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ABN 95 009 162 949

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2022

CONTENTS

Corporate Directory	1
Directors' Report	2
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	19
Auditor's Independence Declaration	20
Independent Auditor's Review Report	21

DIRECTORS

Mr Julito Sarmiento	Non-Executive Chairman
Mr Jonathan Colvile	Vice Chairman
Mr Peter Hume	Executive Director
Mr Simon Farrell	Non-Executive Director
Mr Michael Hulmes	Non-Executive Director
Mr Paul Dudley	Non-Executive Director

COMPANY SECRETARY

Mrs Kellie Davis

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Your Directors present their report together with the half-year financial report on the consolidated entity, consisting of Celsius Resources Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2022.

DIRECTORS

The Directors in office at the date of this report and at any time during the half-year are as follows:

Mr Julito Sarmiento	Non-Executive Chairman (appointed 15 November 2022)
Mr Jonathan Colvile	Vice Chairman (appointed 15 November 2022)
Mr Peter Hume	Executive Director
Mr Michael Hulmes	Non-Executive Director
Mr Simon Farrell	Non-Executive Director
Mr Paul Dudley	Non-Executive Director (appointed 30 January 2023)
Mr Martin Buckingham	Executive Chairman (resigned 14 November 2022)

PRINCIPAL ACTIVITIES

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

There were no significant changes in the nature of the activities of the consolidated entity during the half-year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the half-year.

REVIEW OF OPERATIONS**Corporate**

The consolidated net loss of the consolidated entity after income tax and non-controlling interest for the half-year ended 31 December 2022 amounted to \$2,061,756 (31 December 2021: \$3,074,056)

Performance Rights

At the Company's Annual General Meeting held on 28 November 2022, shareholders approved to vary the terms of the Tranche 3 Performance Rights under the Celsius Resources Incentive Scheme, by extending the date by which the Milestone is required to be satisfied from 30 November 2022 to 31 March 2023.

The Milestone for these Tranche 3 Performance Rights is the completion and delivery of a Mining Project Feasibility ("DMPF") for the Maalinao-Caigutan-Biyog ("MCB") Copper-Gold Project (MCB Project). This has been delayed due to several external circumstances outside the Company's control, including the impact of COVID-19. The DMPF is expected to be delivered in Q1 of 2023 and consequently the Company sought shareholder approval to extend the date by which the Milestone is required to be satisfied.

On 30 December 2022, 3,600,000 Tranche 2 Performance Rights lapsed.

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

Makilala Mining Company, Inc. ("MMCI"), a wholly owned Philippine subsidiary of Celsius in the Philippines, is nearing completion of its Exploration, Environment, and Community Development Programs as it moves closer

to mine construction and operations for the Maalinao-Caigutan-Biyog ("MCB") Copper-Gold Project in the Cordillera Administrative Region.

Exploration Work

Drilling Program

Five holes were drilled for the period (MCB-040, MCB-041, MCB-042, MCB-043, and MCB-044) which completed the resource and geotechnical drilling for additional information to support mine development studies. Geotechnical and geologic core logging was also completed with core samples submitted for geochemical analysis.

Drill hole results continue to extend the envelope of the near surface higher-grade copper mineralisation to the east complementing previous MCB drill results from 2021 and validating the historical drilling information completed by Freeport-McMoRan. The confirmation of shallow high-grade mineralisation will allow for a more refined mine plan as part of the proposed feasibility study work in 2023.

Updated Mineral Resource

An updated JORC Compliant Mineral Resource was announced in December 2022 with a global mineral resource of 338Mt @ 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 cut-off grade of 0.2% copper.

The geological interpretations and technical information that have contributed to the 2022 Mineral Resource Estimate (MRE) at MCB are based largely on surface mapping and analysis of 55 diamond drill holes completed by Freeport-McMoRan from 2006 to 2013, and nine drill holes completed by Makilala Mining from 2021 to 2022.

The most substantial effect of the drilling results was the inclusion of a Measured component to the MRE confirming the continuity of the copper mineralisation at key locations throughout the MRE through infill drilling. The infill drilling enabled better definition of the boundaries to the overall copper mineralisation at MCB, in addition to the specific locations which were tested to confirm the orientation and continuity of the internal higher-grade copper mineralisation. The impact of the 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.

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 potential to process weathered material from the surface stabilization and surface infrastructure works feeding into the proposed feasibility study. 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.

Social, Environmental Licenses, and Government Approvals

MMCI lodged an application for the Declaration of Mining Project Feasibility (DMPF) to the Mines and Geosciences Bureau (MGB) on 28 September 2022 which is a critical step in securing a Mineral Agreement with the national government. The application included the submission of major documents such as the Project Feasibility Study Report, Final Exploration Report, Environmental Protection and Enhancement Program, Final Mine Rehabilitation and/or Decommissioning Plan, Social Development and Management Program, Care and Maintenance Program, and project endorsements from the Local Government Units, among others. These documents underwent a rigorous consultation process with the host community and local government officials to capture the aspirations of the community as well as alignment with local development plans and programs.

Social and environmental safeguards were also integrated into the overall mine development and operations plan in line with Philippine Mining regulations and standards.

Interim approvals have been secured for its Social Development and Management Program and Care and Maintenance Program while the rest of the documents are under technical review by the MGB.

The DMPF approval, anticipated to be secured early in 2023, will trigger the next phase of obtaining a Mineral Processing Sharing Agreement (MPSA). Preparation of key requirements for the MPSA application are well underway.

A Memorandum of Agreement with the Balatoc Indigenous Cultural Community (ICC) was signed on 14 November 2022 reflecting the consent of the host community to allow the development and operations of the MCB Project for 25 years, renewable for another 25 years. The MOA outlines the commitments and obligations of all parties, as well as the economic, social, environmental, and cultural benefits of the project to the Balatoc ICC during the life of mine. The MOA was obtained through a Free, Prior and Informed Consent process which serves as a basis for the issuance of the Certification Precondition from the National Commission on Indigenous Peoples attesting the grant of consent from the ICC. The issuance of the Certification Precondition is a mandatory requisite for the MPSA application.

The Environmental Compliance Certificate from the Environmental Management Bureau is expected to be released early in 2023.

A proposal from potential local partners, Sodor, Inc. and the PMR Group, was also received, leading to the signing of a Non-Binding Term Sheet on 13 December 2022 to satisfy the MPSA requirement of a 60% Filipino-owned company.

Community Development

Monthly meetings with the Council of Elders and the Barangay Council (COE-BC) were regularly held as a way of strengthening the traditional leadership structure to manage projects, issues, and concerns among the community.

Several infrastructure projects have been completed for the period which include the construction and improvement of footbridges, waiting sheds, hand-washing facilities, public latrine, repairs of school roofing, among others. These were based on the identified and priority needs to improve the community's access to basic social and economic services. Financial support continued to be extended in observance of and respect for the community's socio-cultural traditions and during calamities.

Environment

Progressive site rehabilitation was carried out for completed drill holes (MCB-040 to MCB-044) in accordance with the Company's Environmental Work Program. Temporary structures were removed, all excavations were backfilled with bagged topsoil, and disturbed areas were revegetated with regional species.

Pine and bamboo seedlings were also planted along the trails as a contribution to the reforestation and climate change mitigation efforts of the government's National Greening Program.

Information, education, and communications campaign initiatives were also sustained to instill an environmentally conscious culture among employees, workers, and the community.

Regulatory Compliance

The Company has submitted and complied with all the regulatory reportorial requirements on schedule with no penalties incurred from the Mines and Geosciences Bureau and zero accidents/incidents for the period and since the company recommenced operations in 2020. This earned the Company a Safety Mine Award for Exploration Category during the 2022 Presidential Mineral Industry Environmental Awards.

Sagay Copper-Gold Project, Philippines (Celsius - 100%)

Tambuli Mining Company, Inc. ("TMCI"), a wholly owned Philippine subsidiary of Celsius in the Philippines, temporarily suspended drilling operations of its Sagay Copper-Gold Project ("Sagay Project") in the Negros Islands.

Desktop works were undertaken to review the current drilling results along with previous drilling and exploration data to reinterpret the geologic and mineralisation models and resource evaluation to improve exploration and future development strategies.

A Maiden Mineral Resource was announced on 7 November 2022, comprising of a Global Mineral Resource Estimate (MRE) of 302 million tonnes at 0.41% copper and 0.11g/t gold, at a lower cut-off grade of 0.2% copper. The MRE has been defined by a total of 32 broadly spaced diamond drill holes showing copper mineralisation over an extensive area from surface down to 1.2km in depth.

Drilling has broadly defined a large-scale copper mineralisation interpreted to be a typical porphyry copper style mineralisation common throughout the Philippine archipelago. A lower cut-off grade of 0.2% copper was applied in the reported MRE which aligns broadly with the expected economic limits of the likely mining and processing options considered in the Sagay Project.

The next phase of exploration will focus on investigating the possible extensions of these higher-grade positions closer to the surface.

Opuwo Cobalt Project, Namibia (Celsius – 95%)

The Opuwo Cobalt Project is one of the largest undeveloped Cobalt projects outside of the Democratic Republic of Congo. It has a JORC Mineral Resource of 225.5 million tonnes at a grade of 0.12% cobalt, 0.43% copper, and 0.54% zinc.

Metallurgical test work is ongoing to further refine the cobalt and copper recoveries, and therefore improve the economics of the project. Two downstream processing methods are currently being examined: a hydrometallurgical route and a roasting & tank leach route.

The preliminary roasting & tank leach test work results show recoveries of up to 95% for cobalt and 98% for copper for this processing step. This is an improvement from the 2018 autoclave leaching test results with historical recoveries of 72.6% cobalt and 74.1% copper and demonstrates that Opuwo is amenable for simple roasting & tank leach downstream processing. Further test work is being undertaken to delineate the roasting and tank leach parameters which may further improve cobalt recovery.

The Company engaged SFH Metallurgy to explore a hydrometallurgical processing route. In late August 2022, a 20 kg composite sample of ore was sent to AMML laboratories in Gosford Australia to support the test work program.

From an economic viewpoint, the hydrometallurgical route being explored requires the initial processing of the ore via flotation/beneficiation to produce a bulk concentrate at a targeted metal value recovery of >80%.

For testing of both the flotation and the hydrometallurgical steps, preliminary “sighter” tests were performed to identify processing characteristics of the ore relevant to its future treatment. Tests for the flotation process began in September 2022, and involved using a key combination of milling, screening and flotation. These tests were aimed at identifying key considerations in the production of a bulk concentrate.

By November 2022, a representative sample of bulk concentrate was generated, allowing a “diagnostic” leach test to be performed as part of the evaluation of the hydrometallurgical route. The analysis of these samples and refinement of results is currently still under review with further refinements being considered.

The tenement permits are due to expire in March 2023. As such, the Company has lodged the necessary documentation to have the permits renewed with favourable feedback from the Ministry of Mines.

The Company has received strong interest from parties in partnering on the Opuwo Project. A data room has been established with a number of Non-Disclosure Agreements having been signed.

Cullarin West Project, Australia (Celsius – 100%)

The Company entered into a tenement sale agreement with Second String Pty Ltd (“Second String”) for the sale of its 100% interest in EL 8996 located in the Lachlan Fold Belt, NSW. Completion of the agreement was conditional upon Second String completing a Listing Agreement and the satisfaction of regulatory approvals. If the conditions were not satisfied (or waived) by 30 September 2022, either party may terminate the agreement.

Second String have more recently advised that after finalising relevant technical work programs, it has decided not to proceed with completing the transaction and notified their intention to terminate the option agreement.

The Company will now assess the viability of the opportunity and gauge interest from other possible partners.

EVENTS SUBSEQUENT TO REPORTING DATE

On 18 January 2023, the Company issued 3,000,000 ordinary shares on the exercise of unlisted options at an exercise price of \$0.012 per share.

On 23 January 2023, the Company issued 4,000,000 ordinary shares on the exercise of unlisted options at an exercise price of \$0.012 per share.

Admission to trading on AIM

On 30 January 2023 the Company successfully completed its admission to trading on AIM, a stock market operated by the London Stock Exchange plc. Strong interest from UK and European investors was identified during the process, along with Institutional support which may now underpin additional long-term support for the Company and its projects. It is envisaged that AIM will provide the Company with wider exposure to countries and sectors with access to a diverse set of investors to support current and future development of the Company's assets into operating mines. The AIM market has a good track record for raising capital for companies with operations in both the Philippines and Africa.

The admission to trading on AIM followed a placing by SP Angel Corporate Finance LLP for a total of 299,375,000 Ordinary Shares at GBP0.008 per ordinary Share, raising gross proceeds of GBP2.4 million (AUD4.3 million), before expenses.

On 30 January 2023, Mr. Paul Dudley was appointed as a Non-Executive Director.

On 31 January 2023, the Company issued 3,000,000 ordinary shares on the exercise of unlisted options at an exercise price of \$0.012 per share.

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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is included within this half-year financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Julito Sarmiento

Non-Executive Chairman

Dated this 16th day of March 2023

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022



	Consolidated	
	31 December 2022 \$	31 December 2021 \$
Other income	27,430	22,386
Directors' and employee benefits expense	(356,993)	(425,646)
Legal and other professional fees	(842,132)	(375,868)
Travel and accommodation	(60,404)	(2,947)
Depreciation	(10,264)	(14,718)
Management fee	(13,131)	(254,152)
Finance costs	(273)	(42,686)
Share based payments	7 (21,472)	(222,645)
Impairment expense	4 (398,689)	(733,475)
Exploration expenditure	(27,522)	-
Other expenses	(361,790)	(1,089,333)
Loss before income tax	(2,065,240)	(3,139,084)
Income tax expense	-	-
Loss for the period	(2,065,240)	(3,139,084)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	(182,567)	112,816
Total other comprehensive (loss)/income	(182,567)	112,816
Total comprehensive loss for the period	(2,247,807)	(3,026,268)
Loss for the period attributable to:		
Non-controlling interests	(3,484)	(65,028)
Members of the parent	(2,061,756)	(3,074,056)
	(2,065,242)	(3,139,084)
Total comprehensive loss attributable to:		
Non-controlling interests	3,687	(69,129)
Members of the parent	(2,251,494)	(2,957,139)
	(2,247,807)	(3,026,268)
Loss per share:	Cents	Cents
Basic loss per share	(0.14)	(0.29)
Diluted loss per share	(0.14)	(0.29)

The accompanying notes form part of this interim financial report.

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022



	Note	Consolidated	
		31 December 2022 \$	30 June 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	2,037,031	1,289,845
Trade and other receivables		94,577	227,689
Other assets		141,479	95,609
Total current assets		2,273,087	1,613,143
Non-current assets			
Deferred exploration expenditure	4	29,497,116	28,242,540
Property, plant and equipment		277,404	227,317
Total non-current assets		29,774,520	28,469,857
Total assets		32,047,607	30,083,000
LIABILITIES			
Current liabilities			
Trade and other payables		788,141	1,396,808
Other liabilities	5	1,520,147	1,486,532
Total current liabilities		2,308,288	2,883,340
Total liabilities		2,308,288	2,883,340
Net assets		29,739,319	27,199,660
EQUITY			
Issued capital	6	69,451,007	64,808,602
Reserves	7	1,158,533	1,203,210
Accumulated losses		(40,898,770)	(38,837,014)
Equity attributable to the owners of Celsius Resources Limited		29,710,770	27,174,798
Non-controlling interest		28,549	24,862
Total equity		29,739,319	27,199,660

The accompanying notes form part of this interim financial report.

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STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022



Consolidated

	Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Non- controlling interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	61,984,186	(34,923,389)	1,850,000	(732,694)	75,004	28,253,107
Loss for the period	-	(3,074,056)	-	-	(65,028)	(3,139,084)
Other comprehensive income/(loss)	-	-	-	116,917	(4,101)	112,816
Total comprehensive loss for the period	-	(3,074,056)	-	116,917	(69,129)	(3,026,268)
Transactions with owners, directly in equity						
Issue of share capital	-	-	-	-	-	-
Capital raising costs	(1,637)	-	-	-	-	(1,637)
Performance rights converted	183,000	-	(183,000)	-	-	-
Share based payments	-	-	222,645	-	-	222,645
Balance at 31 December 2021	62,165,549	(37,997,445)	1,889,645	(615,777)	5,875	25,447,847
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 period	-	(2,061,756)	-	-	(3,484)	(2,065,240)
Other comprehensive loss	-	-	-	(189,738)	7,171	(182,567)
Total comprehensive loss for the period	-	(2,061,756)	-	(189,738)	3,687	(2,247,807)
Transactions with owners, directly in equity						
Issue of share capital	5,066,645	-	-	-	-	5,066,645
Capital raising costs	(424,240)	-	123,589	-	-	(300,651)
Vesting of share based payments	-	-	21,472	-	-	21,472
Balance at 31 December 2022	69,451,007	(40,898,770)	2,563,166	(1,404,633)	28,549	29,739,319

The accompanying notes form part of this interim financial report.

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(2,201,262)	(2,219,392)
Interest received	2,430	2,386
Interest paid	-	(41)
Other receipts	-	20,000
Net cash outflow from operating activities	(2,198,832)	(2,197,047)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(60,351)	(85,144)
Payments for exploration and evaluation	(1,593,992)	(629,646)
Cash paid for acquisition of subsidiary	-	(1,516,601)
Net cash outflow from investing activities	(1,654,343)	(2,231,391)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	4,858,295	-
Share issue costs	(300,651)	(1,637)
Net cash inflow/(outflow) from financing activities	4,557,644	(1,637)
Net decrease in cash held	(704,469)	(4,430,075)
Effect of exchange rate changes on the balance of cash held in foreign currencies	42,717	(4,193)
Cash at the beginning of the financial period	1,289,845	6,484,053
Cash at the end of the financial period	2,037,031	2,049,785

The accompanying notes form part of this interim financial report.

1. BASIS OF PREPARATION

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 'Interim Financial Reporting'.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Celsius Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted in the annual financial report for the year ended 30 June 2022.

Critical accounting judgements, 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 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 an appropriate valuation 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.

1. BASIS OF PREPARATION (CONTINUED)

New and Revised Accounting Standards and Interpretations

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. SEGMENT INFORMATION

The consolidated entity operates within two 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:

Six months ended 31 December 2022	Exploration activities AUSTRALIA \$	Exploration activities NAMIBIA \$	Exploration activities PHILIPPINES \$	Consolidated \$
Segment income	27,096	215	119	27,430
Total income				27,430
Segment result before income tax	(1,190,748)	(81,002)	(793,490)	(2,065,240)
Loss before income tax				(2,065,240)
At 31 December 2022				
Segment assets	5,763,582	15,342,948	10,941,077	32,047,607
Total assets				32,047,607
Segment liabilities	(405,020)	(18,137)	(13,436,385)	(2,308,288)
Total liabilities				(2,308,288)
Six months ended 31 December 2021				
	Exploration activities AUSTRALIA \$	Exploration activities NAMIBIA \$	Exploration activities PHILIPPINES \$	Consolidated \$
Segment income	22,126	-	260	22,386
Total income				22,386
Segment result before income tax	(913,538)	(1,300,846)	(924,700)	(3,139,084)
Loss before income tax				(3,139,084)
At 30 June 2022				
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

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3. CASH AND CASH EQUIVALENTS

	Consolidated	
	Dec-22	Jun-22
	\$	\$
Cash at bank and on hand	2,037,031	1,289,845

4. DEFERRED EXPLORATION EXPENDITURE

	Consolidated	
	Dec-22	Jun-22
	\$	\$
Expenditure brought forward at the beginning of the period	28,242,540	24,324,124
Expenditure acquired	-	-
Expenditure incurred	1,741,626	4,650,189
Expenditure disposed	-	-
Expenditure impaired ¹	(398,689)	(147,634)
Foreign exchange movements	(88,361)	(584,139)
Expenditure carried forward at the end of the period	29,497,116	28,242,540

The ultimate recoupment of costs carried forward for exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas.

¹ E39/1684 associated with the Abednegno Hill Project expired during the period and EL 4540 associated with the Opuwo Project expired subsequent to 31 December 2022. The associated capitalised expenditure incurred on these tenements have been impaired as at 31 December 2022.

5. OTHER LIABILITIES

	Consolidated	
	Dec-22	Jun-22
	\$	\$
Current		
Other payables	44,132	-
Deferred consideration payable (i)	1,476,015	1,486,532
	1,520,147	1,486,532

(i) The consolidated entity, through its wholly owned subsidiary, Anleck Limited, has 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 \$1,467,915 was paid on 19 November 2021, which is 1 calendar year after the EP release date. The second deferred payment \$1,401,976 was due on 19 November 2022, which is 2 calendar years after the EP release date. During the period, the Company executed an amended Share Purchase agreement with Anleck which extended the second deferred payment. A payment of US\$100,000 was made on 7 December 2022 and subsequent to 31 December 2022, a payment of US\$1 million was made on 9 February 2023.

6. ISSUED CAPITAL

	Consolidated			
	Dec-22	Jun-22	Dec-22	Jun-22
	Shares	Shares	\$	\$
Ordinary shares – fully paid	1,550,829,043	1,221,465,768	69,451,007	64,808,602

6. ISSUED CAPITAL (continued)

a) Ordinary shares

Details	Date	Dec-2022		Dec-2022	
		No. of shares	Issue price \$		\$
Balance at 1 July 2022		1,221,465,768			64,808,602
Placement shares issued (i)	5 Aug 2022	262,484,775	0.013		3,412,302
Drilling services shares issued (ii)	17 Aug 2022	10,417,500	0.020		208,350
Director shares issued (iii)	12 Oct 2022	8,461,000	0.013		109,993
Shares issued on exercise of options (i)	19 Dec 2022	3,000,000	0.012		36,000
Private placement shares issued (v)	30 Dec 2022	45,000,000	0.030		1,300,000
Capital raising costs		-	-		(474,240)
Balance at 31 December 2022		1,550,829,043			69,451,007

- (i) On 5 August 2022, the Company issued 262,484,775 fully paid ordinary shares at \$0.013 cents per share with one free attaching option, with an exercise price of \$0.04 for every two shares issued.
- (ii) On 17 August 2022, the Company issued 10,417,500 fully paid ordinary shares for drilling services provided in Namibia, as approved by shareholders at the General Meeting held on 26 May 2022.
- (iii) On 12 October 2022, the Company issued 8,461,000 fully paid ordinary shares to Director Jonathan Colvile, as approved by shareholders at the General Meeting held on 16 September 2022.
- (iv) On 19 December 2022, the Company issued 3,000,000 fully paid ordinary shares on the exercise of unlisted options at an exercise price of \$0.012 per share.
- (v) On 30 December 2022, the Company issued 45,000,000 fully paid ordinary shares at \$0.03 per share to the Lind Global Fund II, LP, a fund managed by the Lind Partners, as part of a private placement.

7. RESERVES

	Consolidated	
	Dec-2022 \$	Jun-22 \$
Share based payment reserve	2,563,166	2,418,105
Foreign currency translation reserve	(1,404,633)	(1,214,895)
	1,158,533	1,203,210
<i>Movements</i>		
<u>Share based payment reserve</u>		
Balance at the beginning of the period	2,418,105	1,850,000
Expiry of options	-	-
Issue of options	123,589	-
Issue of performance rights ¹	21,472	751,105
Transfer to issued capital	-	(183,000)
Balance at the end of the period	2,563,166	2,418,105

¹Performance rights

During the period, the consolidated entity did not grant any new performance rights. On 28 November 2022, the Company held a General Meeting where shareholders approved to extend the date by which the Milestone is required to be satisfied from 30 November 2022 to 31 March 2023, thereby varying the terms of the performance rights.

7. RESERVES (continued)

Performance rights (continued)

After considering the probabilities of the vesting criteria being met and the expected vesting date, the value expensed in relation to these performance rights during the period was \$21,472 with the remaining fair value amount to be expensed over the remaining 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.

On 28 November 2022, the Company held a General Meeting where shareholders approved to extend the date by which the Milestone is required to be satisfied from 30 November 2022 to 31 March 2023, thereby varying the terms of the performance rights.

Performance rights outstanding at reporting date:

	31 December 2022 Number	31 December 2021 Number
Balance at the beginning of the period	13,400,000	-
Performance rights issued	-	25,150,000
Performance rights converted	-	(6,750,000)
Performance rights lapsed	(3,600,000)	(5,000,000)
Balance at the end of the period	<u>9,800,000</u>	<u>13,400,000</u>

Options

On 20 September 2022, the Company issued 39,093,111 unlisted options to brokers. The unlisted options were priced using the Black-Scholes pricing model. The total fair value of these options was \$123,589 and the Company recognised the value of these options issued as capital raising costs. The table below summarises the valuation inputs for the 39,093,111 unlisted options granted during the period.

Grant date	Expiry date	Exercise Price \$	Number of Options #	Expected Volatility %	Dividend Yield %	Risk-free interest rate %
20/09/2022	22/03/2024	0.04	39,093,111	100	-	3.06

As at 31 December 2022, 47,000,000 unlisted options were outstanding (30 June 2022: 50,000,000).

	Consolidated	
	Dec-2022 \$	Jun-22 \$
<u>Foreign currency translation reserve</u>		
Balance at the beginning of the period	(1,214,895)	(732,694)
Translation of foreign entities	(189,738)	(482,201)
Balance at the end of the period	<u>(1,404,633)</u>	<u>(1,214,895)</u>

8. EARNINGS PER SHARE

	Consolidated	
	Dec-2022	Dec-2021
Loss after income tax	\$ (2,061,756)	\$ (3,074,056)
	Number	
Weighted average number of ordinary shares used in calculating basic earnings per share	1,447,399,224	1,048,291,940
Basic and diluted loss per share (cents)	(0.14)	(0.29)

9. CONTINGENT LIABILITIES

The consolidated entity had no contingent liabilities as at 31 December 2022 and 30 June 2022.

10. DIVIDENDS

No dividends have been paid or provided for during the half-year (31 December 2021: nil).

11. EVENTS SUBSEQUENT TO REPORTING DATE

On 18 January 2023, the Company issued 3,000,000 ordinary shares on the exercise of unlisted options at an exercise price of \$0.012 per share.

On 23 January 2023, the Company issued 4,000,000 ordinary shares on the exercise of unlisted options at an exercise price of \$0.012 per share.

On 30 January 2023 the Company successfully completed its admission to trading on AIM, a stock market operated by the London Stock Exchange plc. The admission to trading on AIM followed a placing by SP Angel Corporate Finance LLP for a total of 296,375,000 Ordinary Shares at GBP0.008 per ordinary Share, raising gross proceeds of GBP2.4 million (AUD4.3 million), before expenses.

On 30 January 2023, Mr. Paul Dudley was appointed as a Non-Executive Director.

On 31 January 2023, the Company issued 3,000,000 ordinary shares on the exercise of unlisted options at an exercise price of \$0.012 per share.

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.

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In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-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.

Signed in accordance with a resolution of the Board of Directors made pursuant to s303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Julito Sarmiento
Non-Executive Chairman

Dated this 16th day of March 2023

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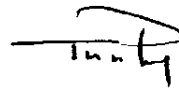
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Celsius Resources Limited for the half-year ended 31 December 2022, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 16 March 2023

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Celsius Resources Limited which comprises the consolidated statement of financial position as at 31 December 2022, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Celsius Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity 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 (including Independence Standards) (the Code) that are relevant to our audit of the annual 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 Celsius Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

**THE POWER OF BEING UNDERSTOOD
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Directors' Responsibility for the Half-Year Financial Report

The directors of Celsius Resources Limited are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

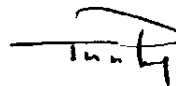
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten-style logo for RSM.

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

TUTU PHONG
Partner

Perth, WA
Dated: 16 March 2023

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