



ASX/AIM RELEASE

16 SEPTEMBER 2024

Corporate Funding Update

Celsius Resources Limited ("**Celsius**" or the "**Company**") (ASX,AIM: CLA) is pleased to announce that it has entered into the following binding financing agreements with Patras Capital Pte. Ltd ("**Patras**"), a Hong Kong based investment company with a strong track record of supporting companies in growth sectors, including mining, energy and technology.

Celsius has entered into the following agreements with respect to financing of the Company:

1. A share placement agreement for the placement of 120 million shares to raise A\$1.5 million ("**Share Placement Agreement**"); and
2. A committed equity facility of up to A\$10 million through placement tranches of shares in the Company over the next 24 months ("**Committed Equity Facility Agreement**" or "**Facility**"). The Company has full discretion to utilise the Facility as well as set the share issue price, determine the amount of funds raised through placement tranches and when the placement of shares will occur under the Facility, subject to the terms and conditions detailed below.

Celsius Executive, Mark van Kerkwijk, said:

"As part of our ongoing commitment to delivering value for our shareholders, the funds raised will be strategically deployed to advance key milestones in CLA's Philippine assets/projects. This will enhance our operational capabilities and strengthen our long-term sustainability. We remain focused on generating strong returns, fostering innovation, and managing our resources responsibly to ensure continued success."

Background

Celsius is a multi-asset company with a well-developed project portfolio including its Maalinao - Caigutan-Biyog Copper-Gold Project ("**MCB**" or "**Project**"). Having recently received a Certificate Precondition on 4th September¹, Celsius has completed all material permitting stages for the MCB Project and is well advanced in finalising the project funding.

The financing proposal will equip Celsius with the funds needed to advance its project portfolio, including the Sagay and Botilao projects, and support corporate functions. Furthermore, Celsius has the option to draw from a Committed Equity Facility agreed upon with Patras, if required.

¹ ASX announcement 4 September 2024

This Facility provides a funding envelope for the next two years from which Celsius will continue to work on attracting high quality equity partners to advance our other highly prospective projects.

Together, these agreements are intended to provide the Company with the following key benefits:

- On-going access to funding: These agreements allow Celsius to secure both immediate and medium-term access to funding for the Company. This will allow Celsius to fund future development expenditure on its Sagay and Botilao Projects in the Philippines, along with other exploration targets in the Philippines.
- Terms of funding: The agreements conditionally allow the Company to source funds, rather than seek funding in the future via other more traditional forms of equity financing (often that require unattractive discounted pricing with dilutive attached options).

Share Placement Agreement

Under the Share Placement Agreement, Celsius will issue 120 million shares ("**Placement Shares**") to Patras (or its nominee) at an issue price of A\$0.0125 per share ("**Placement Price**") to raise \$1.5 million. The Placement proceeds will be paid to the Company as follows:

- 50% of the Placement proceeds (i.e. \$750,000), will be paid on completion; and
- payment of the remaining 50% ("**Swap Deposit**") will be deferred until the Trading Day immediately after the relevant Pricing Period ("**Swap Payment Date**").

On the Swap Payment Date:

- Patras must pay the Swap Deposit to the Company;
- where the Adjustment Price (defined below) is positive, Patras must pay the Swap Amount (defined below) to the Company; and
- where the Adjustment Price is negative, then the Company must pay the Swap Amount to Patras.

The Swap Amount will be calculated as follows:

$$\text{Swap Amount} = A \times B$$

Where:

A = Number of Placement Shares (i.e. 120,000,000).

B = Adjustment Price, calculated as the difference between the "Market Price" (being the 10 day VWAP of Celsius shares (as determined by Patras) over the 150 day trading period after completion) minus the "Benchmark Price" (being 115% of the Placement Price).

The Placement Shares are being issued pursuant to the Company's Listing Rule 7.1 capacity.

The Share Placement Agreement has a Swap Close Out clause, where at any time, the Company may give notice to Patras to terminate the Share Placement Agreement, and if such notice is given, within two Trading Days, the Investor may give notice to require the Company to buyback or procure the purchase by a third party of a specified number of the Investor's Shares

(“**Exclusion Notice**”, “**Exclusion Shares**”). The Investor may give notice, at any time, to the Company to terminate the Share Placement Agreement following an unremedied default. If such notice is given, within two Trading Days, the Company must purchase or procure the purchase by a third party of the Exclusion Shares from the Investor at the Benchmark Price, with the amount payable being the Exclusion Shares Payment.

Celsius will pay Patras’s legal fees and expenses of A\$30,000 in relation to the Share Placement Agreement and the Committed Equity Facility Agreement.

As conditions to the Share Placement Agreement, Patras undertakes that:

- (i) it, its directors and officers, will not participate in short selling of any of the Company’s securities over the term of the agreement.
- (ii) upon request by the Company, Patras will notify the Company as to the name in which it holds shares, and provide summaries of its trading of the Company’s shares, it will only sell the Company’s shares in compliance with applicable laws, including the insider trading and market manipulation provisions of the Corporations Act,
- (iii) it will not trade more than 1,500,000 shares per day (other than off-market trades) below \$0.03 per Share during the Pricing Period.

Committed Equity Facility Agreement

In addition to the Share Placement Agreement, Celsius and Patras have entered into a Committed Equity Facility Agreement which will provide Celsius with a further funding facility. Celsius is not required to draw down on the Facility and there is no minimum amount contemplated. The Facility enables the Company to conditionally access further capital to fund its project portfolio in the Philippines and the Company’s ongoing working capital. The Facility is structured so that the timing of any or all drawdowns (and therefore an acceptable issue price of any shares issued under the agreement) are entirely at Celsius’ discretion.

Under the terms of the Facility, Celsius may, at its discretion, place new ordinary shares in the Company with Patras up to a total of A\$10 million over the next 24 months. Celsius may draw in tranches of up to A\$500,000 at its full discretion, and up to A\$3 million with mutual consent, which may be further increased by up to 15% by Patras.

The Facility may be terminated by the Company prior to completion of the two-year term without penalty, and the Facility does not restrict Celsius obtaining any form, or combination, of equity or debt financing from third parties or any other source.

For each placement under the Facility, Celsius can nominate a price in which it is willing to place shares to Patras (or its nominee) provided it is not below A\$0.01 per share (“**Nominated Price**”). The ultimate placement price however shall be 95% of the higher of the Nominated Price, or the “Market Price” (being the 5 day VWAP of Celsius shares (for 5 days nominated by Patras) over the 30 day trading period following the issue of a placement notice to Patras (“**Pricing Period**”). Patras may reduce the cash amount payable in a tranche requested by Celsius by up to 1/30 for each trading day during the Pricing Period of which the VWAP is equal or less than the Nominated Price.

In addition to the above, Celsius has agreed to:

- **Implementation Fee:** issue 7,500,000 shares to Patras (or its nominee) in lieu of a cash implementation fee of A\$75,000.
- **Options:** issue 30 million options to Patras (or its nominee) exercisable on or before 3 years from the date of issue at A\$0.025 each.
- **Security Shares:** issue 60,000,000 shares to Patras (or its nominee) prior to the first placement which, upon expiry or termination of the Committed Equity Facility Agreement, will be transferred to the Company's nominee. The Company's nominee shall place or sell those shares and deliver the proceeds to the Company.
- **Commission:** pay a 5% cash commission on each placement tranche under the Facility.

The Implementation Fee shares, Options and Security Shares will be issued pursuant to the Company's Listing Rule 7.1 capacity.

The Committed Equity Facility and Share Placement Agreements contain typical investor protections such as negative covenants and representations and warranties.

As conditions to the Committed Equity Facility Agreement, Patras undertakes that:

- (i) its directors and officers, will not participate in short selling of any of the Company's securities over the term of the agreement.
- (ii) not to sell Shares during a Pricing Period for aggregate sale proceeds that exceed the Placement Amount specified in the relevant Placement Notice.
- (iii) it agrees to provide to the Company summaries of the Investor's trading in the Shares, upon request buy the Company.
- (iv) not to hold more than 19.99% of the Shares at any time during the Commitment Period.

Silvercorp Metals Inc ("Silvercorp") Participation Right

As disclosed in the Company's announcement of 15 May 2023, as part of Silvercorp's investment into the Company it was granted a conditional right to participate in future equity offers. Silvercorp have indicated that they intend to invest in the Company in connection with the above arrangements. A further announcement will be made in due course, once the terms of Silvercorp's participation have been finalised. It should be noted however that any such investment is subject to the execution of a binding subscription agreement.

Admission to trading on AIM

Application has been made to the London Stock Exchange for admission of a total of 127,500,000 new ordinary shares as described above to trading on AIM ("Admission"). It is expected that admission will become effective and dealings in the new ordinary shares, which will rank *pari passu* with all existing ordinary shares, commence at 8.00 a.m. on or around 23 September 2024.

Total Voting Rights

Following Admission, Celsius will have 2,555,412,743 ordinary shares in issue which will also represent the total number of voting rights in the Company. From Admission the above figure should be used by shareholders as the denominator for the calculations by which they will

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determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Forward Looking Statements

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

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

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

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

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

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