CELSIUS RESOURCES LIMITED ACN 009 162 949

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11.00 am (WST)

DATE: Friday 29 January 2021

PLACE: Level 2

22 Mount Street PERTH WA 6000

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of the Shareholder approvals for the issue of the Deferred Consideration Shares (refer to Resolutions 11 and 12) to the Vendors. The Independent Expert's Report comments on the fairness and reasonableness of the Shares the subject of those Resolutions to the non-participating Shareholders. The Independent Expert has determined the issue of Shares the subject of Resolutions 11 and 12 is fair and reasonable to non-participating Shareholders.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6188 8181.

IMPORTANT INFORMATION

Venue And Time Of Meeting

The Annual General Meeting of the Shareholders of Celsius Resources Limited which this Notice of Annual General Meeting relates to will be held at Level 2, 22 Mount Street, Perth on Friday 29 January 2021 at 11.00 am WST.

Your Vote Is Important

The business of the Meeting affects your shareholding and your vote is important.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00pm WST on Wednesday 27 January 2021.

Voting by Proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

You may still attend the meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from the Company's share registry will need to verify your identity.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6188 8181.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – SPILL RESOLUTION

<u>If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 2.</u>

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**); and
- (b) all Vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting."

A voting prohibition statement applies to this Resolution. Please see below.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR PINE VAN WYK

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 14.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Pine Van Wyk, a Director, retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES – CULLARIN ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – CULLARIN FINDER'S FEE (JOHNS)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,160,000 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES – CULLARIN FINDER'S FEE (SANDFORD)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 540,000 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES – CULLARIN FINDER'S FEE (NASCENT CAPITAL PARTNERS)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 300,000 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

9. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

10. RESOLUTION 9 – APPROVAL TO ISSUE CONSIDERATION SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 100,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

11. RESOLUTION 10 - APPROVAL TO ISSUE TRANCHE 1 DEFERRED CONSIDERATION SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 50,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd for the purpose of the Shareholder approval of the issue of the Deferred Consideration Shares (as required by section 13 of ASX Guidance Note 19). The Independent Expert's Report comments on the fairness and reasonableness of the issue of the Deferred Consideration Shares to non-participating Shareholders. The Independent Expert has determined the issue of the Deferred Consideration Shares is fair and reasonable to the non-participating Shareholders.

A voting exclusion statement applies to this Resolution. Please see below.

12. RESOLUTION 11 - APPROVAL TO ISSUE TRANCHE 2 DEFERRED CONSIDERATION SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 50,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd for the purpose of the Shareholder approval of the issue of the Deferred Consideration Shares (as required by section 13 of ASX Guidance Note 19). The Independent Expert's Report comments on the fairness and reasonableness of the issue of the Deferred Consideration Shares to non-participating Shareholders. The Independent Expert has determined the issue of the Deferred Consideration Shares is fair and reasonable to the non-participating Shareholders.

A voting exclusion statement applies to this Resolution. Please see below.

13. RESOLUTION 12 – ELECTION OF DIRECTOR - MR MARTIN BUCKINGHAM

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of clause 14.3 of the Constitution and for all purposes, Mr Martin Buckingham, who being eligible and having given his consent to act, be elected as a director of the Company with effect on and from completion of the Acquisition."

14. RESOLUTION 13 – ELECTION OF DIRECTOR – MS ATTILLENORE AUSTRIA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of clause 14.3 of the Constitution and for all purposes, Ms Attillenore Austria, who being eligible and having given her consent to act, be elected as a director of the Company with effect on and from completion of the Acquisition."

15. RESOLUTION 14 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 11 December 2020

By order of the Board

MS MELANIE ROSS
COMPANY SECRETARY

Resolution 1 – Adoption of Remuneration Report	A vote on this Resolution must not be cast (in any capacity) by or on b of either of the following persons:				
	(a)	a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or			
	(b)	a Closely Related Party of such a member.			
	However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:				
Resolution 2 – Spill	(a)	the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or			
Resolution	(b)	the voter is the Chair and the appointment of the Chair as proxy:			
		(i) does not specify the way the proxy is to vote on this Resolution; and			
		(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.			
Resolution 14 – Adoption of Employee Securities		on appointed as a proxy must not vote, on the basis of that tment, on this Resolution if:			
Incentive Plan	(a)	the proxy is either:			
		(i) a member of the Key Management Personnel; or			
		(ii) a Closely Related Party of such a member; and			
	(b)	the appointment does not specify the way the proxy is to vote on this Resolution.			
	However, the above prohibition does not apply if:				
	(a)	the proxy is the Chair; and			
	(b)	the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.			

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In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 4 – Ratification of prior issue of Shares (Cullarin)	A person who participated in the issue or is a counterparty to the agreement being approved (namely Syndicate Minerals Pty Ltd) or an associate of that person or those persons.		
Resolution 5 – Ratification of prior issue of Shares (Finder's fee for Johns)	A person who participated in the issue or is a counterparty to the agreement being approved (namely Mr. Jack Johns) or an associate of that person or those persons.		
Resolution 6 – Ratification of prior issue of Shares (Finder's fee for Sandford)	A person who participated in the issue or is a counterparty to the agreement being approved (namely Mr. Mark Sandford) or an associate of that person or those persons.		
Resolution 7 – Ratification of prior issue of Shares (Finder's fee for Nascent Capital Partners Pty Ltd)	A person who participated in the issue or is a counterparty to the agreement being approved (namely Nascent Capital Partners Pty Ltd) or an associate of that person or those persons.		
Resolution 9 – Approval to issue Consideration Shares			
Resolution 10 – Approval to issue Tranche 1 Deferred Consideration Shares	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Vendors) or an associate of that		
Resolution 11 – Approval to issue Tranche 2 Deferred Consideration Shares	person (or those persons).		
Resolution 14 – Adoption of Employee Securities Incentive Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.		

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

This Notice provides information about, and seeks Shareholder approval for, amongst other things, the acquisition by the Company of 100% of the issued capital of Anleck Limited (Anleck), a private UK company that owns, through various subsidiaries, a suite of copper-gold projects in the Philippines (Anleck Acquisition). Resolutions 9 to 11 (inclusive) in this Notice (Essential Resolutions) are interdependent, meaning that Shareholders must pass each of the Essential Resolutions for the Anleck Acquisition to proceed. If Shareholders approve some (but not all) of the Essential Resolutions, the acquisition will not proceed and the Directors consider that this will be a very negative outcome for the Company.

Resolutions 9 to 11 are therefore important and affect the future of the Company and the Directors urge you to vote in favour of these Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.celsiusresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting (held 27 November 2019), the votes cast against the remuneration report considered at that annual general meeting were more than 25%. Accordingly, the Spill Resolution will be relevant for this Annual General Meeting if at least 25% of the votes cast on the Remuneration Report Resolution are voted against adoption of the Remuneration Report. Refer to Resolution 2 and Section 3.1 for further information.

3. RESOLUTION 2 – SPILL RESOLUTION

<u>If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 2.</u>

3.1 General

The Corporations Act requirements for this Resolution to be put to vote are set out in Section 2.2.

The effect of this Resolution being passed is the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

3.2 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the voting restrictions applying to Resolution 1 apply in the same manner to this Resolution.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR PINE VAN WYK

4.1 General

Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without reelection) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

Mr Pine van Wyk, who has served as a Director since 4 September 2017 and was last re-elected on 24 November 2017, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr van Wyk, who holds a NHD Met. Eng., a B.Comm and an MBA, is a Metallurgical Engineer by profession, with extensive experience in the mining industry, particularly in developing and operating mines in Namibia. He holds commercial qualifications (B.Com and MBA), with a focus on project management. He spent eight years at Rössing Uranium, where his roles included Superintendent Acid Plant and Metallurgical Services, Superintendent Strategic Projects and Engineering Manager. In 2005, he joined Paladin Energy Ltd at their Langer Heinrich Uranium project as Operations Manager, taking the project from feasibility to full production. In 2008, he joined Gecko Namibia as Director Projects and in 2014 became Managing Director of the Gecko Namibia group of companies. During 2018, Mr van Wyk also became the CEO and director of Namibia Critical Metals Inc.

4.3 Independence

If re-elected the Board considers Mr van Wyk will be an independent Director.

4.4 Board recommendation

The Board has reviewed Mr Wyk's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Wyk and recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTIONS 4 TO 7 – RATIFICATION OF PRIOR ISSUE OF SHARES – CULLARIN WEST PROJECT CONSIDERATION

5.1 General

As announced on 4 June 2020, the Company entered into a Binding Heads of Agreement to acquire 100% of the Cullarin West Project (New South Wales Exploration Licence Application 5928) from Syndicate Minerals Pty Ltd (ACN 635 864 587) for consideration of 20,000,000 Shares (Cullarin Consideration Shares).

In addition to the Cullarin Consideration Shares, and as set out in the Company's announcement of 4 June 2020, Celsius agreed to pay a transaction fee of 3,000,000 Shares to Mr. Jack Johns, Mr. Mark Sandford and Nascent Capital Partners Pty Ltd (**Finder's Fee Shares**).

On 5 June 2020, the Company issued an aggregate of 23,000,000 Shares in consideration for the acquisition of the Cullarin West Project, being an aggregate of the Cullarin Consideration Shares and the Finder's Fee Shares (**Cullarin Consideration**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 8 being passed at this Meeting.

The issue of the Cullarin Consideration does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Cullarin Consideration (5 June 2020).

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Cullarin Consideration.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Cullarin Consideration Shares.

Resolutions 5 to 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Finder's Fee Shares to each of Mr. Jack Johns, Mr. Mark Sandford and Nascent Capital Partners Pty Ltd, respectively.

5.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Cullarin Consideration Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Cullarin Consideration Shares.

If Resolution 4 is not passed, the Cullarin Consideration Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Cullarin Consideration Shares.

If Resolutions 5 to 7 are passed, the Finder's Fee Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Finder's Fee Shares.

If Resolutions 5 to 7 are not passed, the Finder's Fee Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Finder's Fee Shares.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 8 being passed at this Meeting.

5.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 4 to 7:

- (a) the Cullarin Consideration was issued to in the following manner:
 - (i) Cullarin Consideration Shares (**Resolution 4**): Syndicate Minerals Pty Ltd (ACN 635 864 587): 20,000,000 Shares;
 - (ii) Finder's Fee Shares (aggregate 3,000,000):
 - (A) Mr. Jack Johns (**Resolution 5**): 2,160,000 Shares;
 - (B) Mr. Mark Sandford (**Resolution 6**): 540,000 Shares; and
 - (C) Nascent Capital Partners Pty Ltd (ACN 154 848 469) (Resolution 7): 300,000 Shares.
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) an aggregate of 23,000,000 Shares were issued as Cularin Consideration and the Cullarin Consideration was all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Cullarin Consideration was issued on 5 June 2020;
- (e) the Cullarin Consideration was issued at a nil issue price, in consideration for the acquisition of the Cullarin West Project (New South Wales Exploration Licence Application 5928), as well as a finder's fee for the acquisition of that project. The Company has not and will not receive any other consideration for the issue of the Cullarin Consideration:
- (f) the purpose of the issue of the:
 - (i) Cullarin Consideration Shares was to satisfy the Company's obligations under the Binding Heads of Agreement between the Company and Syndicate Minerals Pty Ltd (ACN 635 864 587), in consideration for the acquisition of the Cullarin West Project; and
 - (ii) Finder's Fee Shares was to compensate the recipients for introducing the Cullarin West Project to the Company;
- (g) the Cullarin Consideration were issued to Syndicate Minerals Pty Lth (ACN 635 864 587) under the Binding Heads of Agreement between the

Company and Syndicate Minerals Pty Ltd, a summary of the material terms of which is set out in the Company's ASX announcement dated 4 June 2020; and

(h) the Finder's Fee Shares were not issued under an agreement.

6. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

6.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (7.1A Mandate).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 8 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 8 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 8 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

6.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 8:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 6.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 10 December 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

			Diluti		
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.022	\$0.044	\$0.066
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	880,218,081	88,021,808	\$1,936,479	\$3,872,959	\$5,809,439
50% increase	1,320,327,122	132,032,712	\$2,904,719	\$5,809,439	\$8,714,158

		Dilution			
100% increase	1,760,436,162	176,043,616	\$3,872,959	\$7,745,919	\$11,618,878

^{*}The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a prorata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- 1. There are currently 880,218,081 Shares on issue comprising:
 - (a) 780,218,081 existing Shares as at the date of this Notice of Meeting; and
 - (b) 100,000,000 Shares which will be issued if Resolution 9 is passed at this Meeting.
- The Deferred Consideration as contemplated by Resolutions 10 and 11 are not included in the calculation of the voting dilution impact as there is not sufficient certainty that these Shares will be issued by the Company for the purposes of the calculation.
- 3. The issue price set out above is the closing market price of the Shares on the ASX on 10 December 2020.
- 4. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- 5. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- 6. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- 8. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
- 9. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 10. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under Listing Rule 7.1A

The Company obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 27 November 2019 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 29 January 2020, the Company has not issued any Equity Securities pursuant to the Previous Approval.

6.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

7. BACKGROUND TO THE ACQUISITION OF ANLECK LIMITED (RESOLUTIONS 9 TO 14)

7.1 General Background

As announced on 16 September 2020, the Company has entered into a binding Share Sale Agreement (**Anleck Acquisition Agreement**) to acquire 100% of the issued capital of Anleck Limited (**Anleck**), a private UK company that owns, through various subsidiaries, a suite of copper-gold projects in the Philippines.

Following the Company acquiring 100% of the issued capital of Anleck (**the Acquisition**), the current Anleck shareholders (**Vendors**) will become significant shareholders of the Company and will remain actively involved in the development of the copper-gold projects in the Philippines.

Shareholders are encouraged to read the Company's announcement dated 16 September 2020 (**Acquisition Announcement**) in its entirety for details in relation to Anleck, the Acquisition and Anleck's various projects.

The Acquisition Announcement also includes a summary of the material terms of the Anleck Acquisition Agreement.

The Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Acquisition (including but not limited to shareholder approval for the issue of the Consideration Shares and the Deferred Consideration Shares).

The consideration for the Acquisition will be satisfied by the issue to the Vendors the Consideration Shares (being 100,000,000 Shares issuable on Settlement and the subject of Resolution 9) and the Deferred Consideration Shares (being an additional 100,000,000 Shares issuable in two separate tranches subject to certain events occurring, and being the subject of Resolutions 10 and 11).

No party will acquire control of or voting power of 20% or more in the Company as at completion as a result of the Acquisition.

7.2 Anleck

Anleck is a private UK company (having the UK Company Number 11535254) which 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).

The key asset in Anleck's portfolio is the **Maalinao-Caigutan-Biyog (MCB) Project**, a copper-gold project situated within the Central Cordillera Region in the Island of Luzon, Philippines. The MCB Project contains a large, high grade copper-gold porphyry deposit that has seen historical drilling conducted by Makilala Mining Co. Inc between 2006 and 2013.

Further details regarding the:

- (a) Anleck Acquisition Agreement;
- (b) MHL Acquisition Agreement;
- (c) MCB Project, its location and its historical drilling results; and
- (d) Anleck's other assets.

are set out in the Acquisition Announcement and the Independent Expert's Report.

7.3 The Vendors

There are five (5) shareholders in Anleck, each a Vendor. The Vendors' respective shareholdings in Anleck, along with their rights to Consideration Shares and Deferred Consideration Shares are set out in Schedule 1.

7.4 Independent Expert's Report

Section 13 of ASX Guidance Note 19 states that ASX will generally consider it appropriate and equitable that an entity obtain a report from an independent expert that opines on whether the issue of performance securities is fair and reasonable to non-participating Shareholders, where that entity is proposing to issue performance securities which would convert (subject to the satisfaction if the applicable milestones are achieved) into a number greater than 10% of the

number of Shares on issue at the date the performance securities are proposed to be issued.

The Company has been advised by ASX that the Deferred Consideration Shares are 'performance securities' for the purposes of ASX Guidance Note 19 and that an Independent Expert's Report is required in relation to the approval for their issue.

The Company has engaged RSM Corporate Australia Pty Ltd for the purposes of providing a report and their opinion on the fairness and reasonableness of the issue of the Deferred Consideration Shares. Their report, which includes this opinion, is set out in Schedule 4.

The Independent Expert has opined that the issue of the Deferred Consideration Shares to the Vendors is fair and reasonable to the non-participating Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made. The Independent Expert's Report is also available on the Company's website (www.celsiusresources.com.au). If requested by a Shareholder, the Company will send to the Shareholder a hard copy of the Independent Expert's Report at no cost.

7.5 Indicative timetable

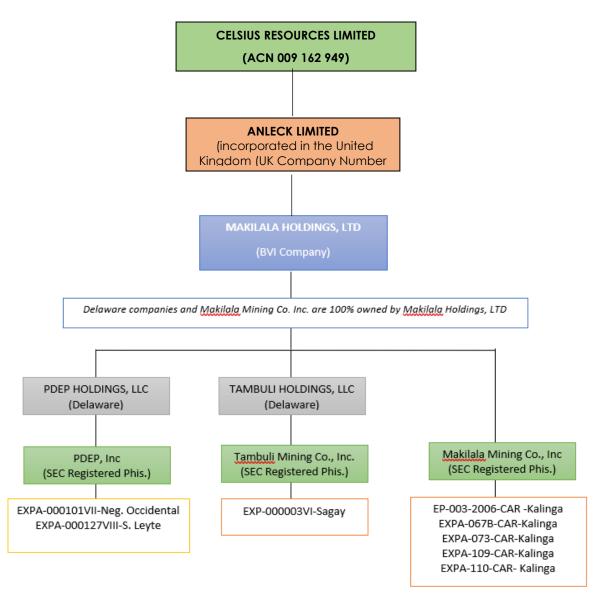
An indicative timetable for settlement of the Acquisition is set out below:

Event	Date*
Execution of the Acquisition Agreement	15 September 2020
Shareholder Meeting to approve the Acquisition and Capital Raise	29 January 2021
Settlement of Acquisition	1 February 2021

Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

7.6 Group Structure

Upon completion of the Acquisition, Anleck will become a wholly owned subsidiary of the Company. A group structure diagram is set out below, which assumes completion of the Acquisition:



7.7 Pro forma capital structure

The proposed capital structure of the Company following completion of the Acquisition and issues of all Securities contemplated by this Notice is set out below.

	Shares	Options
Current issued capital	780,218,081	14,500,0001
Consideration Shares to be issued to Vendors	100,000,0002	Nil
Deferred Consideration Shares to be issued to Vendors	100,000,000	Nil
Options to be issued to Ironside or nominees ³	Nil	50,000,000
Total Shares on completion of the Acquisition (post-Consolidation)	980,218,081	70,500,000

1. Comprising:

- (a) 1,000,000 unlisted options exercisable at \$0.175 expiring 5 January 2021;
- (b) 1,500,000 unlisted options exercisable at \$0.225 expiring 5 January 2021;
- (c) 6,000,000 unlisted options exercisable at \$0.075 expiring 12 January 2021; and
- (d) 6,000,000 unlisted options exercisable at \$0.175 expiring 16 April 2021.
- 2. 50,000,000 of these Shares will be subject to the Buyback Right and will have a holding lock placed upon them (see Section 7.8 below).
- 3. The issue of these Options is not subject to shareholder approval, but they will only be issued if the acquisition of Anleck proceeds (see Section 7.10 below).

No party will acquire control of, or voting power of 20% or more in, the Company as at completion as a result of the Acquisition.

7.8 Buyback Right

As set out in the Acquisition Announcement, 50,000,000 of the Consideration Shares will be subject to a buy-back and cancellation right in favour of Celsius (**Buyback Right**). Celsius may only exercise the Buyback Right and conduct the selective share buyback and cancellation if, on the date falling one (1) year following Settlement, Celsius has failed to announce to the ASX that Celsius and/or its related bodies corporate have completed an economically viable Scoping Study on the MCB Project, and that the report has been prepared in accordance with the requirements of the JORC Code.

7.9 Vendors' interests in the Company

None of the Vendors (or their associates) are yet related parties of the Company (although Mr Buckingham and Ms Austria will become related parties on and from their appointment at Settlement) and no Vendor other than Mr Jonathon Colville has any existing interest in the Company's Equity Securities. Mr Colville has a beneficial interest in 3,931,888 Shares, held both in his personal capacity and via a nominee holder.

7.10 Ironside Capital

In conjunction with the Acquisition, Celsius has engaged Ironside Capital Pty Ltd (**Ironside**) as its corporate adviser on a month-to-month contract and Celsius has agreed to pay Ironside a fee of A\$5,000 per month (plus GST) in respect of this engagement.

On and from Settlement, Celsius has agreed to appoint Ironside as its corporate advisor for a period of 12 months and Celsius has agreed to pay Ironside a fee of A\$10,000 per month (plus GST) in respect of this engagement.

In addition, Celsius has agreed to issue to Ironside (or its nominee(s)) the right to subscribe for 50,000,000 unlisted options exercisable within 30 months of their issue at an exercise price equal to the lesser of \$0.012 per option or 150% of the 10-trading day VWAP immediately prior to the Acquisition Announcement.

7.11 Composition of the Board of Directors

On Settlement, two directors of Celsius will resign from the Board and be replaced by Martin Buckingham and Attilenore Austria, both of whom have an in depth understanding of the MCB Project and what is required to develop the Project into an operating mine. Martin has over 20 years in developing and operating mines in the Philippines and Attilenore has a sound understanding of, and a wealth of

experience in developing statutory plans for securing government approvals for mining applications, securing the social license to operate, stakeholder engagements, social impacts/development management, working with Philippine government agencies, local government units and Indigenous Cultural Communities.

Celsius also intends to retain Anleck's management team in country who have an existing association with the Project along with over 20 years' experience managing Philippine resources projects, including engaging with all levels of relevant government institutions as well as managing stakeholder relations, specifically with respect to the MCB Project.

A brief biography of both Mr Buckingham and Ms Austria are set out in the Acquisition Announcement, and their appointments are the subject of Resolutions 12 and 13.

7.12 Related party considerations for Consideration Shares and Deferred Consideration Shares

The Company notes that the Proposed Directors will be issued the following Consideration Shares and Deferred Consideration Shares by virtue of being Vendors:

- (a) Proposed Director, Mr Martin Buckingham will be issued 31,000,000 Consideration Shares and 31,000,000 Deferred Consideration Shares; and
- (b) Proposed Director, Ms Attilenore Austria will be issued 21,000,000 Consideration Shares and 21,000,000 Deferred Consideration Shares.

All other Vendors are unrelated parties to the Company, and will receive a total of 48,000,000 Consideration Shares and 48,000,000 Deferred Consideration Shares. There are five (5) Vendors in total (including the Proposed Directors).

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Consideration Shares and Deferred Consideration Shares because these securities will be issued to the Proposed Directors on the same terms as the Consideration Shares and Deferred Consideration Shares issued to unrelated Vendors and as such the giving of any financial benefit is on arm's length terms.

Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose

relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The Company confirms that:

- (a) none of the Vendors are currently related parties of the Company; and
- (b) the issue of the Deferred Consideration Shares to the Vendors falls within Listing Rule 10.12 exception 12 and does not require Shareholder approval under Listing Rule 10.11.

7.13 ASX waivers and confirmations obtained

<u>Listing Rules 11.1.2 and 11.1.3</u>

Listing Rule 11.1 states that "if any entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. It must do so in any event before making the change."

The principles underlying Listing Rules 11.1.2 and 11.2 is that an investor may decide to subscribe for, or buy shares in, a company in the belief that there will be some form of continuity of business.

If a change in a company's activities would have the effect of fundamentally changing the investor's investment, then the investor should be able to debate the proposed change.

In accordance with these principles, an acquisition may result in ASX determining no meeting is required, a shareholders meeting is required and/or re-compliance with Chapters 1 and 2 is required (admission and quotation).

The Company has received confirmation from ASX that the Acquisition does not represent such a fundamental change to the Company's activities, and that Listing Rules 11.1.2 and 11.1.3 do not apply to the Acquisition.

Accordingly, this Notice of Meeting does not contain a resolution pursuant to Listing Rule 11.1.2 seeking Shareholder approval of the Acquisition.

Listing Rule 7.3.4

ASX Listing Rule 7.1 requires listed entities to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of a listed company in any 12-month period.

ASX Listing Rule 7.3 sets out the requirements for shareholder approval under ASX Listing Rule 7.1. In particular, ASX Listing Rule 7.3.4 provides that the notice of meeting must state the date or dates on or by which the entity will issue the securities and (relevantly) that the securities must be issued no later than three (3) months after the date of the meeting. The underlying policy of this ASX Listing Rule 7.3.4 is to provide certainty to security holders and ensure that securities are issued before the approval is "stale" or vitiated by a change in the entity's circumstances.

As set out in Section 9.4(e) below below, the Company proposes to issue the Deferred Consideration Shares, subject to the satisfaction of the relevant milestones, as soon as possible following the satisfaction of those milestones, which

may occur at any time prior to the date falling thirty-seven (37) months following Settlement.

The Company therefore sought, and was granted, a waiver from the requirements of ASX Listing Rule 7.3.4 to the extent necessary to permit the Company to issue the Deferred Consideration Shares to the Vendors (in two tranches) for a period of up to 37 months from the date of shareholder approval following Settlement.

The waiver of ASX Listing Rule 7.3.4 was granted pursuant to the following conditions:

- (a) The Deferred Consideration Shares are issued no later than the date which is 37 months from shareholder approval.
- (b) The milestones which must be satisfied for the Deferred Consideration Shares to be issued are not varied.
- (c) The maximum number of Deferred Consideration Shares to be issued is 100,000,000.
- (d) Adequate detail regarding the dilutionary effect on the Company's capital structure is included in the Notice.
- (e) For any annual reporting period during which any of the Deferred Consideration Shares have been issued or any of them remain to be issued, the Company's annual report sets out in detail the number of Deferred Consideration Shares issued in that annual reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued.
- (f) In any half year or quarterly report for a period during which any of the Deferred Consideration Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Deferred Consideration Shares issued during the reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued.
- (g) The Notice contains the full terms and conditions of the Deferred Consideration Shares as well as the conditions of the waiver.

8. RESOLUTION 9 – APPROVAL TO ISSUE CONSIDERATION SHARES

8.1 General

As set out in Section 7.1 above above, consideration for the Acquisition is comprised of the issue of an aggregate of 200,000,000 fully paid ordinary shares in the capital of the Company, comprising the following:

- (a) 100,000,000 Consideration Shares;
- (b) 50,000,000 Tranche 1 Deferred Consideration Shares; and
- (c) 50,000,000 Tranche 2 Deferred Consideration Shares.

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consideration Shares. Resolutions 10 and 11 seek Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Deferred Consideration Shares.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Consideration Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

The Company notes that 50% (50,000,000) of the Consideration Shares will be subject to the Buyback Right and will have a holding lock placed upon them (see Section 7.8 above above).

8.2 Technical information required by Listing Rule 14.1A

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Consideration Shares pursuant to the Acquisition. In addition, the issue of the Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares and will not be able to complete the Acquisition (as one of the conditions precedent to Settlement has not been satisfied).

8.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the Consideration Shares will be issued to Vendors in the proportions set out in Schedule 1.
- (b) the maximum number of Consideration Shares to be issued is 100,000,000. The Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Consideration Shares will occur on the same date;
- (d) the Consideration Shares will be issued at a nil issue price, in part consideration for the Acquisition of Anleck;
- (e) the purpose of the issue of the Consideration Shares is to partially satisfy the Company's obligations under the Anleck Acquisition Agreement;
- (f) the Consideration Shares are being issued to the Vendors under the Anleck Acquisition Agreement. A summary of the material terms of the Anleck Acquisition Agreement is set out in the Acquisition Announcement; and
- (g) the Consideration Shares are not being issued under, or to fund, a reverse takeover.

9. RESOLUTIONS 10 AND 11 – APPROVAL TO ISSUE DEFERRED CONSIDERATION SHARES

9.1 General

As set out in Section 7.1 above above, consideration for the Acquisition is comprised of the issue of an aggregate of 200,000,000 fully paid ordinary shares in the capital of the Company, comprising the following:

- (a) 100,000,000 Consideration Shares;
- (b) 50,000,000 Tranche 1 Deferred Consideration Shares; and
- (c) 50,000,000 Tranche 2 Deferred Consideration Shares.

Resolutions 10 and 11 seek Shareholder approval for the issue of the Deferred Consideration Shares.

As summarised in Section 5.1 aboveabove, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Similarly to the Consideration Shares, the proposed issue of the Deferred Consideration Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

9.2 Independent expert's report and opinion

As noted in Section 7.4, the Company has been advised by the ASX that it is required to obtain a report from an independent expert which opines on whether the issue of the Deferred Consideration Securities (the subject of both Resolution 11 and 12) is fair and reasonable to non-participating Shareholders.

The Independent Expert's report, which includes this opinion, is set out in Schedule 4.

The Independent Expert has opined that the issue of the Deferred Consideration Shares to the Vendors is fair and reasonable to the non-participating Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made. The Independent Expert's Report is also available on the Company's website (www.celsiusresources.com.au). If requested by a Shareholder, the Company will send to the Shareholder a hard copy of the Independent Expert's Report at no cost.

9.3 Technical information required by Listing Rule 14.1A

If Resolution 10 is passed, the Company will be able to proceed with the issue of the Tranche 1 Deferred Consideration Shares. In addition, the issue of the Tranche 1 Deferred Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the Tranche 1 Deferred Consideration Shares and will not be able to

complete the Acquisition (as one of the conditions precedent to Settlement has not been satisfied).

If Resolution 11 is passed, the Company will be able to proceed with the issue of the Tranche 2 Deferred Consideration Shares. In addition, the issue of the Tranche 2 Deferred Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 11 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Deferred Consideration Shares and will not be able to complete the Acquisition (as one of the conditions precedent to Settlement has not been satisfied).

9.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 10 and 11:

- (a) the Deferred Consideration Shares will be issued to Vendors in the proportions set out in Schedule 1;
- (b) the maximum number of:
 - (i) Tranche 1 Deferred Consideration Shares to be issued is 50,000,000 (Resolution 10); and
 - (ii) Tranche 2 Deferred Consideration Shares to be issued is 50,000,000 (Resolution 11);
- (c) the Deferred Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the milestones applicable to each tranche of Deferred Consideration Shares, and other material information regarding the Deferred Consideration Shares is set out in Schedule 2.
- (e) the Deferred Consideration Shares will be issued no later than 37 months after the date of the Meeting, in accordance with the Company's waiver of Listing Rule 7.3.4 described in Section 7.13 above and it is intended that issue of the Deferred Consideration Shares will occur (subject to the satisfaction of the applicable milestone) on multiple dates;
- (f) the Deferred Consideration Shares will be issued at a nil issue price, in part consideration for the Acquisition of Anleck;
- (g) the purpose of the issue of the Deferred Consideration Shares is to partially satisfy the Company's obligations under the Anleck Acquisition Agreement;
- (h) the Independent Expert's Report is included in this Notice at Schedule 4;
- (i) the Deferred Consideration Shares are being issued to the Vendors under the Anleck Acquisition Agreement. A summary of the material terms of the Anleck Acquisition Agreement is set out in the Acquisition Announcement; and

(j) the Deferred Consideration Shares are not being issued under, or to fund, a reverse takeover.

10. RESOLUTIONS 12 AND 13 - ELECTION OF PROPOSED DIRECTORS - MR MARTIN BUCKINGHAM AND ATTILENORE AUSTRIA

10.1 Background

Clause 14.3 of the Constitution allows the Company to appoint at any time a person to be a Director by resolution passed in a General Meeting.

In order for the Proposed Directors to be eligible for election, the Proposed Directors, or a Shareholder intending to propose their nomination, must leave at the Company's registered office at least 30 Business Days before the Meeting, a written notice from the Proposed Directors consenting to their nomination and signifying their candidature for the office, or a written notice from a Shareholder signifying their intention to nominate the Proposed Directors.

As set out in the Acquisition Announcement, it is intended that, on Settlement, two Directors will resign and be replaced by Martin Buckingham and Attilenore Austria, both of whom are Vendors and have an in depth understanding of the MCB Project and what is required to develop the Project into an operating mine.

Pursuant to Resolution 12, Mr Martin Buckingham seeks election from Shareholders to be appointed upon Settlement.

Pursuant to Resolution 13, Ms Attilenore Austria seeks election from Shareholders to be appointed upon Settlement.

10.2 Qualifications and other material directorships

Martin Buckingham (MA Cantab) has over 40 years' experience in resource industries and has been Director and held senior management positions with various mining companies in the UK and overseas. Companies include Clogau Gold Mines plc, Atlas Consolidated Mining and Development Corp (Philippines) as EVP and CFO and Director of its wholly owned subsidiary Carmen Copper Corporation, Berong Nickel Corp, Electrum NL, Philippine Gold plc, Director and co-founder of Consort Research Limited, a metallurgical consultancy group based at the Royal School of Mines in London. In 2007, he took a lead role in the consortium which successfully re-opened the Carmen Copper Mine in Cebu, Philippines, which is now the largest copper producer in the country, producing +40,000 tons of copper metal per year. He retired from executive positions at Atlas group recently, but remains a Director. Recently Martin was founder of Anleck Limited which set out to develop the Makilala project portfolio previously owned by Freeport-McMoRan.

Attilenore Austria has worked with major Philippine public infrastructure, mining and hydropower projects for more than 10 years managing diverse teams of local and international experts to carry out studies leading to the development of plans and programs in compliance with national regulatory requirements and international standards. She worked closely with environmental and engineering teams to ensure that social impacts are avoided or kept at the minimum while developing key project consultation and negotiation strategies to manage anticipated social, economic and cultural impacts essential to obtaining a social license to operate. Prior to these, Ms. Austria has more than 10 years of development work with World Bank and EU funded integrated rural development programs all over the Philippines. She holds a PhD in Rural Development and has extensive working knowledge in stakeholder engagements, project risk

management, project scheduling, community development, socio-cultural baseline studies, social impacts assessment.

10.3 Independence

The Board does not consider either of Mr Buckingham nor Ms Austria be an independent director as they are both founders and Vendors of Anleck, and accordingly they will receive their respective proportion of the Deferred Consideration Shares, directly linking their equity interests in the Company with the Company's performance.

10.4 Director Recommendation

The Directors support the election of both Mr Buckingham and Ms Austria and recommend that Shareholders vote in favour of Resolutions 12 and 13.

11. RESOLUTION 14 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

11.1 General

Resolution 14 seeks Shareholder approval for the adoption of an employee incentive scheme (**Incentive Plan**) and for the issue of Equity Securities under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Incentive Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Incentive Plan and the future issue of Equity Securities under the Incentive Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A summary of Listing Rule 7.1 is set out in Section 5.1.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of Equity Securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 14 is passed, the Company will be able to issue Equity Securities under the Incentive Plan to eligible participants over a period of 3 years. The issue of any Equity Securities to eligible participants under the Incentive Plan (up to the maximum number of Equity Securities stated in Section 11.2(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Equity Securities under the Incentive Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 14 is not passed, the Company will be able to proceed with the issue of Equity Securities under the Incentive Plan to eligible participants, but any issues of Equity Securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Equity Securities.

11.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 14:

- (a) a summary of the key terms and conditions of the Incentive Plan is set out in Schedule 3;
- (b) the Company has not issued any Equity Securities under the Incentive Plan as this is the first time that Shareholder approval is being sought for the adoption of the Incentive Plan; and
- (c) the maximum number of Equity Securities proposed to be issued under the Incentive Plan, following Shareholder approval, is 90,000,000. It is not envisaged that the maximum number of Equity Securities for which approval is sought will be issued immediately.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 6.1.

Acquisition has the meaning given at Section 7.1.

Acquisition Announcement has the meaning given at Section 7.1.

Anleck means Anleck Limited (UK Company Number 11535254).

Anleck Acquisition Agreement means the binding Share Sale Agreement dated on or about 15 September 2020 between the Company and Anleck, pursuant to which the Company agrees to acquire 100% of the issued capital of Anleck.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Buyback Right has the meaning given to it in Section 7.8.

Celsius or **Company** means Celsius Resources Limited (ACN 009 162 949).

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Consideration Shares mean the 100,000,000 Shares to be issued to the Vendors at Settlement in consideration for the Acquisition.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Cullarin Consideration means the aggregate of the Cullarin Consideration Shares and the Finder's Fee Shares.

Cullarin Consideration Shares has the meaning given to it in Section 5.1.

Deferred Consideration Shares means the aggregate 100,000,000 Shares to be issued to the Vendors subject to the milestones set out in Schedule 2, being the aggregate of the Tranche 1 Deferred Consideration Shares and the Tranche 2 Deferred Consideration Shares.

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Essential Resolutions means each of Resolutions 9 to 11 (inclusive), which are interdependent and must all be passed for the Acquisition to proceed.

Explanatory Statement means the explanatory statement accompanying the Notice.

Finder's Fee Shares has the meaning given to it in Section 5.1.

Independent Expert means RSM Corporate Australia Pty Ltd.

Independent Expert's Report means the report prepared by the Independent Expert included in this Notice at Schedule 4.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Managing Director means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being reelected to the office.

MCB Project has the meaning given to it in Section 7.2.

Notice or **Notice** of **Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proposed Directors means Mr Martin Buckingham and Ms Attilenore Austria, the appointment of which is the subject of Resolutions 12 and 13.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Settlement means settlement of the Acquisition in accordance with the terms of the Anleck Acquisition Agreement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Tranche 1 Deferred Consideration Shares means the 50,000,000 Shares to the issued to the Vendors (in the proportions set out in Schedule 1) subject to the satisfaction of the Trance 1 Milestone set out in Part 1 of Schedule 2.

Tranche 2 Deferred Consideration Shares means the 50,000,000 Shares to the issued to the Vendors (in the proportions set out in Schedule 1) subject to the satisfaction of the Trance 2 Milestone set out in Part 2 of Schedule 2.

Vacating Directors means the Directors who were directors of the Company when the resolution to make the directors' report considered at the last annual general meeting of the Company was passed, other than the Managing Director at that time.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

Vendor means a shareholder in Anleck, the details of which, and the number of Consideration Shares and Deferred Consideration Shares each will receive are set out in Schedule 1.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 - ANLECK SHAREHOLDERS AND CONSIDERATION FOR ACQUISITION

	Current Shareholding		Celsius Consideration	Total Celsius deferred consideration	
Shareholder Name	Anleck Shares Held	Respective Proportion (%)	Shares	Shares	
Martin Buckingham	157,600	31%	31,000,000	31,000,000	
Jonathon Colville	100,000	19%	19,000,000	19,000,000	
Attilenore Austria	110,000	21%	21,000,000	21,000,000	
Peter Hume	133,400	26%	26,000,000	26,000,000	
Evolution Capital Partners Pty Ltd	15,495	3%	3,000,000	3,000,000	
Total	516,495	100%	100,000,000	100,000,000	

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SCHEDULE 2 - INFORMATION APPLICABLE TO DEFERRED CONSIDERATION SHARES

1. Tranche 1 Deferred Consideration Shares

Number of Deferred Consideration Shares	50,000,000				
Tranche 1 Milestone	"Celsuis securing and entering into a financial and technical assistance agreement (FTAA) or a mineral production sharing agreement (MPSA) with the Philippines Government in relation to the MCB Project, and announcement of the same to ASX within 36 months of Settlement"				
Additional	Financi	al or Tec	hnical Assistance Agreement (FTAA)		
Information relevant to Tranche 1 – details regarding a FTAA and a MPSA	(a)	A Financial or Technical Assistance Agreement may be entered into between a Contractor and the Government for the large-scale exploration, development and utilization of minerals, has a term of 25 years, and is renewable for another term of 25 years; Only 'Qualified Persons' can apply for an FTAA, which relevantly includes 'a Foreign-owned Corporation'			
	(b)				
	(c)	To appalia):	ly for a FTAA, applicants must provide (inter		
		(i)	Location map/sketch plan of the proposed contract area;		
		(ii)	Two-year Exploration Work Program and proof of financial capability to meet the program;		
		(iii)	Bonds or guarantees for the expenditure commitments for any year (see below);		
		(i∨)	Various environmental protection programs, including an 'Environmental Work Program', 'Environmental Protection and Enhancement Program', an Environmental Impact Statement and an Environmental Compliance Certificate;		
		(v)	Certification that either the permit area does not overlap any ancestral land/domain claim in case of non-Indigenous People, or that Free and Prior Informed Consent has been issued by the indigenous peoples concerned; and		
		(vi)	If the applicant is proposing or seeking a declaration of mining project feasibility:		
			(A) Mining Project Feasibility Study;		

- (B) Three-year
 Development/Utilization Work
 Program; and
- (C) Proof of technical competence and financial capability;
- (d) Applicants must have paid up capital of at least PHP500 Million:
- (e) Minimum ground expenditures apply to the area subject to FTAA, ranging from USD\$2/ha for the first two years, through to USD\$23/ha from year 6;
- (f) Minimum total capital investment into a FTAA area is USD\$50 million or local equivalent;
- (g) The Philippines government retains an interest in FTAA projects by way of various taxes, duties and levies imposed on the FTAA project; and
- (h) An FTAA applicant must establish and make contributions to multiple funds to ensure it can comply with all applicable environmental and rehabilitation obligations.

Mineral Production Sharing Agreement (MPSA)

- (a) An MPSA is a form of agreement granting the exclusive right (but not the title) to conduct mining operations and extract mineral resources for 25 years (renewable for another 25 years), and follows a Declaration of Mining Project Feasibility;
- (b) Only 'Qualified Persons' can apply for an MPSA, which relevantly includes 'a Foreign-owned Corporation'
- (c) The Philippine government retains a an interest in the MPSA through the imposition of various taxes and charges;
- (d) An applicant for an MPSA must provide the items set out in 3) above for the FTAA and must also have:
 - (i) a minimum authorized capital stock of PHP100 million; and
 - (ii) a minimum paid up capital stock of PHP 6.25m;
- (e) Mining operations under **MPSAs** include development/construction utilization and mineral resources including the continuance of exploration works and the conduct activities; development/construction/utilization and
- (f) Importantly, a MPSA has no grant of title over the contract/mining area.

The Company notes for completeness that applicants for either an FTAA or MPSA may be required to enter into separate agreements which provide for the payment of

	benefits to indigenous peoples, and for the protection and maintenance of their cultures and value systems.
Lapse	Should the Milestone not have occurred by the due date as set out above, this tranche of Deferred Consideration Shares shall immediately lapse and will not be issued by Celsius.

2. Tranche 2 Deferred Consideration Shares

Number of Deferred Consideration Shares	50,000,000
Tranche 2 Milestone	"CLA completing an economically viable Definitive Feasibility Study in relation to the MCB Project as determined by the Independent Directors of CLA and announcement of the same to the ASX, within 36 months of Settlement."
Additional Information relevant to Tranche 2 – definitions	"Definitive Feasibility Study" shall mean a feasibility study that is of a standard suitable to be submitted to a financial institution as the basis for lending of funds for the development and operation of the mine contemplated in the study and is capable of supporting a decision to mine that is compliant with the JORC Code.
	"Independent Directors" shall be those directors of CLA at the time who do not have an entitlement to any Deferred Consideration Shares.
Lapse	Should the Milestone not have occurred by the due date as set out above, this tranche of Deferred Consideration Shares shall immediately lapse and will not be issued by Celsius.

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SCHEDULE 3 - TERMS AND CONDITIONS OF EMPLOYEE SECURITIES INCENTIVE PLAN

A summary of the terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

(a) Awards

Award means an Option, a Performance Right, a Share Award and/or a Loan Funded Share, as the case may be.

(b) Eligible Participant

Eligible Participant means

- (i) any Director or a person who is a full-time or part-time employee of the Company or its Related Bodies Corporate who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan; or
- (ii) any other person providing services to the Group and who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Plan.

(c) Administration of the Plan

The Plan will be administered by the Board in accordance with the Plan rules.

(d) Purpose

The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with Shareholders by providing an opportunity to Eligible Participants to earn rewards via an equity interest in the Company based on creating Shareholder value.

(e) Maximum Award Allocation

Unless prior Shareholder Approval is obtained, the number of Awards which may be granted under the Plan must not at any time exceed in aggregate 10% of the total issued capital of the Company at the date of any proposed new Awards.

(f) Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination) of the different types of Awards on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Awards the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(g) Terms of Awards

The terms and conditions of Awards offered or granted under these Rules to each Eligible Participant will be determined by the Board in its sole and absolute discretion.

(h) Grant of Awards

The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Participant the relevant number of Awards, subject to the terms and conditions set out in the Invitation, the Plan rules and any ancillary documentation required.

(i) Terms of Options and Performance Rights

Each Option and/or Performance Right (Convertible Security) represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(j) Vesting of a Convertible Security

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(k) Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Options (see below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the exercise price of Options, but that on exercise of the Options the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means:

- (i) in relation to Options and Performance Rights, a value determined by application of a valuation methodology approved by the Board; and
- (ii) in relation to Share Awards, Loan Funded Shares and Plan Shares, the 'volume weighted average market price' (as that term is defined in the Listing Rules) per Share during the previous five trading days.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

Options must be exercised in multiples of 100 unless fewer than 100 Options are held by a Participant or the Board otherwise agrees.

(I) Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(m) Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly; committed an act which has brought the Company, the Group or any entity within the Group into disrepute, or wilfully breached his or her duties to the Group or where a Participant is convicted of an offence in connection with the affairs of the Group; or has a judgment entered against him or her in any civil proceedings in respect of the contravention by the Participant of his or her duties at law, in equity or under statute, in his or her capacity as an employee, consultant or officer of the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

(i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

(ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation or vesting notice.

(n) Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event provided that, in respect of Convertible Securities, the maximum number of Convertible Securities (that have not yet been exercised) that the Board may determine will vest and be exercisable into Shares under this Rule is that number of Convertible Securities that is equal to 10% of the Shares on issue immediately following vesting under this Rule, which as far as practicable will be allocated between holders on a pro-rata basis on the basis of their holdings of Convertible Securities on the date of determination of vesting.

(O) Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(p) Convertible Securities participation rights

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(q) Share Awards

The Board may from time to time make an invitation to an Eligible Participant to acquire Share Awards under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Share Award which may be nil. The Share Awards may be subject to performance hurdles and/or vesting conditions as determined by the Board.

Where Share Awards granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Share Awards will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

Following the issue of a vesting notification to the Participant, the Share Awards held by the Participant will no longer be subject to any restrictions and may be transferred or sold by the Participant, subject to compliance with applicable laws, the Company's Securities Trading Policy and the terms of the Plan.

(r) Loan Funded Shares

The Board may from time to time make an invitation to an Eligible Participant to acquire Loan Funded Shares under the Plan. The Board will determine in its sole and absolute discretion the acquisition price (if any) for each Loan Funded Shares which may be nil. The Loan Funded Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.

Where Loan Funded Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Loan Funded Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

Following the issue of a vesting notification to the Participant, the Loan Funded Shares held by the Participant will no longer be subject to any restrictions and may be transferred or sold by the Participant, subject to compliance with applicable laws, the Company's Securities Trading Policy and the terms of the Plan.

When the Company makes an Invitation to an Eligible Participant to acquire Loan Funded Shares, the Company will also offer the Eligible Participant a Loan on terms and conditions to be determined by the Board, for the amount of the acquisition price of the Loan Funded Shares, for the purposes of acquiring all or part of the Loan Funded Shares the subject of the invitation.

The loan amount may accrue interest as determined by the Board.

A Participant may repay all or part of a Loan at any time before the expiration of the Loan term, and at the expiration of the Loan term the Participant must immediately repay all of the Loan.

(s) Rights Attaching to Share Awards, Loan Funded Shares and Plan Shares

Any Share Awards, Loan Funded Shares and/or Plan Shares allotted, issued or transferred by the Company to a Participant under the Plan will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on any Share Awards, Loan Funded Shares and/or Plan Shares which, at the record date for determining entitlement to those dividends, are standing to the account of the Participant.

The Participant may also participate in any dividend reinvestment plan operated by the Company in respect of Share Awards, Loan Funded Shares (provided the Loan has been fully repaid) and/or Plan Shares held by the Participant.

(†) Disposal restrictions

If the invitation provides that any Share Awards, Loan Funded Shares and/or Plan Shares held by any Participants are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as Share Awards, Loan Funded Shares and/or Plan Shares held by any Participants are subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that security; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

(∪) **Buy-back**

Subject to applicable law, the Company may at any time buy-back Awards and/or Plan Shares in accordance with the terms of the Plan.

(v) Compliance with applicable law

No act will be done or determination made in accordance with the Plan rules where to do so would be a breach of any applicable laws, and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of Awards and/or Plan Shares.

(w) Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Awards that have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

(x) Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

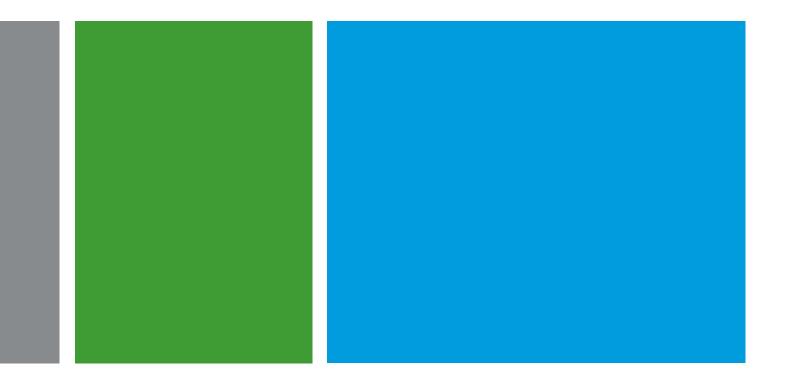
If a Participant and the Company (acting by the Board) agree in writing that some or all of the Awards granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Awards may be cancelled in the manner agreed between the Company and the Participant.

SCHEDULE 4 - INDEPENDENT EXPERT'S REPORT

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PROXY FORM

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CELSIUS RESOURCES LIMITED

Financial Services Guide and Independent Expert's Report

11 December 2020

We have concluded that the Proposed Issue of Deferred Consideration Shares is fair and reasonable





FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM Corporate Australia Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be
 providing to you;
- any relevant associations or relationships we have; and
- · our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.



Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001

Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 5 of this report.



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www.rsm.com.au

11 December 2020

The Directors
Celsius Resources Limited
22 Mount Street
Perth WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT ("REPORT")

1. Introduction

- 1.1 This Independent Expert's Report (the "Report" or "IER") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for a General Meeting of Celsius Resources Limited ("CLA" or "the Company") to be held on or around 29 January 2021, at which shareholder approval will be sought for (among other things) the issue of deferred consideration shares, as part consideration of the acquisition of 100% of the issued capital of Anleck Limited ("Anleck").
- 1.2 On 16 September 2020, CLA announced it had entered into a Binding Share Sale Agreement ("SSA") to acquire 100% of UK Company Anleck Limited, an entity which owns a suite of copper-gold projects in the Philippines. The flagship project is the Maalinao-Caigutan-Biyog Copper Gold Project ("MCB Project").
- 1.3 As consideration for the acquisition of Anleck ("the Acquisition"), CLA will issue:
 - 100,000,000 ordinary CLA shares ("Consideration Shares") of which 50,000,000 will be subject to a buy-back and cancellation right in favour of CLA; and
 - 100,000,000 deferred consideration shares in two equal tranches of 50,000,000 each ("Deferred Consideration Shares") with the following vesting conditions:
 - 50,000,000 shares on securing and entering into a financial and technical assistance agreement ("FTAA") or a mineral production sharing agreement ("MPSA") with the Philippines Government, in relation to the MCB Project, providing this occurs within 36 months of the proposed transaction completing;
 - 50,000,000 shares on CLA announcing that it has completed an economically viable Definitive Feasibility Study ("DFS") in relation to the MCB Project, provided this occurs within 36 months of the proposed transaction completing.

("the Consideration")

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



- 1.4 Following the Acquisition, the proposed issue of the Consideration Shares and Deferred Consideration Shares will result in Anleck shareholders ("the Vendors") holding approximately 11% of the issued share capital in CLA, and up to approximately 21% if the vesting conditions of the Deferred Consideration Shares are met.
- 1.5 The Deferred Consideration Shares are classified as performance securities under ASX Guidance Note 19 'Performance Securities' ("GN 19") and therefore shareholder approval is being sought for the issue of the Deferred Consideration Shares.
- 1.6 The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, express an opinion as to whether the proposed issue of the Deferred Consideration Shares to Anleck is fair and reasonable to shareholders not associated with the proposed transaction ("Non-Associated Shareholders").
- 1.7 The ultimate decision whether to approve the proposed issue of the Deferred Consideration Shares should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the proposed issue of the Deferred Consideration Shares, or the matters dealt with in this Report, Shareholders should seek independent professional advice.



2. Summary and conclusion

Opinion

2.1 In our opinion, and for the reasons set out in Sections 9 and 9 of this Report, the proposed issue of the Deferred Consideration Shares is fair and reasonable to the Non-Associated Shareholders of CLA.

Approach

- 2.2 The Acquisition includes the proposed issue of performance securities which would convert into aggregate shares greater than 10% of the issued share capital. GN 19 requires an expert to opine on whether the proposed issue of the performance securities is fair and reasonable to the Non-Associated Shareholders.
- 2.3 In expressing this opinion, the ASX expects the independent expert to assume that the relevant performance milestones have been met, assess the impact that would have on the value of the entity, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances.
- 2.4 GN 19 notes that the independent expert can express a broader view on an issue of performance shares in circumstances where they are unable to conclude that the issue is fair or reasonable, but could be regarded as in the best interests of the entity and Non-Associated Shareholders to proceed with the issue.
- 2.5 The proposed Deferred Consideration Shares consist of two tranches:
 - 50,000,000 shares within ten business days of the Company announcing to the ASX that CLA and/or
 its related bodies corporate has secured and entered into a financial and technical assistance
 agreement or a mineral production sharing agreement with the Philippines Government, in relation
 to the MCB Project, provided this occurs within 36 months of settlement; and
 - 50,000,000 shares within ten business days of the Company announcing to the ASX that CLA and/or
 its related bodies corporate has completed an economically viable Definitive Feasibility Study ("DFS")
 in relation to the MCB Project, provided this occurs within 36 months of settlement.
- 2.6 We have addressed each tranche separately in our assessment.
- 2.7 In assessing whether the proposed issue of the Deferred Consideration Shares is fair and reasonable to the Non-Associated Shareholders, we have considered Australian Securities and Investment Commission ("ASIC") Regulatory Guide 111 Content of Expert Reports ("RG 111"), which provides specific guidance as to how an expert is to appraise transactions.
- 2.8 RG111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any alternate option. In our assessment of the reasonableness of the proposed issue of the Deferred Consideration Shares, we have given consideration to commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the proposed issue of the Deferred Consideration Shares
- 2.9 We have considered whether or not the proposed issue of the Deferred Consideration Shares is "fair" and "reasonable" to the Non-Associated Shareholders by:
 - Assessing and comparing the implied value of each CLA Share to be issued to the Vendors as part
 of the initial consideration and after the vesting of each performance condition (fairness); and
 - Undertaking an analysis of the other factors relating to the proposed issue of the Deferred Consideration Shares which are likely to be relevant to the Non-Associated Shareholders in their decision of whether or not to approve the proposed issue of the Deferred Consideration Shares.



- 2.10 We have assessed the implied value of each CLA Share to be issued to the Vendors based on the assessed value of Anleck divided by the number of CLA Shares to be issued at each stage.
- 2.11 By comparing the implied value per share for the initial acquisition of Anleck (for which 100 million CLA Shares will be issued) with the implied hypothetical value per share at each performance milestone stage, we have assessed whether the proposed issue of Deferred Consideration Shares is fair on the basis that the implied value per CLA Share to be issued to the Vendors on achievement of each performance milestone is at least equal to or greater than the initial acquisition implied value per share.
- 2.12 Effectively, that the Shareholders of CLA are receiving *no less in value* per CLA Share issued to the Vendors on the achievement of each performance milestone than they received for the Consideration Shares issued on the initial acquisition of Anleck.

Fairness - Tranche 1

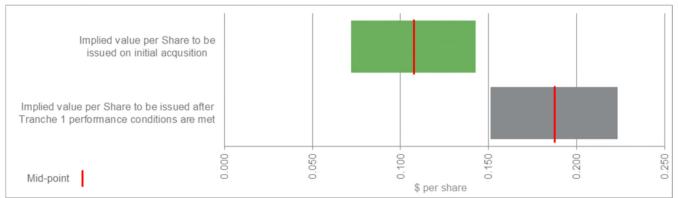
2.13 Our assessed implied values of each CLA Share issued to the Vendors on initial acquisition and after achieving the Tranche 1 performance conditions, based on the assessed value of Anleck divided by the number of CLA Shares to be issued at each stage, is summarised in the table and figure below.

Table 1 Implied values of each Share to be issued on initial Acquisition compared to implied value per Share to be issued after achievement of Tranche 1 performance conditions

Accessment of fairness	Ref.	Valu	Value per Share		
Assessment of fairness		Low	High	Mid-point	
Implied value per Share on initial acquisition	0	0.0719	0.1426	0.1073	
Implied value per Share after Tranche 1 performance conditions met	8.19	0.1511	0.2232	0.1871	

Source: RSM analysis

Figure 1 CLA Share valuation graphical representation – Tranche 1



Source: RSM analysis

2.14 The chart above indicates that the range of implied values of each CLA Share to be issued to the Vendors after achieving the Tranche 1 performance conditions is greater than the implied value of the initial Consideration Shares, i.e. CLA Shareholders are receiving more value per CLA Share to be issued. On this basis, we consider the proposed issue of Tranche 1 Deferred Consideration Shares to be **fair** to Non-Associated Shareholders.



Fairness - Tranche 2

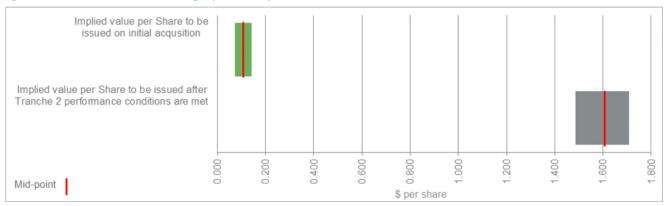
2.15 Our assessed implied values of each CLA Share issued to the Vendors on initial acquisition and after achieving the Tranche 2 performance conditions, based on the assessed value of Anleck divided by the number of CLA Shares to be issued at each stage, is summarised in the table and figure below.

Table 2 Implied values of each Share to be issued on initial Acquisition compared to implied value per Share to be issued after achievement of Tranche 2 performance conditions

Assessment of following	Ref.		Value	
Assessment of fairness		Low	High	Midpoint
Implied value per Share on initial acquisition	0	0.0719	0.1426	0.1073
Implied value per Share after Tranche 2 performance conditions met	8.28	1.4851	1.7090	1.5970

Source: RSM analysis

Figure 2 CLA Share valuation graphical representation – Tranche 2



Source: RSM analysis

- 2.16 The chart above indicates that the range of implied values of each CLA Share to be issued to the Vendors after achieving the Tranche 2 performance conditions is greater than the implied value of the initial Consideration Shares, i.e. CLA Shareholders are receiving more value per CLA Share to be issued. On this basis, we consider the proposed issue of Tranche 2 Deferred Consideration Shares to be fair to Non-Associated Shareholders.
- 2.17 It is important to note that the implied values per Share to be issued to the Vendors as set out above are based on the assessed value of Anleck, and specifically the MCB Project, at each stage. They represent a notional value to measure the incremental value of the MCB Project as the performance conditions are met and to allow a comparison of the hypothetical value being received by CLA in exchange for the issue of CLA Shares to the Vendors.
- 2.18 The implied values do not represent the future value of a traded CLA Share as other considerations such as project funding, dilution of ownership interests and other assets of CLA would need to be factored into the assessed value of a traded CLA Share.



Reasonableness

2.19 The key advantages of the proposed issue of the Deferred Consideration Shares are:

Advantages	Details
The proposed issue is fair	The proposed issue of both tranches of the Deferred Consideration Shares is fair to the CLA Shareholders.
The achievement of the performance conditions is value accretive	As set out in the GCS Report, the achievement of the vesting conditions is expected to increase the assessed value of the MCB Project. Our analysis indicates that if the vesting conditions are met, there is likely to be significant value accretion which the CLA Shareholders will participate in.
The Consideration is structured to align the interests of Shareholders, Vendors and management	The structure of the Consideration, being the issue of Deferred Consideration Shares based on project milestones, ensures that the interests of Shareholders, Vendors and management are aligned.

2.20 The key disadvantages of the proposed issue of the Deferred Consideration Shares are:

Disadvantages	Details
Dilution of shareholdings	The proposed issue of the Deferred Consideration Shares would dilute the shareholding of the current CLA Shareholders, reducing their voting power from 100% to 80%.

- 2.21 We are not aware of any alternative proposals which may provide a greater benefit to the Non-Associated Shareholders of CLA at this time.
- 2.22 The proposed Acquisition of Anleck is conditional on CLA receiving shareholder approval for the issue of the Deferred Consideration Sharers. Therefore, if the proposed issue of Deferred Consideration Shares is not approved by Shareholders, then the Acquisition will not proceed and CLA Shareholders will not participate in any potential upside of the MCB Project.
- 2.23 In our opinion, the position of the Non-Associated Shareholders of CLA if the proposed issue of the Deferred Consideration Shares is approved is more advantageous than if the proposed issue of the Deferred Consideration Shares is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the proposed issue of the Deferred Consideration Shares is **reasonable** for the Non-Associated Shareholders of CLA.



3. Summary of the Anleck Acquisition

Overview

- 3.1 On 16 September 2020, CLA announced it had entered into a Binding Share Sale Agreement ("SSA") to acquire 100% of UK Company Anleck Limited, an entity which owns a portfolio of copper-gold projects in the Philippines.
- 3.2 As part of the SSA, Anleck shareholders ("the Vendors") will become significant shareholders of CLA, holding approximately 11% of the issued Shares post the Acquisition and up to approximately 21% of the issued shares if both vesting conditions for the Deferred Consideration Shares are met.
- 3.3 Anleck's portfolio of the copper-gold assets in the Philippines are a result of its recent acquisition of Makilala Holdings Limited ("Makilala"), an entity incorporated in the British Virgin Islands. Makilala holds right title and interest in certain exploration and mining tenements. The Makilala acquisition occurred prior to the SSA. As a result of the Acquisition, CLA will assume the obligations of Anleck in relation to this transaction.
- 3.4 The portfolio of Anleck's newly acquired assets includes:
 - the flagship project, the Maalinao-Caigutan-Biyog Copper Gold Project ("MCB Project");
 - five exploration permit applications; and
 - two granted exploration permits for renewal/extension.
- 3.5 The MCB Project is located on Exploration Permit EP-003-2006-CAR, which is currently held by Makilala Mining Company Inc ("MMCI")
- 3.6 In consideration for the Acquisition, CLA has agreed to issue an aggregate of 100,000,000 fully paid ordinary shares in CLA to the Vendors (or their nominees), at a deemed issue price of \$0.013 per Share ("Consideration Shares"). 50,000,000 of these shares will be subject to buy-back and cancellation right in favour of CLA.
- 3.7 The Consideration Shares will be apportioned amongst the Vendors, comprising of five shareholders, based on the percentage of Anleck shares currently held.
- In addition, CLA will issue up to an additional 100,000,000 deferred consideration shares in CLA ("Deferred Consideration Shares") to the Vendors (or their nominees), on satisfaction of the following vesting conditions:

Tranche	Vesting Condition	Number of Deferred Consideration Shares
1	Within ten business days of CLA announcing to the ASX that CLA and/or its related bodies corporate has secured and entered into a financial and technical assistance agreement or a mineral production sharing agreement with the Philippine Government (or its designated department or body) in relation to the MCB Project, provided that this occurs within 36 months of settlement.	50,000,000
2	Within ten business days of CLA announcing to the ASX that CLA and/or its related bodies corporate has completed an economically viable Definitive Feasibility Study in relation to the MCB Project, provided that this occurs within 36 months of settlement.	50,000,000

3.9 Following the completion of the Acquisition, CLA has also agreed to reimburse the Vendors for up to US\$150,000 that they have incurred in finalising the acquisition of Makilala.



- 3.10 Upon the Acquisition completing:
 - Anleck will nominate two board members to the CLA board, including at least one member resident in the Philippines;
 - CLA intends to retain Anleck's management team in the Philippines, who have an existing association with the MCB Project; and
 - Two directors of CLA will resign and be replaced by Mr Martin Buckingham and Ms Attilenore Austria.
- 3.11 Between the date of the SSA and the completion of the Acquisition, CLA has agreed to make a working capital loan available to Anleck of up to US\$130,000 for purposes of completing all necessary work programs and in-country approval processes for the MCB Project permit renewal.

Key conditions of the Acquisition

- 3.12 Completion of the Acquisition is subject to and conditional upon a number of conditions precedent, including:
 - CLA completing due diligence on Makilala, its subsidiaries and assets;
 - CLA obtaining any required approval or waivers from the ASX;
 - CLA shareholders approving the proposed transaction; and
 - the permit renewal for the MCB Project tenement held by Makilala Mining Company Inc ("MMCI"), by the Mines and Geo-sciences Bureau in the Philippines.

(together "the Conditions Precedent").

3.13 The Conditions Precedent must be satisfied within six months of the SSA and may be waived at CLA's election.

Makilala Acquisition Terms

- 3.14 As mentioned at paragraph 3.3, following Anleck's acquisition of Makilala, and CLA's subsequent acquisition of Anleck, CLA will assume the obligations of Anleck in relation to this transaction.
- 3.15 As part of the Makilala acquisition, Anleck has agreed to pay the vendor of Makilala a total of up to US\$3,000,000 in cash, payable as follows:
 - US\$250,000 on settlement of the acquisition (which has already been paid);
 - US\$550,000 upon the MCB Project permit renewal occurring;
 - US\$1,100,000 on the first anniversary of the permit renewal;
 - US\$1,100,000 on the second anniversary of the permit renewal; and
 - A 1% net smelter return royalty (capped at US\$3 million over 10 years), with minimum pre-payments
 of US\$100,000 per annum (up to a cap of US\$1 million), commencing on the third anniversary of the
 permit renewal.
- 3.16 As part of the Acquisition, CLA has agreed to:
 - Advance the settlement payment of US\$250,000 to the vendor of Makilala; and
 - Transfer US\$550,000 to a trust account to be held in trust, pending the occurrence of the permit renewal, and to be released to the vendor of Makilala when this occurs).



- 3.17 On 24 November 2020, CLA announced that the exploration permit renewal for the MCB Project had been granted.
- 3.18 The advance payments have been made to Anleck by CLA under a separate loan agreement on arm's length terms, which is secured by both a general security deed over Anleck and a share mortgage over the shares held by Anleck in Makilala.

Rationale for the Acquisition

- 3.19 The directors of CLA have advised that the MCB Project represents an opportunity for the Company to acquire an advanced project in two commodities that are anticipated to be highly sought after in the coming years.
- 3.20 The MCB Project complements CLA's existing portfolio of greenfield copper-gold projects in Australia and more advanced cobalt-copper project in Namibia, providing shareholders with exposure to different commodities and operating jurisdictions.
- 3.21 In addition, the directors of CLA consider that recent governance and legislation changes in the Philippines will result in the location emerging as an attractive investment destination, and its well-known copper and gold endowment will likely encourage other parties into an already active mining sector.

Impact of Acquisition on CLA's Capital Structure

- 3.22 The table below sets out a summary of the capital structure of CLA prior to and post the Acquisition. One of the Vendors currently holds 3.9 million CLA Shares representing 0.5% of the issued capital.
- 3.23 The Vendors will hold an interest of 11% immediately after the Acquisition on an undiluted basis (i.e. without conversion of the Deferred Consideration Shares). Assuming conversion of the Deferred Consideration Shares but no other Options of CLA are exercised, the Vendors will hold a maximum interest of up to 21%.
- 3.24 On a fully diluted basis, assuming that all Deferred Consideration Shares and Options are exercised and converted into ordinary shares of CLA, the Vendors will hold an interest of approximately 20% in CLA.

Table 3 Share structure of CLA pre and post the Acquisition

	Prior to the Acquis	ition	Post the Acquisition	
Ordinary Shares				
CLA Shareholders	780,218,081	100%	780,218,081	89%
Vendors - Consideration Shares	-	0%	100,000,000	11%
Total undiluted shares on issue	780,218,081	100%	880,218,081	100%
Options				
CLA Option holders	14,500,000	100%	14,500,000	100%
Total options on issue	14,500,000	100%	14,500,000	100%
Performance Shares				
Vendors - Deferred Consideration Shares	-	0%	100,000,000	100%
Total performance securities	-	0%	100,000,000	100%
Fully Diluted Position				
Existing holders	794,718,081	100%	794,718,081	80%
Vendors	-	0%	200,000,000	20%
Total diluted shares on issue	794,718,081	100%	994,718,081	100%

Source: Company estimates



4. Scope of the Report

- 4.1 In determining whether the proposed issue of Deferred Consideration Shares is "fair" and "reasonable" we have given regard to the views expressed by the ASIC in Regulatory Guide 111 ("RG 111").
- 4.2 RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.
- 4.3 RG 111 states that the expert's report should focus on:
 - The issues facing the security holders for whom the report is being prepared: and
 - The substance of the transaction rather than the legal mechanism used to achieve it.
- 4.4 Our assessment of the issue of the Deferred Consideration Shares is based on economic, market and other conditions prevailing at the date of this Report.

ASX Guidance Note 19: Performance Securities

- 4.5 ASX Guidance Note 19: Performance Securities ("GN 19") was revised on 28 August 2020 and includes a new requirement, in certain circumstances, for companies to commission an independent expert when issuing performance securities.
- 4.6 An Independent Expert Report is required in the following two situations:
 - For a listed entity that proposes to issue performance securities covered by GN 19, where the number of ordinary shares that will be issued upon achievement of the milestone is greater than 10% of the number of ordinary shares on issue at the date the performance securities will be issued; or
 - For an entity that is applying to be listed, that proposes to issue performance securities covered by GN 19, where the number of ordinary shares that will be issued upon achievement of the milestone is greater than 10% of the number of ordinary shares on issue at the date of admission to quotation.
- 4.7 GN 19 states that an entity must obtain a report from an independent expert that complies with RG 111 and that opines on whether the issue of the performance securities in question is fair and reasonable to non-participating shareholders.
- 4.8 In expressing this opinion, ASX expects the independent expert to assume that the relevant performance milestones have been met, assess the impact that would have on the value of the entity, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances.
- 4.9 GN 19 notes that the independent expert can express a broader view on an issue of performance shares in circumstances where they are unable to conclude that the issue is fair or reasonable, but could be regarded as in the best interests of the entity and non-associated shareholders to proceed with the proposed issue of performance securities.



5. Profile of Celsius Resources Limited

Background

- 5.1 Celsius Resources Limited is an Australian public company listed on the ASX, engaging in mineral exploration activities in Australia and Namibia.
- 5.2 CLA historically focused on cobalt projects with the potential to contribute metal and materials into the construction and usage of batteries. Its mineral asset projects include cobalt, nickel and copper prospective
- 5.3 The consolidated group comprises of the following entities

Table 4 Controlled entities

Name of Entity	Country of Incorporation	Percentage Owned (%)
Opuwo Cobalt Pty Ltd	Australia	100%
View Nickel Pty Ltd	Australia	100%
Gecko Cobalt Holdings (Pty) Ltd	Namibia	95%
Gecko Cobalt Mining (Pty) Ltd	Namibia	95%
Select Leach Pty Ltd	Australia	100%
Cullarin Metals Pty Ltd	Australia	100%

Source: Celsius Resources Limited FY20 Annual Report

- 5.4 CLA holds interests in the following projects.
 - On 5 June 2020, the Company acquired 100% of the Cullarin West and Yass Gold Projects, located in the Lachlan Fold Belt region of New South Wales, Australia. As announced by CLA on 4 June 2020, historical diamond drillholes at Cullarin West showed levels of silver and base metals.
 - The Opuwo Cobalt Project (95% interest), located in northwest Namibia, is a globally significant deposit of cobalt-copper mineralisation containing over 126,000 tonnes of cobalt. The project consists of three exclusive prospecting licences covering approximately 1,106km².
 - The Abednegno Hill Nickel Project (held through View Nickel Pty Ltd) is located to the south and west
 of Minara Resources' Murrin nickel mine. Given the recent improvement in the nickel price, CLA is
 evaluating opportunities to unlock value from this project by way of implementing exploration
 programs and/or seeking joint venture opportunities.
 - CLA (through View Nickel Pty Ltd) owns a 30% joint venture interest in the Carnilya Hill Joint Venture, in Western Australia, with Mincor Resources NL. While the Carnilya Hill project has several areas which could be of interest at higher nickel prices, the prices required to make these prospects viable are above the prevailing price and CLA has therefore elected not to contribute to cash calls in FY20 and dilute accordingly.
 - The Company has an exploration licence application pending over an area located in the Kimberley region of Western Australia, which has copper and cobalt mineralisation prospects. An agreement is in place with Jindalee Resources Ltd regarding their adjacent granted exploration licence, whereby the diamond rights on CLA's licence application area have been exchanged for the base metal rights on the exploration licence held by Jindalee Resources Ltd.



Directors

5.5 The directors of CLA are summarised in the table below.

Table 5 CLA Directors

Name	Title	Experience
Mr William Oliver	Non-Executive Chairman and Director	Mr Oliver was appointed to the position of director on 23 December 2011 and has 20 years' experience in the international resources industry, working for both major and junior companies. Mr Oliver had led large scale resource definition projects for Rio Tinto. He also managed exploration in Portugal for Iberian Resource Limited including target generation and grassroot exploration across a range of commodities. Mr Oliver's more recent roles include Bellamel Mining, BC Iron, Signature Metals and Orion Gold NL. He is the current Manging Director of Vanadium Resources Ltd and Non-Executive Director of Minbos Resources Ltd.
Mr Brendan Borg	Non-Executive Director	Mr Borg is a consultant geologist who has specialised in the "battery materials" sector including lithium, graphite and cobalt mineralisation, participating in numerous projects in an investment and/or operational capacity. Mr Borg has 20 years' experience in management, operational and project development roles in the exploration and mining industries. Mr Borg is currently the Managing Director of Tempus Resources Ltd, a Non-Executive Director of Mali Lithium Ltd and is a Director of geological consultancy firm, Borg Geoscience Pty Ltd.
Mr Pine van Wyk	Non-Executive Director	Mr van Wyk is a Metallurgical Engineer by profession, with extensive experience in the mining industry, particularly in developing and operating mines in Namibia. He holds commercial qualifications, with a focus on project management. In 2008, he joined Gecko Namibia as Director Projects and in 2014 became Managing Director of the Gecko Namibia group of companies. During 2018, Mr van Wyk became the CEO and director of Namibia Critical Metals Inc.
Mr Ashley Hood	Non-Executive Director	Mr Hood was appointed as Non-Executive Director on 29 November 2019. He has more than 15 years' experience in the mining industry working in mine and exploration operations for junior and large mining companies based in Australia and throughout the Pacific. Mr Hood predominantly specialises in project/people management, native title negotiations, logistics, project due diligence/acquisitions and personally holds and manages a number of his own exploration project developments. Mr Hood has broad senior management experience having held a number of ASX appointed board positions while working on some of Australia's major JORC resources.

Source: Celsius Resources Limited FY20 Annual Report



Financial information of Celsius Resources Limited

- 5.6 The information in the following section provides a summary of the financial performance of CLA for the three years ended 30 June 2020, as extracted from the audited financial statements of the Company.
- 5.7 The auditor of CLA, RSM Australia Partners, has issued an unqualified audit opinion on the financial statements for the year ended 30 June 2020.
- 5.8 The audited financial statements of CLA are prepared on a consolidated basis for CLA and its subsidiaries, which are summarised in paragraph 5.3.

Financial performance

5.9 The following table sets out a summary of the financial performance of CLA (on a consolidated basis) for the three years ended 30 June 2020.

Table 6 CLA historical financial performance

		Year ended	Year ended	Year ended
		30-Jun-20	30-Jun-19	30-Jun-18
\$'000	Ref	Audited	Audited	Audited
Other income	5.11	64	214	76
Directors' and employee benefits expense		(181)	(177)	(146)
Share based payment expense	5.12	-	63	(1,015)
Legal and other professional fees		(325)	(266)	(225)
Impairment of deferred exploration expenditure	5.13	-	(188)	-
Travel and accommodation		(10)	(71)	(194)
Loss on sale of tenement		-	-	(193)
Provision for rehabilitation expense		-	-	(233)
Other expenses	5.14	(212)	(555)	(860)
(Loss) before income tax expense	5.10	(664)	(980)	(2,791)
Income tax expense		-	-	-
(Loss) after income tax expense		(664)	(980)	(2,791)

Source: Company Audited Financial Statements

- 5.10 CLA recorded a net loss before income tax of \$664k in the year ended 30 June 2020, \$980k in the year ended 30 June 2019 and \$2.79 million in the year ended 30 June 2018.
- 5.11 Other income primarily relates to the receipt of interest income. CLA received \$18k from Namibia Rare Earths (Pty) Ltd, a company with which Mr van Wyn is an indirect 3.6% shareholder and a director, for rental income and cost recoveries.
- 5.12 The negative share based payment of \$63k in FY19 resulted from a reversal of a previously recognised expense following an assessment by the directors that the likelihood of certain vesting conditions being met was nil.
- 5.13 The exploration expenditure of \$188k that the Company had written off during the year ended 30 June 2019 relates to a relinquished Exclusive Prospecting Licence (EPL 4350) for the Opuwo Cobalt Project.



5.14 Other expenses of CLA are summarised in the table below:

Table 7 Other expenses of CLA

	Year ended	Year ended	Year ended
	30-Jun-20	30-Jun-19	30-Jun-18
\$'000	Audited	Audited	Audited
Marketing and promotion	-	42	195
Consulting fees	13	262	218
Regulatory costs	88	117	170
Shareholder meeting costs	26	11	-
Sundry expenses	86	124	278
Total other expenses	212	555	860

Source: Company Audited Financial Statements



Financial position

5.15 The table below sets out a summary of the financial position of CLA as at 30 June 2020 and 30 June 2019.

Table 8 CLA historical financial position

		30-Jun-20	30-Jun-19
\$1000	Ref	Audited	Audite
ASSETS			
Cash and cash equivalents	5.17	5,674	6,65
Trade and other receivables	5.18	51	36
Other assets		11	30
Total Current Assets		5,736	7,05
Deferred exploration expenditure	5.19	14,337	15,43
Total Non-Current Assets		14,337	15,43
Total Assets		20,073	22,48
LIABILITIES			
Trade and other payables	5.20	194	21
Total Current Liabilities		194	21
Provisions	5.21	233	23
Total Non-Current Liabilities		233	23
Total Liabilities		427	45
Net Assets	5.16	19,647	22,03
EQUITY			
Issued capital		55,068	54,84
Reserves		(835)	1,43
Accumulated losses		(34,613)	(34,369
Non-controlling interest		26	12
Total Equity		19,647	22,03

Source: Company Audited Financial Statements

- 5.16 As at 30 June 2020, CLA had net assets of \$19.65 million.
- 5.17 Cash and cash equivalents as at 30 June 2020 comprise \$1.87 million cash at bank and on hand and \$3.80 million in short-term bank deposits.
- 5.18 Trade and other receivables comprise \$47k other debtors and \$4k interest receivable as at 30 June 2020.
- 5.19 As at 30 June 2020, CLA has capitalised exploration and evaluation expenditure with a carrying value of \$14.34 million. The balance as at 30 June 2020 includes \$230k in relation to the ordinary shares issued as consideration for the acquisition of the Cullarin West and Yass Gold Projects on 5 June 2020. The accounting policy adopted by CLA is that exploration and evaluation expenditure is written off as occurred, except when such costs are expected to be recovered, which is dependent on the successful exploration and sale of the mineral resource.



- 5.20 Trade and other payables at 30 June 2020 comprise \$142k trade creditors and \$52k accrued expenses.
- 5.21 The provision of \$232k as at 30 June 2020 relates to the rehabilitation of the Carnilya Hill Joint Venture ("JV") mine. The rehabilitation provision is triggered either when the JV decides to complete the full rehabilitation, when the Department of Mines and Petroleum mandates the JV must complete the full rehabilitation or when the tenements are relinquished. The directors do not expect any of these events to occur in the near future.
- 5.22 Due to the nature and stage of CLA's exploration activities, the Company does not have any credit facilities, with the primary source of funding being equity raisings.



Capital structure

5.23 CLA has 780,218,081 ordinary shares on issue. The top 20 shareholders of CLA as at 9 December 2020 are set out below.

Table 9 CLA Top 20 shareholders

Rank	Name	Total Units	% Issued Share Capital
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	50,927,822	6.53%
2	BNP PARIBAS NOMINEES PTY LTD <lgt ag="" bank="" drp=""></lgt>	24,101,950	3.09%
3	MR BRENDAN JAMES BORG & MRS ERIN BELINDA BORG <borg a="" c="" family="" fund="" super=""></borg>	22,000,000	2.82%
4	CITICORP NOMINEES PTY LIMITED	20,187,454	2.59%
5	SUNSET CAPITAL MANAGEMENT PTY LTD <sunset a="" c="" superfund=""></sunset>	20,000,000	2.56%
6	BNP PARIBAS NOMINEES PTY LTD <ib au="" drp="" noms="" retailclient=""></ib>	19,664,951	2.52%
7	MRS YUQI ZHANG GOEREE	15,000,000	1.92%
8	PHEAKES PTY LTD <senate a="" c=""></senate>	14,500,000	1.86%
9	MR JOHN RUDOLPH PICCININ <piccinin a="" c="" investment=""></piccinin>	12,100,000	1.55%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,045,122	1.29%
11	SYNDICATE MINERALS PTY LTD	10,000,000	1.28%
11	MR ANDREW GRAHAM PALLESON & MRS HUI PALLESON <palleson a="" c="" superfund=""></palleson>	10,000,000	1.28%
11	CHOPPER CAPITAL PTY LTD <peluso a="" c="" family=""></peluso>	10,000,000	1.28%
12	MR JABIN GEOFFREY MULLANE	9,500,000	1.22%
13	MR STEVEN PAUL LOVELESS	8,750,000	1.12%
14	BRIJOHN NOMINEES PTY LTD <nelsonio a="" c=""></nelsonio>	8,000,000	1.03%
15	ALARP SERVICES PTY LTD	7,750,000	0.99%
16	MR TRAVIS PELUSO & MRS MICHELLE ANNE PELUSO <t&m a="" c="" peluso="" superfund=""></t&m>	7,600,000	0.97%
17	MR KHAI LOON SEOW	6,081,027	0.78%
18	MR DEAN ANDREW KENT <wattle a="" c=""></wattle>	6,000,000	0.77%
19	BNP PARIBAS NOMS PTY LTD <drp></drp>	5,270,924	0.68%
20	OPTIMAL DECISIONS PTY LTD <white a="" c="" tiger=""></white>	5,002,765	0.64%
	Total Top 20 Shareholding	302,482,015	38.77%
	Others	477,736,066	61.23%
	Total issued capital	780,218,081	100.00%

Source: Company



5.24 CLA had 14,500,000 unlisted options on issue at the date of this report, as detailed in the table below:

Table 10 CLA Options on issue

Number of options	Exercise price	Expiry date
1,000,000	\$0.175	05-January-2021
1,500,000	\$0.225	05-January-2021
6,000,000	\$0.075	12-January-2021
6,000,000	\$0.175	16-April-2021

Source: Company Audited Financial Statements

Share price performance

- 5.25 The market capitalisation of CLA at the date of this Report was \$33.9 million and the closing share price was \$0.044.
- 5.26 The figure below sets out a summary of CLA closing share prices and traded volumes for the 12 months to 7 December 2020.

Figure 3 CLA daily closing share price and traded volumes



Source: S&P Capital IQ/ ASX

5.27 In the twelve months period to 7 December 2020, CLA Shares traded between \$0.006 and \$0.047. The most significant trading day during this period was 16 September 2020, when the Acquisition was announced to the market, and approximately 9% of CLA's total volume of shares were traded.



5.28 The most significant trading days that have been summarised in the chart above are described as follows:

No.	Date	Comment
1	17-Dec-19	Withdrawal of Section 249D Requisition Notice CLA announced that the requisition notice under section 249D of the Corporations Act had been withdrawn. The notice related to a request for the Company to hold a meeting of members to appoint new Directors and remove certain existing Directors.
2	4-Jun-20	Celsius to acquire project in prolific Lachlan Fold Belt CLA announced that it has entered into a Binding Heads of Agreement with Syndicate Minerals to acquire 100% of the Cullarin West Project on the Lachlan Fort belt for 20 million CLA shares.
3	8-Jul-20	Prospective Gold-Copper Targets identified at Cullarin West CLA announced that following a desktop review of publicly available information, seven high priority targets have been identified at Cullarin West Project.
4	16-Sep-20	Celsius to Acquire Advanced High Grade Copper-Gold Project CLA announces that it has entered into a Binding Share Sale Agreement to acquire 100% of Anleck Limited.
5	24-Nov-20	Exploration Permit granted for MCB Copper-Gold Project CLA announced that the exploration permit renewal for the MCB Project had been granted by the Philippines Mines and Geosciences Bureau on 20 November 2020. The grant is a key condition precedent for completion of the Acquisition of Anleck Limited.



6. Profile of Anleck Limited

Background

- Anleck is a private company based in the United Kingdom and incorporated on 24 August 2018, which owns a suite of copper-gold projects in the Philippines through its various subsidiaries.
- 6.2 As discussed at paragraph 3.3, Anleck's portfolio of the copper-gold assets in the Philippines are a result of its recent acquisition of Makilala, an entity incorporated in the British Virgin Islands. Makilala holds right title and interest in certain exploration and mining tenements.
- 6.3 The portfolio of Anleck's newly acquired assets includes:
 - its flagship project, the Maalinao-Caigutan-Biyog Copper Gold Project ("MCB Project");
 - five exploration permit applications; and
 - two granted exploration permits for renewal/extension.
- The MCB Project is located in the Philippines' largest and most populous island, the Central Cordillera Region of Luzon. It contains a large, high grade copper gold porphyry deposit.
- 6.5 Two key prospects within the portfolio are:
 - The Nabiga-A Prospect (granted exploration permit for extension); and
 - The Malangsa Prospect (exploration permit application).
- 6.6 The Nabiga-A Prospect on Negros Island, the fourth largest island in the Philippines, has been recently drilled with assays awaited.
- 6.7 The Malangsa Prospect on Southern Leyte is an early stage prospect with possible economic porphyry and epithermal mineralisation.

Directors and management

- 6.8 The directors of Anleck are:
 - Mr Martin Charles Buckingham appointed on 21 November 2018;
 - Ms Attilenore Austria appointed on 15 January 2020; and
 - Mr Jonathan Charles Colvile appointed on 15 January 2020.
- 6.9 Following the Acquisition, Mr Martin Buckingham and Ms Attilenore Austria will be appointed to the CLA Board.



Financial position

- 6.10 The table below sets out a summary of the financial position of Anleck as at 31 August 2020.
- 6.11 The management prepared financial statements of Anleck are stated in British Pounds (GBP).

Table 11 Anleck's historical financial position

		31-Aug-20
£'000	Ref	Management
ASSETS		
Cash and cash equivalents		3
Trade debtors	6.13	5
Total Current Assets		9
Investments	6.14	59
Total Non-Current Assets		59
Total Assets		68
LIABILITIES		
Trade creditors		102
Total Current Liabilities		102
Trade creditors		43
Total Non-Current Liabilities		43
Total Liabilities		145
Net Assets/(Liabilities)	6.12	(78)
EQUITY		
Share capital		5
Accumulated losses		(83)
Total Equity		(78)

Source: Anleck Limited Management Financials

- 6.12 As at 31 August 2020, Anleck had net liabilities of £78k.
- 6.13 The trade debtors of £5k as at 31 August 2020 predominantly comprises receivables from the directors.
- 6.14 As at 31 August 2020, the investments balance of Anleck relates to the £59k investment in Makilala Mining Company Inc.
- 6.15 The current trade creditors balance of £102k as at 31 August 2020 comprises £78k creditors control account and £24k accruals. The accruals include an amount of £16k being an option fee relating to the investment in Makilala.
- 6.16 The non-current trade creditors of £43k relates to a director's loan account.



7. Valuation Approach

Basis of evaluation

- 7.1 In determining the approach to assess whether the proposed issue of Deferred Consideration Shares is fair and reasonable to the Non-Associated Shareholders, we have considered the guidance contained in GN 19 and RG 111.
- 7.2 GN 19 states that the independent expert is expected to assume that the relevant performance milestones have been met, assess the impact that would have on the value of the entity, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances.
- 7.3 The proposed Deferred Consideration Shares consist of two tranches:
 - Tranche 1 (50 million) vest within ten business days of the Company announcing to the ASX that CLA and/or its related bodies corporate has secured and entered into a FTAA or MPSA with the Philippines Government, in relation to the MCB Project, provided this occurs within 36 months of the Acquisition; and
 - Tranche 2 (50 million) vest within ten business days of the Company announcing to the ASX that CLA and/or its related bodies corporate has completed an economically viable DFS in relation to the MCB Project, provided this occurs within 36 months of the Acquisition.
- 7.4 We have addressed each tranche separately in our assessment.
- 7.5 Consistent with the guidance in GN 19, we have considered the fairness of the proposed issue of Deferred Consideration Shares by comparing the implied value of each CLA Share to be issued to the Vendors as part of the initial consideration with the implied hypothetical value of each CLA Share to be issued to the Vendors after the vesting of each performance condition.
- 7.6 We have assessed the implied value of each CLA Share to be issued to the Vendors based on the assessed value of Anleck divided by the number of CLA Shares to be issued at each stage.
- 7.7 By comparing the implied value per share for the initial acquisition of Anleck (for which 100 million CLA Shares will be issued) with the implied hypothetical value per share at each performance milestone stage, we have assessed whether the proposed issue of Deferred Consideration Shares is fair on the basis that the implied value per CLA Share to be issued to the Vendors on achievement of each performance milestone is at least equal to or greater than the initial acquisition implied value per share.
- 7.8 Effectively, that the Shareholders of CLA are receiving *no less in value* per CLA Share issued to the Vendors on the achievement of each performance milestone than they received for the Consideration Shares issued on the initial acquisition of Anleck.

Selection of valuation methodologies

- 7.9 There are a number of methodologies which RG 111 proposes to be appropriate for an expert to consider in valuing a business or shares in a company. These methodologies are outlined in Appendix E.
- 7.10 In order to assess whether the proposed issue of Deferred Consideration Shares is fair to Non-Associated Shareholders, we have considered the implied value of each CLA Share to be issued to the Vendors on the basis of the net asset value to be received by CLA as a result of the Anleck Acquisition at each stage.



- 7.11 We have assessed this using a sum of parts methodology based on:
 - the value of Anleck's mineral assets;
 - the value of other assets and liabilities of Anleck; and
 - consideration of cash payments to be made by CLA as part of the Acquisition.
- 7.12 In assessing the value of Anleck's mineral assets, we have requested Global Commodity Solutions ("GCS") to independently value all mineral assets held by Anleck in accordance with the VALMIN Code.
- 7.13 We have also requested GCS to assess the value impact on the initial valuation, as a result of achieving the Tranche 1 and Tranche 2 vesting conditions, in line with the guidance set out in GN 19.
- 7.14 We have then applied the GCS values under each scenario (Tranche 1 vesting and Tranche 2 vesting) to derive the hypothetical net asset value to be received by CLA as a result of the Anleck Acquisition at each stage.



8. Valuation

- 8.1 GCS has been engaged to prepare a Technical Assessment and Valuation Report, in accordance with the guidelines set out in JORC (2012) and VALMIN (2015) codes, for the Philippines mineral assets of Anleck with a focus on the MCB Project. GCS has been requested to perform valuations on the MCB Project at three different stages of development:
 - In its current state to determine the assessed value of a Consideration Share ("Stage 1");
 - After securing and entering into a FTAA or MPSA with the Philippines Government to determine the assessed value after issue of Tranche 1 Deferred Consideration Shares ("Stage 2"); and
 - Upon completion of an economically viable DFS to determine the assessed value after issue of Tranche 2 Deferred Consideration Shares ("Stage 3").
- 8.2 The Technical Assessment and Valuation Report prepared by GCS notes that the Stage 2 and Stage 3 valuations are hypothetical based on the achievement of the specified vesting conditions.
- 8.3 GCS was unable to undertake a site visit due to COVID-19 travel restrictions, although GCS advises that a site visit would not make a material difference to their report. GCS was provided with information by CLA and carried out discussions with the technical personnel of CLA and MMCI.
- 8.4 GCS considers that only the MCB Project has any attributable value as the other mineral properties are under application or renewal by Anleck.
- 8.5 Throughout their valuation report, GCS has assumed the following commodity prices at as 4 December 2020 and Inferred Resources of the MCB Project as shown below:

Table 12 GCS Assumptions

	Copper	Gold
Price (A\$)	\$8,333	\$2,222
Inferred Resource	1,910,110 tonnes	1,754,613 oz
Source: GCS Report		

Consideration Shares – Stage 1 Valuation

- 8.6 As consideration for the Acquisition of Anleck, 100,000,000 Consideration Shares are being issued by CLA to the Vendors in addition to CLA taking on the obligation for making various cash payments as detailed below:
 - reimbursement to the Vendors for up to US\$150,000 of costs incurred in finalising the Makilala acquisition;
 - US\$250,000 on settlement of the Makilala acquisition;
 - US\$550,000 upon the MCB Project permit renewal occurring;
 - US\$1,100,000 on the first anniversary of the permit renewal; and
 - US\$1,100,000 on the second anniversary of the permit renewal.



8.7 We have assessed the implied value per Consideration Share to be issued to the Vendors as part of the initial Acquisition as being in the range of \$0.0719 to \$0.1426, as summarised in the table below:

Table 13 Implied Value per Share to be issued to the Vendors – on initial acquisition

AUD	Low	High	Mid-point
	\$	\$	\$
Assessed value of mineral assets	11,391,075	18,460,115	14,925,595
Less: Cash payments	(4,199,566)	(4,199,566)	(4,199,566)
Net value received by CLA	7,191,509	14,260,549	10,726,029
Number of Shares issued	100,000,000	100,000,000	100,000,000
Implied value per Share to be issued – initial acquisition	0.0719	0.1426	0.1073

Source: GCS Report, RSM Analysis

Mineral Assets

8.8 In valuing the MCB Project at Stage 1, GCS has adopted the Multiple of Exploration Expenditure ("MEE") Method, based on previous and committed future exploration expenditure. GSC has also used comparable market transactions in assessing the value of the MCB Project.

Market Approach

- 8.9 GCS has assessed the value of the MCB Project in its current state using the market approach as being \$11.4 million. This has been adopted as the minimum valuation amount.
- 8.10 In using the market approach, GCS obtained information on copper and gold transactions in the Philippines and Indonesia over the last ten years. The completed market transactions enabled GCS to assess the transaction value as a percentage of total resources/reserves value. Over the last ten years, 12 relevant transactions occurred, eight being gold projects and four being copper projects.
- 8.11 The transaction values as a percentage of the resource/reserve value for each project have then been calculated, along with a project status modifier. The project status modifier is determined by GCS based on assessed project risk. GCS has assessed all resources of the MCB Project to be an Inferred Resource category. As such the project status modifier has had a lower percentage applied, to account for the risk of the MCB Project in its current state.

Cost Approach - MEE Method

- 8.12 GCS has also assessed the value of the MCB Project in its current state using the cost approach as being \$18.5 million. This has been adopted as the maximum valuation amount.
- 8.13 MMCI provided GCS with data on exploration expenditure from 2007 to 2013, with a total value of \$14.0 million. A productivity enhancement multiplier was then applied by GCS to each expense to estimate the return on every dollar spent.

Cash Payments

8.14 We have assessed the present value of the cash payments to be made by CLA to be \$4.20 million as set out in the table below:



Table 14 Assessed Present Value of Cash Payments

	USD	AUD
	\$	\$
Reimbursement to Anleck for costs incurred	150,000	202,110
Cash consideration for Makilala acquisition - on settlement	250,000	336,850
Cash consideration for Makilala acquisition - on renewal	550,000	741,070
Cash consideration for Makilala acquisition - on first anniversary	1,088,893	1,467,175
Cash consideration for Makilala acquisition - on second anniversary	1,077,899	1,452,361
Present Value of Cash Payments	3,116,792	4,199,566

Source: GCS Report, RSM Analysis

8.15 Our assessment is based on a USD:AUD exchange rate of 1:1.3474 at the date of this Report and the weighted average interest rate of 1.02% for CLA cash holdings, as stated in the FY20 financial statements.

Other assets and liabilities of Anleck

8.16 We have not considered the value of any other assets and liabilities of Anleck as the company had net liabilities as at 4 August 2020, with no other significant assets other than the mineral projects. The reimbursement of up to US\$150,000 of costs incurred by Anleck effectively represents the outstanding liabilities of Anleck.

Number of Shares

8.17 Under this valuation scenario, the 100 million Consideration Shares will have been issued by CLA.

Tranche 1 Deferred Consideration Shares – Stage 2 Valuation

- 8.18 In addition to the Consideration Shares and cash payments, the consideration for the Acquisition of Anleck includes 50,000,000 Deferred Consideration Shares to be issued by CLA upon Anleck securing and entering into a FTAA or a MPSA with the Philippines Government.
- 8.19 We have assessed the implied hypothetical value per Share to be issued to the Vendors after achievement of the Tranche 1 vesting condition to be in the range of \$0.1511 to \$0.2232, as summarised in the table below:

Table 15 Implied Value per Share to be issued to the Vendors – after Tranche 1 Vesting Condition is met

	Low	High	Mid-point
	\$	\$	\$
Assessed value of mineral assets	26,866,705	37,676,540	32,271,623
Less: Cash consideration to be paid	(4,199,566)	(4,199,566)	(4,199,566)
Net value received by CLA	22,667,139	33,476,974	28,072,057
Number of Shares issued	150,000,000	150,000,000	150,000,000
Implied value per Share to be issued - after Tranche 1 performance condition met	0.1511	0.2232	0.1871

Source: GCS Report, RSM Analysis



Mineral Assets

8.20 In valuing the MCB Project at Stage 2, GCS has adopted the MEE Method, based on previous and committed future exploration expenditure. GSC has also used comparable market transactions in assessing the value of the MCB Project.

Market Approach

- 8.21 GCS has assessed the hypothetical value of the MCB Project assuming that the Tranche 1 performance conditions have been met using the market approach as being \$37.7 million. This has been adopted as the maximum valuation amount.
- 8.22 In using the market approach, GCS has carried out the same process as outlined in paragraphs 8.10 and 8.11, where data on comparable transactions over the last ten years was obtained and the transaction values as a percentage of the resource/reserve value derived, then a project status modifier applied.
- 8.23 In assessing the hypothetical value impact on the MCB Project upon Tranche 1 vesting conditions being achieved, GCS has applied a higher project status modifier to reflect that the Project is now less risky than the assessed value under the current state due to:
 - The mineral resource classifications would be Indicated and Measured, not only an Inferred Resource category;
 - The project would be JORC compliant; and
 - The tenure would be valid for a further five years.

Cost Approach – MEE Method

- 8.24 GCS has also assessed the value of the MCB Project assuming that the Tranche 1 performance conditions have been met using the cost approach as being \$26.9 million. This has been adopted as the minimum valuation amount.
- 8.25 The exploration expenditure from 2007 to 2013 that was provided by MMCI, and summarised in paragraph 8.13, has been adjusted to reflect the additional exploration costs to be incurred in 2021 and 2022.

Number of Shares

8.26 Under this valuation scenario, the 100 million Consideration Shares and 50 million Tranche 1 Deferred Consideration Shares would have been issued by CLA.

Tranche 2 Deferred Consideration Shares – Stage 3 Valuation

- 8.27 A further 50,000,000 Deferred Consideration Shares will be issued as consideration on Anleck completing an economically viable DFS in relation to the MCB Project.
- 8.28 We have assessed the implied hypothetical value per Share to be issued to the Vendors after achievement of the Tranche 2 vesting condition to be in the range of \$1.4851 to \$1.7090, as summarised in the table below:



Table 16 Implied Value per Share to be issued to the Vendors – after Tranche 2 Vesting Condition is met

	Low	High	Mid-point
	\$	\$	\$
Assessed value of mineral assets	301,214,152	346,000,081	323,607,117
Less: Cash consideration to be paid	(4,199,566)	(4,199,566)	(4,199,566)
Net value received by CLA	297,014,586	341,800,515	319,407,551
Number of Shares issued	200,000,000	200,000,000	200,000,000
Implied value per Share - after Tranche 2 performance condition met	1.4851	1.7090	1.5970

Source: GCS Report, RSM Analysis

Mineral Assets

8.29 GCS has assessed the hypothetical value of the MCB Project at Stage 3 assuming that the Tranche 2 performance conditions have been met using the market approach and the income approach.

Market Approach

- 8.30 GCS has assessed the hypothetical value of the MCB Project assuming that the Tranche 2 performance conditions have been met, using the market approach, as being \$301.2 million. This has been adopted as the minimum valuation amount.
- 8.31 In using the market approach, GCS has carried out the same process as outlined in paragraphs 8.10 and 8.11, where comparable transactions over the last ten years were obtained and the transaction values as a percentage of the resource/reserve value, along with the project status modifier were applied.
- 8.32 In assessing the hypothetical value impact on the MCB Project upon Tranche 2 vesting conditions being achieved, GCS has applied the highest possible project status modifier of 100% to reflect that the project would:
 - Contain Proven and Probable Reserves; and
 - Have been demonstrated to be economically viable.

Income Approach

- 8.33 GCS has also assessed the value of the MCB Project assuming that the Tranche 2 performance conditions have been met using the income approach, as being \$346.0 million. This has been adopted as the maximum valuation amount.
- 8.34 GCS has developed a financial model to calculate the net present value of the MCB Project under the hypothetical scenario of a DFS being completed based on market sources and MMCI. GCS's model assumes the life of mine to be 13 years. The financial model has adopted gold and copper prices as at 4 December 2020, along with estimates of production rates, recovery percentages, capital expenditure and operating expenditure.
- 8.35 Following the calculation of net cash flows based on the above and applying a discount rate in the range of 8% to 12%, GCS adopted the preferred discount rate of 10% resulting in a net present value of \$346.0 million. We note that this represents an unfunded net present value but as our approach is only considering the number of Deferred Consideration Shares to be issued to the Vendors after achieving the performance condition, and not the overall impact on the value of CLA, we have not included any notional equity or debt funding in the assessment.



Number of Shares

8.36 Under this valuation scenario, the 100 million Consideration Shares, 50 million Tranche 1 Deferred Consideration Shares and 50 million Tranche 2 Deferred Consideration Shares would have been issued by CLA.



9. Is the Proposed Issue of the Deferred Consideration Shares Fair to CLA Shareholders?

Tranche 1

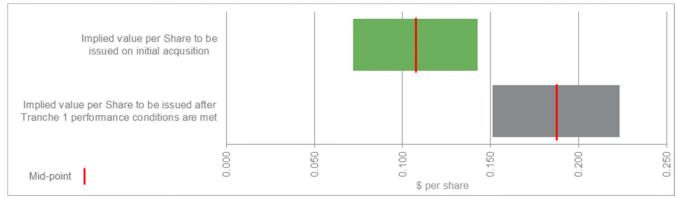
9.1 The table and figure below illustrate the comparison our assessed implied values of each CLA Share issued to the Vendors on initial acquisition and after achieving the Tranche 1 performance conditions, based on the assessed value of Anleck divided by the number of CLA Shares to be issued at each stage:

Table 17 Implied values of each Share to be issued on initial Acquisition compared to implied value per Share to be issued after achievement of Tranche 1 performance conditions

Assessment of fairness	Ref. Value per Share			re
Assessment of fairness		Low	High	Mid-point
Implied value per Share to be issued on initial acquisition	0	0.0719	0.1426	0.1073
Implied value per Share to be issued after Tranche 1 performance conditions met	8.19	0.1511	0.2232	0.1871

Source: RSM analysis

Figure 4 CLA Share valuation graphical representation – Tranche 1



Source: RSM analysis

- 9.2 As shown above, the implied hypothetical value per CLA Share to be issued to the Vendors after achievement of the Tranche 1 vesting condition is greater than the implied value of each CLA Share to be issued as part of the initial Acquisition. This effectively means that CLA Shareholders are receiving more value per CLA Share issued to the Vendors if the Tranche 1 Deferred Consideration Shares vest.
- 9.3 We have therefore assessed that the number of proposed Deferred Consideration Shares to be issued as Tranche 1 Deferred Consideration Shares is **fair** to the Non-Associated Shareholders of CLA.



Tranche 2

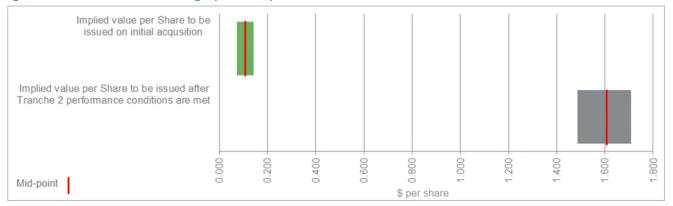
9.4 The table and figure below illustrate the comparison between our assessed implied values of each CLA Share issued to the Vendors on initial acquisition and after achieving the Tranche 2 performance conditions, based on the assessed value of Anleck divided by the number of CLA Shares to be issued at each stage:

Table 18 Implied values of each Share to be issued on initial Acquisition compared to implied value per Share to be issued after achievement of Tranche 2 performance conditions

Assessment of fairness	Ref.		Value	
		Low	High	Midpoint
Implied value per Share to be issued on initial acquisition	0	0.0719	0.1426	0.1073
Implied value per Share to be issued after Tranche 2 performance conditions met	8.28	1.4851	1.7090	1.5970

Source: RSM analysis

Figure 5 CLA Share valuation graphical representation – Tranche 2



Source: RSM analysis

- 9.5 As shown above, the implied hypothetical value per CLA Share to be issued to the Vendors after achievement of the Tranche 2 vesting condition is greater than the implied value of each CLA Share to be issued as part of the initial Acquisition. This effectively means that CLA Shareholders are receiving more value per CLA Share issued to the Vendors if the Tranche 2 Deferred Consideration Shares vest.
- 9.6 We have therefore assessed that the number of proposed Deferred Consideration Shares to be issued as Tranche 2 Deferred Consideration Shares is **fair** to the Non-Associated Shareholders of CLA.
- 9.7 It is important to note that the implied values per Share to be issued to the Vendors as set out above are based on the assessed value of Anleck, and specifically the MCB Project, at each stage. They represent a notional value to measure the incremental value of the MCB Project as the performance conditions are met and to allow a comparison of the hypothetical value being received by CLA in exchange for the issue of CLA Shares to the Vendors.
- 9.8 The implied values <u>do not</u> represent the future value of a traded CLA Share as other considerations such as project funding, dilution of ownership interests and other assets of CLA would need to be factored into the assessed value of a traded CLA Share.



10. Is the Proposed Issue of the Deferred Consideration Shares Reasonable to CLA Shareholders?

- 10.1 RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the proposed issue of the Deferred Consideration Shares, we have given consideration to commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the proposed issue of the Deferred Consideration Shares.
- 10.2 The Acquisition of Anleck is conditional on CLA Shareholders approving the proposed issued of Deferred Consideration Shares. Therefore, if CLA Shareholders do not approve the proposed issue, then the acquisition of Anleck will not complete and Shareholders will not hold any interest in the MCB Project.
- 10.3 As a result, Shareholders will not have the opportunity to participate in any potential upside of the MCB Project, with the Project also providing geographic and mineral diversification to the Company's existing projects.
- 10.4 We are not aware of any alternative proposal that might offer the Non-Associated Shareholders the same or greater value than the proposed Acquisition and issue of Deferred Consideration Shares.
- 10.5 We have considered the share price movement of CLA since announcement of the Acquisition, as shown in Figure 4 below, with the share price rising from a relatively stable traded position of around \$0.020 prior to the announcement to over \$0.030 after the announcement, and more recently has increased to over \$0.040.



Figure 6 CLA closing share price after Announcement of Acquisition

Source: S&P Capital IQ/ ASX

10.6 Given the above analysis, it is possible that the CLA share price would fall to pre-announcement levels if the Acquisition is not approved.



Advantages and disadvantages

10.7 In assessing whether the Non-Associated Shareholders are likely to be better off if the Deferred Consideration Shares are issued, than if they are not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of the Deferred Consideration Shares

Advantages	Details
The proposed issue is fair	The proposed issue of both tranches of the Deferred Consideration Shares is fair to the CLA Shareholders.
The achievement of the performance conditions is value accretive	As set out in the GCS Report, the achievement of the vesting conditions is expected to increase the assessed value of the MCB Project. Our analysis indicates that if the vesting conditions are met, there is likely to be significant value accretion which the CLA Shareholders will participate in.
The Consideration is structured to align the interests of Shareholders, Vendors and management	The structure of the Consideration, being the issue of Deferred Consideration Shares based on project milestones, ensures that the interests of Shareholders, Vendors and management are aligned.

Disadvantages of the Deferred Consideration Shares

Disadvantages	Details
Dilution of shareholdings	The proposed issue of the Deferred Consideration Shares would dilute the shareholding of the current CLA Shareholders, reducing their voting power from 100% to 80%.

Conclusion on Reasonableness

- 10.8 In our opinion, the position of the Non-Associated Shareholders if the proposed issue of the Deferred Consideration Shares is approved is more advantageous than the position if it is not approved. In addition, on the basis that the number of proposed Deferred Consideration Shares is assessed as fair, we consider the proposed issue to also be reasonable.
- 10.9 Therefore, we assess that the number of proposed Deferred Consideration Shares to be issued as Tranche 1 and Tranche 2 are **reasonable** to the Non-Associated Shareholders of CLA.
- 10.10 An individual Shareholder's decision in relation to the proposed issue of the Deferred Consideration Shares may be influenced by his or her individual circumstances. If in doubt, Shareholders should consult an independent advisor.

Yours faithfully

NadiMi

RSM CORPORATE AUSTRALIA PTY LTD

N MARKE J AUDCENT

Director Director

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APPENDICES



A. DECLARATIONS AND DISCLAIMERS

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Ms Nadine Marke and Mr Justin Audcent are directors of RSM Corporate Australia Pty Ltd. Both Ms Marke and Mr Audcent are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of the Company in considering the Proposed Transaction. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of Celsius Resources Limited and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

RSM Australia Partners is the appointed auditor of Celsius Resources Limited.

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Nadine Marke, Justin Audcent, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of approximately \$12,500 based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of Celsius Resources Limited receives Shareholder approval for the Proposed Transaction, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice of Extraordinary General Meeting and Explanatory Memorandum to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd or has been involved in the preparation of the Notice of Extraordinary General Meeting and Explanatory Memorandum. Accordingly, we take no responsibility for the content of the Notice of General Meeting and Explanatory Statement.



B. SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- Draft and final copies of the Notice of Meeting;
- Audited financial statements for Celsius Resources Limited for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
- Management accounts of Anleck Limited for the year ending 31 August 2020;
- Binding Share Sale Agreement between Celsius Resources Limited and Anleck Limited
- Secured Loan Agreement between Celsius Resources Limited and Anleck Limited
- Celsius Resources Limited Circulating Directors' Resolution, dated 15 September 2020;
- Top 20 shareholders of Celsius Resources Limited
- · ASX announcements of Celsius Resources Limited;
- Global Commodity Solutions draft and final report for the mineral assets held by Anleck Limited;
- IBISWorld reports;
- Department of Industry, Science, Energy and Resources Resources and Energy Quarterly June 2020 report; and
- U.S. Geological Survey Mineral Commodity Summaries 2020 report.



C. GLOSSARY OF TERMS

Term or Abbreviation	Definition
\$	Australian dollar
Acquisition	The proposed acquisition of 100% of Anleck Limited
Act	Corporations Act 2001 (Cth)
Anleck	Anleck Limited
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
CLA	Celsius Resources Limited
Company	Celsius Resources Limited
Control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Directors	Directors of the Company
Explanatory Statement	The explanatory statement accompanying the Notice
Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
GN 19	ASX Guidance Note 19 'Performance Securities'
IER	This Independent Expert Report
Makilala	Makilala Holding Limited
MCB Project	Maalinao-Caigutan-Biyog Copper Gold Project
Non-Associated Shareholders	Shareholders who are not a party, or associated to a party, to the Acquisition
Notice	The notice of meeting to vote on, inter alia, the proposed transaction
Option or Options	Unlisted options to acquire Shares with varying vesting conditions
Report	This Independent Expert's Report prepared by RSM dated 11 December 2020
RG 111	ASIC Regulatory Guide 111 Content of Expert Reports
RSM	RSM Corporate Australia Pty Ltd
Share or CLA Share	Ordinary fully paid share in the capital of the Company
Shareholder	A holder of Share
SSA	Binding Share Sale Agreement between Celsius Resources Limited and Anleck Limited
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015)



D. INDUSTRY OVERVIEW

Mining Exploration Industry - IBISWorld

According to IBISWorld, the mineral exploration industry has returned to growth over the past five years, following a sustained period of decline after the end of the mining boom. This growth is largely in response to an increase in commodity prices.

Almost all mining companies with established operations undertake exploration. These activities tend to be heavily weighted towards brownfield exploration projects near existing sites. At the other end of the spectrum, many junior miners also operate in the industry. These miners are generally more likely to have taken out mineral exploration licences for greenfield sites. In general, smaller operators have less diversity across the minerals that they prospect for, as they are typically more specialised operators.

Junior minors are mainly engaged in exploration. Additionally, they are defined as having a market capitalisation of less than \$200 million if they are listed, tend to be illiquid in listed trading and depend on equity for funding. Their ability to access funding varies, but generally increases when commodity prices are high. Just over 30% of industry activity relates to new deposits, which are also referred to as greenfield sites. This exploration is generally undertaken by junior miners, due to its risk and lower barriers to entry. New deposits are defined as either previously unknown mineralisation or known mineralisation that has not been sufficiently explored to be classed as an inferred mineral resource. Over the past five years, as appetite for funding exploration has diminished, spending by junior miners has decreased substantially. Therefore, this market's share of revenue has declined over the period.

IBISWorld identifies the key success factors in the mineral exploration industry as:

- Economies of scope;
- Downstream ownership links;
- Ability to expand and curtail operations rapidly in line with market demand;
- Access to multiskilled and flexible workforce;
- Must have licence.

IBISWorld forecasts the industry revenue to increase at an annualised 5.3% over the five years through 2024-25. Following a return to growth over the past five years, demand for mineral exploration is projected to continue increasing. Consequently, industry revenue is set to improve as the demand for exploration gradually rises. However, exploration expenditure by major mining firms and junior miners is unlikely to return to the level it reached during the height of Australia's mining boom. Growth in exploration is anticipated to be gradual as firms focus on production at existing mine sites. Uncertainty among investors and lower rates of mineral discovery are also likely to constrain growth.

Copper

Copper is the third most highly used metal, ranking third after iron and aluminium, in terms of quantities consumed globally.

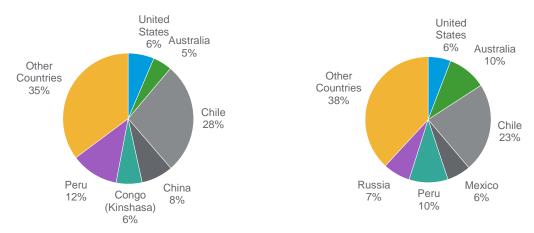
The U.S. Geological Survey ("USGS") publishes an annual summary on mineral commodities, with the latest report published in February 2020. This report advises that building construction is the largest market for copper use.

The USGS estimated that the global mine production of copper has decreased slightly from 20.4 million tons in 2018 to 20.0 million tons in 2019, with reduction likely attributed to the shifting of mining zones in Indonesian Grasberg and Batu Hijau mines. In addition, Chile, as the world's largest copper producing country, also reduced its production due to weather related disruptions and lower ore grades.



Chile, Peru, and China lead the production, making up around 48% of global copper production in 2019, Furthermore, Chile, Peru, and Australia hold around 43% of global reserves representing around 374 million tons. The figure below summarises the gold production and reserves in 2019, by country:

Figure 7 Copper production and reserves by country - 2019



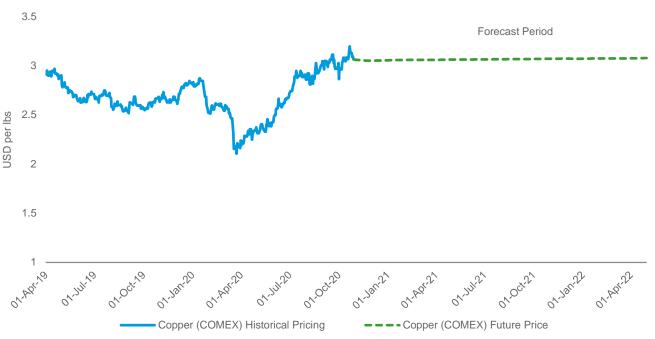
Source: United States Geological Survey

Copper Price

The Research and Energy Quarterly report, published in June 2020 by the Department of Industry, Science, Energy and Resources advises that the price of copper has been impacted not only by the COVID-19 pandemic, but also pessimistic expectations of the future world economy.

The figure below provides the historical copper price since April 2019, together with forecast pricing through to April 2022.

Figure 8 Historical and forecast copper prices



Source: S&P Capital IQ RSM Analysis



According to the Resources and Energy Quarterly Report, the world copper consumption has been revised downwards with China being expected to drive the decline in world consumption. As China consumes around half of the world's copper, the forecasted 2-3% reduction in China's consumption is expected to impact consumption greatly.

In addition, the report estimates that world mine production will decline by around 2.4% in 2020, this may be attributed to mine closures in countries like China, Peru and Africa from the immediate impacts of COVID-19. However, the world mine production is expected to improve to reach 22 million tons in 2022, representing a growth of 4.9% per annum.

Gold

Gold mining is a capital intensive and high cost process, becoming increasingly difficult as the quality of the ore reserves diminish. Furthermore, there are substantial indirect costs related to exploration, royalties, overheads, marketing and native title law that are usually required to be paid.

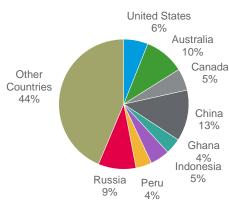
The precious metal is noncorrosive and highly malleable. These properties have allowed for the recycling of the metal, often used to produce alternative products. Consequently, both mining ore and recycled gold support the demand for gold.

Over the long term, gold has been shown to be an alternative investment during times of economic uncertainty, as gold prices largely maintain or increase in value. Furthermore, it has also been used as a hedge against inflation as gold usually increases in value when currency declines.

The USGS estimated gold production in the US to be approximately 200 metric tons in 2019, a reduction of 11% from 2018. Globally, 2019 gold mine production remained unchanged from 2018, due to an increase of production in Australia, China and Indonesia, which offset the decrease in production in South Africa, the United States, Zimbabwe and Peru. The summary also concluded that the estimated gold price was 10% higher in 2019 than in 2018.

The figure below summarises gold production in 2019, by country.

Figure 9 Gold production by country - 2019



Source: United States Geological Survey

According to the USGS, the total estimated gold ore mined for 2019 was approx. 3,300 metric tons. China was the leading gold producer for 2019 accounting for 13% global production.

Australia and Russia have the largest known gold reserves globally, accounting for around 31% collectively, with the remaining gold reserves by country summarised in the figure below.



Gold Price

The end of 2015 saw gold prices being at an almost six year low, as the US dollar surged, placing downward pressure on the price of gold.

During 2016, the gold price strengthened. This was likely due to the heightened uncertainty surrounding the outcome for the US election as well as the United Kingdom's exit from the European Union. The gold price had reached US\$1,628 in the later part of 2016 before stabilising at around \$1,200 for most of 2017.

The gold price reached US\$1,419 in early 2018, however shortly after there was a sharp decline that can be attributed to the US imposing additional tariffs on China. The trade war has had a negative effect on the price of gold as the US dollar strengthened during this time.

Gold price increased steadily from the end of 2018 averaging a 2019 gold price of approximately US\$1,400.

Since the end of the first quarter of 2020, gold prices increased sharply to record highs potentially due to the US elections drawing closer, increasing global uncertainty and investor appetite for gold.

The historical gold price since September 2015, together with forecast pricing through to January 2023 is depicted in the figure below:

Figure 10 Historical and forecast gold prices



Source: S&P Capital IQ RSM Analysis



E. VALUATION METHODOLOGIES

In assessing the Fair Value of a CLA Consideration Share, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

Market based methods estimate the Fair Value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include;

- the quoted price for listed securities; and
- industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair market value of a company's securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair market value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income based methods

Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow;
- capitalisation of future maintainable earnings.

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

The capitalisation of future maintainable earnings is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("FME") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.



Asset based methods

Asset based methodologies estimate the Fair Market Value of a company's securities based on the realisable value of its identifiable net assets. This approach is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows

Asset based methods include:

- · orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but, unlike the orderly realisation of assets method, it does not take into account realisation costs. This method is appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.



F. INDEPENDENT TECHNICAL SPECIALIST'S REPORT



On behalf of:

RSM Corporate Australia Pty Ltd and Celsius Resources Ltd

Independent Specialist's Report and Valuation for the MCB Copper-Gold Project

Effective Date: 10 December 2020

Independent Specialist's Report and Valuation for the MCB Copper-Gold Project

PROJECT COMPLETION DATE: 10 DECEMBER 2020

Document Control Information

	Independent Specialist's Report and Valuation for	REVISION	
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RSM	Doc Status: FINAL	04	2020

Author	Kerry Griffin	Signature	Umsifi
Addioi	Kerry Griffin	Date	10 December 2020

Important Information:

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1 **EXECUTIVE SUMMARY**

On behalf of Celsius Resources Ltd (CLA), RSM Corporate Australia Pty Ltd has commissioned Global

Commodity Solutions (GCS), to compile a Technical and Valuation Report for the Philippine mineral assets of Anleck Ltd with a focus on the MCB Copper-Gold Project, located in the Central Cordillera Region of Northern Luzon, the Philippines. This Report has been prepared in accordance with the guidelines set out in the JORC (2012) and VALMIN (2015) codes.

Located in Northern Luzon, the Philippines, the MCB Project is a Copper-Gold Project that underwent its most significant development whilst owned by Freeport McMoran from 2006 until 2013, who drilled 46 diamond holes for approximately 25,500m.

The Project is located within Exploration Permit EP-003-2006-CAR which has an area of 2,719.57 hectares. This permit has been renewed by the current owners, a subsidiary of Anleck Ltd.

The mineralisation at the MCB Project is described as a telescoped porphyry-epithermal system where several phases of tonalites have been intruded into basaltic host Figure 1. MCB Project Location



rocks producing several mineralisation types including porphyry and high sulphidation copper, gold and other minor elements including but not limited to, silver and molybdenum.

Three levels of Valuation were conducted as per the RPS request. These valuations were based on the Project as it stands now, its hypothetical value if an FTAA or MPSA is signed and its hypothetical value once a DFS is declared.

Valuation (\$AUD)		Minimum		Maximum		Preferred	
Stage 1	\$	11,391,075	\$	18,460,115	\$	14,925,595	
Stage 2	\$	26,866,705	\$	37,676,540	\$	32,271,622	
Stage 3	\$	301,214,152	\$	346,000,081	\$	323,607,116	

Table 1. Valuation Summary



2 Introduction

RSM Corporate Australia Pty Ltd is the Commissioning Entity that has engaged Global Commodity Solutions (GCS), to compile a Technical Report and valuation for the Maalinao-Caigutan-Biyog Project, also known as the MCB Copper-Gold Project or the MCB Project, located in the Kalinga Region of Northern Luzon, Philippines, on behalf of Celsius Resources Ltd (CLA), for inclusion in an Independent Expert Report.

On the 16th September 2020, Celsius announced that it entered into a Binding Share Sale Agreement to acquire 100% of UK Company Anleck Limited, an entity that has an Acquisition Agreement to acquire a number of copper-gold projects in the Philippines, including the MCB Copper-Gold Project.

This Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code 2015), the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and Exploration Targets (JORC Code 2012), and the Australian Securities Exchange Listing Rules.

2.1 Principal Sources of Information

A site visit was not undertaken by Kerry Griffin (GCS Principal Consultant) to the MCB Copper-Gold Project due to COVID-19 restrictions on international travel. C38 states that where inspection of a Material Asset is likely to reveal information or data which is Material to a Report, it should be inspected. The author believes that at the project's current stage, although a site visit would aid understanding it would not make a Material difference to the Report. He has relied on information provided by CLA, along with discussions with CLA/MMCI technical personnel and on information obtained from publicly available sources.

The author has made enquiries to establish the completeness and authenticity of the information provided and identified. The author has taken all appropriate steps in his professional judgement, to ensure that the work, information or advice contained in this Report is sound and the author does not disclaim any responsibility for this Report.

Sources used during the completion of the technical and Valuation work have been listed in the 'References' section of this Report.

2.2 Independence, Qualifications and Experience

The "Competent Person" (as defined in JORC 2012) for this Report is Mr Kerry Griffin (GCS).

Mr. Griffin is Principal Consultant for GCS with over 25 years experience in the mining sector. Mr Griffin is a registered Member of the Australian Institute of Geosciences (MAIG) and the Society of Economic Geologists. Mr Griffin is responsible for all sections of this Report.

The Competent Person of this Report does not have any material interest in CLA or related entities or interests. His relationship with RSM Corporate Australia Pty Ltd, CLA and MMCI is solely one of professional association between a client and independent consultant. This Report is prepared in return for fees based upon agreed commercial rates, and the payment of these fees is in no way contingent on the results of this Report.

2.3 Units of Measurements and Currency

Metric units are used throughout this Report unless noted otherwise. Currency is in Australian Dollars ("A\$") except where stated otherwise.



2.4 Abbreviations

A full listing of abbreviations used in this Report is provided in the Table below:

	Description		Description
\$AUD	Australian dollars	LREO	Light rare earth oxides
"	Inches	M	million
μ	microns	m	metres
3D	three dimensional	Ma	thousand years
4WD	four-wheel drive	Mg	Magnesium
AAS	atomic absorption spectrometry	ml	millilitre
Au	Gold	mm	millimetres
bcm	bank cubic metres	Mtpa	million tonnes per annum
СС	correlation coefficient	N (Y)	northing
CFC	CFC Amazonia	Nb	niobium
Cr	Chromium	Ni	Nickel
CLA	Celsius Resources Ltd	NPV	net present Value
Со	Cobalt	NQ ₂	Size of diamond drill rod/bit/core
CRM	certified reference material or certified standard	ōС	degrees centigrade
Cu	Copper	ОК	Ordinary Kriging
CV	coefficient of variation	Ρ ₈₀ -75μ	80% passing 75 microns
DDH	diamond drill hole	Pd	palladium
DTM	digital terrain model	PHP	Philippines Peso
Divi	digital terrain model	ppb	parts per billion
E (X)	Easting	ppm	parts per million
EDM	electronic distance measuring	psi	pounds per square inch
Fe	Iron	PVC	poly vinyl chloride
G	Gram	QC	quality control
g/m³	grams per cubic metre	QQ	quantile-quantile
g/t	grams per tonne of gold	RC	reverse circulation
HARD	Half the absolute relative difference	REO	rare earth oxide
HDPE	High density polyethylene	RL (Z)	reduced level
HQ ₂	Size of diamond drill rod/bit/core	ROM	run of mine
Hr	Hours	RQD	rock quality designation
HRD	Half relative difference	SD	standard deviation
HREO	Heavy rare earth oxides	SG	Specific gravity
ICP-AES	inductivity coupled plasma atomic emission spectroscopy	Si	silica
ICP-MS	inductivity coupled plasma mass spectroscopy	SMU	selective mining unit
ISO	International Standards Organisation	Sn	Tin
kg	Kilogram	t	tonnes
kg/t	kilogram per tonne	t/m³	tonnes per cubic metre
1	· ·	Та	tantalum
km	Kilometres		
km km²	square kilometres	tpa	tonnes per annum
			tonnes per annum Total rare earth oxide
km²	square kilometres	tpa	·

Table 2. Abbreviations



2.5 Other Definitions

Commissioning Entity means the organisation, company or person commissioning a Valuation.

Competence or Competent means having relevant qualifications and relevant experience.

Current means current with respect to, and relative to, the Valuation Date

Data Verification means the process of confirming that data has been generated with appropriate procedures, has been accurately transcribed from the original source and is suitable to be used.

Development Property means a Mineral Property that is being prepared for mineral production and for which economic viability has been demonstrated by a Feasibility Study or Prefeasibility Study and includes a Mineral Property which has a Current positive Feasibility Study or Prefeasibility Study but which is not yet financed or under construction.

Exploration Property means a Mineral Property that has been acquired, or is being explored, for mineral deposits but for which economic viability has not been demonstrated.

Fair Market Value means the highest price, expressed in terms of money or money's worth, obtainable in an open and unrestricted market between knowledgeable, informed and prudent parties, acting at arm's length, neither party being under any compulsion to transact.

Feasibility Study means a comprehensive study of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.

Guideline means a best practices recommendation, which, while not mandatory in the Valuation of Mineral Properties, is highly recommended.

Independence or Independent means that, other than professional fees and disbursements received or to be received in connection with the Valuation concerned, the Qualified Valuator or Qualified Person (as the case requires) has no pecuniary or beneficial (present or contingent) interest in any of the Mineral Properties being valued, nor has any association with the Commissioning Entity or any holder(s) of any rights in Mineral Properties which are the subject of the Valuation, which is likely to create an apprehension of bias. The concepts of "Independence" and "Independent" are questions of fact. For example, where a Qualified Valuator's fees depend in whole or in part on an understanding or arrangement that an incentive will be paid based on a certain value being obtained, such Qualified Valuator is not Independent.

Materiality and Material refer to data or information which contribute to the determination of the Mineral Property value, such that the inclusion or omission of such data or information might result in the reader of a Valuation Report coming to a substantially different conclusion as to the Value of the Mineral Property. Material data and information are those which would reasonably be required to make an informed assessment of the Value of the subject Mineral Property.

Mineral Property means any right, title or interest to property held or acquired in connection with the exploration, development, extraction or processing of minerals which may be located on or under the surface of such property, together with all fixed plant, equipment, and infrastructure owned or acquired for the exploration, development, extraction and processing of minerals in connection with such properties. Such properties shall include, but not be limited to, real property, unpatented mining claims, prospecting permits, prospecting licences, reconnaissance permits, reconnaissance licences, exploration permits, exploration licences, development permits, development licences, mining licences, mining leases, leasehold patents, crown grants, licences of occupation, patented mining claims, and royalty interests

Mineral Reserves and Mineral Resources. The terms Mineral Reserve, Proven Mineral Reserve, Probable Mineral Reserve, Mineral Resource, Measured Mineral Resource, Indicated Mineral Resource, and Inferred Mineral Resource and their usage have the meaning ascribed by the JORC Code (2004).

Mineral Resource Property means a Mineral Property which contains a Mineral Resource that has not been demonstrated to be economically viable by a Feasibility Study or Prefeasibility Study. Mineral Resource Properties may include past producing mines, mines temporarily closed or on care-and-maintenance



status, advanced exploration properties, projects with Prefeasibility or Feasibility Studies in progress, and properties with Mineral Resources which need improved circumstances to be economically viable.

Prefeasibility Study and Preliminary Feasibility Study mean a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating, economic factors and the assessment of other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve. A Prefeasibility Study is at a lower confidence level than a Feasibility Study.

Preliminary Assessment means a preliminary economic study by a Qualified Person that includes Inferred Mineral Resources. The Preliminary Assessment must include a statement that the Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves, outlines the basis for the Preliminary Assessment and any qualifications and assumptions made, and specifies that there is no certainty that the Preliminary Assessment will be realised.

Production Property is a Mineral Property with an operating mine, with or without processing plant, which has been fully commissioned and is in production

Professional Association is a self-regulatory organisation of engineers, geoscientists or both engineers and geoscientists that (a) has been given authority or recognition by law; (b) admits members primarily on the basis of their academic qualifications and experience; (c) requires compliance with the professional standards of competence and the code of ethics established by the organisation; and (d) has disciplinary powers, including the power to suspend or expel a member.

Reasonableness, in reference to the Valuation of a Mineral Property, means that other appropriately qualified and experienced evaluators with access to the same information would value the property at approximately the same range. A Reasonableness test serves to identify Valuations which may be out of step with industry standards and industry norms. It is not sufficient for a Qualified Valuator to determine that he or she personally believes the Value determined is appropriate without satisfying an objective standard of proof.

Report Date means the date upon which the Valuation Report is signed and dated.

Self-Regulatory Professional Organization means a self-regulatory organisation of professionals that

(a) admits members or registers employees of members primarily based on their educational qualifications, knowledge and experience; (b) requires compliance with the professional standards of competence and code of ethics established by the organisation; and (c) has disciplinary powers, including the power to suspend or expel a member or an employee of the member.

Standard means a general rule which is mandatory in the Valuation of Mineral Properties.

Technical Report means a report prepared in accordance with the JORC Code 2012.

Transparency and Transparent means that the Material data and information used in (or excluded from) the Valuation of a Mineral Property, the assumptions, the Valuation approaches and methods, and the Valuation itself must be set out clearly in the Valuation Report, along with the rationale for the choices and conclusions of the Qualified Valuator.

Valuation is the process of estimating or determining the Value of a Mineral Property.

Valuation Report means a report prepared in accordance with the VALMIN Standards and Guidelines.



3 Project Location and Tenure

The MCB Project is located in the Barangay Balatok, Municipality of Pasil, Province of Kalinga within the Central Cordillera Region, Northern Luzon, the Philippines.

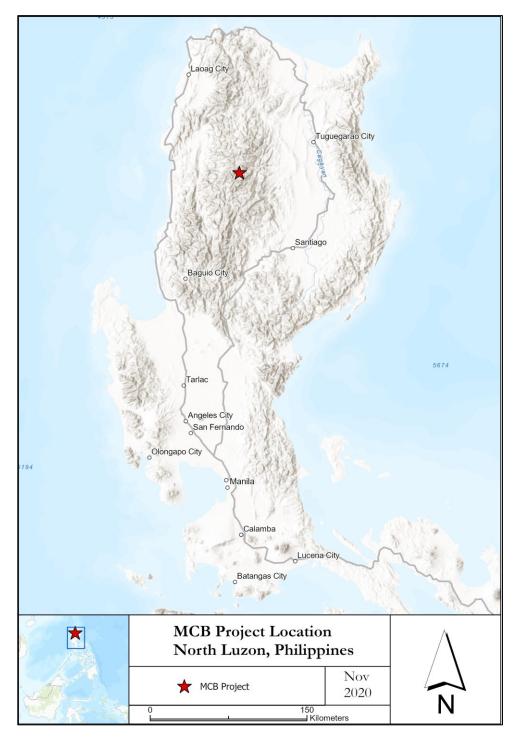


Figure 2 The MCB Project Location



3.1 Tenement Status and Ownership

The Project is located on Exploration Permit EP-003-2006-CAR which has recently had its 3rd renewal completed by holders MCB Mining Company Inc (MMCI). The license covers an area of 2,719.57 hectares and surrounds but does not include the tenement area of Batong Buhay Gold Mines Inc., which is controlled by the government-owned Philippine Mining Development Corporation (PMDC).

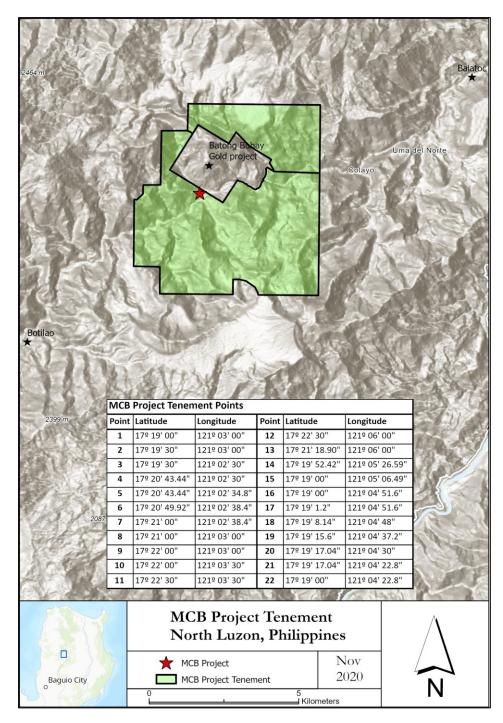


Figure 3. The MCB Tenement EP-003-2006-CAR



MCB Mining Company Inc (MMCI) is registered in the Philippines which is being purchased under a current Acquisition Agreement by MCB Holding Limited, a company registered in the British Virgin Islands and owned by Anleck Limited, a United Kingdom company.

An application has been submitted for the conversion of the Exploration Permit to a Financial or Technical Assistance Agreement (FTAA), that covers the entirety of EP-003-2006-CAR. This application is currently pending approval.

3.2 Relevant Mining Law

The Republic Act 7942 also known as the Mining Act of 1995 determines the rights and obligations of the Mining contractor or the tenement holder. The law defines the type of agreements the Government can undertake with investors. It also defines the process of development from exploration, feasibility study, and construction stage until operations of the mine and finally decommissioning. It also vests the Bureau of Mines and Geosciences (MGB), an attached agency of the Department of Environment and Natural Resources (DENR), the authority to regulate the conduct of mining in the Philippines. The MGB is the regulating arm of the Government that issues the permits required by the mining industry. The said agency determines the capability of the permit holder to undertake mining operations in the country. The agency uses a variety of mandatory statutory periodic reports from permit holders in its mandate to monitor and regulate the mining industry.

The Mining law is complimented by other major operational laws that relate to mining. Several of these laws are environment-related and regulated by departments within the DENR. These laws regulate the air, water, solid waste, and other environmental matters that are applicable to mining. Other environmental laws prohibit mining in environmentally sensitive areas such as the National Integrated Protected Areas and Watershed areas.

Mine operators are essentially Mining Contractors to the Government by means of an MPSA or Financial and Technical Assistance Agreements (FTAA). Obtaining such agreements requires a number of permits including the key permits of Environmental Compliance Certificate (ECC) and Declaration of Mine Project feasibility (DMPF).

3.3 Environmental and Community Commitments

As part of the 3rd renewal of EP-003-2006-CAR there is a requirement to complete an Exploration Work Program, a Community Development Program and an Environmental and Social Work Program for Exploration. These programs require a plan and a budget commitment for the following two years. The total financial commitment outlined in the renewal application was equivalent to \$AUD 2,544,851 at the time of this report using an AUD/PHP exchange rate of 35.16. The details of the committed expenditure in Philippine Pesos are listed in the following table.



Exploration Work Program

Activities	Year 1	Year 2	Total
Exploration Drilling and Assaying	PHP 20,397,347	PHP 9,699,891	PHP 30,097,238
Drill Site Preparation, Core Logging and Sampling Management	PHP 8,930,400	PHP 4,465,200	PHP 13,395,600
Preparation/planning to support a Scoping Study followed by a Definitive Feasibility Study to support a Declaration of Mining Project Feasibility	PHP 19,795,218	PHP 11,312,098	PHP 31,107,316
Total Cost	PHP 49,122,965	PHP 25,477,189	PHP 74,600,154

Community Development Program

Program/Project/Activities	Year 1	Year 2	Total Cost
Human Resources Development and Institutional Building	PHP 300,000	PHP 300,000	PHP 600,000
Enterprise Development and Networking	PHP 600,000	PHP 600,000	PHP 1,200,000
Assistance to Infrastructure, Development and Support Services	PHP 1,600,000	PHP 1,600,000	PHP 3,200,000
Access to Education and Educational Support Programs	PHP 455,852	PHP 455,852	PHP 911,703
Access to Health Services, Health Facilities and Health Professionals	PHP 500,000	PHP 500,000	PHP 1,000,000
Protection and Respect of Socio- Cultural Values	PHP 250,000	PHP 250,000	PHP 500,000
Total Cost	PHP 3,705,852	PHP 3,705,852	PHP 7,411,703

Environmental and Social Work Program For Exploration

Activities	Year 1	Year 2	Total
Drilling Activities - Remediation	PHP 525,000	PHP 525,000	PHP 1,050,000
Information, Education and Campaign Program	PHP 500,000	PHP 500,000	PHP 1,000,000
Community Development Program	PHP 2,705,008	PHP 2,705,008	PHP 5,410,016
Total Cost	PHP 3,730,008	PHP 3,730,008	PHP 7,460,016

Summary

Program	Year 1	Year 2	Total
Exploration Work Program	PHP 49,122,965	PHP 25,477,189	PHP 74,600,154
Community Development Program	PHP 3,705,852	PHP 3,705,852	PHP 7,411,703
Environmental and Social Work Program For Exploration	PHP 3,730,008	PHP 3,730,008	PHP 7,460,016
Total Cost	PHP 56,558,825	PHP 32,913,048	PHP 89,471,873

Table 3. Future Expenditure 2021-2022



3.4 Project Access

The MCB Project is approximately 320km north of Manila and accessible via Tuguegarao to Tabuk, the capital city of Kalinga, and then Lubuagan via national road. From Lubuagan to Pasil is 24km via 4wd road, then a further 9km to the site. During the wet, season the site access road to the tenement area is often blocked with landslides.

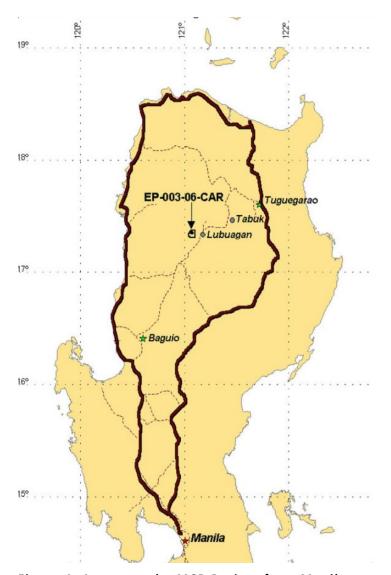


Figure 4. Access to the MCB Project from Manila

3.5 Physiography, Land Use and Climate

Located in the northern portion of the Central Cordillera Mountain Range the tenement has rugged to very rugged topography with elevations ranging from 1,000m to 1,800m. Surface features consist of sharp-crested peaks, steep slopes and deeply incised valleys. A major feature is the valley of the Pasil river which crosses the tenement. Landslides are quite common along the road and rivers. There are active landslides along the southern tributaries of the Pasil River, especially within highly altered and faulted zones.



The license area is mostly bare of forest cover having been previously cleared. The remaining trees are in clumps in uninhabited areas with steep slopes and along deep riverbanks of Benguet Pine Tree with undergrowth of tiger grass.

There are some significant settlements located along the Pasil riverside, and there are some rice paddies, cash-crops and small vegetable farms near the settlements with flat terrain in river valleys, plateaus and hilltops. Some domestic animals are also farmed.

The region falls under the Type III classification of the climatic condition of the Philippines. A relatively dry season occurs from November to April with the rest of the year being wet.

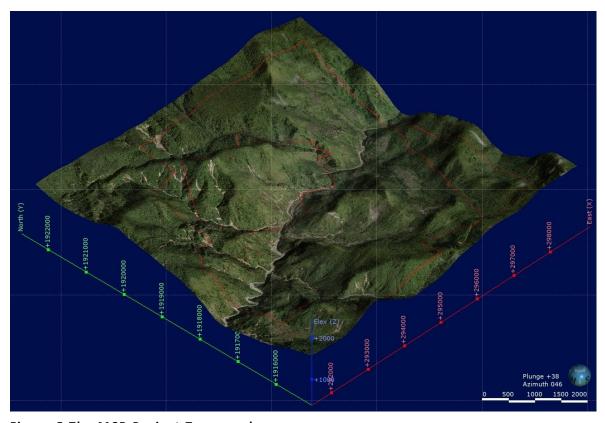


Figure 5 The MCB Project Topography



4 Geological Setting and Mineralisation

4.1 Regional Geology

The Maalinao-Caigutan-Biyog Cu-Au Mineral Occurrence and the Dickson Cu-Au Mineral Occurrence of are among several Cu-Au mineralised areas within a 10km X 20km NS elongate zone in the Province of Kalinga collectively referred to here as the Kalinga Mineral District. This mineral district lies at the northeastern portion of a NS-NNE trending mountain range known as the Luzon Central Cordillera. The Luzon Central Cordillera is a volcano-plutonic arc developed along the Philippine Fault Zone as a result of the eastward subduction of the South China Sea Plate along the Manila Trench. This is conspicuously defined by a chain of batholiths such as the Central Cordillera Diorite Complex or Agno Batholith which hosts the Baguio Cu-Au District and the Bagon Intrusive Complex hosting the Mankayan Cu-Au District. The cordillera is bounded by the Cagayan Valley Basin to the east and by the Central Luzon Valley Basin to the west.

The Kalinga Mineral District is underlain by a basement of Paleogene basaltic lava flows and volcaniclastics. The volcanic rocks are unconformably overlain by Oligocene-Miocene sediments consisting of interbedded sandstone, conglomerates and limestone. These oceanic

lavas/volcaniclastics and overlying marine sediments were intruded by multiple phases of volcanism from the Early Miocene to the present, forming the Luzon Central Cordillera volcano-plutonic arc.

The earliest intrusives, which are the roots of the island arc, are represented by the batholiths. These large plutons were emplaced during the Early to Late Miocene time, having K/Ar dates of 13.7-26.3ma. The batholiths are trending NS-NNE and are elongate, having dimensions of 10km to 20km

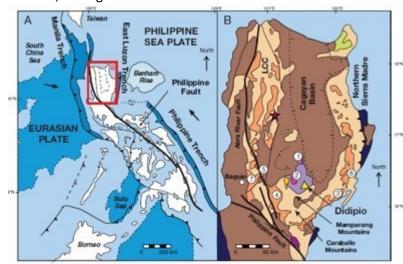


Figure 6. Northern Luzon Geology in Tectonic Context (Wolfe, 2011)

wide and up to approximately 50km long. Their compositions range from gabbro to granodiorite to tonalite. The cores of these batholiths are typically very coarse-grained and show minimal signs of alteration. The textures get finer towards the margins where propylitic to potassic alteration with weak Cu mineralisation are occasionally developed.

Smaller quartz diorite to dacite porphyry stocks and dacitic diatremes and hydrothermal breccia bodies of generally less than 1km diameter were intruded at and near the sides of the batholiths during Late Miocene to Pleistocene time. Texturally, the igneous components of these intrusive bodies are medium to fine-grained and are characteristically porphyritic rather than equigranular. Many of these intrusives are altered to various intensities and suites of porphyry and/or epithermal related secondary minerals, and host most of the Cu-Au Mineral Occurrences within the Pasil-Balbalan Mineral District.

Pleistocene to Recent volcanism is represented by dacitic flows and pyroclastics which are widespread within the district, covering some of the mineralised grounds. This latest volcanic activity is also present as hot springs, solfataras and geysers seen in the upper Caigutan area.



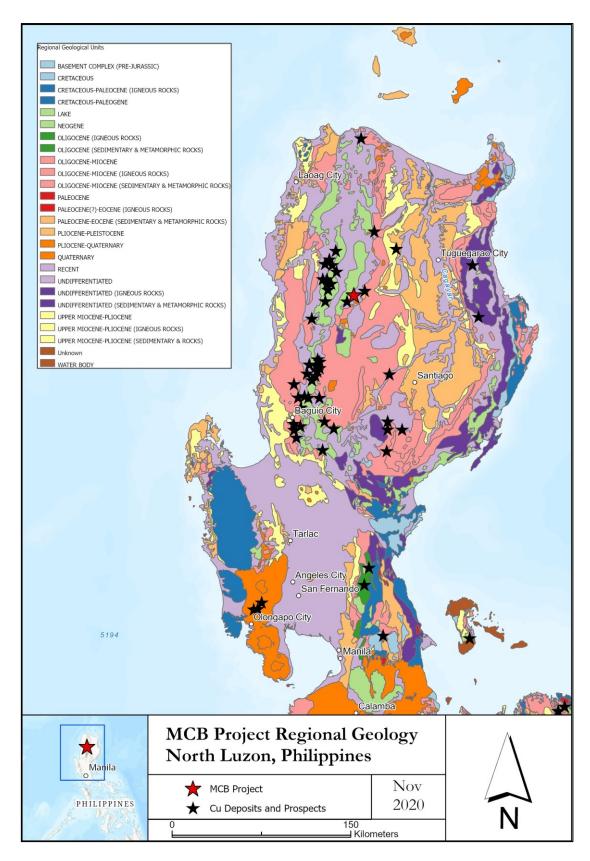


Figure 7. Northern Luzon Regional Geology with Copper Deposits and Prospects



4.2 Project Geology

The MCB Project area is located in an eroded volcanic centre truncated by a NE to EW trending fault zone where the narrow ravine of Pasil River is channelled. This structure is described as the Pasil River Fault Zone (PRF), which shows structural control and influence on the trend of the intrusive bodies and mineralisation. The mineralisation is best described as a partially telescoped porphyry epithermal system. It is a product of multiple mineralisation events in the Pleistocene, characterised by the superimposition of HS-IS epithermal mineralisation on 3 phases of porphyry mineralisation.

The project area is underlain by Paleogene basalt basement rocks, intruded by a series of Miocene-Pleistocene tonalite stocks and dykes which comprise the multiphase progenitor intrusive porphyry to the copper and gold mineralisation. During the late Pleistocene, dacite lava flows covered the area and recent volcanism by the dacitic pyroclastic.

The multiphase tonalite intrusion has very subtle textural differences, which are often masked by different alteration intensities. The subtle variations in petrology are possibly from an initial phaneritic phase to the waning phase of porphyritic tonalite, which is associated with the increased occurrence of quartz. The tonalite phases relate to the attendant intensity of alteration as it progresses from early Na-Ca, potassic to phyllic, with overprints of argillic to advanced argillic alteration along major fault zones. High-grade Cu-Au mineralisation is associated with dense porphyry quartz stockworks in phyllic to intermediate argillic zones. Moderate Cu grades with lower Au values are more widespread copper porphyry mineralisation associated with sparse porphyry quartz veining and sulphide disseminations in intermediate argillic alteration zones. The earlier porphyry mineralisation is partially overprinted by late high-sulphidation epithermal mineralisation, often associated with advanced argillic overprints along significant faults.

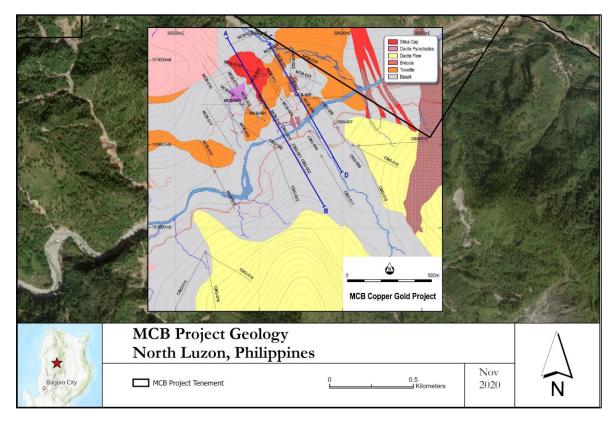


Figure 8. MCB Project Local Geology Overlaying the Satellite Image



4.3 Structure

The MCB porphyry Cu-Au, HS epithermal Cu-Mo-Au and IS-LS epithermal Au-Ag Mineral Occurrences are mainly localised within a 1km wide, N30°W-N50°W trending fault zone, which is named the MCB Fault Zone (MFZ). The actual width of the fault zone can be measured along the Pasil River, from the Mt. Mines area at the west to the Piangat area at the east. The fault planes of the MFZ dip 85°-60°SW at the eastern portions and 85°-60°NE at the western portions. Displacements of veins along individual NW faults within the MFZ show left-lateral strike-slip movement.

4.1 Alteration

The early tonalite phase is the precursor to higher Cu-Au values that occur with quartz stockworks and as chalcopyrite-bornite disseminations. The alteration sequence resulted in the formation and composition of several discrete porphyry vein stockworks described below as the dominant vein types.

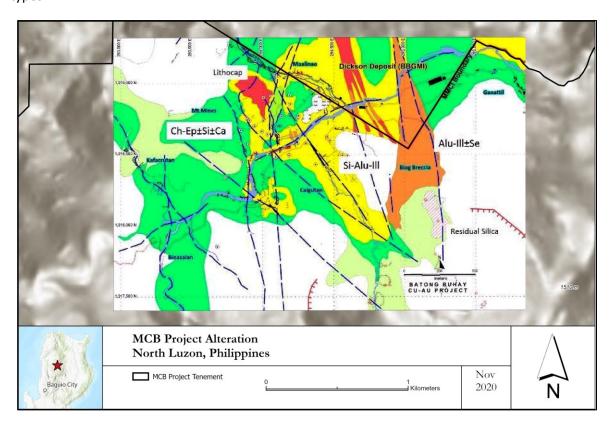


Figure 9. MCB Project Alteration Map

The resulting pulses of inter-mineral tonalitic intrusion manifests in the formation and composition of four discrete porphyry veins types. The different veins are given below from the oldest to youngest. The veins generally occur as sheeted veins, crosscutting and wormy stockworks:

Porphyry Vein-1 consists of thin magnetite \pm biotite, tremolite - actinolite, and/or chlorite-anhydrite-quartz. This group of veins are usually associated with patchy to pervasive chlorite - epidote and/or biotite - magnetite \pm tremolite - actinolite alteration.

Porphyry Vein-2 is characterised by thick (>5mm) grey quartz with clots, disseminated and poddy bornite - chalcopyrite. Magnetite clots are lined along vein margins, especially within tonalite



bodies. Dense Vein-2 quartz stockworks coincide with the highest Cu-Au values. Dense sheeted veins are common in tonalites, while wormy stockworks are more common in basalts.

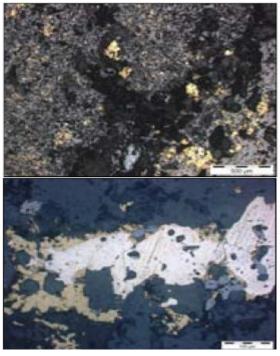
Porphyry Vein-3 is massive grey, crystalline anhydrite with chalcopyrite - bornite - magnetite ± pyrite along crystal interstices. This vein type cuts or reopens/fill the earlier quartz veins or occur as wide vein intercepts. Copper sulphides associated are usually chalcopyrite - bornite, but with occurrence lower than in Vein-2. Some intercepts with pyrite have coincident silica - sericite - clay selvedge alteration.

Porphyry Vein-4 contains massive chalcopyrite (± bornite ± pyrite) veinlets anastomosing and cutting earlier quartz and anhydrite veins. This is usually accompanied by narrow to widespread quartz – sericite – clay alteration.

4.2 Mineralisation

The above described four major phases of mineralisation-forming porphyry veins subsequently define the types of mineralisation-alteration which are essential in understanding and categorising the significant episode in mineral deposition. The four discrete domains in mineral occurrences are described below as Mineralisation Types:

Mineralisation Type-1 is a porphyry-type mineralisation domain that contains high Cu-Au. It is hosted in a tonalite intrusive, and the basalt wall rock in the form of veins types 1, 2, 3, and 4, together with its associated mineralisation and alteration. Cu grade is high when Vein-2 stockworks dominate the three other vein types. The Au content in OT-1 is observed to increase when bornite content is dense in quartz veins, particularly in Vein-2.



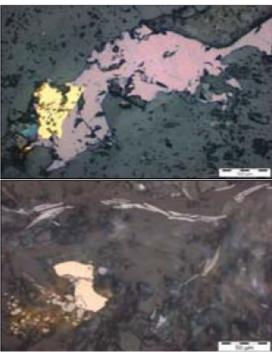


Figure 10. Mineralisation Type 2 - Cp+Py+Sp > Cp+Bn+Mt > Mo+Py+Sp

Mineralisation Type-2 is a high-sulphidation overprinting of Mineralisation Type-1. This mineralisation type is hosted in basalt and tonalites with strong porphyry mineralisation (OT-1) but partially overprinted by high sulphidation epithermal mineralisation. The HS overprint increases the clay content and arsenic (As) values and minor leaching of Au. But Cu may be enriched with



chalcopyrite - bornite – covellite. This type occurs along the periphery of OT-1 and as a buffer zone to OT-4 HS mineralisation along fault zones.

Mineralisation Type-3 is a medium grade porphyry Cu (low Au) where porphyry quartz Vein-2 is sporadic, and anhydrite Vein-3 is prevalent. The mineralisation could be related to the waning stage of the tonalite intrusion. Copper sulphides are usually associated with mafic zones marked by patches of biotite - chlorite - magnetite ± anhydrite alteration.

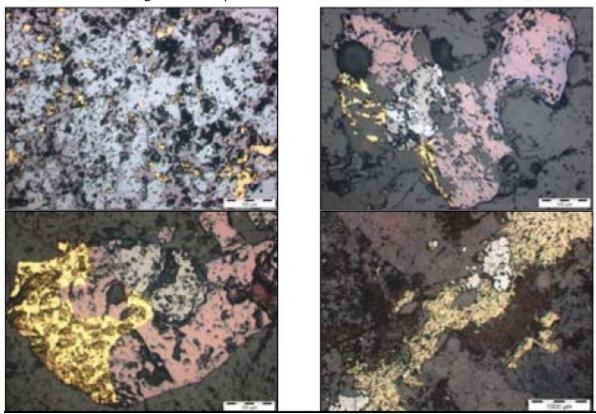
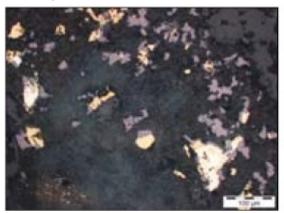


Figure 11. Mineralisation Type 1 and 3 Cp+Bn+Mt/Hm > Cp+Py

Mineralisation Type-4 is a high-sulphidation epithermal Cu-Au mineralisation that usually overprints the earlier porphyry mineralisation events along major fault zones. The strongest HS mineralisation is along the Caigutan Fault and its intersection with the Pasil River Fault and the Mantilay Fault.



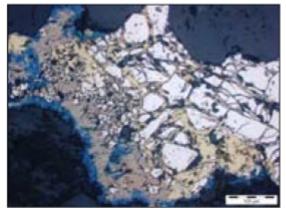


Figure 12. Mineralisation HS1 - Py+Bn+Cv/Cc+Cp+Sp > Cp+Bn+Py+Sp



The early HS mineralisation stage (HS1) is characterised by the presence of high-Cu species of sulphides (bornite, chalcopyrite, covellite and chalcocite) with associated quartz - sericite - clay pyrite alteration. The HS1 mineralisation is overprinted by a later HS2 mineralisation phase, which is more confined along structures. It is characterised by the deposition of Cu-sulpharsenates with associated quartz - anhydrite + alunite – kaolinite veining and alteration. The ore minerals of HS2 veins are mostly enargite.

4.3 Prospects

Initial surface exploration work identified seven distinct areas with prospective Cu-Au mineralisation. The areas described below apparently indicate separate centre which requires additional exploration and diamond drilling programs:

- Mt Mines Mineral Occurrence: Located in the western boundary of the BBGMI claim within Sitio Maalinao. It is bounded by Pasil River on the south, Piangat Creek to the east and the Andilasan Ridge on the west.
- Maalinao Mineral Occurrence: The area previously drilled by BBGMI-Philex located to the
 east, outside of MMCI exploration permit area. It is located west of the Dickson Mineral
 Occurrence previously mined by BBGMI has now foreclosed by Government.
- Caigutan-Biyog Breccia: Located south of Pasil River to the south of Mt Mines. It extends from Biyog ridge on the east where Biyog Breccia was mapped then to Paniyaw-Caigutan ridge on the west
- Binasalan Area: Located on the southwest portion of the project area, bounded by Pasil River to the north and the Binsalan Creek to the west
- Kafakrutan-Kakan Area: Located on the westernmost side of the tenement area. It is bounded on the east by Mt Mines and south by Pasil River
- Level-5 Fobroy Area: located on the eastern side of the tenement near Sitio Fobroy, the main sitio of Baranguy. Balatoc. It is bounded by Pasil River on the south, Laroy creek on the west, and Sitio Fobroy to the north
- Ganattil-Moma-Bulanao Area: Located on the southeast portion of the permit area. It is traversed by Bulanao and Moma Creeks which are both draining from the south towards Pasil River. It is bounded on the west by the Biyog Ridge.

The diamond drilling at Mt. Mines, Maalinao, Caigutan, Biyog, and Binsalan areas resulted in four areas of mineralisation segregated as separate centres with significant occurrences of intrusive tonalite dykes and stockworks.

- The MCB Mineral Occurrence: The Mineral Occurrence is the contiguous mineralisation located at the Mt Mines-Maalinao prospects described above. The primary tonalite precursor intrusive is oriented and aligned NE on the northern side of Pasil River Fault. The tonalite body is 950m long and 500m wide. It is bounded on the west by the N-S trending Panyaw-Mt.Mines Fault. This PMF is manifested in the contact of the tonalite intrusive and bleached basalt which marked the western boundary of the high Cu-high Au OT-1 within the MCB Mineral Occurrence. Most exploration drilling was focused in this area completing twenty-nine diamond holes for a total of 13,094m.
- The West MCB Mineral Occurrence: Located immediately west of the MCB Mineral Occurrence disconnected to the west along Panyaw - Mt. Mines Fault. The low-grade mineralisation is mainly hosted in basalt and narrow tonalite dykes. It covers an area of



- about 700m long and 380m wide aligned NE to the north of Pasil River. Eight diamond holes for 2,799m were drilled in this area.
- The Caigutan Mineral Occurrence: Located south of Pasil River Fault where fifteen diamond holes drilled for a total of 7,052m. The Biyog breccia-diatreme is distinctive in the area. The breccia is approximately 600m long and 100m wide and oriented N-S. Several tonalite dykes and stocks were intersected in the area also.
- The Binasalan Mineral Occurrence: Located farther southwest to the south of Pasil River Fault and west of Panyaw-Mt Mines Fault. Four diamond holes were drilled for a total of 2,531m. This is a stockwork-like intrusive measuring 600m by 200m oriented NE parallel with Pasil River Fault.

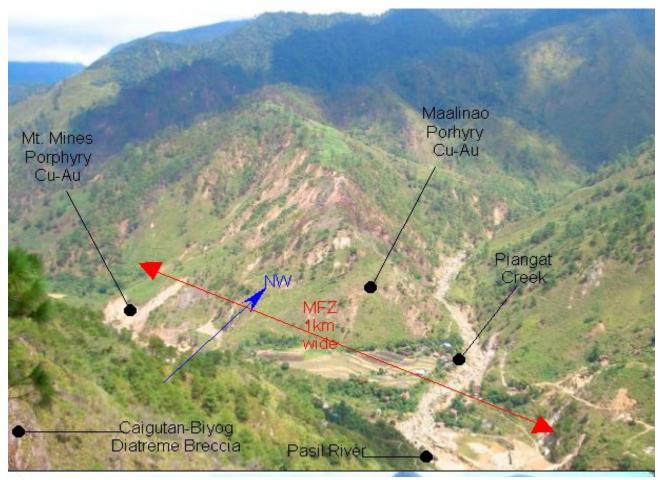


Figure 14. Panoramic View North Showing the Locations of the MCB Cu-Au Prospects



Figure 13. Panoramic View South Showing the Locations of the MCB Cu-Au Prospects



5 Project History

The exploration history is mostly shared with the adjacent Dickson and Batong Buhay Mineral Occurrences as outlaid in the Table below.

Year	Work
1022	Captain Dickson of the U.S. Army, together with a group of Filipino prospectors,
1932	discovered vein-type gold mineralization in Balatoc.
1933	Eight lode claims were staked by Dickson
1934	Claims sold to BBGMI
1935	52 additional lode claims were filed by BBGMI covering an area of 488.41 hectares
1936	Exploration and development for gold mining began
1939	International Engineering Corporation, a sister company of Atlas Consolidated Mining and Development Company, acquired an operating contract over the BBGMI area
1940	Commercial gold production started
1941	Commercial gold production halted due to WWII
1947	BBGMI sought the reconstitution of the 59 lode claims
1050	Gold production resumed but did not continue very long due to low gold prices and the
1959	destruction of the mill by fire
1966	BBGMI started exploration for copper
1969	BBGMI entered into an exploration agreement with Nippon Mining Company
1969 to 1971	NMC drilled 28 holes for 5745m and completed an evaluation down to Pasil River level
1909 (0 1971	(800m asl) of what became the Dickson Porphyry Cu-Au deposit
	INCO Mining Corporation explored the Cu-Au mineralization at the Maalinao area, 500m
1970 to 1971	WSW of the Dickson deposit. A total of 13 holes for 1742.12m were completed and led
1970 (0 1971	to the delineation of Maalinao-Mt. Mines Porphyry Cu-Au deposit, which is now the
	MCB Deposit.
1996	Surface geological evaluation over the MCB Deposit by Newcrest Exploration
1990	Philippines Inc
2006	EP No. 003A-2006 granted to MMCI a subsidary of Phelps Dodge Ltd
2007	Freeport-McMoran takeover Phelps Dodge Ltd and therfore ownership of EP No. 003A-
2007	2006
2007 to 2013	Freeport-McMoran carry out detailed exploration including drilling 46 diamond hole for 25,500m

Table 4. Project Exploration History



6 Exploration Activity

Only exploration work since 2006 is considered here both for reliability and data availability reasons. Data has been supplied in the form of a drill hole database and graphics of other work. There has been no raw data supplied except the drilling data.

6.1 Soil and Rock Chip Sampling

There are some soil and rock chip geochemical maps however no data has been supplied.

6.2 Geophysics

Ground magnetics and IP has been carried out over some areas of the license. Only a couple of images are available for reference.

6.2.1 Ground Magnetic Survey

In 2008 a ground magnetic survey was completed. It was somewhat restricted by topography in some areas. There is a classic mag low evident around the MCB mineralisation.

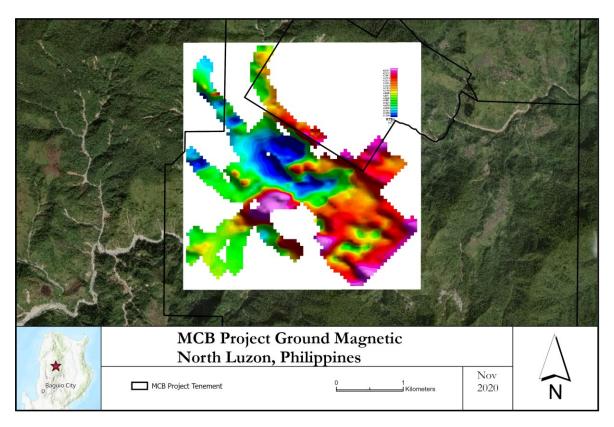


Figure 15. MCB Magnetic Map

6.2.2 Induced Polarisation

There is one section of IP/Resistivity. No information has been supplied on when this was complete or IP method.



6.3 Drilling, Sampling and Analysis

From 2007 until 2013, a total of 46 diamond drill holes for 25,547m were drilled by Freeport McMoran over four target zones:

Zone of Mineralisation	Number Drillholes	Total Depth	Au ppm	Cu%	Ag ppm	As ppm	Mo ppm
MCB Deposit	29	13,238	0.14	0.41	1.00	8.30	14.00
West MCB	7	2,726	0.03	0.20	0.60	2.60	18.50
Caigutan	15	7,052	0.09	0.10	0.50	9.50	11.30
Binasalan	4	2,531	0.02	0.11	0.50	10.60	33.80
Total	46	25,547	0.10	0.28	0.80	8.20	15.20

Table 5. Drillhole Numbers, Meter and Average Grades by Zone

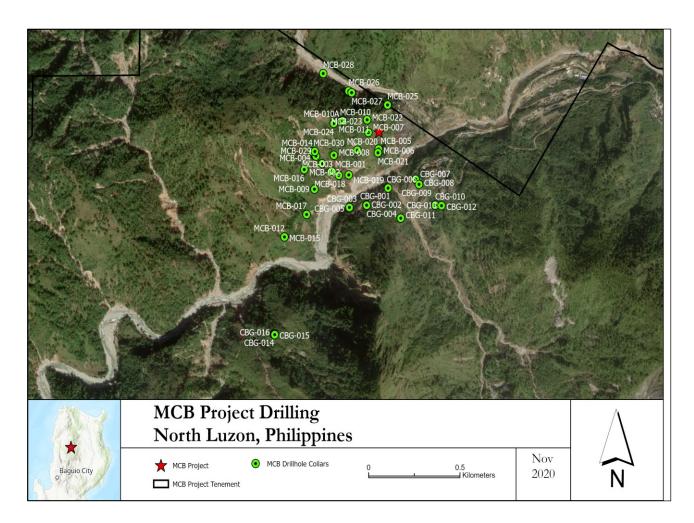


Figure 16. MCB Project Drillhole Locations



6.3.1 Drilling Procedures

In lieu of any signed off reports or press releases from the time, the drilling, logging and sampling regimen as described in the available procedures (MMCI, 2011) demonstrates that a high level of technical diligence was applied to each stage of the process, assuming the procedures were followed.

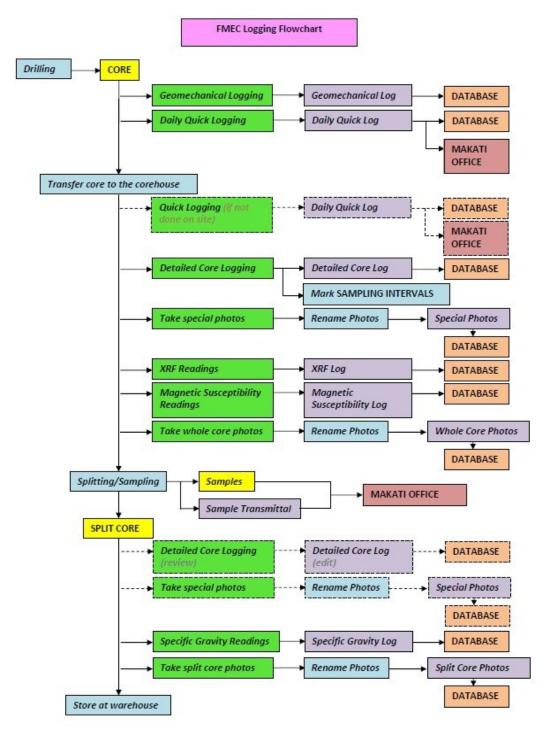


Figure 17. Logging and Sampling Procedures



6.3.2 Laboratory Analysis and QAQC

The leading laboratory used for analysis was Intertek in Jakarta, Indonesia. Initially, Intertek Philippines only completed sample preparation, but later also completed analysis.

Three types of analytical methods were employed on the samples. Au was determined by fire assay fusion and Atomic Absorption Spectrometer (AAS) using a 50 gm charge. Cu, Pb, Zn and Ag were determined by 2-acid digestion AAS.

Freeport McMoran used an independent consultant, Rudy C. Obial, to audit the performance of sampling and assaying at the MCB Project. Assaying was carried out at two Intertek labs located in Manila and Jakarta. Standards (CRM) and blanks used were sourced from OREAS in Melbourne and were from Porphyry Copper deposits.

CRM	Description of Material	Certified Value	Laboratory Mean	Std. Dev.	% Precision	No. Samples
OREAS 22P	Quartz Blank	<0.002	0.0043	0.0089	4.21	89
OREAS 33	Au-Cu Ore (Quartz monzonite porphyry)	0.521	0.509	0.066	0.258	10
OREAS 42P	Greywacke	0.0911	0.078	0.0105	0.2694	13
OREAS 43P	Ferrugineous Greywacke	0.073	0.074	0.01	0.2706	11
OREAS 50P	Au-Cu Ore (Quartz monzonite porphyry)	0.727	0.77	0.033	0.08576	24
OREAS 53P	Au-Cu Ore (Quartz monzonite porphyry)	0.623	0.62	0.056	0.181	86
OREAS 54Pa		2.9	2.85	0.119	0.08036	26

Figure 18. OREAS CRM Details

The QAQC protocol appears to

be sufficient and involved insertion of the following types and rates of check samples:

Frequency of QC Samples in Assay Dispatches					
CRM samples	1:20				
Duplicate Sample	1:30				
Duplicate Rejects	1:20				
Blanks	1:40				

Figure 19. QAQC Sample Types and Insertion Rates (R.C. Obial & Associates, 2011)

The main conclusions from the Report by Mr Obial are:

• The relative accuracy of Au and Cu determinations were based on the OREAS CRMs (certified reference material) where only Au and Cu have certified values. The results showed that the accuracies for

Au and Cu were largely within the acceptable tolerance of about \pm 5 to 20 % ARD (absolute relative difference).

- Both IT laboratories, Jakarta and Manila showed virtually similar accuracy results for the Au
 and Cu determinations, however, IT Manila exhibited better consistencies with relatively
 less variance than IT Jakarta.
- There were some outliers of assays that need to be verified for within batch errors on the samples covered by the CRM.
- Duplicate assays for Au and Cu showed an acceptable ± 5 to 10% MPRD (mean percent relative difference) however, at higher grade levels, there were greater discrepancies which needed addressing.



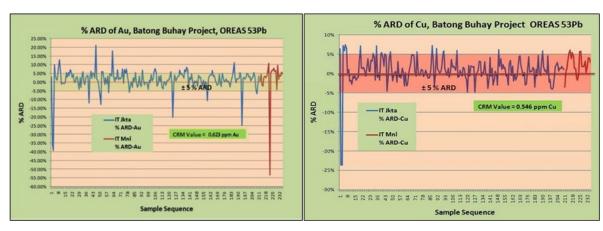


Figure 20. Example Graphs of OREAS CRM Performance

GCS is satisfied that the assay database is reliable, although it will contain some errors, it does support the current level of study. Addressing the issue highlighted in Obial' Report will improve confidence in future Mineral Resource Estimates and impact resource category.

6.3.3 Specific Gravity/Bulk Density

Specific Gravity was measured using the water immersion method. A 10-15 cm long piece of split-core is dried and weighed. Then, the core is weighed again when it's submerged in water. The wet core is placed on this improvised tray/strainer to get its wet weight in air. All the weights are noted down and the SG calculated. This is the standard method and is a reliable measurement of SG.







Figure 21. The Three SG Weighing Stages

6.4 Survey Control

There is no documentation of the method of final collar survey. This needs to be verified, so a level of confidence can be assigned to the drill hole locations. If possible, existing collars should be resurveyed to check hole locations.

Downhole surveys have been measured by a magnetic downhole camera. Magnetic susceptibility should be checked to see if there are any high magnetic zones which may have effected azimuth measurement



7 Mineral Resource Estimate

There are no current JORC Resource estimates at the MCB Project.



8 Risk

The MCB Project shares the same risks that are inherent with any resource development project in any jurisdiction, and most of these inherent risks are out of the control of the resource development companies. These include but are not limited to:

- The worldwide balance of demand and supply of copper and gold, Economic growth and political conditions in China which can lead to metal price volatility
- Energy prices especially diesel
- The change in availability of secondary sources of minerals ie scrap
- Currency exchange fluctuations

There are some risks to this Project which are heightened due to the location in the Philippines, such as:

- Permitting risk The laws and regulations that apply in the Philippines are complex, and the
 application of the laws is not always consistent. Costs associated with environmental and
 regulatory compliance have increased over time and may increase in the future.
- The laws and regulations that apply to the MCB Project may change in ways that could have an adverse effect on operations or financial results. The costs of environmental obligations may exceed the reserves established for such liabilities.
- The local community's attitude towards the Project is very important as any action against the Project by local interest groups can shut down operations indefinitely.
- The Government may change the royalties due from the Project, which may negatively impact project economics.

S&P Market Intelligence produces a succinct summary of country risk, and the profile for the Philippines has been attached to this Report as Appendix C.



9 Valuation

9.1 Valuation Methods

There are numerous recognised methods used in valuing mineral assets. The most appropriate application of these various methods depends on several factors, including the level of maturity of the mineral asset, and the quantity and type of information available concerning any particular asset

A Valuation Report requires at least 2 Valuation approaches to be undertaken as defined in the table below.

Valuation approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Table 6. Valuation Approaches vs Project Development Stage

The VALMIN Code 2015, which is binding upon "Experts" and "Specialists" involved in the Valuation of mineral assets and mineral securities, defines the level of asset maturity under the following categories:

- Early-stage Exploration Projects Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified
- Advanced Exploration Projects Tenure holdings where considerable exploration has been undertaken, and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;
- Pre-Development Projects Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken
- **Development Projects** Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;
- **Production Projects** Tenure holdings particularly mines, wellfields and processing plants that have been commissioned and are in production.



The VALMIN Code primarily uses the terms *Market Value* and *Technical Value*, although circumstance may require the use of alternative definitions.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Market Value is the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion.

Market Value may be higher or lower than Technical Value. A Public Report should take such factors into account, stating the results of the principal Valuation Method(s) used and disclosing the amount of and reasons for the difference between the Market Value and Technical Value.

Regardless of the valuation techniques adopted, the consideration must reflect the perceived "market value", which is described in prior sections of the VALMIN Code as "the estimated amount of money, or the cash equivalent of some other consideration for which, in the opinion of the Expert reached in accordance with the provisions of the VALMIN Code, the mineral asset or security should change hands on the Valuation Date between a willing buyer and a willing seller in an 'arm's length' transaction, wherein each party had acted knowledgeably, prudently and without compulsion".

In the case of Pre-development, Development and Mining Projects, where Measured and Indicated Resources have been estimated, and mining and processing considerations are known or can be reasonably determined, Income Approach valuations can be derived with a reasonable degree of confidence by compiling a Discounted Cash Flow (DCF) and determining the Net Present Value (NPV).

Where mineral resources remain in the Inferred category, reflecting a lower perceived level of technical confidence, the application of mining parameters is inappropriate, and their economic Value can therefore not be demonstrated using the more conventional DCF/NPV approach. A similar situation may apply where economic viability cannot be readily demonstrated for a resource assigned to a higher confidence category. In these instances, it is frequently appropriate to adopt the In-situ Resource (or "Yardstick") method of Valuation for these assets. This technique involves application of a heavily discounted valuation of the total in-situ metal contained within the resource. This usually equates to a range of 2% to 4.5% of the spot metal price as at the valuation date but may vary substantially in response to a range of additional factors including physiography, infrastructure and the proximity of a suitable processing facility.

In the case of Exploration Areas, and to a lesser extent Advanced Exploration Areas, the potential is speculative compared to projects where mineral resources have been estimated. The Valuation of Exploration Areas is dependent, to a large extent, on the informed, professional opinion of the valuer.

Where useful, previous and committed future exploration, expenditure is known or can be reasonably estimated, the Multiple of Exploration Expenditure ("MEE") method is considered to represent one of the more appropriate valuation techniques. This method involves assigning a premium or discount to the relevant effective Expenditure Base ("EB"), represented by past and future committed expenditure, through application of a Prospectivity Enhancement Multiplier ("PEM"). This factor directly relates to the success or failure of exploration completed to date, and to an assessment of the future potential of the asset. The method is based on the premise that a "grass roots" project commences with a nominal value that increases with positive exploration results from increasing exploration expenditure. Conversely, where exploration results are consistently negative, exploration expenditure will decrease along with the Value.



Other valuation methods can be adapted to assist in confirming conclusions drawn from the MEE approach. Where sale transactions relating to mineral assets that are comparable in terms of location, timing and commodity, and where the terms of the sale are suitably "arm's length" in accordance with the VALMIN Code, such transactions may be used as a guide to, or a means of, Valuation.

Where a joint venture agreement has been negotiated as an "arm's length" transaction, the Joint Venture Terms valuation method may be applied, however, this is not relevant in this case.

9.2 Previous Valuations

GCS is not aware of previous valuations on the Project in its current status.

10 Valuation of the MCB Copper-Gold Project

RSM Corporate Australia Pty Ltd have requested GCS perform three valuations on the MCB Project at three different stages of development:

- In its current state
- After securing an FTAA or MPSA with the Philippines Government
- Post completion of economically viable DFS

Without secure tenure, a mineral property has no value, therefore all the current projects under a new application or renewal by Anleck and it's subsidiaries that have not been granted yet have no attributable value.

The renewal of the tenement EP-003-2006-CAR was approved by the Philippines Mines and Geosciences Bureau as announced by CLA on the 24th November, therefore this property can be valued

In valuing the MCB Copper-Gold Project, GCS has elected to apply the Multiple of Exploration Expenditure method along with comparing market transactions to confirm the estimated market value.

10.1 Stage One Valuation

This Valuation is based on the MCB Project's current status containing no JORC Resources but having a current valid tenement.

10.1.1 Stage One Market Approach

In the current market, the perceived market value of similar assets in the Philippines is difficult to determine given the minimal number of comparable copper-gold projects with market transactions being completed recently there and are available to the public domain.

GCS has reviewed data available in both the Philippines and Indonesia for copper and gold transactions over the last ten years to calculate the transaction value as a percentage of total resource/reserves value.



Value Item / Project Type	e Item / Project Type Resources Reserves		Mining	Total
Projects	4	6	2	12
Gold	2	4	2	8
Copper	2	2	•	4
Minimum % Resource/Reserve Value	0.01	0.14	1.66	-
Maximum % Resource/Reserve Value	1.02	4.76	8.24	-
Average % Resource/Reserve Value	0.29	1.90	4.95	1.87

Table 7.Transaction Value as a Percentage of Resource and Reserve Value for Ten Years of Relevant Transactions in the Philippines and Indonesia

These transaction values as a percentage of the resource/reserve value are then used to calculate the copper and gold unit values for the corresponding project type.

As there are no JORC resources at the MCB Project, GCS has derived a range of theoretical tonnages and copper/gold grades based on the mineralised dimensions, grade and density data available from the drilling database. The average of the ranges has been used as the input for the valuation.

Item	Length	Width	Height	SG	KTonnes	Cu%	Au g/t	Cu KTonnes	Au KOunces
Min	450	450	585	2.75	325,772	0.34	0.10	1,095	1,005
Max	550	550	715	2.75	594,791	0.50	0.14	2,998	2,754
Average	500	500	650	2.75	446,875	0.42	0.12	1,877	1,724

Table 8. Theoretical Tonnes, Grade and Metal Content for valuation purposes

Additional to these parameters, GCS has applied a Project Status Modifier (PSM) which allows for nuance within each Project Type classification. The PSM is a percentage between 0 and 100. For the MCB Project, a PSM of 20% has been used reflecting the lack of JORC Resources.

Value Item (\$AUD)	Copper	Gold
Price	\$ 8,333	\$ 2,222
Tonnes/Ounces	1,876,875	1,724,084
Project Status Modifier	20%	20%
Minimum Unit Value	\$ 0.17	\$ 0.62
Maximum Unit Value	\$ 17.00	\$ 21.16
Preferred Unit Value (Average)	\$ 4.88	\$ 1.30
Preferred Value	\$ 9,149,766	\$ 2,241,309
Combined Cu/Au Resource Preferred Value	\$	11,391,075

Table 9. Stage 1 Market Approach Valuation

10.1.2 Stage One Cost Approach

GCS has been provided with the exploration expenditure by MMCI from 2007 to 2013 when the majority of works that contributed to the resource and Value of the Project were undertaken and is summarised below with approximately AUD\$14M in expenditure during that period. On the basis of exploration completed and the effectiveness of the exploration, GCS has elected to assign a range of productivity enhancement multipliers (PEMs) from 0.5 to 3, indicating that every dollar spent on



regional exploration has returned between US\$0.5 and US\$3 in Value. GCS have taken into account the market and logistical factors.

OPERATING/ EXPLORATION EXPENSES	Year	PEM	AUD	AUD x PEM	% Total
Field Supplies	2006-2013	1.00	446,409	446,409	2.4%
Field Accomodation/Office/Warehouse	2006-2013	1.00	191,703	191,703	1.0%
Field Meals	2006-2013	0.80	313,539	250,831	1.7%
Health & Safetv Supplies	2006-2013	1.00	53,405	53,405	0.3%
Field Travel /Transportation	2006-2013	1.00	194,664	194,664	1.1%
Salaries	2006-2013	0.80	2,950,934	2,360,747	16.0%
Casual/Laborers	2006-2013	1.00	1,491,885	1,491,885	8.1%
Tenement Services	2006-2013	-	173,116	-	0.9%
Medical Services	2006-2013	-	32,485	-	0.2%
Geophysical Survey	2006-2013	0.50	87,697	43,849	0.5%
Road & Drill Sites	2006-2013	1.00	6,411	6,411	0.0%
Fuel-Motor Vehicle	2006-2013	1.00	128,351	128,351	0.7%
Communication	2006-2013	-	100,975	1	0.5%
Community Prolects	2006-2013	-	6,102	1	0.0%
Information & Education Campaign	2006-2013	-	4,647	1	0.0%
Sampling & Assaying	2006-2013	1.50	679,969	1,019,953	3.7%
Water	2006-2013	1.00	49,462	49,462	0.3%
Bank Charges	2006-2013	-	4,187	1	0.0%
Insurance	2006-2013	1.00	2,642	2,642	0.0%
Vehicle Rental	2006-2013	1.00	407,654	407,654	2.2%
Helicopter Rental	2006-2013	1.00	65,598	65,598	0.4%
Courier/Postage'	2006-2013	-	6,825	1	0.0%
Dues	2006-2013	-	5,778	-	0.0%
Legal Fees	2006-2013	-	253,777	1	1.4%
Taxes & licenses	2006-2013	-	38,552	1	0.2%
Geological Consulting	2006-2013	1.50	31,245	46,867	0.2%
Geophysical Consulting	2006-2013	1.00	41,711	41,711	0.2%
Professional Fees	2006-2013	1.00	604,096	604,096	3.3%
Entertainment & Other Business Exeenses	2006-2013	-	39,917	-	0.2%
Contract Drilling	2006-2013	2.00	5,492,694	10,985,389	29.8%
Tenement Filing and Staking Cost	2006-2013	-	20,783	-	0.1%
Exploration Rights	2006-2013	1.00	68,487	68,487	0.4%
Miscellaneous Expenses	2006-2013	-	32,124		0.2%
Total			14,027,825	18,460,115	100.0%

Table 10. Stage 1 Exploration Expenses Used in the Cost Approach Valuation

10.1.3 Stage One Valuation Summary

Combining the Cost and Market Approach gives the following stage one Valuation:

Valuation	Minimum	Maximum	Preferred
Stage 1 Value (\$AUD)	\$ 11,391,075	\$ 18,460,115	\$ 14,925,595

Table 11. Stage One Valuation



10.2 Stage Two Valuation

This Valuation is based on the hypothetical future situation where the MCB Project has met its commitments as per the license renewal documents and secured an FTAA or MPSA with the Philippines Government.

10.2.1 Stage Two Market Approach

For the MCB Project at Stage 2, a PSM of 65% has been used reflecting that MRE will now be mostly at Indicated with some Measured, it will be JORC compliant, and the tenure will be valid for a further five years which are the standard conditions of an FTAA or MPSA.

Resources Value Item (\$AUD)	Copper	Gold
Price	\$ 8,333	\$ 2,222
Tonnes/Ounces	1,910,110	1,754,613
Project Status Modifier	65%	65%
Minimum Unit Value	\$ 0.54	\$ 0.14
Maximum Unit Value	\$ 55.25	\$ 14.73
Preferred Unit Value (Average)	\$ 15.84	\$ 4.23
Preferred Value	\$ 30,263,299	\$ 7,413,241
Combine Cu/Au Resource Preferred Value	\$	37,676,540

Table 12. Stage 2 Market Approach Valuation

10.2.2 Stage Two Cost Approach

The theoretical exploration expenditure has by this stage increased to include 2021-2022 exploration costs, and this expenditure has increased the PEM's of the older activities by confirmation/validation.

OPERATING/ EXPLORATION EXPENSES	Year	PEM	AUD	AUD x PEM	% Total
Field Supplies	2006-2013	1.00	446,409	446,409	2.4%
Field Accomodation/Office/Warehouse	2006-2013	1.00	191,703	191,703	1.0%
Field Meals	2006-2013	0.80	313,539	250,831	1.7%
Health & Safetv Supplies	2006-2013	1.00	53,405	53,405	0.3%
Field Travel /Transportation	2006-2013	1.00	194,664	194,664	1.1%
Salaries	2006-2013	0.80	2,950,934	2,360,747	16.0%
Casual/Laborers	2006-2013	1.00	1,491,885	1,491,885	8.1%
Tenement Services	2006-2013	-	173,116	-	0.9%
Medical Services	2006-2013	-	32,485	-	0.2%
Geophysical Survey	2006-2013	0.50	87,697	43,849	0.5%
Road & Drill Sites	2006-2013	1.00	6,411	6,411	0.0%
Fuel-Motor Vehicle	2006-2013	1.00	128,351	128,351	0.7%
Communication	2006-2013	-	100,975	-	0.5%
Community Prolects	2006-2013	-	6,102	-	0.0%
Information & Education Campaign	2006-2013	-	4,647	-	0.0%
Sampling & Assaying	2006-2013	2.00	679,969	1,359,938	3.7%
Water	2006-2013	1.00	49,462	49,462	0.3%
Bank Charges	2006-2013	-	4,187	ı	0.0%
Insurance	2006-2013	1.00	2,642	2,642	0.0%
Vehicle Rental	2006-2013	1.00	407,654	407,654	2.2%
Helicopter Rental	2006-2013	1.00	65,598	65,598	0.4%
Courier/Postage'	2006-2013	-	6,825	ı	0.0%
Dues	2006-2013	-	5,778	ı	0.0%
Legal Fees	2006-2013	-	253,777	ı	1.4%
Taxes & licenses	2006-2013	-	38,552	ı	0.2%
Geological Consulting	2006-2013	2.00	31,245	62,490	0.2%
Geophysical Consulting	2006-2013	1.00	41,711	41,711	0.2%
Professional Fees	2006-2013	1.00	604,096	604,096	3.3%
Entertainment & Other Business Exeenses	2006-2013	-	39,917	ı	0.2%
Contract Drilling	2006-2013	2.50	5,492,694	13,731,736	29.8%
Tenement Filing and Staking Cost	2006-2013	-	20,783	-	0.1%
Exploration Rights	2006-2013	1.00	68,487	68,487	0.4%
Miscellaneous Expenses	2006-2013	-	32,124	-	0.2%
Drilling, Assaying and MRE	2021-2022	2.50	2,121,854	5,304,636	11.5%
Total			16,149,679	26,866,705	

Table 13. Stage Two Exploration Expenses Used in the Cost Approach Valuation



10.2.3 **Stage Two Valuation Summary**

Combining the Cost and Market Approach gives the following theoretical stage two Valuation:

Valuation	Minimum	Maximum	Preferred
Stage 2 Value (\$AUD)	\$26,866,705	\$37,676,540	\$32,271,622

Table 14. Stage Two Valuation

10.3 **Stage Three Valuation**

This Valuation is based on a theoretical future scenario where a DFS has been completed for the MCB Project. At this level of development, it is possible to use an Income Approach Valuation

10.3.1 **Stage Three Market Approach**

For the MCB Project at Stage 3, a PSM of 80% has been used reflecting that the will now contain Proven and Probable reserves and have been demonstrated to be economically viable with all detailed geological, engineering, geology, community and environmental work completed.

Reserves Value Item (\$AUD)	Copper	Gold
Price	\$ 8,333	\$ 2,222
Tonnes/Ounces	1,910,110	1,754,613
Project Status Modifier	80%	80%
Minimum Unit Value	\$ 9.33	\$ 2.49
Maximum Unit Value	\$ 317.33	\$ 84.62
Preferred Unit Value (Average)	\$ 126.67	\$ 33.78
Preferred Value	\$ 241,947,216	\$ 59,266,936
Combine Cu/Au Resource Preferred Value	\$	301,214,152

Table 15. Stage Three Market Approach Valuation

10.3.2 Stage Three Income Approach

A financial model to calculate DCF/NPV was created by GCS using the following mining and economic parameters derived from input market sources and feedback from the client on likely operational scenarios. GCS selected a discount rate of 10%, which gave an NPV of \$346m. The detailed financial model can be seen in Appendix B.

When using a DCF/NPV valuation method it is necessary to evaluate the effects of possible changes of material financial inputs. GCS has completed a Table 16. Financial Model Inputs

ltem	Value	Unit
Mined Ore	47,000,000	Tonnes
Life of Mine	13	Years
Production Rate	3,615,385	Tonnes/Year
Copper Grade	1.07%	%
Gold Grade	0.60	g/t
Average Metal Recovery	80.00	%
Average Payable Metal	85.00	%
Copper Price	\$ 6,000	US\$/Tonne
Gold Price	\$ 1,600	US\$/Ounce
FOREX	\$ 0.72	AUD/USD
CAPEX	\$ 305,656,000	AUD
OPEX	\$ 39.47	AUD/Tonne Ore



sensitivity analysis where a number of values change positively and negatively by 10% and 20%. Applying these sensitivities, the NPV of the Project has a range of \$161m and \$581m.

			NPV\$			NPV%						
Item/Rate of Change	-20% -10%		0	10%	20%	-20%	-10%	0	10%	20%		
Exchange Rate	\$ 581	\$ 450	\$ 346	\$ 261	\$ 190	68%	30%	0%	-25%	-45%		
Gold Price	\$ 280	\$ 313	\$ 346	\$ 379	\$ 412	-19%	-10%	0%	10%	19%		
Copper Price	\$ 208	\$ 277	\$ 346	\$ 415	\$ 484	-40%	-20%	0%	20%	40%		
Grade (Au and Cu)	\$ 161	\$ 253	\$ 346	\$ 439	\$ 531	-54%	-27%	0%	27%	54%		
Operating Cost	\$ 427	\$ 386	\$ 346	\$ 306	\$ 265	23%	12%	0%	-12%	-23%		
Capital Cost	\$ 381	\$ 364	\$ 346	\$ 328	\$ 311	10%	5%	0%	-5%	-10%		

Table 17. Sensitivity Analysis Table

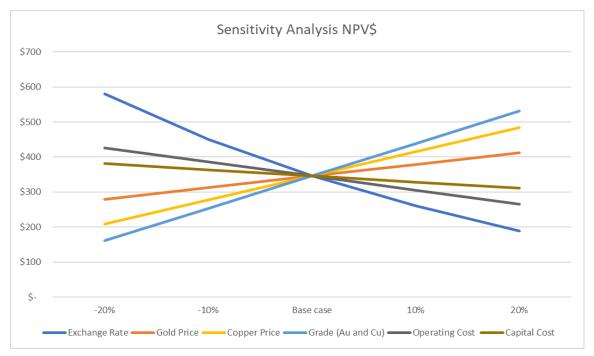


Figure 22. Sensitivity Analysis NPV\$

10.3.3 Stage Three Valuation Summary

Combining the Income and Market Approach gives the following theoretical stage three Valuation:

Valuation	Minimum	Maximum	Preferred
Stage 3 Value (\$AUD)	\$ 301,214,152	\$ 346,000,081	\$ 323,607,116

Table 18. Stage Three Valuation Summary



10.4 Combined Valuation Summary

In summary, the three stages of Valuation give the following valuation ranges for the MCB Project.

Valuation (\$AUD)	Minimum	Maximum	Preferred				
Stage 1	\$ 11,391,075	\$ 18,460,115	\$	14,925,595			
Stage 2	\$ 26,866,705	\$ 37,676,540	\$	32,271,622			
Stage 3	\$ 301,214,152	\$ 346,000,081	\$	323,607,116			

Table 19. Summary of the Three Stages of Valuation



11 Conclusions and Recommendations

GCS considers the MCB Project to be an advanced exploration project that requires development via detailed geological and engineering studies including complete geophysical coverage of the license area, infill and extensional drilling, exploration field mapping over other targets on the tenement, metallurgical test work and geotechnical evaluation.

GCS considers the current Valuation of between \$11.4m and \$18.5m to be a fair reflection of the property's current status.

This Value can be appreciably increased with the application of the above work and completion of a JORC Mineral Resource Estimate and advanced mining studies.



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<u>APPENDIX A – Comparable Transactions</u>

Item	Trans 1	Trans 2	Trans 3	Trans 4	Trans 5	Trans 6	Trans 7	Trans 8	Trans 9	Trans 10	Trans 11	Trans 12
Target	Beutong project	Hinoba-an project	Gosowong mine	Pani gold project	West Lombok property	Far Southeast project	Runruno	Nalesbitan	Lobo	King-king project	Batangas project	Basay
Location	Aceh, Indonesia	Negros Occidental, Philippines	Indonesia	Gorontalo, Indonesia	Nusa Tenggara Barat, Indonesia	Benguet, Luzon, Philippines	Nueva Vizcaya, Philippines	Camarines Norte, Luzon, Philippines	Batangas, Philippines	Compostela Valley, Philippines	Batangas, Philippines	Philippines
Buyer	Kalimantan Gold Corporation Limited	0999562 B.C. Ltd.	PT Indotan Halmahera Bangkit	Lion Selection Group Limited	PT Ancora Indonesia Resources Tbk	Gold Fields Limited	Metals Exploration plc	Galeo Equipment and Mining Co Inc	Red Mountain Mining Ltd	St. Augustine Gold and Copper Limited	Bluebird Merchant Ventures Ltd.	Copper Development Corp
Seller	Tigers Realm Group	Copper Development Corporation	Newcrest Mining Limited	One Asia Resources Ltd.	Southern Arc Minerals Inc.	Liberty Express Assets	Christian Mining Inc	Sierra Mining Ltd	Mindoro Resources Ltd	Nationwide Development Corp.	Red Mountain Mining Limited	Solfotara Mining Corp
Completion Date	12/01/2015	5/10/2015	4/03/2020	13/04/2018	12/12/2017	22/03/2012	6/12/2011	13/05/2013	30/10/2012	28/06/2013	15/10/2015	20/12/2010
Completed Deal Value (AU\$M)	5.15	0.711	136.53 75	13.41	6.629 90	210.69	5.83 15	4.25	10.01	46.87 25	7.58	5.07 70
Percent of Equity Ownership Acquired (%)								36	100			
Project Status	Resources	Resources	Mining	Reserves	Resources	Resources	Reserves	Reserves	Mining	Reserves	Reserves	Reserves
Commodity	Copper	Copper	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Copper	Gold	Copper
Reserves & Resources (tonnes)	967,602	1,166,425	727,500	789,210	1,341,512	8,359,200	208,950	63,720	499,096	712,500	222,945	724,500
Reserves & Resources Equivalent (tonnes)	1,229,046	1,166,425	740,097	789,210	2,080,871	20,711,639	252,791	67,523	521,975	1,270,112	227,863	724,500
Reserves & Resources (AU\$000)	7,423,530	9,910,584	1,598,810	1,330,624	2,397,326	10,007,007	213,101	89,208	633,353	5,754,602	344,509	3,728,411
Reserves & Resources Equivalent (AU\$000) Price Paid for Reserves & Resources (AU\$/tonnes)	9,429,351	9,910,584	1,626,496	1,330,624	3,718,120	25.21	257,813 27.89	94,532	662,387	10,258,229	352,108 33.99	3,728,411 7.00
Price Paid for Reserves & Resources Equivalent (AU\$/tonnes)	5.07	0.61	181.18	19.48	1.21	-	23.05	62.94	20.11	36.90	33.25	7.00
Deal Value/ Reserves & Resources (%)	0.08	0.01	8.39	1.16	0.10	2.11	2.73	4.76	1.66	0.81	2.20	0.14
Deal Value/Reserves & Resources Equivalent (%)	0.07	0.01	8.24	1.16	0.07	1.02	2.26	4.50	1.58	0.46	2.15	0.14
Transaction Value/ Reserves & Resources (AU\$/tonnes)	6.43	0.61	184.32	19.48	1.87	25.21	27.89	66.70	21.03	65.79	33.99	7.00
Transaction Value/ Reserves & Resources Equivalent (AU\$/tonnes)	5.07	0.61	181.18	19.48	1.21		23.05	62.94	20.11	36.90	33.25	7.00
Transaction Value/ Reserves & Resources Value (%)	0.08	0.01	8.39	1.16	0.10	2.11	2.73	4.76	1.66	0.81	2.20	0.14
Transaction Value/ Reserves & Resources Equivalent (%)	0.07	0.01	8.24	1.16	0.07	1.02	2.73	4.76	1.66	0.46	2.15	0.14



APPENDIX B – Financial Model

Table 20. Financial Model used in DCV/NPV Valuation

Input	Name	Totals	Units	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
2.5%	Inflation index used	101413	(%)	102.5%	105.1%	107.7%	110.4%	113.1%	116.0%	118.9%	12 1.8 %	124.9%	128.0%	131.2%	134.5%	137.9%	141.3%	144.8%	148.5%	152.2%
0.72	Exchange rate used		(%)	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
\$ 1,600	Gold Price		(\$AUD/oz)	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222	2.222
\$ 6,000	Copper price used		(\$AUD/tonne)	8.333	8.333	8.333	8.333	8.333	8.333	8,333	8.333	8.333	8.333	8.333	8.333	8.333	8.333	8.333	8.333	8,333
V 0,000	Ore Milled	47.060	(Kilo tonnes)				-	3,620	3,620	3,620	3,620	3,620	3,620	3,620	3,620	3,620	3,620	3,620	3,620	3,620
	Gold Headgrade	0.60	(g/t)					0.600	0.600	0,600	0,600	0.600	0,600	0,600	0,600	0,600	0,600	0.600	0,600	0.600
	Copper Headgrade	1.07%	(%)	0.00%	0.00%	0.00%	0.00%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%	1.07%
	Contained gold	907,808	(oz)	-	-		-	69,831	69,831	69,831	69,831	69,831	69,831	69,831	69,831	69,831	69,831	69,831	69,831	69,831
	Contained copper	503,542	(tonnes)	- 1	-	-	-	38,734	38.734	38.734	38.734	38.734	38,734	38,734	38,734	38.734	38,734	38.734	38.734	38.734
0.0%	Auto Dore Recovery		(%)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
80.0%	Au to Concentrate		(%)	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
80.0%	Cu to Concentrate		(%)	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
	Recovered gold	726,247	(oz)	-	-	-	-	55,865	55,865	55,865	55,865	55,865	55,865	55,865	55,865	55,865	55,865	55,865	55,865	55,865
	Recovered copper	402,834	(tonnes)	-		-		30,987	30,987	30,987	30,987	30,987	30,987	30,987	30,987	30,987	30,987	30,987	30,987	30,987
26.0%	DMT of Concentrate	1,549,360	(Dry-metric-Tonnes)	-	-	-		119,182	119,182	119,182	119,182	119,182	119,182	119,182	119,182	119,182	119,182	119,182	119,182	119,182
9.0%	WM T of concentrate	1,702,593	(Wet-metric-Tonnes)	-	-	-	-	130,969	130,969	130,969	130,969	130,969	130,969	130,969	130,969	130,969	130,969	130,969	130,969	130,969
85.0%	Payable Au from Dore		(%)	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
85.0%	Payable Au from Concentrate		(%)	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
3.9%	Cu Concentrate Deduction		(%)	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
	Payable Au	617,310	(oz)	-	-	-	-	47,485	47,485	47,485	47,485	47,485	47,485	47,485	47,485	47,485	47,485	47,485	47,485	47,485
	Payable Cu	342,409	(tonnes)	-	-	-	-	26,339	26,339	26,339	26,339	26,339	26,339	26,339	26,339	26,339	26,339	26,339	26,339	26,339
	Payable Au Value	1,371,799	(\$000's AUD)	\$ -	\$ -	\$ -	\$ -	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523	\$ 105,523
	Payable Cu Value	2,853,405	(\$000's AUD)	\$ -	\$ -	\$ -	\$ -	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493	\$ 219,493
\$ 25.00	Domestic Freight of Conc	425	(\$AUD/WMT)	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
	Dom. Freight (\$000's)	56,087	(\$000's AUD)	\$ -	\$ -	\$ -	\$ -	\$ 3,704	\$ 3,797	\$ 3,892	\$ 3,989	\$ 4,089	\$ 4,191	\$ 4,296	\$ 4,403	\$ 4,514	\$ 4,626	\$ 4,742	\$ 4,861	\$ 4,982
\$ 90.00	Smelting	1,530	(\$USD/DMT)	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00	\$ 90.00
\$ 5.00	Refining Au	85	(\$US/oz)	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00 \$ 0.06	\$ 5.00	\$ 5.00 \$ 0.06
\$ 0.06	Refining Cu S	1 255 400	(\$US/lb)	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06		\$ 0.06	
	Smelting (\$000's)	\$ 255,198 \$ 5.649	(\$000's AUD) (\$000's AUD)	\$ -	\$ -	\$ -	\$ -	\$ 16,855	\$ 17,277 \$ 382	\$ 17,709 \$ 392	\$ 18,151	\$ 18,605 \$ 412	\$ 19,070	\$ 19,547 \$ 433	\$ 20,036 \$ 443	\$ 20,537 \$ 455	\$ 21,050	\$ 21,576 \$ 478	\$ 22,116 \$ 490	\$ 22,669 \$ 502
	Gold refining (\$000's) S Copper refining (\$000's)	82.892	(\$000's AUD)	\$ -	\$ -	\$ -	\$ -	\$ 373 \$ 5,475	\$ 5.612	\$ 5.752	\$ 402 \$ 5,896	\$ 6043	\$ 422 \$ 6.194	\$ 6.349	\$ 6.508	\$ 455 \$ 6671	\$ 6837	\$ 7.008	\$ 7.183	\$ 7.363
		3.825.378	(\$000's AUD)	÷ -	\$ -	÷ -	0 -	\$ 298,608	\$ 297.948	\$ 297.271	\$ 296,577	\$ 295,866	\$ 295.138	\$ 294,391	\$ 293,625	\$ 292.840	\$ 292.036	\$ 291211	\$ 290,366	\$ 289.500
10.0%		382.538	(\$000's AUD)	9 -	9 - 9 -	9 -	9 -	\$ 29.861	\$ 297,546	\$ 297,271	\$ 29658	\$ 295,000	\$ 295,58	\$ 294,391	\$ 293,023	\$ 292,840	\$ 292,030	\$ 29 121	\$ 290,300	\$ 28,950
10.078		\$ 3,442,840	(\$000'S AUD)	\$ -	s -	s -	s -		\$ 268,153	\$ 267,544	\$ 266,920	Ψ 20,001	\$ 265,624	\$ 264,952	\$ 264,263	\$ 263,556	\$ 262,832			\$ 260,550
	ResDev Drilling	3,000	(\$000's AUD)	\$ 1500	\$ 1500	·	Ť	\$ 200,141	\$ -	\$ 201,044	\$ 200,020	\$ 200,200	\$ -	\$	\$ -	\$ 200,000	\$ 202,002	\$ 202,000	\$ -	\$ 200,000
	Mine Development	205,500	(\$000's AUD)	,,555	,,,,,	\$ 15.000	\$ 15.000	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500	\$ 13.500
	Mine Operations	104.000	(\$000's AUD)			S -	\$ -	\$ 8,000	\$ 8,000	\$ 8.000	\$ 8.000		\$ 8.000	\$ 8,000	\$ 8.000	\$ 8.000	\$ 8.000	\$ 8.000	\$ 8.000	\$ 8.000
	Millng/Conc	698,906	(\$000's AUD)			\$ 3,281	\$ 13,125	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500
10.0%	Community	101,141	(\$000's AUD)	\$ 150	\$ 150	\$ 1,828	\$ 2,813	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400	\$ 7,400
	Total costs (\$000's)	1,112,547	(\$000's AUD)	\$ 1,650	\$ 1,650	\$ 20,109	\$ 30,938	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400	\$ 81,400
	Total costs with Inf. (\$000's)	1,453,613	(\$000's AUD)	\$ 1,691	\$ 1,734	\$ 21,656	\$ 34,149	\$ 92,097	\$ 94,399	\$ 96,759	\$ 99,178	\$ 101,657	\$ 104,199	\$ 106,804	\$ 109,474	\$ 112,211	\$ 115,016	\$ 117,891	\$ 120,839	\$ 123,860
	Mine OpEx	\$ 1,453,613	(\$000's AUD)	\$ 1,691	\$ 1,734	\$ 21,656	\$ 34,149	\$ 92,097	\$ 94,399	\$ 96,759	\$ 99,178	\$ 101,657	\$ 104,199	\$ 106,804	\$ 109,474	\$ 112,211	\$ 115,016	\$ 117,891	\$ 120,839	\$ 123,860
	Gross margin	\$ 1,989,227	(\$000's AUD)	-\$ 1,691	-\$ 1,734	-\$ 21,656	-\$ 34,149	\$ 176,650	\$ 173,754	\$ 170,785	\$ 167,742	\$ 164,622	\$ 161,425	\$ 158,148	\$ 154,789	\$ 151,346	\$ 147,816	\$ 144,199	\$ 140,491	\$ 136,690
9.0%	Interest on Debt	\$ -	(\$000's AUD)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Depreciation	305,656	(\$000's AUD)			\$ 16,472	\$ 25,055	\$ 29,348	\$ 29,348	\$ 29,348	\$ 29,348	\$ 29,348	\$ 29,348	\$ 29,348	\$ 29,348	\$ 29,348	\$ -			
	Taxable income \$	1,683,572	(\$000's AUD)	-\$ 1,691	-\$ 1,734	-\$ 38,127	-\$ 59,204		\$ 144,406	\$ 141,437	\$ 138,394	\$ 135,275	\$ 132,077	\$ 128,800	\$ 125,441	\$ 121,998	\$ 147,816	\$ 144,199	\$ 140,491	\$ 136,690
32.0%	Tax paid	570,985	(\$000's AUD)	\$ -	\$ -	\$ -	\$ -	\$ 47,137	\$ 46,210	\$ 45,260	\$ 44,286	\$ 43,288	\$ 42,265	\$ 41,216	\$ 40,141	\$ 39,039	\$ 47,301	\$ 46,144	\$ 44,957	\$ 43,741
		\$ 1,418,242			-\$ 1,734		-\$ 34,149	\$ 129,514	\$ 127,544	\$ 125,525	\$ 123,456	\$ 121,334	\$ 119,160	\$ 116,932	\$ 114,648	\$ 112,306	\$ 100,515	\$ 98,055	\$ 95,534	\$ 92,949
	Oupitur Oxportuituro	\$ 288,000	(\$000's AUD)	\$ 50,000	\$ 108,000	\$ 95,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Capital expenditure with infl.	305,656	(\$000's AUD)	\$ 51,250	\$ 113,468	\$ 102,305	\$ 38,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Capital Expenditure	305,656	(\$000's AUD)	\$ 51,250 \$ 51250	\$ 113,468	\$ 102,305 \$ 267,022	\$ 38,633	\$ -	\$ 305,656	\$ -	\$ 305,656	\$ -	\$ 305,656	\$ -	\$ -	0 205.050	\$ -	\$ -	\$ -	\$ -
	Cumulative Capital S	4,762,167	(\$000's AUD) (\$000's AUD)	a 51,250	\$ 164,718	\$ 207,U22 e 46,470	\$ 305,656 \$ 41527	\$ 305,656 \$ 70,874	\$ 305,656	\$ 305,656	\$ 305,656	\$ 305,656 \$ 188,265	\$ 217.613	\$ 305,656	\$ 305,656 \$ 276,308	\$ 305,656 \$ 305,656	\$ 305,656	\$ 305,656	\$ 305,656	\$ 305,656 \$ 305,656
	Cumulative Depreciation S Depreciable Amount	\$ 1,787,162	(\$000'S AUD)	\$ 51,250	\$ 164 749	\$ 250,550	\$ 264,129	Ψ 10,011	\$ 205,433	\$ 176,086	\$ 146,738	Ψ 200,200	\$ 88,043	\$ 58,695	\$ 276,308	\$ 305,656	\$ 305,656	\$ 305,656	\$ 305,656	\$ 305,656
	Outstanding debt	¢ 1,101,102	(\$000'S AUD)		\$ 104,710	¢ 250,550	¢ 204,129	¢ 234,101	¢ 200,433	÷ 1/0,000	₩ ₩0,130	¢ 111,391	¢ 00,043	÷ 50,035	¢ 23,340		* -	÷ -	• -	s -
		\$ - \$ 1,165,528	(\$000'S AUD)		-\$ 115,201	-\$ 123 QEA	-\$ 72,783	\$ 129,514	\$ 127,544	\$ 125,525	\$ 123,456	\$ 121,334	\$ 119,160	\$ 116,932	\$ 114,648	\$ 112,306	\$ 100,515	\$ 98,055	\$ 95,534	\$ 92,949
	Cumulative Cash Flow	ψ 1, 100,026	(\$000'S AUD)									\$ 315,429							\$ 1,072,578	
					- w 110,201	- 233,101	-ψ J11,344	102,430	-w 04,000	¥ 10,039	₩ 134,U34	ψ 310,429	y 434,009	y 001,021	ψ 000,100	ψ 110, 4 14	ψ 010,309	ψ 311,045	ψ 1,012,016	y 1,100,020
8.0%	NPV @ 8%	\$436																		
10.0%	NPV @ 10%		(\$millions AUD) (\$millions AUD)																	
12.0%	NPV @ 12%																			



APPENDIX C - S&P Global Intelligence - Philippines Risk Profile

Control Risks Ratings				
COUNTRY/PROVINCE	POLITICAL	OPERATIONAL	SECURITY	TERRORISM
Philippines	Medium	Medium	Medium	Medium
areas of insurgency, especially Mindanao and the Sulu Archipelago	Medium	Medium	High	High

Political

Political stability is likely to continue for the remainder of Duterte's term ending in 2022. Despite his unpredictable leadership style and authoritarian instincts, support for the president has remained solid, given his "man of the people" public persona and popular anti-crime agenda. Robust economic growth and some pro-business reforms under Duterte have resonated with the business community, though the Government's handling of the COVID-19 pandemic and the anticipated fallout in terms of job losses - at home and among the country's economically critical overseas Filipino worker (OFW) cohort - could undercut the tentatively positive grades his Government has earned for economic management. Duterte's public standing is likely to decline gradually over the next two years. This will mainly be due to COVID-19-related economic impacts, corruption and drug smuggling or other scandals involving his family and political allies. Increasingly visible signs of Duterte's failing health could also threaten to compromise political stability, especially as his inner circle is unlikely to allow opposition leader Vice-President Maria Leonor "Leni" Robredo to take over the presidency if Duterte becomes incapacitated.

Operational

Public institutions in the Philippines remain very weak. In its annual index measuring perceptions of public sector corruption, international anticorruption watchdog Transparency International ranked the country 113th out of 180 countries and territories in 2019, a drop of 14 places from
2018 and worse than regional peers such as Indonesia. Standards of governance vary among agencies. Most are vulnerable to the influence of
well-connected individuals or illicit payments from individuals with malicious interests. There is a growing acceptance of the rule of law (at least
in commercial and civil cases) among domestic business elites, though foreign companies generally believe that their interests will come second
to well-connected local individuals and entities. There are also areas where competing interests continue to lead to active disincentives for
certain investors, notably in laws covering mining legislation. Politically motivated policy shifts occur, mainly under the influence of powerful
and well-connected domestic conglomerates. These practices will continue during Duterte's tenure, and in the longer term.Restrictions imposed
in response to the global coronavirus disease 2019 (COVID-19) pandemic are likely to cause significant operational disruption in the coming
months. Measures include an "enhanced community quarantine" or lockdown across the island of Luzon, where the capital Manila is located.

Security

Domestic terrorists - both ideologically and criminally motivated - are present in the country, as are transnational terrorists. Crime presents greater risks to foreign personnel in the Philippines than elsewhere in the region, with these problems most concentrated in the Manila area. Banditry is a problem in rural areas, but the line between insurgency and criminal banditry is frequently blurred. Following a deadly September 2016 bombing in Davao city, the president declared an indefinite nationwide state of emergency on account of lawlessness, which also gives law enforcement expanded powers to enforce Duterte's controversial anti-narcotics campaign. Anti-drug operations are in full swing nationwide. The campaign has mostly affected locals, and Western expatriates have thus far not been directly affected. Tourist- and expatriate-frequented areas have seen fewer killings than more poverty-afflicted areas of the capital region. However, there is a risk of foreigners and locals being inadvertently caught in the crosshairs of random shootings, with the increased number of vigilante drive-by shootings underlining this point. Meanwhile, the opportunity costs of the war on drugs are mounting, in terms of diverting resources away from urgent security concerns, particularly the rise of Islamic State (IS)-linked extremism in Mindanao.

Terrorism

Terrorism risks in the Philippines had been declining since the mid-2000s, when Islamic militants staged a series of high-profile attacks. The terrorist Abu Sayyaf Group (ASG) in 2004 bombed commercial ferry Superferry14, killing 116 people off Manila Bay. Other major attacks involved airports, seaports and central Manila. However, in the next several years, terrorism risks are likely to increase if the 2014 peace agreement with Mindanao's main rebel group the Moro Islamic Liberation Front, the Comprehensive Agreement on Bangsamoro (CAB) fails to deliver peace and prosperity to the region. Congress in 2018 approved the CAB's implementing legislation, which established the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). Nevertheless, it remains to be seen if the new governing authority in the BARMM can improve the socioeconomic conditions in some of the poorest provinces in the country, which ultimately create a conducive environment for violent extremism.

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Celsius Resources Limited | ABN 95 009 162 949

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by 11.00am (WST) on Wednesday, 27 January 2020, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below. YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: https://investor.automic.com.au/#/home Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 - APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

https://investor.automic.com.au/#/loginsah

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic GPO Box 5193 Sydney NSW 2001

IN PERSON:

Automic

Level 5, 126 Phillip Street Sydney NSW 2000

BY EMAIL:

 $\underline{meetings@automicgroup.com.au}$

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: https://automicgroup.com.au/

PHONE: 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

STEP 1 - How to vote														
APPOINT A PROXY: I/We being a Shareholder entitled to (WST) on Friday, 29 January 2020 of								rces	s Lim	iited,	to be	held a	t 11.00 6	am
Appoint the Chair of the Meeting (or provided below the name of the person is named, the Chair, or the Chand subject to the relevant laws as the	rson or bo	ody corpord nee, to vote	ate you are in accordar	appoir nce with	nting as you n the follow	ur proxy	or fai	ling	the	perso	on so	name	d or, if	no
The Chair intends to vote undirected Unless indicated otherwise by ticking Chair's voting intention.	•										n acc	ordanc	e with t	the
AUTHORITY FOR CHAIR TO VOTE LEW Where I/we have appointed the Chair Chair to exercise my/our proxy on though Resolutions 1, 2 and 14 are convicted includes the Chair. STEP 2 — Your voting directions	r as my/ou Resolution Innected o	ur proxy (or this 1, 2 and	where the C 14 (except v	hair be vhere 1,	comes my/o /we have ir	our proxi ndicated	y by d a diff	efal erei	ult), I. nt vo	oting	intent	tion be	low) ev	/en
Resolutions	For	Against	Abstain	Resc	lutions				F	or	A	gainst	Absto	nic
1. Adoption of Remuneration Report				8.	Approval of	7.1a Mand	ate							
2. Spill Resolution If less than 25% of the votes cast on Resolution 1 are voted against the Chair will withdraw Resolution 2				9.	Approval to Shares	issue Cons	ideratio	on						
3. Re-election of Director — Mr Pine Van Wyk				10.	Approval to Deferred Co			S						
4. Ratification of prior issue of Shares				11.	Approval to Deferred Co			S			Γ			
— Cullarin Acquisition									_		L			
Ratification of prior issue of Shares Cullarin Finder's Fee (Johns)				12.	Election of E Buckingham		r M artir	1						
5. Ratification of prior issue of Shares				12. 13.		n Director — N		1]
5. Ratification of prior issue of Shares - Cullarin Finder's Fee (Johns) 6. Ratification of prior issue of Shares					Buckingham Election of [n Director — N Austria Employee	/ Is]]]
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Date (<u>DD/MM/YY)</u> Contact Daytime Telephone By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).