



ASX RELEASE

19 DECEMBER 2022

Clarification to ASX announcement on 14 December 2022

Celsius Resources Limited (ASX:CLA) (Celsius or the Company) refers to the announcement released on 14 December 2022 titled "Celsius secures indicative proposal from local partner for the development of the MCB Project" (the **Original Announcement**). This is a clarifying announcement to the Original Announcement.

The Original Announcement refers to the Company's Maalinao-Caigutan-Biyog Copper-Gold Project (**MCB Project**) maiden JORC Mineral Resource Estimate released to the market in January 2021. Per Listing Rule 5.23, the Company further clarifies the date of the market release for the maiden JORC Mineral Resource Estimate to be 12 January 2021.

The Company would also like to clarify that the partnership, and any payments agreed to under the current Non-Binding Term Sheet and any future agreement, are at this stage is not conditional on the Mineral Production Sharing Agreement (MPSA) being granted for the MCB Project. It is the parties' intention to collaborate and apply for the MPSA. As stated in the Original Announcement, the partnership will be formalised through the signing of a Binding Agreement. The expected timeframe for a Binding Agreement is not yet known, however will be mutually agreed upon after the signing of the Non-Binding Agreement.

Finally, the Company would like to clarify what will be required in obtaining the Mineral Production and Sharing Agreement (**MPSA**). Sodor Inc. and Celsius are expected to ensure wholly owned Philippine subsidiary Makilala Mining Company, Inc. (MMCI)'s full compliance with the 60-40 nationality restrictions under its MPSA at all times; with the end in view that Sodor Inc. and the PMR Group will have a 30% economic share in the combined MMCI and PDEP, Inc. (PDEP) operations. MMCI and PDEP are both wholly owned Philippine subsidiaries of Celsius who have signed the Non-Binding Term Sheet with Sodor Inc. and PMR Holding Corp. For further clarity, the Company provides the following information pertaining to MPSA requirements.

Under the Philippine Mining Act of 1995, Republic Act (RA) No. 7942 (the **Mining Act**), the government may grant Philippine Qualified Persons exclusive right to conduct mining operations and to extract all mineral resources found in the contract area through an MPSA wherein the Government shares in the production of the contractor, whether in kind or in value, as owner of the minerals. In return, the Contractor shall provide the necessary financing, technology, management and personnel for the mining project.

The Qualified Persons referred to in the mining act are the following:

- (1) Individual - a Filipino citizen of legal age and with capacity to contract; or
- (2) Corporation, Partnership, Association or Cooperative – organised or authorised for the purpose of engaging in mining, duly registered in accordance with law, at least sixty percent (60%) of the capital of which is owned by Filipino citizens.

Prior to lodging an MPSA application, the qualified person must first submit and obtain approval of a Declaration of Mining Project Feasibility (DMPF) from the Mines and Geosciences Bureau (MGB), proclaiming the feasibility of commercial utilisation of the minerals identified in the Contract Area supported by a Mining Project Feasibility Study including the following environmental and social documents/programs:

- a. Environmental Compliance Certificate (ECC) and Environmental Impact Statement (EIS)
- b. Environmental Protection and Enhancement Plan (EPEP) illustrating the operational link between the ECC and the mining contractor's commitments;
- c. Social Development and Management Program (SDMP) detailing the various programs that the contractor will commit to, aimed at helping develop self-reliant mining communities;
- d. Final Mine Rehabilitation and/or Decommissioning Plan (FMRDP) detailing the transition programs from active mining to eventual mine closure;
- e. Certification Precondition issued by the National Commission on Indigenous Peoples (NCIP) indicating that consent has been expressly given by the Indigenous Cultural Communities/Indigenous Peoples (ICC/IP), where the mineral land being applied for is within ancestral land/s in accordance with the Free and Prior Informed Consent (FPIC) process.
- f. Local Government Units (LGU) written endorsements indicating support for the mining project.

At the onset of an application for a MPSA, the MGB ensures that the applicant is a Qualified Person and has not incurred any violations on their exploration permit conditions as manifested in a submission of Certification of Environmental and Community Relations Records (CEMCRR). The Company has never incurred such violations, and considers it a remote possibility that the Company would be unsuccessful in its application for an MPSA. All requisite DMPF documents have been submitted and are currently ongoing evaluation, hence the Company is anticipating to secure the DMPF within the next 30 days after which the a MPSA application will be ready to be lodged. Post lodgment the Company expects this process to take ~30 days.

In the process of MPSA application, various fees relating to posting of notices, publications, registration, evaluation, and certification from various relevant local and national Government offices are expected to be incurred, which is broadly estimated at ~AU\$8,080. Obtaining an MPSA is the last step in the process of securing national government approval for granting an exclusive mineral right to a Qualified Person. MPSA's are executed by the Secretary of the Department of Environment and Natural Resources (DENR) on behalf of the Philippine National Government.

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

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