

MCB COPPER GOLD PROJECT COMMENCES DRILLING OPERATIONS

HIGHLIGHTS

- Celsius Resources' subsidiary Makilala Mining has commenced drilling at its flagship MCB copper-gold project in the Philippines.
- Drilling contractors appointed for six diamond drill holes with an approximate total of 4000m drilled and an estimated three additional holes for ~2000m in the following year.
- Current exploration program targeting resource expansion and infill of the MCB JORC Mineral Resource
- Planning and implementation of the technical work programs is well underway to undertake metallurgical and flotation test work, conceptual hydrological model, and underground mine development and costing to support the delivery of the scoping study.
- Implementation of the mandatory Environmental and Community Development Programs also commenced in parallel with the drilling program.

Manila, Philippines, 26th February 2021 – Celsius Resources Limited (**Celsius** or **the Company**) (ASX: CLA) is pleased to announce its Philippine Subsidiary Makilala Mining has commenced drilling operations in accordance with its approved Exploration Permit No. 003-2006-CAR for the Maalinao-Caigutan-Biyog (MCB) copper-gold project.

Makilala country operations director, Peter Hume, expressed sincere appreciation to the project ground team, community leaders, and the local government unit which came at a difficult time when COVID was just starting to manifest its presence within the region.



Image 1. Drill Rig at MCB 33 in operation

Located in the Cordillera Administrative Region in the Philippines, approximately 320 kilometers north of Manila, the project holds a large, high-grade copper gold porphyry deposit. A maiden JORC compliant Mineral Resource was declared for the Project in January, 2021, comprising 313.8 million tonnes @ 0.48% copper and 0.15 g/t gold, for 1.5 million tonnes of contained copper and 1.47 million ounces of gold. A high-grade core of 93.7 million tonnes @ 0.80% copper and 0.28 g/t gold will be the focus for the Company's initial studies. (refer ASX announcement of 12 January 2021)

The MCB Project is one of the key portfolio projects of Makilala along with six other prospects in the pipeline for permit renewal/extension.

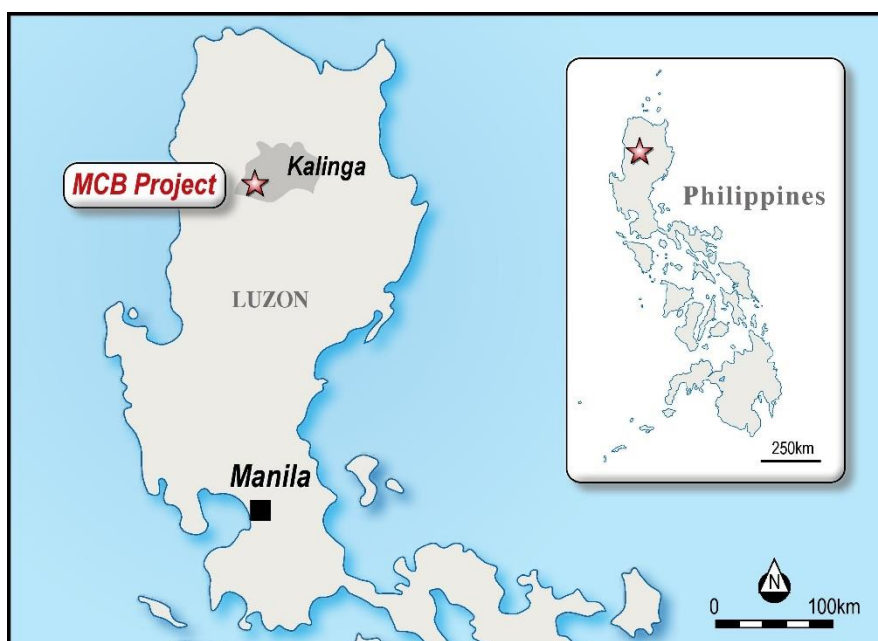


Figure 1. Locational map of the MCB Project

Drilling Contractor Engaged

MEGA Philippines was selected to carry-out the drilling at the Maalinao-Caigutan-Biyog (MCB) site through a formal bidding process.

MEGA Philippines was established in 1987 and provides technical and operational expertise in mining, energy, and civil exploration services.

MEGA holds exclusive contracts for some of the biggest projects in the country and has extensive experience conducting core drilling and civil exploration works with local and foreign mining companies to explore minerals and alternative underground water sources in different parts of the country.

Makilala Mining formally engaged MEGA Philippines in December 2020. The difficult terrain and the depth of drilling necessitated the use of a newly designed portable rig (1000BX) which was not readily available in-country. MEGA sourced a rig from a manufacturer in China and has delivered it

to the Philippines. Mobilisation of the drill rig was delayed due to a series of provincial and community lockdowns as COVID-19 infections started to make its way into Kalinga Province and the neighbouring communities where the MCB Project is located. The difficult terrain in the area and absence of access roads leading to the drill site required the establishment of a tram line which was fabricated and installed to take the disassembled rig across the Paniyao Creek.

Drilling and Technical Work Programs

Planning and implementation of the technical work programs that will contribute to the scoping study is well underway. Contractual arrangements are in place with ALS Testing laboratories in Perth which will undertake the metallurgical and flotation test work program. Core samples will be sent to Intertek Philippines in Muntinlupa for multi-element assaying. Also, PSM Brisbane has been engaged to develop a conceptual Hydrological Model with information taken from the Vibrating Wire Piezometers that will be fitted in the four main drill holes located in the main ore body.

Within the first year of the work program, six (6) drill holes are planned to be drilled on a single 12-hour shift at an approximate total aggregate meterage of 4000m and will be located in the following areas (*Figure 2*).

- 2 drill holes. (MCB-033 and MCB-034) Located in key locations to confirm high grade boundaries and get a better spread of copper assays which will enable conversion of the high-grade core (should be over 30Mt) into the Measured category.
- 2 drill holes. (MCB-035 and MCB-036) to test for possible deeper extensions of the high-grade ore plunging steeply in an east-north-east direction and will be located around 100m apart.
- 2 drill holes. (MCB-031 and MCB-032) Test for high grade extensions on the western side of the Maaliniao-Panyaw Fault.



Figure 2: Topo Map of MCB Drill Hole Locations

In parallel with the commencement of the MCB’s drilling program, the Company has also begun implementing environmental and community development work programs, which are mandatory conditions of the MCB exploration permit, with the objective of ensuring that the drilling program is carried out in a responsible manner and is benefitting the host community.

Community Engagement

Engagements with the host communities and relevant local and national government agencies for recommending drilling were carried out in the past three months starting in December 2020. Specifically, further meetings with the Balatoc Tribal Council of Elders (COE) and Barangay Council officials were held to discuss local participation in employment and business opportunities brought about by Makilala’s exploration work program. These meetings have resulted in positive support from the host community whose local economy has been significantly affected by the pandemic. As of time of writing, Makilala has provided direct and indirect employment to 70 people of which 78% are rotational workers from the host community.



Image 2. Turn-over of Antigen Test Kits to the Local Health Office of Pasil, Kalinga Province

As part of Makilala’s Community Development Program, and in order to assist the Local Government of Pasil in its drive to prevent the spread of COVID-19 in the locality, the Company has donated antigen test kits for the local health office, as well as personal protective equipment for its frontline workers. This helps allay fear among the host community members over the spread of COVID-19 from Company personnel/staff coming in and out of the community. Company personnel and staff undergo routine tests prior to entry to the project site as part of local health protocols.



Image 3: Printer/photocopiers provided to the host community high school.

Additionally, to help the local community’s elementary schools and high school with their ongoing homeschool learning in lieu of face-to-face learning, printer/photocopier machines were distributed along with ink and paper supplies to help with the printing of the schools’ learning modules (see Image 2).

Future Work Program

The drilling work program during the second year will see up to an additional three (3) holes with a total approximate aggregate meterage of 2000m. This will be undertaken as part of a sterilisation drilling program in order for the Company to confirm future locations of mine infrastructure. This is

required by both the Mines and Geosciences Bureau (MGB) and as part of the feasibility study work leading into mine development and operations. The actual location and number of holes will be determined by the scoping study work program.

A final tender review of suitable mine planning companies is currently underway with a view to kicking-off underground mine development design and costing (covering both Opex and Capex) to support the concept study work program.

Further updates will be provided on drilling results and relevant project activities, along with further contracts being formalised with key contractors.

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

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