressed activities at and relating to the Maalinao-Caigutan-Biyog (MCB) Project, a large, high grade copper-gold porphyry deposit situated within the Central Cordillera Region in the Island of Luzon, Philippines, approximately 320 km north of Manila. The MCB Project is the flagship in a portfolio of assets being acquired by Celsius from UK Company, Anleck Limited. The maiden JORC resource for the project was released and preparations commenced for the Company's maiden drilling programme, to commence in February. The formal settlement of the transaction will take place in coming days, following approval of the issue of shares relating to the transaction at a meeting of shareholders being held on January 29th.

The Company is also planning its initial field activities at the Cullarin West Project (comprising EL5928) located in the highly sought-after Lachlan Fold Belt region of NSW, Australia and continues to maintain the Opuwo Cobalt Project in good standing.

At the end of the Quarter, the Company held approximately **\$2.97 million** in cash, with expenditure of approximately \$703,000 associated with the MCB Project of which approximately \$243,000 was held at the end of the quarter in accounts controlled by Anleck.

Maalinao-Caigutan-Biyog Copper Gold Project, Philippines (Celsius acquiring 100%)

Subsequent to the end of the Quarter the Company declared the maiden JORC compliant Mineral Resource for the Maalinao-Caigutan-Biyog (MCB) Copper-Gold Project.

The Global Mineral Resource estimate comprises 313.8 million tonnes at a grade of 0.48% copper, and 0.15g/t gold, at a cutoff grade of 0.2% copper (refer ASX Announcement 12 January 2021).

- 290.3 million tonnes at a grade of 0.48% copper in the **Indicated** category, and a further
- 23.5 million tonnes at a grade of 0.48% copper in the **Inferred** category.

Importantly the Mineral Resource contains a high grade core of 93.7 million tonnes at 0.80% copper and 0.28g/t gold which will be the focus for the Company's initial studies. Drilling at the MCB Project is anticipated to commence in February with holes planned to aid resource expansion, metallurgical and hydrological test work and mining infrastructure planning.

Mineral Resource

The MCB Mineral Resource has been defined as a body of copper and gold mineralisation which is predominantly above 0.2% copper on average. The boundaries of this mineralisation are parallel to the dominant geological trends and the genetically related intrusive tonalite bodies that have been interpreted at MCB.

The 0.2% lower limit is also broadly in line with the expected economic limits of the likely mining and processing options considered for the MCB deposit. Therefore, a preferred lower cut-off grade of 0.2% copper was applied to the reporting of the Mineral Resource estimate.

As part of the future work program a mine plan will be developed that focuses on the early development of the central copper-gold higher-grade core to maximise returns in the early years of production. These studies will consider copper and gold mineralisation at higher cut-off grades ranging up to 0.5% copper as defined in tables 2 to 4 below.

Table 1: Summary results for the Mineral Resource estimate at MCB at a cut-off grade of 0.2% copper.

Classification	Tonnes (Mt)	Copper Grade (%)	Gold Grade (g/t)	Copper Metal (kt)	Gold Metal (kozs)
Indicated	290.3	0.48	0.15	1,387	1,387
Inferred	23.5	0.48	0.10	113	79
TOTAL	313.8	0.48	0.15	1,500	1,467

Table 2: Summary results for the Mineral Resource estimate at MCB at a cut-off grade of 0.3% copper.

Classification	Tonnes (Mt)	Copper Grade (%)	Gold Grade (g/t)	Copper Metal (kt)	Gold Metal (kozs)
Indicated	215.6	0.55	0.18	1,192	1,224
Inferred	19.6	0.53	0.11	104	71
TOTAL	235.2	0.55	0.17	1,295	1,295

Table 3: Summary results for the Mineral Resource estimate at MCB at a cut-off grade of 0.4% copper.

Classification	Tonnes (Mt)	Copper Grade (%)	Gold Grade (g/t)	Copper Metal (kt)	Gold Metal (kozs)
Indicated	136.4	0.67	0.23	918	1,001
Inferred	15.7	0.58	0.11	90	57
TOTAL	152.1	0.66	0.22	1,009	1,059

Table 4: Summary results for the Mineral Resource estimate at MCB at a cut-off grade of 0.5% copper.

Classification	Tonnes (Mt)	Copper Grade (%)	Gold Grade (g/t)	Copper Metal (kt)	Gold Metal (kozs)
Indicated	79.8	0.83	0.30	664	780
Inferred	13.9	0.59	0.11	82	51
TOTAL	93.7	0.80	0.28	746	831

Note: Copper and Gold grades for Indicated and Inferred Resources are rounded to two significant figures. Some apparent differences in gold ounces may occur due to rounding.

The works programme planned for the MCB Project aims to advance the project to a Scoping Study phase while gathering information to support a Definitive Feasibility Study. Information gathered will support further ore body modeling and development of an underground mine plan, metallurgical testing, sterilization drilling, flotation test work, development of a conceptual hydrological model, infrastructure layouts, high-level financial model along with an updated Mineral Resource. Depending on the outcome of the scoping study, preparation/planning will occur for the delivery of a Definitive Feasibility Study (DFS) and therefore the Declaration of Mining Project Feasibility (DMPF) pursuant to Philippine DENR Administrative Order No. 2010-21.

Celsius has entered into a Binding Share Sale Agreement (**Anleck Acquisition Agreement**) to acquire 100% of the issued capital of Anleck Limited, a private UK company that owns, through various subsidiaries, a suite of copper-gold projects in the Philippines, including the MCB Project. Anleck owns a number of copper-gold projects through its acquisition of Makilala Holding Limited (an entity incorporated in the British Virgin Islands) (**Makilala Acquisition**). The Makilala Acquisition completed prior to the execution of the Anleck Acquisition Agreement under the terms of a separate agreement between Anleck and the owner of Makilala Holding Limited (**MHL Acquisition Agreement**). Further details on the Anleck Acquisition Agreement and the MHL Acquisition Agreement are set out later in in the ASX Announcement of 16 September 2020.

Cullarin West Project, NSW (CLA 100%)

During the Quarter the Company continued exploration activities over the Cullarin West and Yass Gold Projects. Due to restrictions on movement associated with the COVID-19 virus the Company did not fast track on ground activities during the Quarter, and instead focused on desktop target generation and planning of exploration programmes.

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.

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 is a small scale, high grade 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.

As previously released, desktop review of publically available geological and geophysical information has identified seven targets at the Cullarin West Project and ten at the Yass Project (refer ASX Announcements 8 July 2020 and 30 July 2020). The Company anticipates that a significant program of low detection limit geochemical sampling will be required to refine these targets to generate targets for future drill testing. The Company looks forward to the commencement of on ground activities at the project in coming months following the lifting of restrictions on movement and establishment of access with relevant landowners and stakeholders.

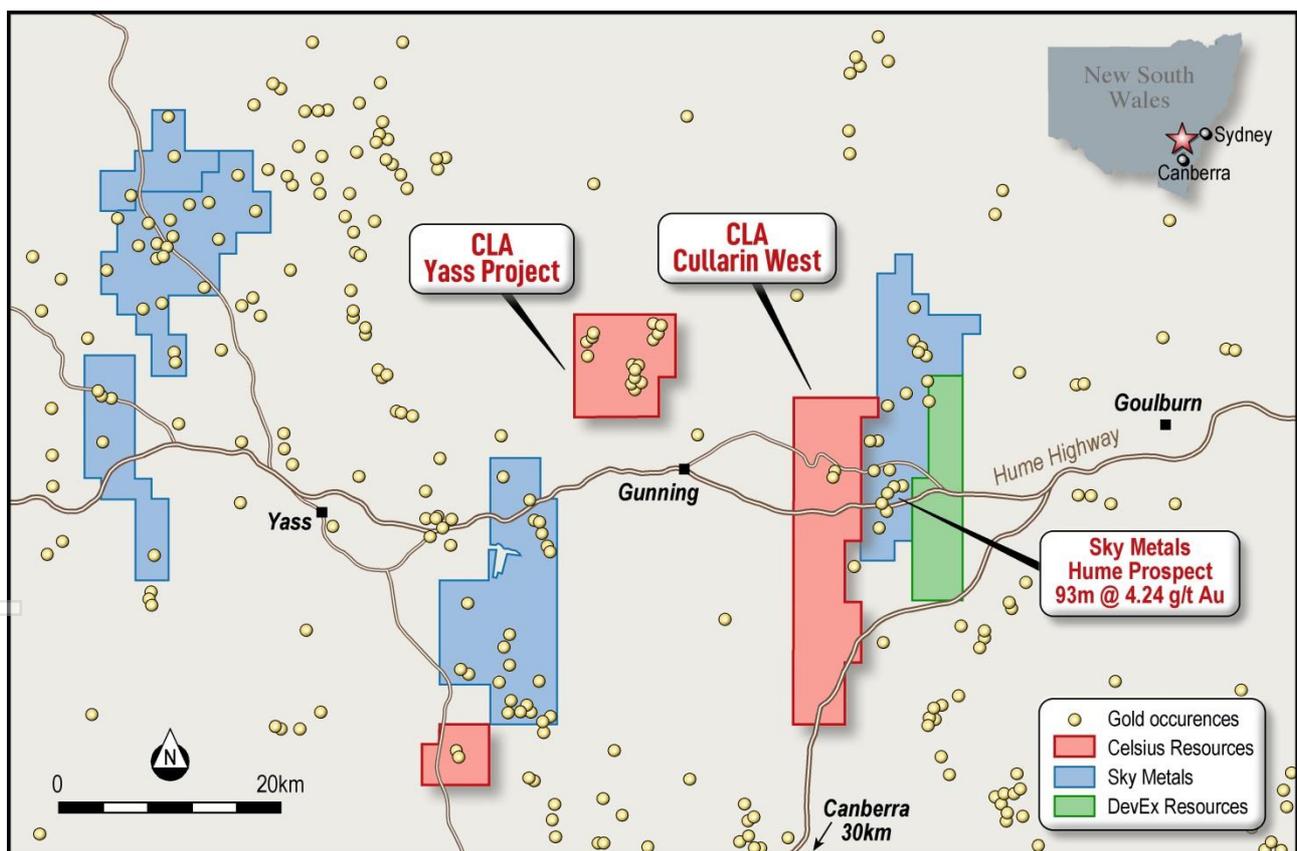


Figure 1: Location map of Cullarin West Project and Sky Metals' Cullarin discovery

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 recent increases in the cobalt and copper prices, which enhance the potential viability of the project. Work commenced on a Mineral Resource update during the Quarter which is expected to be completed in the forthcoming Quarter. Further metallurgical testwork programmes are also being considered for implementation during 2021.

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 and the JV partners continue discussions around future activities at the Carnilya Hill Project.

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 **\$2.97 million** in cash reserves. During the last two quarters a total of approximately \$2 million was expended associated with the Anleck transaction as detailed in the ASX Announcement of 16 September 2020.

During the Quarter the Company's expenditure was primarily on activities related to due diligence associated with the Anleck transaction and acquisition of the MCB Project, exploration of the Cullarin West Project and exploration and development of the Opuwo Cobalt Project with details in the Cashflow Report (5B) appended to this report.

Payments of \$53,000 were made to related parties 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
Western Australia					
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%
Namibia					
	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. Anleck transaction has not settled as at the date of this report.

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.