

ASX RELEASE

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Celsius' Sagay Project Exploration Permit Extended

HIGHLIGHTS

- The Philippine Mines and Geosciences Bureau (MGB) has extended the exploration permit for the Sagay Copper-Gold Project up to February 2024.
- Mining confirmed by the new Marcos administration as a key economic driver to support the national economic recovery.

Celsius Resources Limited ("Celsius" or "the Company") is pleased to announce that the Philippine Mines and Geosciences Bureau (MGB) has granted a six month extension to the exploration permit for the Sagay Copper-Gold Project, extending the permit term up to February 2024.

The Sagay Project is held under Celsius' Philippine subsidiary Tambuli Mining Company, Inc. ("TMCI").

In a letter to TMCI, the MGB stated that the request for extension was approved as it falls under the definition of *force majeure* or justifiable causes under the Philippine Mining Act.¹

"The MGB was extremely supportive of granting the permit extension to provide enough time for the company to carry out our approved work programs as part of developing the Sagay mineral resource into an economically viable project in support to the national government's economic recovery efforts," said Celsius Resources Executive Chairman Martin Buckingham.

The grant of extension is consistent with the Medium-Term Fiscal Framework under the new Marcos Administration, affirming his predecessor's (Duterte Administration) recognition of mining as among the country's major economic growth sectors.

In a press briefing in Malacañang on 6 July 2022, Philippines Finance Secretary Benjamin E. Diokno acknowledged the mining industry's contribution to the country's gross domestic product (GDP) and most recently conveyed President Ferdinand Marcos Jr.'s expressed desire to revive the mining industry.

¹ The fourth renewal of the Sagay Project's exploration permit was approved on 11 August 2021 amidst the rising COVID-19 Delta variant cases in the country making project implementation extremely difficult with travel restrictions, community lockdowns, and ban on public gatherings.

Industry leaders, including the Chamber of Mines of the Philippines, welcomed the government’s economic strategy as it will provide a much-needed boost to an industry that has been saddled with policy roadblocks in previous years.

“This pronouncement from the Finance Secretary is a clear manifestation of the Philippine government’s continued strong support and renewed commitment to revitalize the local mining industry. It will further boost the potential of developing MCB and Sagay Mineral Resources into economically viable and socially transformative mining projects that will strictly adhere to ESG principles and significantly contribute to the Philippine National Economic Recovery Program,” said Atty. Julito R. Sarmiento, President of Makilala Mining Co. Inc. (MMCI) and Tambuli Mining Co Inc. (TMCI) both Philippine subsidiaries of Celsius Resources.

The Philippine Mining Industry played a significant role in the country’s economic growth amid the pandemic, contributing about PhP102.3 Billion to the GDP in 2020, according to a report by the Philippine Mines and Geoscience Bureau (MGB).

The Philippine Department of Trade and Industry (DTI) is ramping up its efforts in attracting investors for the mining industry under its “Make it Happen in the Philippines Investment” campaign. DTI is banking on the copper industry as one of the five key sectors to attract foreign investments for the extraction and manufacturing of high-value copper products industry.

This is a timely development as Celsius continues to seek for a joint venture partner that shares the same principles and vision to develop the Sagay property in a sustainable manner. The same can be said for the MCB project as it progresses with its applications for a Declaration of Mine Project Feasibility and Mineral Production Sharing Agreement (MPSA).

SAGAY COPPER-GOLD PROJECT

The Sagay Copper-Gold Project (“Sagay” or “the Project”) is located in the north-eastern part of Negros Island, within the cities of Sagay and Escalante and within the Province of Negros Occidental, Philippines (Figure 1).

Negros Island is part of the central group of Islands in the Philippines commonly referred to as “the Visayas”. Access to the project area is through Bacolod City, the provincial capital of Negros Occidental. Bacolod City to Sagay is an 81 kilometres drive through well-paved highway. The areas of interest were centred on one of two prominent hills that stand out on the project area – being Nabiga-a Hill. The Sagay Project appears to contain very large-scale porphyry copper mineralisation at depth defined by the numerous thick drill hole intersections as seen in the historical drilling conducted by TMCI (a wholly owned subsidiary of Freeport-McMoRan Inc., at the time), between 2012 and 2016.

Recent results from three diamond drill holes, as announced by Celsius in an ASX release dated 23 June 2022, confirmed the shallow extensions to the large scale copper mineralisations in the area. This discovery is an important step for the next phase of studies.



Figure 1: Location of the Sagay Project in the province of Negros Occidental, Philippines.

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

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