



ASX RELEASE

20 MARCH 2023

Celsius enters into initial binding deed and agreement with local companies to progress MCB Project

HIGHLIGHTS

- **Binding deed entered into with Sodor, Inc. to attain the required 60% Filipino legal ownership in Celsius' wholly-owned subsidiary, MMCI.**
- **Filipino legal ownership over 60% of MMCI's outstanding shares is among the pre-requisites toward MMCI's signing of a Mineral Production Sharing Agreement (MPSA) with the Philippine Government to build and operate the Company's flagship Maalinao-Caigutan-Biyog Copper-Gold Project ("MCB" or "MCB Project").¹**
- **Accompanying binding letter agreement entered into with Sodor Inc. and PMR Holding Corp. to agree on timeline for, and that delivery of share certificates representing 60% of MMCI's outstanding shares shall be made to Sodor Inc. only after the funding by Sodor Inc. and PMR Holding Corp. of approximately ~US\$43 million for a 30% economic interest in the MCB Project.**
- **The MCB Project is composed of MMCI and PDEP, Inc., both wholly owned subsidiaries of Celsius. MMCI will hold only the assets that require 60% Filipino ownership while PDEP will hold the remainder.**

Celsius Resources Limited ("Celsius" or "the Company") is pleased to announce that on 17 March 2023 the Company's wholly owned subsidiary, Makilala Holding Limited ("MHL"), entered into a binding deed ("Deed") with Sodor, Inc. ("Sodor") for Sodor to acquire a 60% legal ownership in Makilala Mining Company, Inc. ("MMCI") for consideration of PHP 300 million (approximately A\$8.2 million as at the date

¹ Refer to the Company's announcements on 14 December 2022 and 19 December 2022 for further information on the process of obtaining an MPSA.

of this announcement) ("MMCI Consideration"), on terms and conditions described in the following paragraphs.

The signing of the Deed is a significant milestone as it will enable MMCI to apply for an MPSA for the MCB Project with the Philippine Government. As previously advised by the Company, under Philippine law, an MPSA must be held by a company that is at least 60% Filipino owned.²

In addition, the Company and its wholly owned subsidiaries MHL, MMCI, and PDEP Inc. ("PDEP") entered into an accompanying binding letter agreement with Sodor and its affiliate PMR Holding Corp. ("PMR") (together, the "Parties") to agree on the timeline for, and that delivery to Sodor Inc. of share certificates representing 60% of MMCI's outstanding shares pursuant to the Deed shall be made only after, the funding by Sodor Inc. and PMR of approximately ~US\$43 million for a 30% economic interest in the MCB Project ("Funding Commitment").³ The MCB Project will be composed of MMCI and PDEP, both wholly owned subsidiaries of Celsius. The Parties shall rescind the Deed if Sodor and PMR are not able to provide the Funding Commitment within two years from signing, unless the period is shortened or extended by mutual agreement of the Parties.

As at the date of this announcement the amount of the Funding Commitment, which is inclusive of the MMCI Consideration, is approximate as the Parties will confirm the size and timing of payment of the Funding Commitment following completion of a bankable feasibility study on the MCB Project. Provision of the Funding Commitment also remains subject to completion of negotiation and execution of binding definitive long form legal documentation.



Image 1: Signing of Binding Deed and Agreement (Left to right: PMR Holding Corp. President Dan Chalmers, CLA Chairman and MMCI President Atty. Julito "Sarge" Sarmiento, Sodor, Inc. President Ms. Erika Chalmers, and CLA Executive Director and MMCI Country Operations Director, Peter Hume).

² Refer footnote 1.

³ The Deed allows the Company to file a new General Information Sheet ("GIS") with the Securities Exchange Commission reflecting 60% Filipino ownership of MMCI. Notwithstanding that the GIS entry will show that Sodor has a 60% ownership interest in MMCI, Sodor and the Company have agreed that the share certificates representing the 60% interest of Sodor will be withheld and only be provided to Sodor upon payment of the Funding Commitment. The Funding Commitment is inclusive of the MMCI Consideration (i.e. Sodor has until 17 March 2025 to make the MMCI Consideration payment). The PHP 300 million (A\$8.2million) consideration referred to on page 1 is included in the total US\$43 million funding referred to on page 2 of this announcement.

The Philippine Government has otherwise advised MMCI that it has met all of the other technical requirements to obtain the MCB Project’s required environmental and mining permits.

Celsius Non-Executive Chairman and MMCI Chairman and President, Atty Julito R. Sarmiento, commented:

“We are indeed honored to have Sodor Inc. as our local partner in our vision to develop the MCB Project as a model for Transformative Mining in the Philippines. Our principles and visions are aligned, which is a powerful step towards developing and operating the MCB Project in a responsible and sustainable manner benefitting both our shareholders and local stakeholders.

It has always been our commitment, particularly to the Balatoc Tribal Community, that central to the mine development is cultural respect, social development, and environmental protection. Sodor Inc. shares the same commitment, and is thus a perfect partner in developing the MCB Project.”

MCB COPPER-GOLD PROJECT

The MCB Copper-Gold Project is located in the Cordillera Administrative Region in the Philippines, approximately 320km north of Manila (Image 2). It is the flagship project within the Makilala portfolio which also contains other key prospects in the pipeline for permit renewal/extension.

A maiden JORC compliant Mineral Resource Estimate was declared for the MCB Project in 12 January 2021, comprising 313.8 million tonnes @ 0.48% copper and 0.15 g/t gold, for 1.5 million tonnes of contained copper and 1.47 million ounces of gold, of which 290.3 million tonnes @ 0.48% copper and 0.15 g/t gold is classified as Indicated and 23.5 million tonnes @ 0.48% copper and 0.10 g/t gold is classified as Inferred.

A Scoping Study for the MCB Project was announced by CLA on 1 December 2021, which identified the potential for the development of a copper-gold operation with a 25-year mine life. The Scoping Study was based on an underground mining operation and processing facility to produce a saleable copper-gold concentrate.

Highlights from the Scoping Study include a Post tax NPV (8%) of US\$464m and IRR of 31%, assuming a copper price of US\$4.00/lb and gold price of US\$1,695/oz. Initial capital expenditure is estimated to be US\$253m with a payback period of approximately 2.7 years. The designed mine production is matched to a 2.28Mtpa processing plant which will treat ore with an estimated average grade of 1.14% copper and 0.54g/t gold for the first 10 years of planned production with a C1 cash costs at just US\$0.73/lb copper, net gold credits.

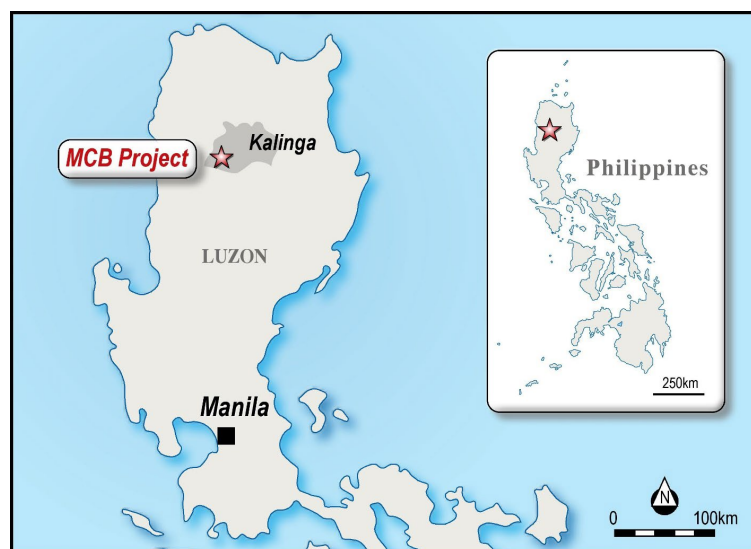


Image 2: Location of the MCB Project in Kalinga Province, North Luzon, Philippines.

Listing Rule 5.19 and 5.23 Disclosure

The information in this announcement with respect to the MRE for the MCB Project was first announced by the Company to ASX on 12 December 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 12 December 2022 and that all material assumptions and technical parameters underpinning the MRE continue to apply and have not materially changed.

The information in this announcement with respect to the outcomes of the Scoping Study for the MCB Project were first released by the Company to ASX on 1 December 2021. The Company confirms that all material assumptions underpinning the production target and forecast financial information derived from the production target referred to in the announcement of 1 December 2021 continue to apply and have not materially changed.

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

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018.

Further to the publication of this announcement, and as referred to in the announcement of 17 March 2023, the ASX has informed Celsius that the trading halt has been lifted and trading of the Company's ordinary shares has resumed on the ASX. The trading halt did not affect trading in the Company's shares on the AIM market of the London Stock Exchange plc, where normal trade continued.

Celsius Resources Contact Information

Ground Floor, 16 Ord Street
West Perth WA 6005

PO Box 902
West Perth WA 6872

P: +61 8 9482 0500
E: info@celsiusresources.com.au
W: www.celsiusresources.com

Celsius Resources Limited

Peter Hume
P: +61 8 9482 0500
E: info@celsiusresources.com.au
W: www.celsiusresources.com

Multiplier Media

Jon Cuthbert
M: +61 402 075 707
E: jon.cuthbert@multiplier.com.au

Beaumont Cornish Limited (Nominated Adviser)

Roland Cornish/Felicity Geidt/Andrew Price
+44 (0) 207 628 3396

SP Angel Corporate Finance LLP (Broker)

Ewan Leggat
+44(0) 203 470 0470