



ASX/AIM RELEASE

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Celsius Collaborates with Kalinga LGU for MCB Road Access

HIGHLIGHTS

- **Memorandum of Agreement signed between Makilala Mining and the Kalinga Provincial Government to jointly develop the road alignment for the MCB Project's access from mine site to port.**

Celsius Resources Limited ("**CLA**" or "**Celsius**") (ASX, AIM: CLA) is pleased to announce that its Philippine subsidiary, Makilala Mining Company, Inc. ("**MMCI**" or "**the Company**"), has signed a binding Memorandum of Agreement ("**MOA**") with the Local Government Unit of the Province of Kalinga ("**LGU**") for the development of the access road for its flagship Maalinao-Caigutan-Biyog Copper-Gold Project ("**MCB**" or "**the Project**").

The MOA represents the commitment of both parties, MMCI and the LGU, to jointly undertake the completion of the 84.5-kilometer Lubuagan-Batong Buhay-Abra Road Project ("**Road Project**") which will pass through the MCB Project area and parallel to its estimated road alignment from the mine site to existing roads leading to its port of interest in Ilocos Sur.

Celsius Executive Chairman, Atty. Julito R. Sarmiento, said:

"In the development of the MCB Project, we have always consulted and partnered with the local government to align our plans and programs for the efficient use of resources to achieve a common goal. We are grateful that the Provincial Government, through the leadership of Governor James Edduba, is receptive in collaborating with us to pave the way for the MCB Project's infrastructure needs, as well as those of the local communities."

Kalinga Provincial Governor, James S. Edduba said:

"We are happy to collaborate with MMCI on the development of this Road Project. We are envisioning that this Road Project, once implemented, will contribute to the sustainable and inclusive economic growth and rapid progress of the Province of Kalinga, attract further development opportunities, and major business investments for our constituents."



Signing of the MOA at the MCB Project Area in Kalinga, Philippines, with Kalinga Provincial Governor James S. Edduba and CLA Managing Director Peter Hume

Under the MOA, MMCI has agreed to fund the construction and development of approximately 21-kilometers of road alignment (“**Road Alignment**”) which is part of the Road Project, including the development of the detailed design and construction plans of the road incorporating the design criteria that should cover the minimum requirements to support the main construction and full operation of the MCB Project, in close coordination with the LGU.

On their part, the LGU will obtain the necessary permits and approvals from the concerned national and local government agencies and undertake land acquisition procedures in full compliance with all relevant national and local laws, rules and regulations, including strict adherence with Republic Act No. 3019 on Anti-Graft and Corrupt Practices Act and ethical standards¹.

The funding guidelines of the MOA are as follows. MMCI will only release funding for each active phase of the Road Alignment in accordance with an agreed schedule of the phases as follows:

- i. Detailed Engineering - The detailed engineering phase shall include the development of a detailed scope of work for the construction of the Road Alignment for the purpose of bidding. The LGU will deploy a survey team to conduct the preliminary ground assessment of the Road Alignment, and MMCI will engage a competent engineering firm or consultant to develop the detailed engineering and construction drawings of the Road Alignment to determine the preferred alignment and construction cost based on the outcome of the technical work.

¹ RA 3019 is the main anti-corruption law in the Philippines. It enumerates certain acts of public officials that constitute graft or corrupt practices, or which may lead thereto: https://lawphil.net/statutes/repacts/ra1960/ra_3019_1960.html

- ii. Bidding and Awarding of the Road - This phase includes the tendering process, in full compliance with the relevant laws, for the Road Alignment.
- iii. Construction - The Road Alignment construction will coincide with the development of the MCB Project and be delivered in advance of major construction activities of and based on a timeline and schedule provided by MMCI.

The actual financial impact of the binding MOA to the Company will be determined when the Detailed Engineering phase has been completed, and the timeline for the Road Project and Road Alignment will be determined as part of the agreed schedule of phases as detailed above.

The MOA shall remain binding until the obligations of both parties have been performed, unless expressly terminated by mutual written consent between the parties. Termination of the MOA shall be in writing and will take effect within thirty working days from receipt of the written notice.

The significance of the binding MOA to the Company is that it allows MMCI to have the most appropriate Road Alignment to allow for the cost-efficient and safe transport of oversized and overweight cargo, and concentrate products, during the construction, development and operation stages of the MCB Project. In addition, it will allow MMCI access to use the nearest port in Ilocos Sur to ship its concentrate products to during its operation and commercial production stage of the MCB Project.

MCB COPPER-GOLD PROJECT

The MCB Copper-Gold Project (MCB) is located in the Cordillera Administrative Region in the Philippines, approximately 320km north of Manila (Figure 1). It is the flagship project within the Makilala portfolio which also contains other key prospects in the pipeline for permit renewal/extension.

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

An updated JORC compliant Mineral Resource Estimate was announced for the MCB Project on 12 December 2022, comprising 338 million tonnes @ 0.47% copper and 0.12 g/t gold, for total of 1.6 million tonnes of contained copper and 1.3 million ounces of gold, reported to a preferred lower cut-off grade of 0.2% copper.

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

Highlights from the Study include a Post tax NPV (8%) of US\$464m and IRR of 31%, assuming a copper price of US\$4.00/lb and gold price of US\$1,695/oz. Initial capital expenditure is estimated to be US\$253m with a payback period of approximately 2.7 years. The designed mine production is matched to a 2.28Mtpa processing plant which will treat ore with an estimated

average grade of 1.14% copper and 0.54g/t gold for the first 10 years of planned production with a C1² cash costs at just US\$0.73/lb copper, net of gold credits.



Figure 1. Location of the MCB Project in the province of Kalinga, Northern Luzon, Philippines.

Listing Rule 5.19 and 5.23 Disclosures

The Company confirms that it is not aware of any new information or data that relates to Exploration Results and Mineral Resources at the MCB Project and that all material assumptions and technical parameters underpinning the Mineral Resource continue to apply. The Company notes that, as disclosed in this announcement and in previous announcements, a drilling program is currently underway at the MCB Project the results of which will be incorporated into an updated Mineral Resource in the future and that the current Scoping Study may provide new assumptions and parameters for use in that Mineral Resource.

The Company confirms that all material assumptions underpinning the production targets and forecast financial information in the Scoping Study continue to apply and have not materially changed.

Forward Looking Statements

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the

² C1 costs include all direct costs in mining, processing, general and administration, and selling (including freight).

financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events, except as required by law. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company's Directors, employees, advisors, or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

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

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

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