



ABN 95 009 162 949

**CELSIUS RESOURCES LIMITED
ANNUAL REPORT**

30 June 2023

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DIRECTORS

| | |
|----------------------|---------------------------------------|
| Mr Julito Sarmiento | Executive Chairman |
| Mr Peter Hume | Managing Director |
| Mr Michael Hulmes | Non-Executive Director |
| Mr Simon Farrell | Non-Executive Director |
| Mr Paul Dudley | Non-Executive Director |
| Ms Attilenore Manero | Non-Executive Sustainability Director |

COMPANY SECRETARY

Mrs Kellie Davis

REGISTERED OFFICE & CONTACTS

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Dear Fellow Shareholders,

It has been a challenging year for us as Celsius Resources Limited underwent major changes at the Board level to ensure the Company's sustainability. The passing of our colleague and former Chairman, Martin Buckingham, was a game changer. Peter and I have taken on the reins of the Company to continue what Martin has started and to transform our shared vision into reality.

The addition of Paul Dudley and Attilenore Manero, whose deep experience, expertise, and diverse perspectives have complemented the existing Board skill sets as we strive to come up with the most appropriate strategies and deliver results for the Company and our shareholders.

We have listed on AIM, a market operated by the London Stock Exchange in January 2023, to encourage more institutional investors to support current and future developments for the Company's portfolio of assets into operating mines. In parallel, we have launched direct marketing and communications campaigns to prospective institutions for this purpose. As a result, we have received strong interest from several institutions to develop the MCB, Sagay, and Opuwo projects. We were also able to raise A\$14,193,361 as working capital to finance the development of our flagship Maalinao-Caigutan-Biyog Project in the Philippines as well as the Opuwo Project in Namibia.

For this period, we have achieved several milestones in advancing our copper-gold assets in the Philippines through the concerted efforts and perseverance of our in-country teams.

Foremost is the signing of the agreement with the Balatoc Indigenous Cultural Community through a free, prior and informed consent process as a demonstration of our commitment to abide by and respect the customary laws and traditions of the community in all aspects of our engagements.

Another milestone is the issuance of the Environmental Compliance Certificate (ECC) signifying that we have complied with all the national government requirements in accordance with an approved environmental plan and that the MCB Project will not cause significant negative environmental impact. We are the first mining company in the Philippines with a voluntary supplemental agreement for sustainable mining development and management over and above the standard ECC requirements which is focused on four key result areas: 1) Water and Environment; 2) Noise Pollution and Waste Management; 3) Power Management and Carbon Sequestration Program; and 4) Social Development and Community Resilience.

Most recently, our MCB Project received the approval for its Declaration of Mining Project Feasibility (DMPF) from the national government proclaiming the feasibility of commercial utilisation of the minerals in the tenement area by internationally accepted sound mining practices, socially acceptable, environmentally safe, and economically sound methods as specified in the Mining Project Feasibility Study and supported by other requirements as prescribed in the Philippine mining laws, rules and regulations.

We have been working closely with the Philippine Department of Environment and Natural Resources and the Mines and Geosciences Bureau to fast-track the approval of the Mineral Production Sharing Agreement (MPSA), the final outstanding mining permit for the MCB Project which we envisaged to receive within the coming months. This will pave the way for the development of MCB Project which will bring about transformative change in the communities we work with as partners.

Our Sagay Copper-Gold and Opuwo Cobalt-Copper Projects have also progressed to capitalise on the surging investor interest in battery metals and the clean energy transition.

I personally want to recognise the contribution of our dedicated colleagues for their commitment and hard work in pushing our projects forward. I also want to thank our stakeholders in the national and local governments for their guidance and support as we affirm our commitment to go 'beyond regulatory compliance'. Our gratitude also to our host communities, particularly, the Balatoc Indigenous Cultural Community for their trust and confidence that we can bring these projects to fruition.

Lastly, we thank you, our fellow shareholders, for your trust, patience, support, and candid feedback as we navigate the challenges and overcome hurdles of the past year. We will continue to seek opportunities to drive the Company forward as we do our best to come up with a strong Environmental, Social and Governance ("ESG") performance to enhance shareholder value and investor confidence.

We remain confident and committed to developing these projects into responsible operating mines that would create significant value for both our shareholders and stakeholders alike.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Julito Sarmiento', written over a thin horizontal line.

Atty. Julito 'Sarge' R. Sarmiento
Executive Chairman

Your Directors present their report, together with the financial statements on the consolidated entity, consisting of Celsius Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2023.

DIRECTORS

The names of Directors in office at any time during or since the end of the year are listed below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

| NAME OF PERSON | POSITION |
|-----------------------|---|
| Mr. Julito Sarmiento | Executive Chairman (appointed 23 March 2023), previously Non-Executive Chairman (appointed 17 November 2022) and Non-Executive Director |
| Mr. Martin Buckingham | Executive Chairman (resigned 14 November 2022) |
| Mr. Peter Hume | Managing Director (appointed 22 March 2023), previously Executive Director |
| Mr. Simon Farrell | Non-Executive Director |
| Mr. Michael Hulmes | Non-Executive Director |
| Mr. Paul Dudley | Non-Executive Director (appointed 30 January 2023) |
| Ms. Attilenore Manero | Non-Executive Sustainability Director (appointed 22 March 2023) |
| Mr. Jonathan Colville | Non-Executive Vice Chairman (appointed 15 November 2022 and resigned 6 April 2023), previously Non-Executive Director |

COMPANY SECRETARIES

Mrs Kellie Davis (appointed 12 September 2022)
 Ms Melanie Ross (resigned 4 November 2022)

OPERATING RESULTS

The loss of the consolidated entity amounted to \$5,728,882 (2022: \$3,913,625) after providing for income tax and non-controlling interests.

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No dividend has been recommended.

PRINCIPAL ACTIVITIES

During the year, the principal activities of the consolidated entity consisted of mineral exploration in Namibia and the Philippines.

REVIEW OF OPERATIONS

Corporate

During the financial year, \$14,526,511 was raised to progress activities at the Company’s flagship project, Maalinao-Caigutan-Biyog Copper-Gold (MCB) Project, along with expenditures for the Opuwo Cobalt Project to undertake drilling and metallurgical test work and carry-out necessary revisions to the scoping study, along with undertaking resource analysis, modelling, and to continue field operations for the Sagay Project.

On 22 December 2022, the Company had a \$2.8 million investment by Lind Global Fund II, LP, a fund managed by the Lind Partners (“Lind”), via an initial \$1.3 million prepayment of cash for placements of ordinary fully paid shares in the Company. On 5 May 2023, the Company repaid Lind \$882,500, being 100% of the Advance Payment Credit outstanding to Lind in cash, being \$882,500, in cash and the agreement with Lind was terminated.

On 30 January 2023, the Company listed on AIM, a market operated by the London stock exchange, raising GBP 2.4 million (before costs). The purpose of the listing is to encourage more institutional investors to participate in future capital raises that will support current and future development of assets into operating mines.

On 15 May 2023, the Company announced it had signed a non-binding term sheet and a AUD 5 million binding subscription agreement for a proposed acquisition by Canadian-based mining company, Silvercorp Metals Inc. As at the date of this report, the Company confirms that the exclusivity period has lapsed and therefore has commenced discussions with other potential investors.

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

DIRECTORS' REPORT

Makilala Mining Company, Inc ("MMCI"), Celsius' Philippine subsidiary, continues to progress towards securing government and community approvals for the Maalinao-Caigutan-Biyog Copper-Gold Project ("MCB" or "the Project") in the Cordillera Administrative Region, approximately 320km north of Manila.

During the period, MMCI has fulfilled the physical and financial commitments under its approved Exploration, Environment and Community Development Program, and Safety and Health Program for the MCB Project which was embodied in the Terminal Reports submitted to the Philippine Mines and Geosciences Bureau (MGB).

Preparations of key technical, social, and environmental studies were also completed to support the application for Declaration of Mining Project Feasibility ("DMPF") and subsequently the application for a Mineral Production Sharing Agreement with the Philippine Government which will pave the way for development and operations of the MCB Project.

Exploration Work Program

Drilling activities from July to November 2022 focused on collecting data and required samples for hydrogeological and geotechnical studies. Five drill holes were completed for the period (MCB-040, MCB-041, MCB-042, MCB-043, and MCB-044) which identified some shallow high-grade copper mineralisation not previously defined from the earlier drilling programs. The impact of this additional copper mineralisation was significant at shallow levels, as defined by an increase to the copper content at higher cut-off grades and tighter definition of the higher-grade material which would allow for a more refined mine plan.

Favorable results from the infill drilling confirmed the continuity of the copper mineralisation at key locations which enhances confidence to the Measured category in the updated 2022 Mineral Resource estimate (MRE).

Table 1. Summary results for the updated MRE at MCB at a cut-off grade of 0.20% copper

| Type | Classification | Tonnes (Mt) | Copper Grade (%) | Gold Grade (g/t) | Copper Metal (kt) | Gold Metal (kcozs) |
|--------------|----------------|-------------|------------------|------------------|-------------------|--------------------|
| Weathered | Measured | 2 | 0.59 | 0.07 | 11 | 4 |
| | Indicated | 7 | 0.56 | 0.09 | 41 | 22 |
| | Inferred | 0 | 0.38 | 0.12 | 0 | 0 |
| Total | | 9 | 0.57 | 0.09 | 53 | 26 |
| Fresh | Measured | 45 | 0.59 | 0.19 | 263 | 277 |
| | Indicated | 242 | 0.43 | 0.11 | 1044 | 883 |
| | Inferred | 42 | 0.52 | 0.11 | 218 | 153 |
| Total | | 328 | 0.46 | 0.12 | 1525 | 1313 |
| Combined | Measured | 47 | 0.59 | 0.19 | 275 | 282 |
| | Indicated | 249 | 0.44 | 0.11 | 1085 | 904 |
| | Inferred | 42 | 0.52 | 0.11 | 219 | 154 |
| Total | | 338 | 0.47 | 0.12 | 1578 | 1340 |

Note: Estimates have been rounded to the nearest Mt of ore, two significant figures for Cu and Au grade, and to the nearest kt of Cu metal and kcozs of Au metal. Some errors may occur due to rounding.

The Global Mineral Resource estimate is now 338 million tonnes of 0.47% copper, and 0.12g/t gold for a total of 1.6Mt of contained copper and 1.3Mozs of contained gold reported to a preferred lower cutoff grade of 0.2% copper.

A further change to the MRE has been the inclusion of a small portion of weathered material which was not reported in the 2020 MRE. There is a potential to process weathered material from the surface stabilisation and surface infrastructure works as part of the feasibility studies. Therefore, given the prospect for mining and processing of at least a portion of the weathered copper mineralisation, it has now been included as part of the MCB Mineral Resource Estimate.

Community Development Program

Activities implemented for the period were concentrated on the remaining commitments under the approved Community Development Program. These include the construction of infrastructure projects such as improvement of foot bridges, waiting sheds, school hand-washing facility, public latrine, repairs of school roofs, among others. Livelihood trainings were also conducted to provide an alternate source of income for the women in the community. Monthly meetings were also held to build and strengthen the traditional leadership structure to manage and decide on challenges and concerns that affect the community. Financial support continued to be extended to the community in observance of socio-cultural traditions as well as in times of calamities.

Environmental Work Program

Rehabilitation and revegetation of drill sites were completed not only to restore the land to its pre-drilling condition but also to improve the land to its beneficial land use. Tree planting activities were carried out in adopted sites for the National Greening Program and the Mining Forest Program.

DIRECTORS' REPORT

Information, education, and communications campaigns were carried out to instill an environmentally conscious culture among the employees and local hires.

Activities for the period closed out commitments under the approved Environmental Work Program and implemented in accordance with the Department of Environment and Natural Resources (DENR) Administrative Order No. 2022-04 on Enhancing Biodiversity Conservation and Protection in Mining Operations.

Forward Work

Following the completion of the exploration works, activities were focused on preparation for the hydrogeological and geotechnical studies to support and firm up the mine design and surface infrastructure which include:

1. Collection and monitoring of data from vibrating wire piezometer and water levels from holes drill in 2021 to 2022; and
2. Procedural testing and calibration of equipment in preparation for the upcoming hydrogeological and geotechnical drilling for additional ground stability.

Additional detailed surface mapping of outcrops near the proposed hydrogeological and geotechnical drill sites was also conducted which resulted in updated surface geologic map and reports. Results of the activity have extended the mapped surface exposure of the intrusive tonalite in the southern portion of the MCB ore body. These will be used to further support and correlate the drilling results which delineated the near surface mineralisation at the eastern segment. Previous cross-sections were also re-interpreted based on current drilling results in conjunction with the new surface data.

In anticipation of the permit issuance, an Engineering, Procurement, and Construction (EPC) scope has been issued to the contracting market for early works and the main mine construction which is scheduled to commence towards the end of 2023.

Social, Environmental Licenses and Government Approvals

In support of the Declaration of Mining Project Feasibility (DMPF) application, all major plans and program were developed and submitted in accordance with national government standards and consequently, the DMPF was approved on 27 September 2023 (see *CLA Announcement dated 28 September 2023*), the approval of which will trigger the forthcoming issuance of a mining permit that will commence the pathway for the development of the MCB project.

Included in the requirements were securing social and government approvals. Through a Free, Prior and Informed Consent process, a Memorandum of Agreement between the Company and the Balatoc Indigenous Community was signed on 14 November 2023 which signifies the collected decision of the host community to allow the development of the MCB Project for 25 years, renewable for a further 25 years. Resolutions of support from concerned local government units have also been secured interposing no objection to the development and operation of the MCB Project. These represent a social license to operate anchored on legitimacy, credibility and trust which is crucial aspect for the project to be developed.

On 31 May 2023, the Department of Environment and Natural Resources (DENR) issued an Environmental Compliance Certificate which indicates that an Environmental Impact Assessment has been carried out and certifies that the Company is committed to implement a national government-approved environmental management plan aimed to protect and mitigate the anticipated social, cultural, and environmental impacts in all phases and aspects of the MCB Project.

With these documents and approvals the Philippine Mines and Geosciences Bureau have indicated that the Company has complied with all necessary requirements and has accordingly approved the Declaration of Mining Project Feasibility. Corresponding Certificates of Approval for the key technical, social, and environmental plans and program have been issued which indicate that the Company has instituted the necessary environmental and socio-economic sustainability measures, in accordance with national standards, prior to the commencement of construction and mining operations for the life of the mine.

Table 2. Approved Technical, Social, and Environmental Plans and Programs

| Key Documents | Description | Date of Approval |
|---|---|--|
| 1. Mining Project Feasibility Study Report (MPFS) | Assesses the technical and financial viability of the MCB Project to advance it towards project development and operations by tapping into its full potential. | 4 August 2023 (See <i>CLA Announcement dated 15 August 2023</i>) |
| 2. Final Exploration Report (FER) | Details the exploration works carried out in the MCB tenement area from 2006-2013 and CY 2020 to 2021 which led to the discovery of the MCB porphyry copper-gold deposit. | 15 September 2022 |
| 3. Environmental Impact Assessment (EIA) Report | Identifies, assesses, and mitigates the likely environmental, social, and economic impacts, both beneficial and adverse, of the MCB Project as compared to baseline conditions. | Environmental Compliance Certificate No. ECC-CO-2212-0041 issued 29 May 2023 (See <i>CLA Announcement</i>) |

DIRECTORS' REPORT

| Key Documents | Description | Date of Approval |
|---|---|---|
| | | <i>dated 31 May 2023)</i> |
| 4. Environmental Protection and Enhancement Program (EPEP) | A comprehensive and strategic environmental management plan for the life of the MCB Project. It contains the expected impacts, mitigating measures, and commitments, including protection and rehabilitation of the disturbed environment. It also serves as an operational link between the environmental management provisions of the Philippine Mining Act's Implementing Rules and Regulations and the conditions stated in the Environmental Compliance Certificate issued to the MCB Project. | Certificate of Approval No.211-2023-05 issued 12 July 2023 <i>(See CLA Announcement dated 18 July 2023)</i> |
| 5. Final Mine Rehabilitation and/or Decommissioning Plan (FMR/DP) | Considers all mine closure scenarios and cost estimates using risk-based methodologies/ approaches. It covers the full extent of work necessary to achieve the objectives of mine closure such as, but not limited to decommissioning, rehabilitation, maintenance, and monitoring. | Certificate of Approval No.211-2023-05 issued 12 July 2023 <i>(See CLA Announcement dated 18 July 2023)</i> |
| 6. Care and Maintenance Program (CMP) | Details the Company's safety and health, social, and environmental commitments as integral components of the MCB Project in cases of operational constraints (i.e., voluntary or involuntary stoppage). | Certificate of Approval No. 001-2023-CAR issued 22 March 2023 <i>(See CLA Announcement dated 3 January 2023)</i> |
| 7. Social Development and Management Program (SDMP) | A five-year program developed in consultation with the MCB Project's host and neighboring communities and aligned with local development plans and global sustainable development goals to bring about a sustained improvement in their living standards. | Certificate of Approval No. 031-2023-01-CAR issued 4 May 2023 <i>(See CLA Announcement dated 3 January 2023)</i> |

The approval of these key requirements is another step closer in the permitting process of achieving the Mineral Production Sharing Agreement (MPSA) mining permit which the Company envisages receiving within the coming months.

As a pre-requisite to an MPSA application, MMCI entered into an initial binding deed and agreement with local companies to fund approximately US\$43 million for a 30% economic interest in the MCB Project. This is to satisfy the MPSA requirement for a 60% Filipino legal ownership of the Company.

Regulatory Compliances

The conscientious implementation of the Exploration, Environment, Social, and Safety and Health Programs during the Exploration stage has earned the Company high score during Mines and Geosciences Bureau Audit. All regulatory requirements were submitted on schedule with no fines or penalties incurred and zero accidents/incidents since the issuance of the exploration permit. In recognition thereof, the Company earned a Safety Mine Award for the Exploration Category during the 2022 Philippine Presidential Mineral Industry Environmental Awards.

Sagay Copper-Gold Project, Philippines (100%)

Celsius Resources' Philippine Subsidiary, Tambuli Mining Company, Inc. ("TMCI") located in the northern part of Negros Island is progressing the technical studies leading to the Declaration of Mining Project Feasibility which will trigger the application and approval of a mining permit during 2024.

Exploration Work Program

Exploration works for the period focused on desktop reviews of previous drilling results in conjunction with exploration data for the reinterpretation of geologic and mineralisation models to improve exploration and future development strategies.

The results of the desktop studies were the basis for the JORC-compliant maiden mineral resource estimate which is categorised into three Ore Domains:

- High Grade Copper Domain (100HG)
- Low Grade Copper Domain (100LG)

DIRECTORS' REPORT

- Supergene Enrichment Domain (900SG)

The reported global Indicated and Inferred Maiden Mineral Resource for the Nabiga-a Hill deposit is 302 million tonnes at 0.41% copper, and 0.11g/t gold, with total contained metals of 1,244 kt Cu and 1,046 kozs Au. A summary of the results is reflected in the table below:

| Ore Domain | Classification | Tonnes (Mt) | Copper Grade (%) | Gold Grade (g/t) | Copper Metal (kt) | Gold Metal (koz) |
|-----------------|----------------|-------------|------------------|------------------|-------------------|------------------|
| 100HG | Indicated | 7.7 | 0.57 | 0.14 | 44 | 35 |
| | Inferred | 54 | 0.57 | 0.14 | 308 | 250 |
| 100LG | Indicated | 7.4 | 0.33 | 0.08 | 25 | 18 |
| | Inferred | 224 | 0.37 | 0.10 | 827 | 737 |
| 900SG | Inferred | 8.4 | 0.47 | 0.02 | 40 | 6 |
| Combined | Indicated | 15 | 0.45 | 0.11 | 68 | 53 |
| | Inferred | 287 | 0.41 | 0.11 | 1,175 | 993 |
| COMBINED | TOTAL | 302 | 0.41 | 0.11 | 1,244 | 1,046 |

Note for table of results: Calculations have been rounded to the nearest Mt of ore (to the nearest 100,000t where <10Mt).

Results of the additional desktop studies and the mineral resource estimates suggested the necessity to shift focus on the shallow high-grade supergene chalcocite zone (Ore Domain 900SG). With this, a test pitting activity was implemented to collect the necessary ore samples for a preliminary metallurgical test work. This will allow the development of a thorough process flow that will provide an empirical basis for the mine plan, process flow sheet, and financial studies which are critical components of the project's economic viability.

To gain more confidence in the resource classification for the chalcocite ore zone (900SG), a new drilling campaign is proposed to increase the resource classification from Inferred to Indicated.

The outcome of the resource drilling and core sample assays will feed into an updated resource model and mineral resource estimate which will be the basis for future development studies.

Technical studies are ongoing to assess the technical and financial viability of the Sagay Project for a Phased approach where Phase 1 will develop the shallow chalcocite zone (900SG) with a low CAPEX model, small-scale operation, and Phase 2 for the large-scale copper mineralisation at deeper levels using the cashflow from Phase 1.

In parallel, implementation of Environmental and Community Development Programs is being fast-tracked to fulfill the remaining commitments within the term of the exploration permit. Preparations are also underway for the development of social and environmental plans and programs to support the application for a Declaration of Mining Project Feasibility which is anticipated to be submitted by December 2023.

Opuwo Cobalt-Copper Project, Namibia (Celsius – 95%)

The Opuwo Cobalt Project held under Celsius' Namibian subsidiary Opuwo Cobalt Holdings (Pty) Ltd., continues to progress its metallurgical test works for optimization to further refine the cobalt and copper recoveries that will feed into the engineering design criteria.

The Project's tenement permits expired in March 2023. The Company has lodged the necessary documentation for permit renewal with favourable feedback from the Ministry of Mines.

Metallurgical Work Program

A total of seven tests were undertaken on various collectors, including five sets of roasting and 10 subsequent leaching tests to optimize retention times, operating temperatures and reagent consumptions.

Results will be utilised as input criteria to develop a processing flowsheet which will be the basis for an Economic Scoping Study planned later in 2023.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Directors are not aware of any other significant change in the state of affairs of the consolidated entity that occurred during the financial year other than as reported elsewhere in the Annual Report.

FINANCIAL POSITION

The net assets of the consolidated entity have increased to \$35,162,833 as at 30 June 2023, an increase of \$7,963,173 from net assets of \$27,199,660 at 30 June 2022.

The consolidated entity's net working capital is \$4,631,538 (2022: -\$1,270,197).

EVENTS AFTER THE REPORTING PERIOD

In July and August 2023, the Company issued a total of 35,000,000 fully paid ordinary shares on exercise of 35,000,000 unlisted options over shares, each option exercisable at \$0.012 and expiring on 4 August 2023.

On 18 July 2023, the Company's Philippine subsidiary, Makilala Mining Company, Inc. was issued a Certificate of Approval for its Environmental Protection and Enhancement Program and Final Mine Rehabilitation and/or Decommissioning Plan for its Maalinao-Caigutan-Biyog (MCB) Copper-Gold Project. On 15 August 2023, the Philippine Mines and Geosciences Bureau approved the MCB Project's Mining Project Feasibility Study as technically and economically feasible based on provisions of the Philippine Mining Act of 1995. Following this approval is the anticipated issuance of the MCB Project's Declaration of Mining Project Feasibility and consequently, the Mineral Production Sharing Agreement, which the Company envisages receiving towards the end of 2023.

On 11 August, 4,400,000 unlisted Performance Rights expired without exercise or conversion. This was due to the vesting condition of the Declaration of Mining Project Feasibility for the Sagay Project being received by 11 August 2023 not being met.

On 11 August 2023, the Company announced that the proposed transaction with Silvercorp Metals Inc. (SVM) did not have reasonable prospects of being approved by the requisite majorities of shareholders at the initial proposed price, and the Company formed the view that SVM does not intend on progressing with the transaction. As of the date of this report, the Company has not received any formal notice from SVM terminating the proposed transaction. The exclusivity clauses in the agreement assigned with SVM have expired.

On 15 August 2023, the Company announced that the Philippine Mines and Geosciences Bureau ("Bureau") approved the MCB Project's Mining Project Feasibility Study as technically and economically feasible based on provisions of the Philippine Mining Act of 1995. This followed with an announcement on 28 September 2023, confirming the Bureau had issued the approval of the Declaration of Mining Project Feasibility, which is the last step in the permitting process towards the achievement of the MCB Project's mining permit.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY DEVELOPMENTS

The Directors believe, on reasonable grounds, that to include in this report particular information regarding likely developments in the operations of the company and the expected results of those operations in future financial years would be speculative and likely to result in unreasonable prejudice to the company. Accordingly, this information has not been included in this report.

ENVIRONMENTAL REGULATION

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory. The Directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the "NGER Act") which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the company for the current or subsequent financial year. The Directors will reassess this position as and when the need arises.

Competent Persons Statement

Information in this report relating to Exploration Results for the MCB Project is based on information compiled, reviewed and assessed by Mr. Steven Olsen, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Olsen is a consultant to Celsius Resources and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Olsen consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to Exploration Results for the Opuwo Project is based on information reviewed by Dr Rainer Ellmies, who is a Member of the Australasian Institute of Mining and Metallurgy and the Principal Geological Advisor for the Opuwo Project of Celsius Resources. Mr. Ellmies discovered the Opuwo deposit in 2012 and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Ellmies consents to the inclusion of the data in the form and context in which it appears.

DIRECTORS' REPORT

This document refers to the following previous ASX announcements:

- 4 July 2022** – CLA hits 611.4m @ 1.39% copper and 0.75g/t gold at MCB
- 11 July 2022** – Celsius's Sagay Project Exploration Permit Extended
- 3 August 2022** – Further shallow copper mineralisation identified at MCB
- 4 October 2022** – Celsius Resources MCB Project takes step closer to Operation
- 19 October 2022** – Celsius hits 65m @ 1.73% Cu & 0.37g/t Au from MCB-041
- 7 November 2022** – Maiden Mineral Resource for Celsius' Sagay Cu-Au Project
- 15 November 2022** – Celsius obtains Social License to Operate for MCB Project
- 12 December 2022** – Updated Mineral resource for Celsius' MCB CopperGold Project
- 14 December 2022** – Celsius secures proposal from local partner for MCB project
- 3 January 2023** – MCB Project starts securing Government approvals
- 28 February 2023** – Celsius confirms extension of shallow Cu-Au ore zone at MCB
- 20 March 2023** – CLA enters Binding Deed with local companies for MCB Project
- 31 May 2023** – MCB Project receives Environmental Compliance Certificate
- 20 June 2023** – Issue of permit for Celsius Copper Gold Tenement underway

Listing Rule 5.23 Disclosure

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 Opuwo Project and that all material assumptions and technical parameters underpinning the Mineral Resources continue to apply. The Company notes that, as disclosed in this announcement and in previous announcements, a drilling programme 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.

INFORMATION ON DIRECTORS

| | |
|--|---|
| Mr Julito Sarmiento | Executive Chairman (appointed 22 March 2023) Previously Non-Executive Director (appointed 9 November 2021) |
| Qualifications | A.B. and LL.B., Ateneo de Manila University MBA, Ateneo de Manila University/Regis University-Colorado LL.M., Yale Law School J.S.D. (Cand.), Yale Law School Admitted to Philippine Bar and New York State Bar |
| Experience | <p>Mr. Sarmiento, a Philippine national and resident, admitted to the Philippine Bar and New York State Bar, has 30 years' experience as a lawyer in mining, environment, social license, renewable energy, and government relations in the Philippines. He is a strong advocate for the sustainable development and social transformation of local communities, particularly of indigenous cultural communities in resource-dependent industries. He has excellent relationship with the Balatoc indigenous cultural community as host community of Makilala Mining Corporation for the Maalinao-Caigutan-Biyog (MCB) Project in Kalinga Province, Northern Luzon. He also played a key role in the successful operations of several significant mining investors and companies throughout the country, such as Atlas Mining, Carmer Copper, Rapu-Rapu Mining, Freeport McMoran, among others.</p> <p>He led the acquisition by Glencore of the Philippine Associated Smelting and Refining (PASAR) Corporation in Leyte Province, Visayas, where he subsequently served as Board Director, Vice President and General Counsel. He was Senior Partner and Head of Natural Resources, Environment and Social License Practice Group for 16 years of one of the leading law firms in the Philippines. He was CEO, President and co-Founder of WeGen Inc., a renewable distributed energy covering Southeast Asia. He is concurrently the Founder and Co-Managing Partner of Sarmiento Loriega (SL) Law Office and SL & Partners Consultancy Inc.</p> |
| Interest in shares, options, performance rights and warrants | 4,000,000 fully paid ordinary shares |
| Directorships held in other listed entities | Nil |
| Mr Simon Farrell | Non-Executive Director (appointed 17 June 2022) |
| Qualifications | BCom, MBA |
| Experience | <p>Mr. Farrell has a Bachelor of Commerce in the University of Western Australia and his Masters in Business Administration at the Wharton School, University of Pennsylvania. Simon has more than 40 years' experience in both the finance and mining industries.</p> <p>Mr. Farrell was CEO of Consolidated Minerals, where 3 years after he left Consolidated Minerals, the new controlling entity sold the assets acquired under his management for over \$A1 billion.</p> <p>Simon also worked as a consultant to the Minproc Engineering group for a short period before becoming CEO of what became Coal of Africa Limited (CAL). He started CAL with a capitalization of \$3 million and grew it to a company with a market cap in excess of \$A 1.5 billion and departed it in 2017 as Deputy Chairman.</p> |
| Interest in shares, options, performance rights and warrants | Nil |
| Directorships held in other listed entities | Nil |
| Mr Michael Hulmes | Non-Executive Director (appointed 9 November 2021) |
| Qualifications | B.Sc (Eng) Mining Engineering, M.B.A, FAusIMM |
| Experience | Over 35 years of relevant industry experience in base metals and gold. These include Chief Operating Officer of Appian Capital Brasil, General Manager Caijiaying Zinc/Gold Mine in China, |

| | |
|--|--|
| | Managing Director SOMINCOR in Portugal, General Manager Ok Tedi Mining in PNG, Chief Operating Officer Citadel Resources in Saudi Arabia, Executive General Manager Barrick Australia, General Manager Plutonic Gold Mine, Managing Director of Buka Gold, Managing Director of Universal Resources as well as a number of other operating and engineering roles in underground and open pit mines. |
| Interest in shares, options, performance rights and warrants | Nil |
| Directorships held in other listed entities | Transatlantic Mining Corporation |
| Mr Peter Hume | Managing Director (appointed 22 March 2023) Previously Executive Director (appointed 16 June 2022) |
| Qualifications | Aust. J. Civ. Eng |
| Experience | Mr. Hume has over 40 years of substantial and practical experience on major mining and construction development projects on lead roles throughout Australia and internationally. This experience has greatly helped build his proven skills in general management, project management, construction management, dispute resolution, infrastructure, and process design. He has carried out operational assignments in mining, materials handling, processing, and infrastructure where he was responsible for a range of roles from concept planning to commissioning and operations with design management, development and implementation of quality, safety, and maintenance management systems. These assignments have been demonstrated when he worked with companies such as Porgera Joint Venture, Xstrata Copper, Xstrata Coal, Anglo Coal, Glencore, Newmont Mining Corporation, BMA Coal, Kaltim Prima Coal, and Dyno Nobel, among others. |
| Interest in shares, options, performance rights and warrants | 26,000,000 fully paid ordinary shares |
| Directorships held in other listed entities | None |
| Mr Paul Dudley | Non-Executive Director (appointed 30 January 2023) |
| Qualifications | BSc (Hons), FCA, MSI |
| Experience | Paul Dudley is a Fellow of the Institute of Chartered Accountants of England and Wales and is a Member of the UK's Chartered Institute of Securities and Investment. Paul founded Aer Ventures in 2011, where he is Managing Partner, a corporate advisory business that is Authorised and Regulated by the UK's Financial Conduct Authority. Previously he worked at stockbroking firm WH Ireland where he was approved as a Qualified Executive acting as the Corporate Finance adviser on AIM corporate transactions. Paul graduated from Durham University and began his career at PricewaterhouseCoopers. In addition to Celsius Resources Ltd, he is currently a director of a number of public and private companies including Pyne Gould Corporation Ltd, Watercycle Technologies Ltd and Rockwood Strategic plc, a UK listed Investment Trust. |
| Interest in shares, options performance rights and warrants | 10,000,000 warrants |
| Directorships held in other listed entities | Pyne Gould Corporation Ltd, Watercycle Technologies Ltd and Rockwood Strategic plc, a UK listed Investment Trust |

DIRECTORS' REPORT

Ms Attilenore Manero Non-Executive Sustainability Director (appointed 22 March 2023)

Qualifications PhD – Rural Development

Experience Ms Manero has worked with major Philippine public infrastructure, mining and hydropower projects for more than 12 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 this, Ms Manero 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 and social impacts assessments.

Interest in shares, options, performance rights and warrants 21,000,000 fully paid ordinary shares

Directorships held in other listed entities None

COMPANY SECRETARY

Mrs Kellie Davis has over 20 years of experience in accounting and ASX compliance, predominantly in the resources sector. Beginning her career in Audit with Ernst & Young, she has worked as a Financial Accountant and provided company secretarial compliance services for a number of listed ASX companies in the exploration and resources sectors. Mrs Davis has a Bachelor of Commerce (Accounting and Finance) degree and is a Chartered Accountants Australia & New Zealand member.

MEETING OF DIRECTORS

| Name | Number of meetings | Number eligible to attend | Number attended |
|-------------------|--------------------|---------------------------|-----------------|
| Julito Sarmiento | 9 | 9 | 9 |
| Peter Hume | 9 | 9 | 9 |
| Michael Hulmes | 9 | 9 | 9 |
| Simon Farrell | 9 | 9 | 8 |
| Paul Dudley | 9 | 2 | 2 |
| Attilenore Manero | 9 | 2 | 2 |
| Martin Buckingham | 9 | 3 | 3 |
| Jonathan Colvile | 9 | 8 | 7 |

There were seven Directors meetings held during the financial year, however many board matters were dealt with via circular resolutions. The company does not have a formally constituted audit committee or remuneration committee as the board considers that the company's size and type of operation do not warrant such committees.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of the remuneration for each key management person of Celsius Resources Limited for 30 June 2023.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Option holdings
- F Shareholdings
- G Performance rights holdings
- H Related party disclosures

The information provided under headings A - H includes remuneration disclosures that are required under accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

DIRECTORS' REPORT

A. Principles used to determine the nature and amount of remuneration

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board recognises that Celsius Resources Limited operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board will continue to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive Directors, which currently stands at \$300,000 per annum, as approved by shareholders at the Annual General Meeting on 21 November 2006. The Board determines actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of Directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

Performance-based Remuneration

The company has established a Performance Rights Plan ("PRP") to provide ongoing incentives to Directors, executives and employees of the company. The objective of the PRP is to provide the company with a remuneration mechanism, through the issue of securities in the capital of the company, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the PRP are aligned with the successful growth of the company's business activities.

The Directors and employees of the company have been, and will continue to be, instrumental in the growth of the company. The Directors consider that the PRP is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

Group Performance, Shareholder Wealth and Directors and Executives Remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholder's investment objectives and Director's and executive's performance. Currently, Directors and executives are encouraged to hold shares in the company to ensure the alignment of personal and shareholder interests. The company provides performance based remuneration via their Performance Rights Plan. No Performance Rights are currently on issue.

The following summarises the performance of the consolidated entity over the last 5 financial years:

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---------------------------------------|-------------|-------------|-------------|-----------|-----------|
| Other income (\$) | 28,759 | 23,127 | 279,030 | 63,904 | 214,302 |
| Net loss after income tax (\$) | (5,830,650) | (3,917,778) | (1,199,770) | (664,488) | (979,676) |
| Share price at year end (cents/share) | 2.4 | 1.2 | 3.4 | 1.4 | 3.0 |
| Dividends paid (cents/share) | - | - | - | - | - |

Use of remuneration consultants

During the financial year ended 30 June 2023, the company did not engage any remuneration consultants.

DIRECTORS' REPORT

Voting and comments made at the company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 84.72% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

B. Details of remuneration

Amounts of remuneration

The remuneration for each key management person of the company for the year was as follows:

2023

| Key Management Person | Short-term Benefits | | | | Post-employment Benefits | Share based Payments | Total | Warranty / Performance Related | Remuneration Consisting of Warranty/Options/PR's |
|------------------------------|----------------------------|-------------------|------------------|--------------------|--------------------------|----------------------|----------------|--------------------------------|--|
| | Cash, salary & Commissions | Cash profit Share | Non-Cash Benefit | Other ⁷ | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % | % |
| Mr M Buckingham ¹ | 33,333 | - | - | - | - | - | 33,333 | - | - |
| Mr P. Dudley ² | 25,000 | - | - | - | - | 95,767 | 120,767 | 79 | 79 |
| Ms A Manero ³ | - | - | - | - | - | - | - | - | - |
| Mr S Farrell | 40,000 | - | - | - | 4,200 | - | 44,200 | - | - |
| Mr J Sarmiento ⁴ | 62,397 | - | - | 23,988 | - | 20,390 | 106,775 | 19 | 19 |
| Mr J Colvile ⁵ | 40,000 | - | - | 54,456 | - | - | 94,456 | - | - |
| Mr M Hulmes | 40,000 | - | - | - | 4,200 | - | 44,200 | - | - |
| Mr P Hume ⁶ | - | - | - | - | - | - | - | - | - |
| | 240,730 | - | - | 78,444 | 8,400 | 116,157 | 443,731 | 26 | 26 |

1 Resigned as Executive Chairman on 14 November 2022.

2 Appointed as Non-Executive Director on 30 January 2023.

3 Appointed as Non-Executive Director on 22 March 2023.

4 Appointed as Executive Chairman on 22 March 2023, previously Non-Executive Chairman appointed on 17 November 2022 and Non-Executive Director.

5 Appointed as Non-Executive Vice Chairman on 15 November 2022 and resigned on 6 April 2023, previously Non-Executive Director.

6 Appointed as Managing Director on 22 March 2023, previously Executive Director.

7 Payments were made to Directors as either reimbursement of expenditure or additional consulting fees, detailed further in section I of this remuneration report.

2022

| Key Management Person | Short-term Benefits | | | | Post-employment Benefits | Share based Payments | Total | Performance Related | Remuneration Consisting of Options |
|-----------------------------|----------------------------|-------------------|------------------|--------------------|--------------------------|----------------------|----------------|---------------------|------------------------------------|
| | Cash, salary & Commissions | Cash profit Share | Non-Cash Benefit | Other ⁹ | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % | % |
| Mr W Oliver ² | 38,000 | - | - | 15,587 | - | - | 53,587 | - | - |
| Mr M Buckingham | 82,667 | - | - | - | - | - | 82,667 | - | - |
| Ms A Austria ¹ | 12,000 | - | - | - | - | - | 12,000 | - | - |
| Mr R Gregory ⁵ | 225,000 | - | - | 19,455 | 22,500 | - | 266,955 | - | - |
| Mr S Farrell ⁸ | 1,636 | - | - | - | - | - | 1,636 | - | - |
| Mr J Sarmiento ⁴ | 30,934 | - | - | - | - | 83,611 | 114,545 | 73 | 73 |
| Mr J Colvile ⁶ | 21,600 | - | - | 4,237 | - | - | 25,837 | - | - |
| Mr M Hulmes ⁴ | 43,008 | - | - | - | 4,301 | - | 47,309 | - | - |
| Mr P Hume ⁷ | - | - | - | - | - | - | - | - | - |
| Mr B Sergeant ³ | 125,620 | - | - | 6,000 | 11,177 | 72,500 | 215,297 | 34 | 34 |
| | 580,465 | - | - | 45,279 | 37,978 | 156,111 | 819,833 | 19 | 19 |

1 Resigned as Non-Executive Director on 30 September 2021.

2 Resigned as Non-Executive Director on 13 June 2022.

3 Resigned as Executive Director on 14 December 2021.

4 Both Michael Hulmes and Julito Sarmiento were both appointed as Non-Executive Directors on 9 November 2021.

DIRECTORS' REPORT

- 5 Appointed as Managing Director on 1 January 2022 and subsequently resigned on 16 June 2022.
 6 Appointed as Non-Executive Director on 19 January 2022.
 7 Appointed as Executive Director on 16 June 2022, previously being the Philippine Country Operations Director.
 8 Appointed as Non-Executive Director on 17 June 2022.
 9 Payments were made to Directors as either reimbursement of expenditure or additional consulting fees, detailed further in section I of this remuneration report.

C. Service agreements

Ms Attilenore Manero entered into a consultancy agreement with the Group's subsidiary, Makilala Mining Company Inc. to perform services as an "Administration and Human Resources Manager, Community Relations and Compliance Manager, Culture, Environmental, Social and Governance Manager, and Permitting and Compliance Manager" for the year ended 30 June 2023. Ms A Manero was paid \$23,709 for the above listed roles, and for the year ended 30 June 2022 was paid \$23,709 for services performed as Administration and Finance Manager and Community Relations Manager. Ms Manero has not received any fee since appointed as Non-Executive Director on 22 March 2023. See Employment contract section below for further information.

Mr Peter Hume has been engaged as a consultant to a related body corporate of the Company (Makilala Mining Co, Inc.) as the Country Operations Director in the Philippines. During the term of his directorship for the year ended 30 June 2023, Mr Hume was paid \$250,000. Mr Hume has not received any fee since appointed as an Executive Director on 16 June 2022. See Employment contract section below for further information.

Employment Contracts of Key Management Personnel

Each member of the company's key management personnel are employed on open-ended employment contracts between the individual person and the Group.

Non-Executive Directors have entered into a service agreement with the Group in the form of a letter of appointment.

The below is as at the date of the financial report:

| Key Management Person | Appointment | Term of Agreement | Base Salary (excludes GST) \$ p.a. | Termination Benefit |
|----------------------------------|------------------------|-----------------------|---------------------------------------|---------------------|
| Julito Sarmiento | Executive Chairman | No fixed term | 100,000 | Nil |
| Peter Hume ⁽¹⁾ | Managing Director | 1 year ⁽¹⁾ | ⁽¹⁾ | Nil |
| Michael Hulmes ⁽²⁾ | Non-Executive Director | No fixed term | 48,000 | Nil |
| Simon Farrell | Non-Executive Director | No fixed term | 48,000 | Nil |
| Paul Dudley ⁽³⁾ | Non-Executive Director | No fixed term | 60,000 | Nil |
| Attilenore Manero ⁽⁴⁾ | Non-Executive Director | 1 year ⁽⁴⁾ | ⁽⁴⁾ | Nil |

- 1 Mr Peter Hume has been engaged as a consultant to a related body corporate of the Company (Makilala Mining Co, Inc.) as the Country Operations Director in the Philippines. Under this contract Mr P Hume is entitled to receive a monthly gross payment equivalent to twenty five thousand united states dollars (USD25,000) for a minimum of 20 days of work rendered. Mr P Hume does not obtain any additional fee as Managing Director outside of this consulting arrangement. The term of the consultancy agreement is 1 year, there is no fixed term for his appointment as Managing Director.
- 2 Mr Michael Hulmes is also entitled \$2,300 per day for any work undertaken outside of his usual Non-Executive Director duties.
- 3 Mr Paul Dudley is also entitled \$1,200 per day for any work undertaken outside of his usual Non-Executive Director duties.
- 4 Ms Attilenore Manero has been engaged as a consultant to a related body corporate of the Company (Makilala Mining Co, Inc.) as the Administration and Human resources manager, Community Relations and Compliance Manager, Culture, Environmental, social and Governance Manager and Permitting and Compliance Manager in the Philippines. Under this contract Ms A Manero is entitled to receive a monthly gross payment equivalent to ten thousand united states dollars (USD10,000) for 22 days of work rendered Ms A Manero does not obtain any additional fee as a Non-Executive Director outside of this consulting arrangement. The term of the consultancy agreement is 1 year, there is no fixed term for her appointment as Non-Executive Director.

DIRECTORS' REPORT

D. Share-based compensation

Options, Performance Rights and Warrants

The terms and conditions of each grant of performance rights, options and warrants over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

| Name | Number of rights or warrants granted | Vesting conditions | Grant date | Expiry date | Fair value per right or warrant at grant date |
|----------------|--------------------------------------|--------------------|------------|-------------|---|
| Mr J Sarmiento | 8,000,000 | 1 | 26/08/2021 | 26/08/2031 | \$ 0.0260 |
| Mr P Dudley | 10,000,000 | 2 | 05/04/2023 | 28/04/2026 | \$ 0.0096 |

1 Vesting conditions are as follows:

- 2,000,000 performance rights vesting on the completion of an economically viable Scoping Study Report for the MCB Project by 29 January 2022.
- 2,000,000 performance rights vesting on the completion of an economically viable Scoping Study Report for the Sagay Project by 30 December 2022.
- 2,000,000 performance rights vesting on the declaration of Mining Project Feasibility ("DMPF") for the MCB Project by 31 March 2023.
- 2,000,000 performance rights vesting on the declaration of Mining Project Feasibility ("DMPF") for the Sagay Project by 11 August 2023.

During the year ended 30 June 2023, 2,000,000 Milestone 2 performance rights lapsed on 30 December 2022, and 2,000,000 Milestone 4 performance rights lapsed on 11 August 2023. 2,000,000 Milestone 3 performance rights were converted to fully paid ordinary shares on 31 March 2023. As at the date of the report, Mr J Sarmiento has no performance rights holdings.

2 The warrants issued to Mr P Dudley vested immediately.

Performance rights granted carry no dividend or voting rights.

Details of performance rights over ordinary shares granted, vested and lapsed for Directors and other key management personnel as part of compensation during the years ended 30 June 2023 (2022: \$124,500) are set out below:

| Name | Grant date | Expiry date | Number of rights or warrants granted | Value of rights or warrants granted \$ | Number of rights or warrants vested | Value of rights or warrants vested \$ | Number of rights or warrants lapsed | Value of rights or warrants lapsed \$ |
|----------------|------------|-------------|--------------------------------------|--|-------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
| Mr J Sarmiento | 26/08/2021 | 26/08/2031 | 8,000,000 | 208,000 | 2,000,000 | 20,390 | 2,000,000 | - |
| Mr P Dudley | 05/04/2023 | 28/04/2026 | 10,000,000 | 95,767 | 10,000,000 | 95,767 | - | - |

No options were granted to Directors during the year ended 30 June 2023 (2022: Nil).

Share based payment expense is recognised on a straight-line basis over the vesting period. The value disclosed in the remuneration of key management personnel is the portion of the fair value of the share-based payments granted in prior years that is recognised as expense in each reporting period in accordance with the requirement of AASB 2.

Shares

There were no shares issued as compensation to directors during the year ended 30 June 2023 (2022: Nil).

E. Option holdings

The number options over ordinary shares in the company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| 30 June 2023 | Balance at beginning of the year | Granted during the year | Acquired on-market or as part of capital raising | Expiry of options | Other changes ⁽¹⁾ | Balance at end of year |
|--------------------------------|----------------------------------|-------------------------|--|-------------------|------------------------------|------------------------|
| Mr J Sarmiento ⁽⁵⁾ | - | - | - | - | - | - |
| Mr P Hume ⁽⁶⁾ | - | - | - | - | - | - |
| Mr M Hulmes | - | - | - | - | - | - |
| Mr S Farrell | - | - | - | - | - | - |
| Mr P Dudley ⁽¹⁾ | - | - | - | - | - | - |
| Ms A Manero ⁽²⁾ | - | - | - | - | - | - |
| Mr M Buckingham ⁽³⁾ | - | - | - | - | - | - |
| Mr J Colville ⁽⁴⁾ | - | - | 4,230,500 | - | (4,230,500) | - |
| | - | - | 4,230,500 | - | (4,230,500) | - |

(i) Resigned

- (1) Appointed as Non-Executive Director on 30 January 2023.
- (2) Appointed as Non-Executive Director on 22 March 2023.
- (3) Resigned as Executive Chairman on 14 November 2022.
- (4) Appointed as Non-Executive Vice Chairman on 15 November 2022 and resigned on 6 April 2023, previously Non-Executive Director
- (5) Appointed as Executive Chairman on 22 March 2023, previously Non-Executive Chairman appointed on 17 November 2022 and Non-Executive Director.
- (6) Appointed as Managing Director on 22 March 2023, previously executive director.

DIRECTORS' REPORT

F. Shareholdings

The number of shares in the company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| 30 June 2023 | Balance at beginning of the year | Shares on initial appointment | Conversion of performance rights | Acquired on-market or as part of capital raising | Other changes ⁽ⁱ⁾ | Balance at end of year |
|--------------------------------|----------------------------------|-------------------------------|----------------------------------|--|------------------------------|------------------------|
| Mr J Sarmiento ⁽⁵⁾ | 2,000,000 | - | 2,000,000 | - | - | 4,000,000 |
| Mr P Hume ⁽⁶⁾ | 26,000,000 | - | - | - | - | 26,000,000 |
| Mr M Hulmes | - | - | - | - | - | - |
| Mr S Farrell | - | - | - | - | - | - |
| Mr P Dudley ⁽¹⁾ | - | - | - | - | - | - |
| Ms A Manero ⁽²⁾ | - | 21,000,000 | - | - | - | 21,000,000 |
| Mr M Buckingham ⁽³⁾ | 31,000,000 | - | - | - | (31,000,000) | - |
| Mr J Colvile ⁽⁴⁾ | 35,861,888 | - | - | 8,461,000 | (44,322,888) | - |
| | 94,861,888 | 21,000,000 | 2,000,000 | 8,461,000 | (75,322,888) | 51,000,000 |

(i) Resigned

- (1) Appointed as Non-Executive Director on 30 January 2023.
- (2) Appointed as Non-Executive Director on 22 March 2023.
- (3) Resigned as Executive Chairman on 14 November 2022.
- (4) Appointed as Non-Executive Vice Chairman on 15 November 2022 and resigned on 6 April 2023, previously Non-Executive Director
- (5) Appointed as Executive Chairman on 22 March 2023, previously Non-Executive Chairman appointed on 17 November 2022 and Non-Executive Director. Refer to Section D on performance rights above.
- (6) Appointed as Managing Director on 22 March 2023, previously executive director.

G. Performance rights holdings

The number performance rights in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| 30 June 2023 | Balance at beginning of the year | Performance rights on initial appointment | Performance rights issued | Converted to ordinary shares | Expiry of performance rights | Other changes ⁽ⁱ⁾ | Balance at end of year |
|--------------------------------|----------------------------------|---|---------------------------|------------------------------|------------------------------|------------------------------|------------------------|
| Mr J Sarmiento ⁽⁵⁾ | 6,000,000 | - | - | (2,000,000) | (2,000,000) | - | 2,000,000 |
| Mr P Hume ⁽⁶⁾ | - | - | - | - | - | - | - |
| Mr M Hulmes | - | - | - | - | - | - | - |
| Mr S Farrell | - | - | - | - | - | - | - |
| Mr P Dudley ⁽¹⁾ | - | - | - | - | - | - | - |
| Ms A Manero ⁽²⁾ | - | - | - | - | - | - | - |
| Mr M Buckingham ⁽³⁾ | - | - | - | - | - | - | - |
| Mr J Colvile ⁽⁴⁾ | - | - | - | - | - | - | - |
| | 6,000,000 | - | - | (2,000,000) | (2,000,000) | - | 2,000,000 |

(i) Resigned and subsequently expired

- (1) Appointed as Non-Executive Director on 30 January 2023.
- (2) Appointed as Non-Executive Director on 22 March 2023.
- (3) Resigned as Executive Chairman on 14 November 2022.
- (4) Appointed as Non-Executive Vice Chairman on 15 November 2022 and resigned on 6 April 2023, previously Non-Executive Director
- (5) Appointed as Executive Chairman on 22 March 2023, previously Non-Executive Chairman appointed on 17 November 2022 and Non-Executive Director. Refer to Section D on performance rights above.
- (6) Appointed as Managing Director on 22 March 2023, previously executive director.

H. Warrants holdings

On 28 April 2023, Mr Paul Dudley was issued 10,000,000 warrants exercisable at GBP0.008 each on or before 3 years from date of issue. This issue of warrants was approved by shareholders at the Company's General Meeting held on 5 April 2023. As at 30 June 2023, Mr Paul Dudley held 10,000,000 warrants exercisable at GBP0.008.

As at 30 June 2022, the Company has nil warrants on issue.

I. Related party disclosures

a) Transactions with related parties

During the year payments were made to Colville Securities Ltd, a company with which previous Director Mr Colville is a shareholder and director. Total payment was made for the amount of \$54,456 for commission fees on the Company's listing on the Alternative Investment Market (AIM). Payments were also made to this company for the provision of Director fees and amounts paid or payable were \$40,000 (2022: \$21,600). In the prior year, payments were for the provision of professional services and amounts paid or payable of \$4,237.

During the year, payments were made to Skyhill Partners Ltd, a company which Mr Dudley is a shareholder and Director. Payments were made to this company for the provision of Director fees of \$25,000.

On 17 August 2023, 10,417,500 fully paid ordinary shares valued \$208,350 were issued to Stewardship Drilling Pty Ltd, a company for which previous Director and current Country Operations Director - Namibia, Mr Pine Van Wyk, is a shareholder and director. The shares were issued as part payment for drilling services in Namibia.

In the prior year, geological consulting services paid or payable were \$15,587 that were made to Billandbry Consulting Pty Ltd, a company with which previous Director, Mr Oliver, is a shareholder and Director. In the prior year, payments were also made to this company for services provided as a Director of the company and amounts paid or payable for the year of \$38,000.

In the prior year, payments were made to Evolution Capital Partners Pty Ltd, a company with which previous Director, Mr Sergeant is a shareholder and Director. The payments were for the provision of professional services and amounts paid or payable were \$6,000. In the prior year, payments were also made to this company for the provision of Director fees and amounts paid or payable of \$136,798.

There were no other transactions with related parties. All related party transactions are on normal commercial terms and conditions.

b) Payables owing to related parties

| | 2023 | 2022 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Stewardship Consulting Pty Ltd | - | 21,000 |
| Martin Buckingham | - | 16,667 |
| Skyhill Partners Ltd | 5,000 | - |
| Colville Securities | - | 4,000 |
| Julito Sarmiento | 8,333 | 4,000 |
| | 13,333 | 45,667 |

c) Receivables from related parties

There are no receivables from related parties at 30 June 2023 (2022: Nil).

This concludes the remuneration report, which has been audited.

SHARES UNDER OPTION AND WARRANTS

The Company has 325,304,915 listed options on issue at the date of this report. The listed options are exercisable at \$0.04 per share and expire on 22 March 2024.

The Company also has 36,000,000 unlisted warrants on issue at the date of this report and are exercisable at GBP 0.008 per share. 23,500,000 warrants expire on 28 April 2026 and 12,500,000 expire on 28 April 2028.

No person entitled to exercise the options or warrants had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

50,000,000 unlisted options exercisable at \$0.012 per share and expired on 4 August 2023, were exercised during the financial year and up to the date of this report.

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

4,800,000 performance rights were exercised during the financial year and up to the date of this report.

DIRECTORS' REPORT

INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the Directors and executives of the company for the costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company paid a premium in respect of a contract to insure the Directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Non-audit services that have been provided by the entity's auditor, RSM Australia Partners, have been disclosed in Note 17.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners.

AUDITOR

RSM Australia Partners were appointed as the company's auditors at the 2011 Annual General Meeting and continues in office in accordance with section 327 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

This Directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Atty Julito 'Sarge' R. Sarmiento
Executive Chairman

Date: 29 September 2023

The Board of Celsius Resources Limited (“CLA”) (“the Company”) is responsible for the corporate governance of the Company.

The Board has reviewed its current practices in light of the revised ASX Corporate Governance Principles and Recommendations with a view to making amendments where applicable after considering the company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The Board sets out below its “if not why not” report in relation to those matters of corporate governance where the company’s practices depart from the Recommendations.

| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | |
|---|---|--|
| | Recommendation | Celsius Resources Limited Current Practice |
| 1.1 | A listed entity should disclose: (a) respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management | Adopted. The Directors have adopted a Board Charter which outlines the role of the Board. This is contained within their Corporate Governance Plan document, a copy of which is available on the company’s website. Executive Service Agreements outline functions of the executive Directors. Non-executive Director appointment letters outline the terms and conditions of non-executive Director appointments. As the Company recruits additional management, the roles and responsibilities of these persons will be considered and documented. |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a Director: and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director | Adopted. Material information in relation to a Director up for re-election is provided in the Notice of Meeting for each AGM including background, other material Directorships, term and the Board’s consideration of them as independent or non-independent Director. |
| 1.3 | A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment. | Adopted. All Directors have a written agreement with the company setting out the terms of their appointments. |
| 1.4 | The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board. | Adopted. The responsibilities of the Company Secretary are contained within the Board Charter. |

| | | |
|---|--|--|
| 1.5 | <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally, and</p> <p>(c) disclose in relation to each reporting period:</p> <ol style="list-style-type: none"> 1. the measurable objectives set for that period to achieve gender diversity; 2. the entity's progress towards achieving those objectives; and 3. either: <ol style="list-style-type: none"> A. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or B. if entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act." | <p>Partially Adopted.</p> <p>The Company has adopted a Diversity Policy within its Corporate Governance Plan document. Although it contains objectives, they are general in nature and not considered measurable. There are no immediate plans to further develop these objectives to include measurable objectives.</p> <p>The Company makes the following disclosures regarding the proportion of women employed in the organisation:</p> <ul style="list-style-type: none"> - Women on Board: 16% - Women in Senior Management: 33% - Women in whole organisation: 50% |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Partially Adopted.</p> <p>The Company has a performance evaluation policy, as detailed in Schedule 7 of its Corporate Governance Plan document providing for an annual review on the board, Directors and management.</p> <p>An evaluation has been performed for the financial year ended 30 June 2023.</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, for each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Partially Adopted.</p> <p>As detailed above, the Company has a performance evaluation policy which includes the performance of executives. An evaluation has been performed for the financial year ended 30 June 2023.</p> |
| PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE | | |
| Recommendation | | Celsius Resources Limited Current Practice |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) Have a nomination committee which:</p> <ol style="list-style-type: none"> (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director; <p>and disclose:</p> <ol style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members at those meetings; or <p>(b) If it does not have a nomination committee disclose that fact and the processes it employs to address board succession issue and to ensure that the board has the appropriate balance of skills, knowledge experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>Not Adopted.</p> <p>The Company does not have a separate nomination committee and the full board will consider the matters and issues arising that would usually fall to the nomination committee in accordance with the Nomination Committee Charter. The Company has adopted a Nomination Committee Charter setting out the board process to raise the issues that would otherwise be considered by the Nomination Committee. The Board consider that at this stage, no efficiencies or other benefits would be gained by establishing a separate nomination committee.</p> <p>The Nomination Committee Charter is detailed in Schedule 5 of the Corporate Governance Plan document available on the Company's website.</p> |

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| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | Not Adopted. The Company currently has a mixture of skills on the Board, including technical, financial, business, management and leadership. There is a statement on Board Composition contained on the Corporate Governance page on the company's website. There is no immediate plans to develop and disclose a Board Skills Matrix. |
| 2.3 | A listed entity should disclose: (a) the names of the Directors considered by the board to be independent Directors (b) if a Director has an interest, position, association or relationship as described in Box 2.3 (Factors relevant to assessing independence) but the board is of the opinion that it doesn't compromise the independence of the Director, nature of the interest, position, association or relationship and an explanation as to why the board is of that opinion; and (c) the length of service of each Director. | Adopted. (a) Michael Hulmes – Independent Simon Farrell – Independent Paul Dudley – Independent (b) N/A (c) Michael Hulmes – 1.8 years Simon Farrell – 1 year Paul Dudley – 5 months |
| 2.4 | A majority of the Board of a listed entity should be independent Directors. | Adopted. Currently 50% of the Board are considered independent Directors as per box 2.3 of the ASX Corporate Governance Principles and Recommendations. |
| 2.5 | The Chair of a Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity. | Not Adopted. Julito Sarmiento is the Executive Chairman of the Company and Peter Hume is the Managing Director. The role of CEO is shared between Julito Sarmiento and Peter Hume. |
| 2.6 | A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. | Adopted. The Company Secretary currently completes the induction of new Directors. All Directors have access to professional development opportunities to improve on their skills and knowledge to assist in their roles as Directors. |
| PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING | | |
| | Recommendation | Celsius Resources Limited Current Practice |
| 3.1 | A listed entity should articulate and disclose its values. | Adopted. The Company's Vision and mission are included on the Company's website. |
| 3.2 | A listed entity should: (a) have and disclose a code of conduct for its Directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. | Adopted. Copy of Code of Conduct is contained within the company's Corporate Governance Plan, which is published on the Company's website. |
| 3.3 | A listed entity should: (a) have and disclose a Whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | Adopted. The Whistleblower Policy is on the Company's website, under Schedule 12 of the Corporate Governance Plan. The Board is informed of any material incidences under the policy. |

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| 3.4 | <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p> | <p>Adopted.</p> <p>The anti-bribery and corruption policy is on the Company's website, under Schedule 13 of the Corporate Governance Plan.</p> <p>The Board is informed of any material incidences under the policy.</p> |
| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING | | |
| Recommendation | | Celsius Resources Limited Current Practice |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> 1. has at least 3 members, all of whom are non-executive Directors and a majority of whom are independent Directors; and 2. is chaired by an independent Director, who is not the chair of the board; <p>and disclose:</p> <ol style="list-style-type: none"> 3. the charter of the committee 4. the relevant qualifications and experience of the member of the committee; and 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the member at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>Not Adopted.</p> <p>During the financial period ended 30 June 2023, the role of the audit committee was undertaken by the full board.</p> <p>Subsequent to the financial period ended 30 June 2023, the Company has established a separate Audit and Risk Committee consisting of 3 members who are all non-executive Directors, with the majority being independent Directors.</p> <p>The Company has adopted an Audit and Risk Committee Charter which is published in the company's Corporate Governance Plan.</p> <p>The Audit and Risk Committee follows the Audit and Risk Committee Charter which provides for integrity of corporate reporting and the removal of the external auditor and the rotation of the audit engagement partner.</p> |
| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>Adopted.</p> |
| 4.3 | <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p> | <p>Adopted.</p> <p>The Company ensures that any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor undergoes review by the Board prior to its release.</p> |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | |
| Recommendation | | Celsius Resources Limited Current Practice |
| 5.1 | <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p> | <p>Adopted.</p> <p>The Company has a Continuous Disclosure Policy which is published in the Company's Corporate Governance Plan document which is available on the Company's website.</p> |

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| 5.2 | A listed entity should ensure that its board receives a copy of all material market announcements promptly after they have been made. | Adopted. |
| 5.3 | A listed entity that gives new substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | Adopted. Under the Company's Continuous Disclosure Policy, price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants, and any new and substantive investor or analyst presentation will be released to the ASX market Announcements Platform ahead of the presentation. |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS | | |
| | Recommendation | Celsius Resources Limited Current Practice |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | Adopted. Refer to the Company's Corporate Governance page on its website. |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | Adopted. The Company has a Shareholder Communication strategy which is contained in the Company's Corporate Governance Plan document, which is published on its website. |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | Adopted. The Company encourages participation at General Meetings upon the dispatch of its Notice of Meeting and advises security holders that they may submit questions they would like to be asked at the meeting to the Board and to the Company's auditors. |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands. | Adopted. |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | Adopted. |
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | |
| | Recommendation | Celsius Resources Limited Current Practice |
| 7.1 | The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: 1. has at least three members, a majority of whom are independent Directors; and 2. is chaired by an independent Director, And disclose: 3. the charter of the committee; 4. the members of the committee; and 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. | Not Adopted. During the year ended 30 June 2023, the role of the risk committee was undertaken by the whole Board. The Board follows the Audit and Risk Committee Charter and the Risk Management plan as contained within the Corporate Governance Plan document as published on the Company's website. Within the "Disclosure – Risk Management" section of the Corporate Governance Plan, the company undertakes regular risk management reviews. Subsequent to the financial period ended 30 June 2023, the Company has established a separate Audit and Risk Committee consisting of 3 members who are all non-executive Directors, with the majority being independent Directors. |

| | | |
|--|--|--|
| | | The Audit and Risk Committee follows the Audit and Risk Committee Charter as in Schedule 3 in the Corporate Governance Plan. |
| 7.2 | The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place. | Partially Adopted. The Board reviews risk on a regular basis following policies and procedures forming part of the Company's Risk Management Framework: <ul style="list-style-type: none"> • Audit and Risk Committee Charter • Disclosure – Risk Management, as in Schedule 9 in the Corporate Governance document. A review has not taken place in the reporting period. |
| 7.3 | A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | Not Adopted. The Company does not have a structured formalised internal audit function, however historically the Board has reviewed the internal control systems and risk management policies on an annual basis. Internal controls are reviewed on an annual basis. |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | Not Adopted. The Company does not have a sustainability policy. However the Company does have an Environmental Social and Governance Committee Charter in Schedule 6 of the Corporate Governance Plan. |
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | |
| | Recommendation | Celsius Resources Limited Current Practice |
| 8.1 | The board of a listed entity should: (a) have a remuneration committee which: <ol style="list-style-type: none"> 1. has at least three members, a majority of whom are independent Directors; and 2. is chaired by an independent Director, and disclose: 3. the charter of the committee; 4. the members of the committee; and 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. | Not Adopted. The Company does not have a Remuneration Committee. The role of the remuneration committee is currently undertaken by the full board. The company has adopted a Remuneration Committee Charter which is contained within the company's Corporate Governance Plan document and published on the Company's website. The Board follows the Remuneration Committee Charter which provides for dealing with board remuneration issues. |
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives. | Adopted. This information is contained within the Remuneration Report of the Annual Report. Setting remuneration for executives is set out in the Remuneration Committee Charter. |
| 8.3 | A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and | Not Applicable. |

| | | |
|--|--|--|
| | (b) disclose that policy or a summary of it. | |
|--|--|--|

Corporate Governance Statement dated 30 June 2023
Approved by the Board 29 September 2023

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**



| | Notes | Consolidated | |
|--|--------|--------------------|--------------------|
| | | 2023 \$ | 2022 \$ |
| Other income | 3 | 28,759 | 23,127 |
| Directors' and employee benefits expense | | (496,123) | (884,109) |
| Legal and other professional fees | | (709,492) | (523,018) |
| Travel and accommodation | | (139,154) | (27,241) |
| Depreciation | | (22,035) | (14,243) |
| Management fee | | (661,256) | (248,959) |
| Finance costs | | - | (127,242) |
| Share based payments | | (460,141) | (268,348) |
| Impairment expense | 10 | (713,020) | (147,634) |
| Project costs | | (438) | (390) |
| Foreign exchange gain/(loss) | | 125,299 | (3,759) |
| Other expenses | 4 | (2,783,049) | (1,695,962) |
| Loss before income tax | | (5,830,650) | (3,917,778) |
| Income tax expense | 5 | - | - |
| Loss for the year | | (5,830,650) | (3,917,778) |
| Other comprehensive (loss)/ income | | | |
| <i>Items that may be reclassified subsequently to operating result</i> | | | |
| Exchange differences on translating foreign controlled entities | | (696,217) | (528,190) |
| Other comprehensive income for the year | | (696,217) | (528,190) |
| Total comprehensive loss for the year | | (6,526,867) | (4,445,968) |
| Loss for the year is attributable to: | | | |
| Members of parent entity | | (5,728,883) | (3,913,625) |
| Non-controlling interest | | (101,767) | (4,153) |
| | | (5,830,650) | (3,917,778) |
| Total comprehensive loss attributable to: | | | |
| Members of parent entity | | (6,486,403) | (4,395,826) |
| Non-controlling interest | | (40,464) | (50,142) |
| | | (6,526,867) | (4,445,968) |
| Earnings per share | | | |
| - Basic earnings per share (cents) | 20 (c) | (0.34) | (0.36) |
| - Diluted earnings per share (cents) | 20 (c) | (0.34) | (0.36) |

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**



| | Notes | Consolidated | |
|--|--------|-------------------|-------------------|
| | | 2023 \$ | 2022 \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 5,029,176 | 1,289,845 |
| Trade and other receivables | 7 | 76,939 | 227,689 |
| Other assets | 8 | 91,231 | 95,609 |
| Total current assets | | 5,197,346 | 1,613,143 |
| Non-current assets | | | |
| Deferred exploration expenditure | 9 | 30,258,704 | 28,242,540 |
| Property, plant and equipment | | 272,590 | 227,317 |
| Total non-current assets | | 30,531,294 | 28,469,857 |
| Total assets | | 35,728,640 | 30,083,000 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | 565,808 | 1,396,808 |
| Other liabilities | 12 | - | 1,486,532 |
| Total current liabilities | | 565,808 | 2,883,340 |
| Non-current liabilities | | | |
| Other liabilities | 13 | - | - |
| Total non-current liabilities | | - | - |
| Total liabilities | | 565,808 | 2,883,340 |
| Net assets | | 35,162,832 | 27,199,660 |
| EQUITY | | | |
| Issued capital | 14 (a) | 78,839,711 | 64,808,602 |
| Reserves | 15 | 904,620 | 1,203,210 |
| Accumulated losses | | (44,565,897) | (38,837,014) |
| Equity attributable to the owners of Celsius Resources Limited | | 35,178,434 | 27,174,798 |
| Non-controlling interest | | (15,602) | 24,862 |
| Total equity | | 35,162,832 | 27,199,660 |

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**



| | Issued Capital \$ | Accumulated Losses \$ | Share Based Payment Reserve \$ | Foreign Currency Translation Reserve \$ | Non- Controlling Interest \$ | Total \$ |
|--|-------------------------|-----------------------------|---|---|---------------------------------------|-------------------|
| Balance at 1 July 2022 | 64,808,602 | (38,837,014) | 2,418,105 | (1,214,895) | 24,862 | 27,199,660 |
| Loss for the year | - | (5,728,883) | - | - | (101,767) | (5,830,650) |
| Other comprehensive loss | - | - | - | (757,520) | 61,303 | (696,217) |
| Total comprehensive loss for the year | - | (5,728,883) | - | (757,520) | (40,464) | (6,526,867) |
| Transactions with owners, directly in equity | | | | | | |
| Issue of share capital | 14,551,711 | - | - | - | - | 14,551,711 |
| Capital raising costs | (645,402) | - | 123,589 | - | - | (521,813) |
| Transfer to issued capital upon performance rights vesting | 124,800 | - | (124,800) | - | - | - |
| Share based payments | - | - | 460,141 | - | - | 460,141 |
| Balance at 30 June 2023 | 78,839,711 | (44,565,897) | 2,877,035 | (1,972,415) | (15,602) | 35,162,832 |
| Balance at 1 July 2021 | 61,984,186 | (34,923,389) | 1,850,000 | (732,694) | 75,004 | 28,253,107 |
| Loss for the year | - | (3,913,625) | - | - | (4,153) | (3,917,778) |
| Other comprehensive loss | - | - | - | (482,201) | (45,989) | (528,190) |
| Total comprehensive loss for the year | - | (3,913,625) | - | (482,201) | (50,142) | (4,445,968) |
| Transactions with owners, directly in equity | | | | | | |
| Issue of share capital | 3,400,000 | - | - | - | - | 3,400,000 |
| Capital raising costs | (758,584) | - | 482,757 | - | - | (275,827) |
| Transfer to issued capital upon option conversion | 183,000 | - | (183,000) | - | - | - |
| Share based payments | - | - | 268,348 | - | - | 268,348 |
| Balance at 30 June 2022 | 64,808,602 | (38,837,014) | 2,418,105 | (1,214,895) | 24,862 | 27,199,660 |

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**



| | Notes | Consolidated | |
|---|-------|--------------------|--------------------|
| | | 2023 | 2022 |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Interest received | | 2,461 | 3,127 |
| Other receipts | | 1,298 | 20,000 |
| Interest paid | | (17) | (110) |
| Payments to suppliers and employees | | (4,813,234) | (3,053,871) |
| Net cash outflow from operating activities | 22 | (4,809,492) | (3,030,854) |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment. | | (67,309) | (114,666) |
| Payments exploration and evaluation | | (33,678,678) | (3,739,337) |
| Payment of deferred consideration | | (1,486,532) | (1,516,601) |
| Net cash outflow from investing activities | | (5,232,519) | (5,370,604) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 14,343,361 | 3,400,000 |
| Payment of capital raising costs | | (562,015) | (217,748) |
| Proceeds from share funds held in trust | | - | 25,000 |
| Net cash inflow from financing activities | | 13,781,346 | 3,207,252 |
| Net (decrease) / increase in cash and cash equivalents | | 3,739,335 | (5,194,206) |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | | (4) | (2) |
| Cash and cash equivalents at the beginning of the financial year | | 1,289,845 | 6,484,053 |
| Cash and cash equivalents at the end of the financial year | 6 | 5,029,176 | 1,289,845 |

The accompanying notes form part of this financial report.

These consolidated financial statements and notes represent those of Celsius Resources Limited and its controlled entities (the “consolidated entity” or “Group”).

The financial statements were authorised for issue on 29 September 2023 by the Directors of the Company.

1. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with *Corporations Act 2001*, Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. Except for cash flow information, these financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going concern

The financial statements have been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a loss for the year of \$5,830,650 (2022: \$3,917,778) and a net cash outflow from operating and investing activities of \$10,042,011 (2022: \$8,401,458). At 30 June 2023, the Group has net current assets of \$4,631,538 (2022: net current liabilities \$1,270,197).

The Group’s cashflow forecast for the period 1 July 2023 to 30 September 2024 reflects that the Group will need to raise additional working capital during the quarter ending 31 December 2023 to enable to Group to continue to meet its current committed exploration and administration expenditure.

The Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report, after consideration of the following factors:

- The Group has the ability to curtail its exploration activities in order to conserve cash; and
- The Group has the ability to raise further funds through capital raisings as and when required as it has successfully achieved in the past.

a) Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Celsius Resources Limited at the end of the reporting period. A controlled entity is any entity over which Celsius Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity’s activities. Control will generally exist where the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated entity have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the statement of financial position and statement of profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

c) Parent entity

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 23.

d) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Celsius Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the consolidated entity recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The consolidated entity notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 12 August 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the consolidated entity contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

e) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less any allowances for expected credit losses. Trade receivables are generally due for settlement within 120 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

f) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|--------------------------|------------|
| Plant and equipment | 3-10 years |
| Motor vehicles | 5 years |
| Furniture's and fixtures | 5-10 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

g) Impairment of assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset is impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in the profit or loss, unless the asset is carried at a revalued amount in accordance with another accounting standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other accounting standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

i) Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

j) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

k) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with short periods to maturity and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

m) Other income

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial interest to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

n) Employee benefits

Equity-settled compensation

The consolidated entity operates equity-settled share based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account.

Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is shown in the option reserve.

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using an appropriate valuation model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

o) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

p) Earnings/ loss per share

(i) Basic earnings/ loss per share

Basic earnings/loss per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings/ loss per share

Diluted earnings/loss per share adjusts the figures used in the determination of basic earnings/loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

q) Foreign currency translation

The financial statements are presented in Australian dollars, which is Celsius Resources Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transaction at the financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

r) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability.

s) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

t) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

At each reporting date, the financial assets are assessed for impairment.

u) Critical accounting judgments, estimates and assumptions

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

There have been no judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in these financial statements.

Following is a summary of the key assumptions concerning the future and other key sources of estimation at reporting date that have not been disclosed elsewhere in these financial statements.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Share based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

v) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these did not have a material impact on the Group. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

w) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australia Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Segment information

The consolidated entity operates within three geographical segments within mineral exploration and extraction being Australia, Namibia and Philippines. The segment information provided to the chief operating decision maker is as follows:

| 2023 | Exploration activities AUSTRALIA | Exploration Activities NAMIBIA | Exploration Activities PHILIPPINES | Consolidated |
|----------------------------------|---|---|---|---------------------|
| | \$ | \$ | \$ | \$ |
| Segment other income | 27,259 | - | 1,500 | 28,759 |
| Total other income | | | | 28,759 |
| Segment result before income tax | (3,996,979) | (96,474) | (1,737,197) | (5,830,650) |
| Loss before income tax | | | | (5,830,650) |
| Segment assets | 9,230,943 | 14,360,379 | 12,137,318 | 35,728,640 |
| Total assets | | | | 35,728,640 |
| Segment liabilities | (331,668) | (14,109) | (220,032) | (565,808) |
| Total liabilities | | | | (565,808) |

| 2022 | Exploration activities AUSTRALIA | Exploration Activities NAMIBIA | Exploration Activities PHILIPPINES | Consolidated |
|----------------------------------|---|---|---|---------------------|
| | \$ | \$ | \$ | \$ |
| Segment other income | 22,789 | - | 338 | 23,127 |
| Total other income | | | | 23,127 |
| Segment result before income tax | (2,307,692) | (204,458) | (1,405,628) | (3,917,778) |
| Loss before income tax | | | | (3,917,778) |
| Segment assets | 5,160,060 | 15,391,030 | 9,531,910 | 30,083,000 |
| Total assets | | | | 30,083,000 |
| Segment liabilities | 880,950 | 87,320 | 1,915,070 | 2,883,340 |
| Total liabilities | | | | 2,883,340 |

3. Other income

| | Consolidated | |
|--------------|---------------------|---------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Interest | 2,461 | 3,127 |
| Other income | 26,298 | 20,000 |
| | 28,759 | 23,127 |

4. Other expenses

| | Consolidated | |
|---|------------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Expenses, excluding finance costs, included in the statement of profit or loss and other comprehensive income | | |
| Consulting fees | 267,070 | 285,792 |
| Regulatory costs | 124,519 | 92,198 |
| Shareholder meeting costs | 50,863 | 17,637 |
| Marketing costs | 9,550 | 196,352 |
| Insurance costs | 73,172 | 50,049 |
| AIM Listing costs | 755,297 | 422,185 |
| Termination contract | 1,212,500 | - |
| Sundry expenses | 290,078 | 631,749 |
| | 2,783,049 | 1,695,962 |

5. Income tax expense

| | | |
|---|-------------------|-------------------|
| Loss before income tax expense | (55,830,650) | (3,917,778) |
| Tax at the Australian tax rate of 30% (2022: 30%) | (1,749,195) | (1,175,333) |
| Tax effect amounts which are not deductible in calculating taxable income | 728,382 | 170,328 |
| Deferred tax assets not brought to account | 980,066 | 1,029,536 |
| Movement in temporary differences | 40,747 | (24,531) |
| Income tax expense | - | - |
| Tax benefit not recognised – opening balance | 30,144,973 | 29,139,967 |
| Reduction in opening deferred taxes resulting from reduction in tax rate | - | - |
| | 30,144,973 | 29,139,967 |
| Tax benefit not recognised – current year | 1,020,813 | 1,005,006 |
| Tax benefit at 30% not recognised (2022: 30%) | 31,165,786 | 30,144,973 |

The deferred tax asset attributable to carried forward income tax losses and temporary differences has not been recognised as an asset as the company has not commenced trading and the availability of future profits to recoup these losses is not considered probable at the date of this report.

6. Cash and cash equivalents

| | | |
|--------------------------|------------------|------------------|
| Cash at bank and on hand | 5,029,176 | 1,289,845 |
| | 5,029,176 | 1,289,845 |

7. Trade and other receivables

| | | |
|---------------|---------------|----------------|
| Other debtors | 76,939 | 227,689 |
| | 76,939 | 227,689 |

8. Other assets

| | | |
|-------------|---------------|---------------|
| Prepayments | 91,231 | 95,609 |
| | 91,231 | 95,609 |

9. Deferred exploration expenditure

| | Consolidated | |
|---|-------------------|-------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Expenditure brought forward | 28,242,540 | 24,324,124 |
| Expenditure incurred during the year | 3,423,099 | 4,650,189 |
| Expenditure impaired during the year ⁽¹⁾ (see note 10) | (549,853) | (147,634) |
| Foreign exchange movements | (857,082) | (584,139) |
| Expenditure carried forward | 30,258,704 | 28,242,540 |

(1) In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources an indication of impairment may exist if the right to explore in the specific area has expired during the year and is not expected to be renewed. Impairments of tenements were captured for the regions in Namibia, Philippines and Australia to the value of \$549,853 for the period ending 30 June 2023.

10. Impairment expenses

| | Consolidated | |
|--|----------------|----------------|
| | 2023 | 2022 |
| Impairment of deferred exploration expenditure | 549,853 | 147,634 |
| Impairment of receivables | 163,167 | - |
| | 713,020 | 147,634 |

11. Trade and other payables

| | | |
|---------------------------|----------------|------------------|
| Trade creditors | 439,849 | 960,183 |
| Accrued expenses | 60,759 | 354,253 |
| Share funds held in trust | - | 25,000 |
| Other payables | 65,200 | 57,372 |
| | 565,808 | 1,396,808 |

12. Other liabilities

Current

| | | |
|------------------------------------|----------|------------------|
| Deferred consideration payable (i) | - | 1,486,532 |
| | - | 1,486,532 |

(i) The consolidated entity, through its wholly owned subsidiary, Anleck Limited, had a deferred consideration payable associated with Anleck Limited acquiring 100% of the issued capital of Makilala Holdings Limited (an entity incorporated in the British Virgin Islands (MHL)) in September 2020. The first deferred payment \$1,414,179, was paid on 19 November 2021, which is 1 calendar year after the EP release date. The second deferred payment was made in three tranches on 7 December 2022 (USD100K), 3 February 2023 (USD200K) and 9 February 2023 (USD800K). Subsequent to year-end, Anleck Limited was stuck-off effective 11 July 2023.

13. Issued capital

| | | |
|------------------------------|-------------------|-------------------|
| Ordinary shares – fully paid | 84,519,405 | 65,567,186 |
| Capital raising costs | (5,679,694) | (758,584) |
| | 78,839,711 | 64,808,602 |

a) Ordinary shares

| | 2023 | 2022 | | 2023 | 2022 |
|-------------------------------|----------------------|----------------------|----------------|-------------------|-------------------|
| Date | No. of shares | No. of shares | Issue price \$ | \$ | \$ |
| At the beginning of the year: | 1,221,465,768 | 1,047,228,081 | | 64,808,602 | 61,984,186 |
| Shares issued during the year | | | | | |
| – 3 December 2021 | - | 4,250,000 | 0.026 | - | 110,500 |
| – 3 December 2021 | - | 2,500,000 | 0.029 | - | 72,500 |
| – 10 March 2022 | - | 167,487,687 | 0.020 | - | 3,400,000 |
| – 5 August 2022 | 262,484,775 | - | 0.013 | 3,412,302 | - |
| – 17 August 2022 | 10,417,500 | - | 0.020 | 208,350 | - |
| – 16 September 2022 | 8,461,000 | - | 0.013 | 109,993 | - |
| – 19 December 2022 | 3,000,000 | - | 0.012 | 36,000 | - |
| – 30 December 2022 | 45,000,000 | - | 0.029 | 1,300,000 | - |
| – 18 January 2023 | 3,000,000 | - | 0.012 | 36,000 | - |
| – 23 January 2023 | 4,000,000 | - | 0.012 | 48,000 | - |
| – 30 January 2023 | 296,375,000 | - | 0.014 | 4,146,554 | - |
| – 31 January 2023 | 3,000,000 | - | 0.012 | 36,000 | - |
| – 22 March 2023 | 8,448,856 | - | 0.014 | 118,284 | - |
| – 31 March 2023 | 4,800,000 | - | 0.026 | 124,800 | - |
| – 6 April 2023 | 2,265,430 | - | 0.014 | 31,716 | - |
| – 28 April 2023 | 3,000,000 | - | 0.015 | 44,512 | - |
| – 16 May 2023 | 333,333,333 | - | 0.015 | 5,000,000 | - |
| – 16 May 2023 | 2,000,000 | - | 0.012 | 24,000 | - |
| Capital raising costs | - | - | - | (645,402) | (758,584) |
| At the end of the year | 2,211,051,662 | 1,221,465,768 | | 78,839,711 | 64,808,602 |

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll, each share is entitled to one vote.

b) Capital management

The objectives of management when managing capital is to safeguard the consolidated entity's ability to continue as a going concern, so that the consolidated entity may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the consolidated entity's activities, being mineral exploration, the consolidated entity does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the consolidated entity's capital risk management is the current working capital position against the requirements of the consolidated entity to meet exploration programmes and corporate overheads. The consolidated entity's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the consolidated entity at 30 June 2023 and 2022 is as follows:

| | 2023 | 2022 |
|-----------------------------|------------------|--------------------|
| | \$ | \$ |
| Cash and cash equivalents | 5,029,176 | 1,289,845 |
| Trade and other receivables | 76,939 | 227,689 |
| Other current assets | 91,231 | 95,609 |
| Trade and other payables | (565,808) | (2,883,340) |
| Working capital position | 4,631,538 | (1,270,197) |

14. Reserves

| | Consolidated | |
|------------------------------|----------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Share based payment reserve | 2,877,035 | 2,418,105 |
| Foreign currency translation | (1,972,415) | (1,214,895) |
| | 904,620 | 1,203,210 |

Movements

Share based payment reserve

| | | |
|--|------------------|------------------|
| Balance 1 July | 2,418,105 | 1,850,000 |
| Issue of options for services | 123,589 | 482,757 |
| Issue of warrants | 420,689 | - |
| Issue of performance rights | - | 268,348 |
| Performance rights vested | 39,452 | - |
| Conversion of performance rights to issued capital | (124,800) | (183,000) |
| Balance 30 June | 2,877,035 | 2,418,105 |

During the year, the consolidated entity granted 135,472,888 free attaching quoted options, with a total fair value of \$Nil. The options were issued as part of the placement in August 2022. The consolidated entity also issued 39,093,111 listed options, with a total fair value of \$123,589. The options were issued to brokers for their services in connection to the August placement.

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Risk free rate | Early Exercise Multiple | Dividend Yield | Number of Options | Value per Option | Total Value | Vesting terms |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|----------------|-------------------|------------------|-------------|---------------|
| | | \$ | \$ | % | % | | % | # | \$ | \$ | |
| 18/08/2022 | 22/03/2024 | 0.014 | 0.040 | 100 | 3.06 | - | - | 39,093,111 | 0.0032 | 123,589 | Immediately |
| 16/09/2022 | 22/03/2024 | 0.012 | 0.040 | - | - | - | - | 135,472,888 | - | - | Immediately |

Set out below is a summary of the movements in options on issue during the year:

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/forfeited | Balance at the end of the year |
|---------------------------------|-------------|----------------|----------------------------------|--------------------|---------------------|-------------------|--------------------------------|
| | | \$ | | | | | |
| 4/02/2021 | 4/08/2023 | 0.012 | 50,000,000 | - | (15,000,000) | - | 35,000,000 |
| 10/03/2022 | 22/03/2024 | 0.040 | 66,995,074 | - | - | - | 66,995,074 |
| 22/03/2022 | 22/03/2024 | 0.040 | 83,743,842 | - | - | - | 83,743,842 |
| 18/08/2022 | 22/03/2024 | 0.040 | - | 39,093,111 | - | - | 39,093,111 |
| 16/09/2022 | 22/03/2024 | 0.040 | - | 135,472,888 | - | - | 135,472,888 |
| | | | 200,738,916 | 174,565,999 | (15,000,000) | - | 360,304,915 |
| Weighted average exercise price | | | 0.04 | 0.02 | 0.39 | - | 0.02 |

Set out below are the options on issue at the end of the financial year:

| Grant date | Expiry date | 2023 Number | 2022 Number |
|------------|-------------|--------------------|--------------------|
| 4/02/2021 | 04/08/2023 | 35,000,000 | 50,000,000 |
| 10/03/2022 | 22/03/2024 | 66,995,074 | 66,995,074 |
| 22/03/2022 | 22/03/2024 | 83,743,842 | 83,743,842 |
| 18/08/2022 | 22/03/2024 | 39,093,111 | - |
| 16/09/2022 | 22/03/2024 | 135,472,888 | - |
| | | 360,304,915 | 200,738,916 |

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.57 years. (2022: 1.57 years).

Performance rights

There were no performance rights issued during the period. In previous year 30 June 2022, the consolidated entity granted 25,150,000 performance rights, with a total affair value of \$606,586. This figure represents the fair value at grant date before considering the best available estimates of the number of performance rights with nonmarket based vesting conditions that are expected to vest.

After taking into account the probabilities of vesting criteria being met and the expected vesting date, the value expensed in relation to these performance rights in prior year was \$268,348 with the remaining fair value amount to be expensed on the vesting conditions over the vesting period. The expense realised in respect to the performance rights is intended to reflect the best available estimate of the number of performance rights expected to vest. During the period, additional \$51,321 was expensed in relation to these performance rights.

On 30 December 2022, 3,600,000 performance rights ceased due to expiry.

During the year Declaration of Mining Project Feasibility (“DMPF”) was submitted to the National Government for MCB Project, being the achievement of Milestone 3 vesting condition. On 31 March 2023, 4,800,000 fully paid ordinary shares were issued on conversion of performance rights and \$183,000 was transferred from the share-based payment reserve to issued capital; 600,000 of these performance rights lapsed for employees who left the Company and not being eligible to have their performance rights converted, and as such \$11,869 was reversed.

Performance rights outstanding at reporting date:

| | Number |
|--------------------------------------|-------------------------|
| Balance at the beginning of the year | 13,400,000 |
| Performance rights issued | - |
| Performance rights converted | (4,800,000) |
| Performance rights lapsed | <u>(4,200,000)</u> |
| Balance at the end of the year | <u>4,400,000</u> |

Warrants

During the year, the consolidated entity issued 36,000,000 warrants, with a total fair value of \$420,689. Of which 12,500,000 valued \$167,946 were issued to advisor and 13,500,000 valued \$156,976 were issued to sub-broker. 10,000,000 valued \$95,767 were issued to Paul Dudley (Non-Executive Director) as director fees. All warrants were issued as part of the AIM listing in January 2023.

The following warrants issued during the period were valued using a Black-Scholes Model with the valuation model inputs used to determine the fair value at grant date as follows:

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Risk free rate | Early Exercise Multiple | Dividend Yield | Number of Warrants | Value per Warrant | Total Value | Vesting terms |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|----------------|--------------------|-------------------|-------------|---------------|
| | | \$ | GBP | % | % | | % | # | \$ | \$ | |
| 31/01/2023 | 28/04/2028 | 0.017 | 0.008 | 100 | 3.07 | 2.5 | - | 12,500,000 | 0.0134 | 167,946 | Immediately |
| 31/01/2023 | 28/04/2026 | 0.017 | 0.008 | 100 | 3.00 | 2.5 | - | 13,500,000 | 0.0116 | 156,976 | Immediately |
| 05/04/2023 | 28/04/2026 | 0.015 | 0.008 | 100 | 2.89 | 2.5 | - | 10,000,000 | 0.0096 | 95,767 | Immediately |

Set out below is a summary of the movements in warrants on issue during the year:

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/forfeited | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|------------|-----------|-------------------|--------------------------------|
| | | GBP | | | | | |
| 31/01/2023 | 28/04/2028 | 0.008 | - | 12,500,000 | - | - | 12,500,000 |
| 31/01/2023 | 28/04/2026 | 0.008 | - | 13,500,000 | - | - | 13,500,000 |
| 05/04/2023 | 28/04/2026 | 0.008 | - | 10,000,000 | - | - | 10,000,000 |
| | | | - | 36,000,000 | | | 36,000,000 |

Set out below are the warrants on issue at the end of the financial year:

| Grant date | Expiry date | 2023 Number | 2022 Number |
|------------|-------------|-------------------|-------------|
| 31/01/2023 | 28/04/2028 | 12,500,000 | - |
| 31/01/2023 | 28/04/2026 | 13,500,000 | - |
| 05/04/2023 | 28/04/2026 | 10,000,000 | - |
| | | <u>36,000,000</u> | <u>-</u> |

Foreign currency translation reserve

| | | |
|---------------------------------------|--------------------|--------------------|
| Balance 1 July | (1,214,895) | (732,694) |
| Foreign currency translation movement | (757,520) | (482,201) |
| Balance 30 June | <u>(1,972,415)</u> | <u>(1,214,895)</u> |

The reserve is used to recognise exchange differences arising from the translation of financial statements of foreign operations to Australian dollars.

15. Interests of Key Management Personnel ("KMP")

Refer to the remuneration report contained in the Directors' report for details of the remuneration paid or payable to each member of the consolidated entity's key management personnel for the year ended 30 June 2023.

The total remuneration paid to KMP of the company and the group are as follows:

| | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 319,174 | 625,744 |
| Post-employment benefits | 8,400 | 37,978 |
| Share based payments | 116,157 | 156,111 |
| | <u>443,731</u> | <u>819,833</u> |

16. Related parties

a) Parent entity

The parent entity is Celsius Resources Limited.

b) Controlled entities

Interests in controlled entities are set out in Note 18.

c) Key management personnel

Disclosures relating to key management personnel are set out in Note 15 and the remuneration report included in the Directors' report.

d) Transactions and balances with related parties

During the year payments were made to Colville Securities Ltd, a company with which previous Director Mr Colville is a shareholder and director. Total payment was made for the amount of \$54,456 for commission fees on the Company's listing on the Alternative Investment Market (AIM). Payments were also made to this company for the provision of Director fees and amounts paid or payable were \$40,000 (2022: \$21,600). In the prior year, payments were for the provision of professional services and amounts paid or payable of \$4,237.

During the year, payments were made to Skyhill Partners Ltd, a company which Mr Dudley is a shareholder and Director. Payments were made to this company for the provision of Director fees of \$25,000.

On 17 August 2023, 10,417,500 fully paid ordinary shares valued \$208,350 were issued to Stewardship Drilling Pty Ltd, a company for which previous Director and current Country Operations Director - Namibia, Mr Pine Van Wyk, is a shareholder and director. The shares were issued as part payment for drilling services in Namibia.

In the prior year, geological consulting services paid or payable were \$15,587 that were made to Billandbry Consulting Pty Ltd, a company with which previous Director, Mr Oliver, is a shareholder and Director. In the prior year, payments were also made to this company for services provided as a Director of the company and amounts paid or payable for the year of \$38,000.

In the prior year, payments were made to Evolution Capital Partners Pty Ltd, a company with which previous Director, Mr Sergeant is a shareholder and Director. The payments were for the provision of professional services and amounts paid or payable were \$6,000. In the prior year, payments were also made to this company for the provision of Director fees and amounts paid or payable of \$136,798.

There were no other transactions with related parties. All related party transactions are on normal commercial terms and conditions

e) Payables owing to related parties

| | 2023 | 2022 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Stewardship Consulting Pty Ltd | - | 21,000 |
| Martin Buckingham | - | 16,667 |
| Skyhill Partners Ltd | 5,000 | - |
| Colville Securities | - | 4,000 |
| Julito Sarmiento | 8,333 | 4,000 |
| | 13,333 | 45,667 |

17. Remuneration of auditors

| | Consolidated | |
|---|---------------|---------------|
| | 2023 | 2022 |
| | \$ | \$ |
| <i>RSM Australia Partners</i> | | |
| Audit and review services | 65,000 | 61,500 |
| Other – Taxation services | 4,000 | 10,500 |
| Other – Independent expert report | - | - |
| | 69,000 | 72,000 |
| <i>PricewaterhouseCoopers (Republic of Namibia)</i> | | |
| Audit and review services | 20,284 | 15,944 |
| Other – Taxation services | 4,643 | 4,063 |
| | 24,927 | 20,007 |
| <i>RSM – Network Firms (Reyes Tacandong & Co)</i> | | |
| Audit and review services | 9,833 | 9,856 |
| | 9,833 | 9,856 |

18. Commitments for expenditure

(a) Tenement expenditure commitments:

The consolidated entity is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

| | Consolidated | |
|---|------------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| The consolidated entity has tenement rental and expenditure commitments payable of: | | |
| – not later than 12 months | 524,317 | 524,317 |
| – between 12 months and 5 years | 725,572 | 725,572 |
| – more than 5 years | 75,577 | 125,962 |
| | 1,325,466 | 1,375,851 |

(b) Capital commitments

There are no capital commitments contracted for at balance date (2022: \$Nil).

19. Controlled entities

| Name of Entity | Country of Incorporation | Class of Shares | Percentage Owned (%) | |
|---------------------------------|--------------------------|-----------------|----------------------|------|
| | | | 2023 | 2022 |
| Opuwo Cobalt Pty Ltd | Australia | Ordinary | 100% | 100% |
| View Nickel Pty Ltd | Australia | Ordinary | 100% | 100% |
| Opuwo Cobalt Holdings (Pty) Ltd | Namibia | Ordinary | 95% | 95% |
| Opuwo Cobalt Mining (Pty) Ltd | Namibia | Ordinary | 95% | 95% |
| Select Leach Pty Ltd (i) | Australia | Ordinary | 100% | 100% |
| Cullarin Metals Pty Ltd | Australia | Ordinary | 100% | 100% |
| Anleck Limited (ii) | United Kingdom | Ordinary | 100% | 100% |
| Makilala Holdings Ltd | British Virgin Islands | Ordinary | 100% | 100% |
| PDEP Holdings, LLC | United States | Ordinary | 100% | 100% |
| Tambuli, LLC | United States | Ordinary | 100% | 100% |
| Makilala Mining Company, Inc. | Philippines | Ordinary | 100% | 100% |
| PDEP, Inc. | Philippines | Ordinary | 100% | 100% |
| Tambuli Mining, Inc. | Philippines | Ordinary | 100% | 100% |

(i) Select Leach Pty Ltd was deregistered on 9 August 2023.

(ii) Anleck Limited was struck off on 11 July 2023.

Summarised financial information

Summarised financial information of the subsidiary with non-controlling interests that are material to the consolidated entity are set out below:

| | 2023 | 2022 |
|--|-------------------------|-------------------------|
| | \$ | \$ |
| <i>Summarised statement of financial position</i> | | |
| Current assets | 49,577 | 115,906 |
| Non-current assets | <u>10,203,664</u> | <u>10,695,070</u> |
| Total assets | <u>10,253,241</u> | <u>10,810,976</u> |
| Current liabilities | 14,109 | 89,157 |
| Non-current liabilities | <u>10,590,655</u> | <u>10,224,584</u> |
| Total liabilities | <u>10,604,764</u> | <u>10,313,741</u> |
| Net assets | <u>(351,523)</u> | <u>497,235</u> |
| | | |
| | 2023 | 2022 |
| | \$ | \$ |
| <i>Summarised statement of profit or loss and other comprehensive income</i> | | |
| Other income | - | 868,042 |
| Expenses | <u>(96,471)</u> | <u>(1,047,735)</u> |
| Loss before income tax expense | (96,471) | (179,693) |
| Income tax expense | <u>-</u> | <u>-</u> |
| Loss after income tax expense | (96,471) | (179,693) |
| Other comprehensive income | <u>(456,874)</u> | <u>(528,190)</u> |
| Total comprehensive loss | <u>(553,345)</u> | <u>(707,883)</u> |
| | | |
| <i>Statement of cash flows</i> | | |
| Net cash outflow from operating activities | (470,890) | (247,637) |
| Net cash inflow from financing activities | <u>482,311</u> | <u>269,945</u> |
| Net increase / (decrease) in cash and cash equivalents | <u>33,729</u> | <u>22,308</u> |

20. Events after the reporting period

In July and August 2023, the Company issued a total of 35,000,000 fully paid ordinary shares on exercise of 35,000,000 unlisted options over shares, each option exercisable at \$0.012 and expired on 4 August 2023.

On 18 July 2023, the Company's Philippine subsidiary, Makilala Mining Company, Inc. was issued a Certificate of Approval for its Environmental Protection and Enhancement Program and Final Mine Rehabilitation and/or Decommissioning Plan for its Maalinao-Caigutan-Biyog (MCB) Copper-Gold Project. On 15 August 2023, the Philippine Mines and Geosciences Bureau approved the MCB Project's Mining Project Feasibility Study as technically and economically feasible based on provisions of the Philippine Mining Act of 1995. Following this approval is the anticipated issuance of the MCB Project's Declaration of Mining Project Feasibility and consequently, the Mineral Production Sharing Agreement, which the Company envisages receiving towards the end of 2023.

On 11 August, 4,400,000 unlisted Performance Rights expired without exercise or conversion. This was due to the vesting condition of the Declaration of Mining Project Feasibility for the Sagay Project being received by 11 August 2023 not being met.

On 11 August 2023, the Company announced that the proposed transaction with Silvercorp Metals Inc. (SVM) did not have reasonable prospects of being approved by the requisite majorities of shareholders at the initial proposed price, and the Company formed the view that SVM does not intend on progressing with the transaction. As of the date of this report, the Company has not received any formal notice from SVM terminating the proposed transaction. The exclusivity clauses in the agreement assigned with SVM have expired.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity the results of those operations, or the state of affairs of the consolidated entity in future financial years.

21. Earnings per share

| | Consolidated | |
|---|----------------------|----------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| a) Reconciliation of earnings to profit or loss: | | |
| Loss attributable to owners of the Company | (5,728,882) | (3,913,625) |
| Loss used to calculate basic and diluted EPS | <u>(5,728,882)</u> | <u>(3,913,625)</u> |
| | Number | Number |
| b) Weighted average number of ordinary shares used as the denominator in calculating basic EPS | 1,673,311,257 | 1,102,963,995 |
| Weighted average number of dilutive options outstanding | - | - |
| Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS | <u>1,673,311,257</u> | <u>1,102,963,995</u> |
| | Cents | Cents |
| c) Basic and diluted loss per share | (0.34) | (0.36) |

22. Cash flow information

| a) Reconciliation of loss after income tax to net cash outflow from operating activities | Consolidated | |
|--|--------------------|--------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Loss after income tax | (5,830,649) | (3,917,778) |
| Share based payment | 460,141 | 268,348 |
| Depreciation | 22,035 | 14,243 |
| Impairment | 713,019 | 147,634 |
| Change in operating assets and liabilities: | | |
| Trade and other receivables | 4,417 | (62,870) |
| Other assets | - | - |
| Trade and other payables | (178,455) | 519,569 |
| Net cash outflow from operating activities | (4,809,492) | (3,030,854) |

b) Non-cash investing and financing activities

| | Consolidated | |
|---|----------------|----------|
| | 2023 | 2022 |
| | \$ | \$ |
| Liabilities settled via issue of shares | 208,350 | - |
| | 208,350 | - |

23. Parent entity disclosures

| (a) Financial position | Parent | |
|----------------------------------|--------------------|--------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Assets | | |
| Current assets | 4,737,779 | 843,841 |
| Non-current assets | 30,755,692 | 27,235,669 |
| Total assets | 35,493,471 | 28,079,510 |
| Liabilities | | |
| Current liabilities | 330,638 | 879,850 |
| Total liabilities | 330,638 | 879,850 |
| Equity | | |
| Issued capital | 78,839,711 | 64,808,602 |
| Reserves | 2,877,035 | 1,935,348 |
| Accumulated losses | (46,553,913) | (39,544,290) |
| Total equity | 35,162,833 | 27,199,660 |
| (b) Financial performance | | |
| Loss for the year | (3,658,220) | (2,306,594) |
| Other comprehensive income | - | - |
| Total comprehensive loss | (3,658,220) | (2,306,594) |

(c) Contingent asset and liabilities of the Parent Entity

There are no such contingencies as at 30 June 2022 and 30 June 2023.

(d) Commitments of the Parent Entity

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

(e) Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.

Financial risk management

The consolidated entity's principal financial instruments comprise cash and short-term deposits. The consolidated entity has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations.

The consolidated entity's activities expose it to a variety of financial risks, including, credit risk, liquidity risk, foreign exchange rate risk and cash flow interest rate risk. The company is not exposed to price risk.

Risk management is carried out by the Board of Directors, who evaluates and agree upon risk management and objectives.

(a) Market risk

Interest rate risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

| | 2023 | Floating Interest Rate | Fixed Interest Rate | | Non-Interest Bearing | Total | Weight Effective Interest Rate |
|-----------------------------|------|------------------------|---------------------|--------------|----------------------|------------------|--------------------------------|
| | | | 1 Year or Less | 1 to 5 Years | | | |
| | | | 2023 \$ | 2023 \$ | | | |
| Financial assets | | | | | | | |
| Cash | | 311,405 | - | - | 4,717,771 | 5,029,176 | 0.09% |
| Trade and other receivables | | - | - | - | 76,939 | 76,939 | - |
| Total financial assets | | 311,405 | - | - | 4,794,710 | 5,106,115 | |
| Financial liabilities | | | | | | | |
| Trade and other payables | | - | - | - | 565,808 | 565,808 | - |
| Total financial liabilities | | - | - | - | 565,808 | 565,808 | |

| | 2022 | Floating Interest Rate | Fixed Interest Rate | | Non-Interest Bearing | Total | Weight Effective Interest Rate |
|-----------------------------|------|------------------------|---------------------|--------------|----------------------|------------------|--------------------------------|
| | | | 1 Year or Less | 1 to 5 Years | | | |
| | | | 2022 \$ | 2022 \$ | | | |
| Financial assets | | | | | | | |
| Cash | | 728,286 | - | - | 561,559 | 1,289,845 | 0.10% |
| Trade and other receivables | | - | - | - | 227,689 | 227,689 | - |
| Total financial assets | | 728,286 | - | - | 789,248 | 1,517,534 | |
| Financial liabilities | | | | | | | |
| Trade and other payables | | - | - | - | 2,883,340 | 2,883,340 | - |
| Total financial liabilities | | - | - | - | 2,883,340 | 2,883,340 | |

The consolidated entity policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The consolidated entity does not have any receivables or payables that may be affected by interest rate risk.

The interest rate risk to the consolidated entity is not material.

(b) Credit risk

The consolidated entity does not have any significant concentrations of credit risk. Credit risk is managed by the Board of Directors and arises from cash and cash equivalents as well as credit exposure including outstanding receivables.

All cash balances held in Australia are held at internationally recognised institutions.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets disclosed within the financial report.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

Financial assets that are neither past due and not impaired are as follows:

| | 2023 | 2022 |
|---|-------------|-------------|
| | \$ | \$ |
| Financial assets - counterparties without external credit rating | | |
| Financial assets with no defaults in the past | 76,939 | 227,689 |
| | <hr/> | <hr/> |
| Cash and cash equivalents | | |
| 'AA' S&P rating | 5,029,176 | 1,289,845 |
| | <hr/> | <hr/> |

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The consolidated entity's exposure to the risk of changes in market interest rates relate primarily to cash assets.

The Directors monitor the cash-burn rate of the consolidated on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The financial liabilities the consolidated entity had at reporting date were other payables incurred in the normal course of the business. These were non interest bearing and were due within the normal 30-60 days terms of creditor payments.

Maturity analysis for financial liabilities

Financial liabilities of the consolidated entity comprise trade and other payables. As at 30 June 2023 and 30 June 2022 all financial liabilities are contractually maturing within 60 days.

(d) Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risks arise when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

| | Assets | | Liabilities | |
|---------------------|---------------|-------------|--------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Consolidated | | | | |
| British Pound | 917,435 | - | - | - |
| Philippine Peso | 328,169 | 571,221 | 180,802 | 426,703 |

The consolidated entity has considered the sensitivity relating to its exposure to foreign currency risk at reporting date. A 10% strengthening of the AUD against the following currencies at the end of the reporting date would have increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

| | Profit or (loss) | |
|---------------------|------------------|---------------|
| | 2023 | 2022 |
| Consolidated | | |
| British Pound | 91,744 | - |
| Philippine Peso | 14,737 | 14,452 |
| | <u>106,480</u> | <u>14,452</u> |

A 10% weakening of AUD against the above currencies at the end of the reporting date would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(e) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the consolidated entity at the reporting date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the consolidated entity is the current bid price. At reporting date the consolidated entity had no such financial assets.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

24. Contingent assets and liabilities

The consolidated entity had no contingent assets or liabilities as at 30 June 2023 and 30 June 2022.

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as stated in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Atty. Julito 'Sarge' R. Sarmiento
Executive Chairman

Date: 29 September 2023



RSM Australia Partners

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2 The Esplanade Perth WA 6000
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Celsius Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2023

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners 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.

RSM Australia Partners ABN 36 965 185 036

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CELSIUS RESOURCES LIMITED**

Opinion

We have audited the financial report of Celsius Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed this matter |
|--|---|
| Going Concern | |
| <i>Refer to Note 1 in the financial statements</i> | |
| <p>For the year ended 30 June 2023, the Group incurred a loss of \$5,830,650 and had net cash outflows from operating and investing activities of \$10,042,011.</p> <p>The directors' have prepared the financial report on a going concern basis and believe that it is reasonably foreseeable that the Group will continue as a going concern. The directors' assessment of the Group's ability to continue as a going concern is based on a cash flow forecast.</p> <p>We determined this assessment of going concern to be a key audit matter due to the significant judgments involved in preparing the cash flow forecast.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluating the current financial position of the Group; • Assessing the appropriateness and mathematical accuracy of the cash flow forecast prepared by management; • Challenging the reasonableness of the key assumptions used in the cash flow forecast; and • Assessing the adequacy of the going concern disclosures in the financial report. |
| Deferred Exploration Expenditure | |
| <i>Refer to Note 9 in the financial statements</i> | |
| <p>The Group has capitalised exploration and evaluation expenditure, with a carrying value of \$30,258,704 as at 30 June 2023.</p> <p>We determined this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> • Determination of whether expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present and, if so, judgments applied to determine and quantify any impairment loss. | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Assessing whether the Group's right to tenure of each relevant area of interest is current; • Testing, on a sample basis, additions of capitalised exploration and evaluation expenditure to supporting documentation, including assessing whether amounts are capitalised in accordance with the Group's accounting policy; • Assessing and evaluating management's assessment of whether any indicators of impairment existed at the reporting date; • Assessed the impairment expense recognised by the Group for the year ended; • Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; • Enquiring with management and reading budgets and other supporting documentation to corroborate that active and significant operations in, or relation to, each relevant area of interest will be continued in the future; and • Assessing the adequacy of disclosures in the financial report. |

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Celsius Resources Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature of "RSM" in a cursive, stylized font.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG
Partner

Perth, WA
Dated: 29 September 2023

ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 18 September 2023.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

| Range | Total Holders | Units | % of Issued Capital |
|-------------------------|---------------|----------------------|---------------------|
| 1 – 1,000 | 294 | 8,466 | -% |
| 1,001 – 5,000 | 150 | 568,856 | 0.03% |
| 5,001 – 10,000 | 194 | 1,609,838 | 0.07% |
| 10,001 – 100,000 | 1,355 | 63,274,642 | 2.82% |
| 100,001 – 9,999,999,999 | 1,154 | 2,180,589,860 | 97.09% |
| Total | 3,147 | 2,246,051,662 | 100.00% |

Unmarketable Parcels

| Minimum Parcel Size | Holdings | Units |
|---|----------|-------|
| Minimum \$500.00 parcel at \$0.011 per unit | 45,454 | 1,412 |

(b) Distribution of equity securities

Analysis of numbers of listed options holders by size of holding:

| Range | Total Holders | Units | % of Issued Capital |
|-------------------------|---------------|--------------------|---------------------|
| 1 – 1,000 | 1 | 30 | -% |
| 1,001 – 5,000 | - | - | -% |
| 5,001 – 10,000 | - | - | -% |
| 10,001 – 100,000 | 9 | 443,134 | 0.14% |
| 100,001 – 9,999,999,999 | 125 | 324,861,751 | 99.86% |
| Total | 135 | 325,304,915 | 100.00% |

Unmarketable Parcels

| Minimum Parcel Size | Holdings | Units |
|---|----------|-------|
| Minimum \$500.00 parcel at \$0.011 per unit | 45,454 | 2 |

(c) Distribution of equity securities

Analysis of numbers of unlisted warrants holders by size of holding:

| Range | Total Holders | Units | % of Issued Capital |
|-------------------------|---------------|-------------------|---------------------|
| 1 – 1,000 | - | - | -% |
| 1,001 – 5,000 | - | - | -% |
| 5,001 – 10,000 | - | - | -% |
| 10,001 – 100,000 | - | - | -% |
| 100,001 – 9,999,999,999 | 3 | 36,000,000 | 100% |
| Total | 3 | 36,000,000 | 100.00% |

(d) Unmarketable Parcels

| Minimum Parcel Size | Holdings | Units |
|---|----------|-------|
| Minimum \$500.00 parcel at \$0.011 per unit | 45,454 | - |

(e) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

| Rank | Name | Units | % of Units |
|------|---|-------------|------------|
| 1 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED ¹ | 310,784,161 | 13.84% |
| 2 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> ² | 199,937,071 | 8.90% |
| 3 | COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C> ³ | 158,898,771 | 7.07% |
| 4 | CITICORP NOMINEES PTY LIMITED | 106,195,165 | 4.73% |

ADDITIONAL INFORMATION

| | | | |
|-----------------------------|---|----------------------|----------------|
| 5 | BNP PARIBAS NOMS PTY LTD <DRP> | 68,637,946 | 3.06% |
| 6 | MR ANDREW GRAHAM PALLESON & MRS HUI PALLESON <PALLESON SUPERFUND A/C> | 44,000,000 | 1.96% |
| 7 | JSMINDUSTRIES SUPER PTY LTD <JSMINDUSTRIES SUPER S/F A/C> | 34,000,000 | 1.51% |
| 8 | BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM | 33,980,439 | 1.51% |
| 9 | SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C> | 30,000,000 | 1.34% |
| 10 | MR PETER HUME | 26,000,000 | 1.16% |
| 11 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 23,842,901 | 1.06% |
| 12 | MS ATTILENORE MANERO AUSTRIA | 21,000,000 | 0.94% |
| 13 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 17,541,939 | 0.78% |
| 14 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 17,516,812 | 0.78% |
| 15 | MR JOHN RUDOLPH PICCININ <PICCININ INVESTMENT A/C> | 16,525,000 | 0.74% |
| 16 | EST MR MARTIN CHARLES MICHAEL BUCKINGHAM | 15,500,000 | 0.69% |
| 17 | EST MARTIN CHARLES MICHAEL BUCKINGHAM | 15,500,000 | 0.69% |
| 18 | PHEAKES PTY LTD <SENATE A/C> | 14,500,000 | 0.65% |
| 19 | SHARESIES NOMINEE LIMITED <CHILD A/C> | 14,098,518 | 0.63% |
| 20 | MR SIMON MICHAEL GUARINO | 14,000,000 | 0.62% |
| Total | | 1,195,933,267 | 53.25% |
| Total Issued Capital | | 2,246,051,662 | 100.00% |

¹ HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED is a substantial holder of Celsius Resources Limited, holding 13.84% of total ordinary shares.

² BNP PARIBAS NOMINEES Pty Ltd <IB AU NOMS RETAILCLIENT DRP> is a substantial holder of Celsius Resources Limited, holding 8.90% of total ordinary shares.

³ COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C> is a substantial holder of Celsius Resources Limited, holding 7.07% of total ordinary shares.

(f) Twenty largest option holders

The names of the twenty largest holders of listed options are:

| Rank | Name | Units | % of Units |
|-----------------------------|--|--------------------|----------------|
| 1 | MR ANDREW GRAHAM PALLESON & MRS HUI PALLESON <PALLESON SUPERFUND A/C> ¹ | 63,000,000 | 19.37% |
| 2 | MR DAMIEN LEE BROWN & MS TAMARA JEWELL ² | 22,749,660 | 6.99% |
| 3 | JSMINDUSTRIES SUPER PTY LTD <JSMINDUSTRIES SUPER S/F A/C> ³ | 20,000,000 | 6.15% |
| 4 | TANGO88 PTY LTD <TANGO88 A/C> ⁴ | 19,484,307 | 5.99% |
| 5 | MR JOHN STUART MCGOWAN ⁵ | 18,000,000 | 5.53% |
| 6 | VAN KERKWIJK FAMILY SUPERANNUATION PTY LTD <VAN KERKWIJK FAMILY S/F A/C> | 13,245,373 | 4.07% |
| 7 | MR JOHN STUART MCGOWAN | 12,675,000 | 3.90% |
| 8 | MR ANDREW GRAHAM PALLESON | 12,200,000 | 3.75% |
| 9 | CITICORP NOMINEES PTY LIMITED | 9,615,000 | 2.96% |
| 10 | MR STEVEN JAMES FARRELL | 8,000,000 | 2.46% |
| 11 | MISS GAY VIVIAN CAIN | 7,000,000 | 2.15% |
| 12 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 6,538,500 | 2.01% |
| 13 | MR BAO FENG PAN & MS MIN HUA XUAN <BAO SUPERFUND A/C> | 5,783,573 | 1.78% |
| 14 | DJM LOGIC PTY LTD <DJM PROSPECTS SUPERFUND A/C> | 5,742,512 | 1.77% |
| 15 | PLATFORM SECURITIES NOMINEES | 4,230,500 | 1.30% |
| 16 | ANZUS SOFTWARE SOLUTIONS PTY LTD <JUSTIN MACKEDIE DISCRET A/C> | 4,000,000 | 1.23% |
| 17 | MR BENJAMIN RAYMOND NOLAN | 3,826,683 | 1.18% |
| 18 | MR DANIEL PETER WASHBURN | 3,500,000 | 1.08% |
| 19 | MR IAN ROLAND MARTIN | 3,422,087 | 1.05% |
| 20 | MR KEITH WALLIS | 3,370,502 | 1.04% |
| Totals | | 246,383,697 | 75.74% |
| Total Issued Capital | | 325,304,915 | 100.00% |

¹ MR ANDREW GRAHAM PALLESON & MRS HUI PALLESON <PALLESON SUPERFUND A/C> is a substantial holder of Celsius Resources Limited, holding 19.37% of total listed options.

² MR DAMIEN LEE BROWN & MS TAMARA JEWELL is a substantial holder of Celsius Resources Limited, holding 6.99% of total listed options.

³ JSMINDUSTRIES SUPER PTY LTD <JSMINDUSTRIES SUPER S/F A/C> is a substantial holder of Celsius Resources Limited, holding 6.15% of total listed options.

⁴ TANGO88 PTY LTD <TANGO88 A/C> is a substantial holder of Celsius Resources Limited, holding 5.99% of total listed options.

ADDITIONAL INFORMATION

⁵ MR JOHN STUART MCGOWAN is a substantial holder of Celsius Resources Limited, holding 5.53% of total listed options.

(g) Twenty largest warrants holders

The names of the twenty largest holders of unlisted warrants are:

| Rank | Name | Units | % of Units |
|-----------------------------|--|-------------------|----------------|
| 1 | OPTIVA SECURITIES LIMITED ¹ | 13,500,000 | 37.50% |
| 2 | BEAUMONT CORNISH LIMITED ² | 12,500,000 | 34.72% |
| 3 | PAUL JAMES DUDLEY ³ | 10,000,000 | 27.78% |
| Totals | | 36,000,000 | 100.00% |
| Total Issued Capital | | 36,000,000 | 100.00% |

¹ OPTIVA SECURITIES LIMITED is a substantial holder of Celsius Resources Limited, holding 37.50% of total unlisted warrants.

² BEAUMONT CORNISH LIMITED is a substantial holder of Celsius Resources Limited, holding 34.72% of total unlisted warrants.

³ PAUL JAMES DUDLEY is a substantial holder of Celsius Resources Limited, holding 27.78% of total unlisted warrants.

(h) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(i) Unlisted securities

Except for the unlisted warrants listed above, the Company has no other unlisted securities on issue as at 18 September 2023.

(j) Listed securities

The following securities are on issue as at 18 September 2023:

- 135 option holders holding 325,304,915 listed options with an exercise price of \$0.04, expiring 22 March 2024.
- 1 warrants holder holding 13,500,000 unlisted warrants with an exercise price of GBP0.008 expiring 28 April 2026.
- 1 warrants holder holding 12,500,000 unlisted warrants with an exercise price of GBP0.008 expiring 28 April 2028.
- 1 warrants holder holding 10,000,000 unlisted warrants with an exercise price of GBP0.008 expiring 28 April 2026.

(k) Schedule of interest in mining tenements

| PERMIT NAME | PERMIT NUMBER | REGISTERED HOLDER / APPLICANT | PERMIT STATUS | PERMIT EXPIRY | INTEREST / CONTRACTUAL RIGHT |
|-------------------------|------------------|-------------------------------|---|--|------------------------------|
| Australia | | | | | |
| Cullarin West | EL 8996 | Cullarin Metals Pty Ltd | Granted | 17/08/2026 | 100% |
| Namibia | | | | | |
| | EL 4346 | Gecko Cobalt Holdings | Permit application pending approval* | TBA | 95% |
| Philippines | | | | | |
| Maalinao-Caigutan-Biyog | EP 003-2006-CAR | Makilala Mining Company Inc. | Granted | Extended until the issuance of a mining permit** | 40% |
| Colayo | EXPA-073-CAR | Makilala Mining Company Inc. | Permit application, approved in principle awaiting formal documentation | TBA | 40% |
| Panaon | EXPA-000127-VIII | PDEP, Inc. | Complying with further permitting requirements | TBA | 100% |
| Sagay | EP-000003-VI | Tambuli Mining Company Inc. | Granted | 10/02/2024 | 100% |

*Tenement expired on 7 March 2023 and a permit application is pending approval. The tenement remains active until such time that it is renewed by the Ministry of Mines.

**The Maalinao-Caigutan-Biyog (MCB) project has gained an automatic extension as all documentation has been submitted to the Philippine National Government for the awarding of a MPSA Mining permit.