

Corporate update

Celsius Resources Limited ("**Celsius**" or the "**Company**") (+**ASX, AIM: CLA**) wishes to provide an update in relation to the following:

- An intended emergency arbitration application to injunct any offtake agreement between Makilala Mining Company, Inc ("**MMCI**") and Kiri Industries Limited ("**Kiri**") until the broader arbitration process between Sodor, Inc. ("**Sodor**"), PMR Holding Corp. ("**PMR**") and Celsius has been completed;
- Issuance of a letter to Kiri outlining Celsius intention to seek to rescind any transactions or arrangements agreed with MMCI that have not been approved by Celsius;
- Celsius' proactive approach to engaging with Sodor, PMR and their adviser Mr Julito "Sarge" Sarmiento, which has included offering to reinstate the previously contemplated transaction (with some additional protections) notwithstanding its expiry;
- Refusal of Sodor, PMR and their adviser, Mr Sarmiento to respond to emails, calls, meeting requests and other correspondence from Celsius;
- The termination of Mr Peter Hume as Technical Director of MMCI and Dr Attilenore "Nene" Manero as Chief Sustainability Director of MMCI by Mr Sarmiento in his capacity as President Director of MMCI;
- Concerns regarding the management of MMCI and the conduct of Mr Sarmiento and SL Law;
- Continued progress on the Opuwo sales process, with an expectation that a binding sale and purchase agreement will be executed by the end of June 2026; and
- Celsius' desire to provide continued financial support for MMCI and MCB Project (including utilising the proceeds from the proposed sale of the Opuwo Project), which Celsius believes is being hampered by a lack of engagement by Sodor, PMR and Mr Sarmiento.

Kiri developments

Background

On 27 April 2026, Celsius announced that Maharlika Investment Corporation ("**MIC**"), a Philippine national sovereign wealth fund, had issued a press release with respect to the execution of an Assignment Agreement for the sale and assignment of its loan position under the Omnibus Loan and Security Agreement ("**OLSA**") with Makilala Mining Company Inc. ("**MMCI**") to Equinaire Holdings Limited ("**Equinaire**"), a wholly owned subsidiary of Kiri.

Celsius was formally notified by MIC on 28 April 2026.

ASX/AIM Announcement 25 May 2026

Kiri provided the following transaction rationale, in an announcement lodged with the National Stock Exchange of India Limited on 28 April 2026¹:

“The acquisition of the loan represents a precursor transaction that is expected to enable the Group to benefit from an off-take arrangements, ensuring preferential supply of copper ore/concentrate from Makilala Mining Company, Inc. for its upcoming copper facility being developed by Indo Asia Copper Limited.

The Group’s entry into the upstream copper supply chain is anticipated to strengthen access to critical raw materials, thereby ensuring a stable and long-term uninterrupted supply of copper, an essential natural resource that is vital for meeting the country’s growing demand.”

On 21 May 2026, Celsius received notice from MIC that a 15-business day period to prepay the loan had expired and that the assignment of its rights, title and interests under the OLSA had been assigned to Equinaire.²

Celsius’ position

Celsius had no knowledge, awareness or involvement in any discussions between MIC and Kiri in relation to the MMCI OLSA or any other arrangements, agreements or understandings that may be in place between those organisations.³

Celsius is disappointed that the loan was transferred to a non-financial institution that has publicly stated that it expects to utilise the loan to secure a “preferential” offtake arrangement.

The ability to negotiate and structure a competitive and commercial offtake agreement on an arms-length basis is critical to the successful financing of MMCI’s MCB Copper-Gold Project.

Celsius’ actions

In light of the actions of Kiri, Celsius intends to initiate an emergency arbitration process seeking to injunct any offtake agreement executed by Kiri and MMCI, without the written approval of Celsius, until the completion of a broader arbitration process between Sodor, PMR and Celsius.

Celsius has also provided Kiri with written notice that it intends to seek to rescind any transactions or arrangements agreed with MMCI that have not been approved by Celsius. It intends to distribute similar notices to Kiri’s prospective financiers.

Engagement with Sodor, PMR and their adviser, Mr Julito “Sarge” Sarmiento

Previously contemplated transaction

The following ownership arrangements for the MCB Project were agreed via binding deeds and agreements on 17 March 2023:

¹ See 30 April 2026 ASX / AIM Announcement - Update on potential assignment of MIC OLSA.

² This is consistent with the contents of 27 April 2026 ASX/AIM Announcement - Potential assignment of MIC OLSA.

³ MIC has declined Celsius’ request for a copy of the agreement between MIC and Kiri.

ASX/AIM Announcement 25 May 2026

- Sodor was to acquire a 60% legal ownership in MMCI for consideration of PHP 300 million (~US\$5 million);
- PMR, an affiliate of Sodor, was to subscribe for shares in PDEP Inc. ("PDEP"), the intended mineral processing company for the MCB Project, for an amount of ~US\$38 million (comprising of ~US\$43 million less the PHP 300 million subscription in MMCI by Sodor); and
- These arrangements were to be relinquished, if Sodor and PMR had not provided the required payment within two years, unless shortened or extended by mutual agreement.⁴

The MCB Project was to be owned and operated via the following two entities:

- *MMCI* - which would hold the MPSA and develop and operate the mine; and
- *PDEP* - which would own, develop and operate the processing plant and other ancillary equipment and assets, and would not be subject to foreign ownership restrictions.

Upon completion of the payment of the ~US\$43 million, Sodor and PMR were to hold a combined 30% share in the economics of the MCB Project with Celsius retaining a 70% share of economics.

Further to the execution of agreements with Sodor and PMR, the expiry date for the payment of ~US\$43 million was extended to 16 February 2026⁵.

Following the expiry of this deadline, Celsius provided written notice to Sodor that the MMCI shares must be relinquished in accordance with the agreement.

Notwithstanding the expiry of the payment deadline (and the provision of the notice to Sodor outlined above), Sodor subsequently (being ~30 days following expiring deadline) attempted to pay the outstanding amount of PHP 300 million (~US\$5 million) and a notice was received from PMR stating that it had sufficient funding to complete its subscription of shares in PDEP.

Socialej

Ahead of this expiry date, Celsius considered a range of alternate transaction structures and potential replacements for Sodor.

One of the candidates that was initially considered as a replacement for Sodor was Socialej Inc. ("Socialej"), a Philippine incorporated entity, in which Celsius' Interim Non-Executive Chair, Mr Peter Hume and former Celsius Non-Executive Director, Ms Attilenore "Nene" Manero held equity interests.⁶

The board of directors of both Celsius and Socialej declined to progress a potential transaction due to governance and related party concerns.

⁴ Full details of the agreements and the intended interests of each party's interests in MMCI and PDEP are set out in the *20 March 2023 ASX / AIM Announcement - CLA enters Binding Deed with local companies for MCB Project*.

⁵ See *27 June 2025 ASX / AIM Announcement - FEED and Feasibility Update commence at MCB Project site*.

⁶ These interests were disclosed to the Celsius Board.

ASX/AIM Announcement 25 May 2026

Notwithstanding these decisions and without any approval or authority from either entity, Mr Neil Grimes, issued Sodor on 16 February 2026 with a notice of relinquishment, that included directing Sodor to transfer its shares in MMCI to Socialej.⁷

Mr Neil Grimes' executive consulting agreement was terminated by the Board on 3 May 2026⁸ with immediate effect and he agreed to tender his resignation as a Director of Celsius on 11 May 2026⁹.

Celsius is not seeking to transfer Sodor's shares in MMCI to Socialej and subject to the outcome of the arbitration process, it intends to transfer the shares to a suitably qualified independent Philippine party.

Arbitration

Further to Celsius rejection of Sodor's attempted payment, Sodor and PMR initiated an emergency arbitration process and sought an interim order to prevent the sale or transfer of MMCI shares to another party.

On 21 April 2026, the initial conflict resolution process was concluded in Celsius' favour with the interim orders sought by Sodor and PMR being denied.

To further protect its interests, Celsius initiated an emergency alternative conflict resolution process and applied for the following interim orders:

- Prevention of Sodor from exercising any rights as a shareholder or as a director of MMCI;
- Maintenance of the status quo until the determination of a broader conflict resolution process; and
- In the event of Sodor requisitioning a shareholders meeting, Sodor and any of its nominees being restricted from implementing any actions or resolutions passed until the determination of a broader conflict resolution process has been completed.

Notwithstanding Celsius' emergency application to preserve the status quo until the finalisation of the broader arbitration process, and in advance of its completion, the following actions were subsequently undertaken:

- Mr Sarmiento resigned his position as a representative of Makaila Holding Limited ("MHL"), a 100% owned subsidiary of Celsius, to the MMCI Board as well his position as Chair and President of MMCI on 20 April 2026; and
- Sodor requisitioned a MMCI shareholder's meeting, which was held on 20 April 2026, during which a series of resolutions were passed including:
 - all five board seats being declared vacant;

⁷ The Celsius Board approved the issuance of a notice of relinquishment, but not the transfer of shares to Socialej.

⁸ See 4 May 2026 ASX/AIM Announcement - Update on alternative conflict process.

⁹ See 11 May 2026 ASX/AIM Announcement - Resignation of Non-Executive Director.

ASX/AIM Announcement 25 May 2026

- Sodor appointing three representatives to the MMCI Board, including Mr Sarmiento, who was also re-appointed as Chair and President;
- the preventative suspension of key MMCI employees; and
- appointment of a new company secretary and several executive officers.

On 5 May 2026, the interim orders sought by Celsius were denied. The basis for the decision was that the status quo, being that Sodor continues to hold its 60% interest in MMCI, should prevail until the broader arbitration process has concluded.

Both Celsius as well as Sodor and PMR have initiated broader arbitration proceedings.

Celsius is seeking to enforce the relinquishment of the Sodor and PMR arrangements, which would enable it to progress the transfer of Sodor's shares in MMCI to a new qualified independent Philippine partner.

Sodor and PMR are seeking a range of orders that include the following:

- Recognition of Sodor's legal ownership of 60% of MMCI;
- Invalidation of the notice of relinquishment issued to Sodor by MHL;
- PMR's obligation to subscribe for shares in PDEP is not enforceable and demandable in the absence of:
 - A signed Memorandum of Agreement (reflecting the terms of the Term Sheet executed between the parties in December 2022);¹⁰
 - A finalised Subscription Agreement;
 - Mutually agreed schedule governing tranche payments;
 - Sufficiency of authorised capital stock of PDEP; and
- PMR's subscription price of ~US\$38 million to be held by MMCI and used exclusively for the development of the MCB Project.

Role of Mr Julito "Sarge" Sarmiento

Mr Sarmiento is a former Executive Chair of Celsius, has previously acted as an adviser to Kiri and has been acting as an adviser to Sodor and PMR and their key principals.

His numerous roles, relationships and dealings with parties associated with MMCI include:

- Former Executive Chair of Celsius (he retired at the Annual General Meeting on 26 November 2025)¹¹;
- Representative of MHL (a wholly owned subsidiary of Celsius) on the MMCI Board (he resigned on 20 April 2026);

¹⁰ For further details see *20 March 2023 ASX / AIM Announcement - CLA enters Binding Deed with local companies for MCB Project*.

¹¹ See *13 October 2025 ASX/AIM Announcement - Executive Chairman to retire from the Board at 2025 AGM*.

ASX/AIM Announcement 25 May 2026

- Sodor’s appointee on the MMCI Board (he was re-appointed on 20 April 2026);
- Chair and President of Director of MMCI;
- An executive consultant to MMCI (appointed for a period of 5 years in May 2025 with a monthly fee of US\$25,000);
- Founding Partner and Co-Managing Partner of Sarmiento Loriga Law (“SL Law”), noting that
 - His co-partner at SL Law, Mr Reolito “Ricky” Cantre, was a Celsius appointee on the MMCI Board (he resigned on 20 April 2026);
 - SL Law previously acted as MMCI’s principle Philippine legal adviser under the direction and supervision of Mr Sarmiento;
 - SL Law led the drafting and negotiation of the legal agreements entered into with Sodor and PMR that are now subject to arbitration;
 - SL Law led the drafting and negotiation on the MMCI OLSA with MIC, which was signed by Mr Sarmiento on behalf of MMCI, which has been recently assigned to Kiri; and
 - Kiri and companies associated with Sodor, PMR and their principals are established clients of SL Law; and
- Following the reconstitution of the MMCI Board, three employees from SL law have been appointed to the MMCI management team. In addition, five representatives from SL Law have also been granted access to information, supervision rights and responsibilities in relation to the operation of MMCI. Celsius has concerns regarding the independence, mining experience and expertise of the individuals.

It should also be noted that at the time of Mr Sarmiento’s retirement from the Celsius Board, there was a dispute with respect to a 3% finder’s fee that SL Law had claimed in relation to the MIC OLSA. Concerns had been raised by the Celsius and MMCI Boards in relation to potential related party considerations, whether there had been adequate disclosure of the arrangement to the Celsius Board ahead of approaching MIC and whether Mr Sarmiento has engaged with MIC in his capacity as the Executive Chair of Celsius and President Director of MMCI or as the Founding partner of SL Law. Mr Sarmiento’s remuneration from Celsius and MMCI for Financial Years 2023/24 and 2024/25 was A\$520,608 (US\$371,193) and A\$513,498 (US\$366,124), respectively.¹²

This claim in relation to the finder’s fee resulted in a significant deterioration in the relationship between Mr Sarmiento, SL Law and the Directors of Celsius and MMCI.

Celsius is seeking Australian and Philippine legal advice with respect to the conduct of Mr Sarmiento and SL Law including with respect to potential contraventions of law relating to the management of conflicts, breaches of confidentiality and fiduciary duties as well as potential violations of professional responsibility and accountability rules.

¹² References to US\$ equivalents are based on A\$/US\$ exchange rate of 0.713.

ASX/AIM Announcement 25 May 2026

Following the reconstitution of the MMCI Board by Sodor and the appointment of numerous SL Law employees, Celsius also has concerns around the oversight and management of MMCI in the context of both its 40% shareholding and its ~US\$10.1 million outstanding loan to MMCI.

Subject to further legal advice, in the event of any adverse impact on Celsius' interests in MMCI, the MCB Project, the Mineral Production Sharing Agreement ("MPSA"), the local Balatoc Community and/or any insolvency event, Celsius intends to pursue Mr Sarmiento, SL Law (and its partners), Sodor and PMR for damages to the full extent of the law.

Termination of employment agreements

In the context of his role as the President Director of MMCI, Mr Sarmiento has terminated the employment agreements of Mr Peter Hume, who was engaged as Technical Director and Dr Attilenore "Nene" Manero, who was engaged as Chief Sustainability Officer.

Celsius is concerned about the impact of these terminations on the development plans for the MCB Project and in the management of the relationship with the local Balatoc Community. The Balatoc Community have expressed their concern via a joint resolution of the Council of Elders and Balatoc Barangay Officials calling for the reconciliation, unity, restoration of the MMCI Board and the continuity of ongoing obligations to the community.

The MMCI Board, in which both Mr Hume and Dr Manero¹³ were members, had previously raised concerns in relation to Mr Sarmiento's finder's fee (as outlined above).

Proposed way forward

Notwithstanding the expiry of the deadline for Sodor and PMR to meet their obligations around the payment for MMCI shares and PDEP subscription, Celsius has been proactive in relation to a potential compromise with Sodor and PMR.

It has proposed reinstating the previous transaction with some additional protections and provided a non-binding Term Sheet to Sodor, PMR and Mr Sarmiento.

Key elements of the Term Sheet included the following:

- All parties agreeing to suspend arbitration;
- Continuing to progress a two-company approach to developing the MCB Project whereby
 - MMCI - will hold the MPSA and develop and operate the mine to extract ore;
 - PDEP - will purchase the ore from MMCI; own, develop and operate the processing plant and other ancillary equipment and assets; and
 - Implementation of an ore supply agreement between MMCI and PDEP;

¹³ Dr Manero resigned from the Celsius Board at the Annual General Meeting on 26 November 2025.

ASX/AIM Announcement 25 May 2026

- Sodor and PMR holding a 30% share of economics in the MCB Project, with Celsius retaining a 70% share of economics (and to be supported by a dividend and distribution adjustment mechanism);
- Consideration:
 - Sodor to pay Celsius US\$5 million for a 60% interest in MMCI (with proceeds to be re-invested by Celsius in the MCB Project subject to undertaking by Kiri not to call an event of default on the MMCI loan);
 - PMR being granted 3-month option to subscribe for ~US\$38 million for an interest in PDEP, which shall be structured as follows:
 - 20% upfront; and
 - Balance in tranches to align with agreed early works programs and the development needs of the MCB Project.
- Conditions precedent:
 - MMCI granting PDEP an exclusive right to purchase all the ore that MMCI produces, develop and operate the processing plant and produce, market and sell a copper-gold concentrate and other mineral products; and
 - Finalisation and implementation of shareholder agreements for MMCI and PDEP.

Notwithstanding multiple follow-up emails, calls and correspondence, Celsius is yet to receive any response or feedback from Sodor, PMR or Mr Sarmiento.

Celsius would like to continue providing near-term funding to MMCI to continue to advance the MCB Project and to support the local Balatoc Community. However, it is reluctant to do so in the absence of securing board representation on MMCI and being involved in its management and oversight, particularly having regard to its ~US\$10.1m outstanding loan to MMCI.

Celsius' strong preference is to reach a mutually attractive resolution to expedite the funding and development of the MCB Project.

As previously announced, Celsius had been progressing a structured financing process for the MCB Project, with the assistance of Grant Samuel Capital Advisory Pty Limited ("Grant Samuel").¹⁴

The funding process encompasses three streams:

- *Offtake-linked financiers* - focused on a targeted list of mining funds and trading houses;
- *Philippine and project finance banks* - covering international, regional and Philippine banks that are active in mining project financing; and
- *Strategic equity investors* - focused principally on mining companies and investment groups.

¹⁴ See 9 January 2026 ASX/AIM Announcement - Celsius appoints Grant Samuel as Financial Adviser.

ASX/AIM Announcement 25 May 2026

The first phase of the offtake-linked financing stream had been completed with a broad range of Non-Binding Indicative Offers (“**NBIO**”) received across potential debt and equity components of a funding package. Shortlisted parties had been invited to participate into a second phase of the process.

To facilitate the other financing streams, Celsius had also engaged a vendor legal due diligence report and independent technical expert report for the use of financiers. The completion of financing and a Final Investment Decision (“**FID**”) was targeted for the December Quarter of 2026, with the potential for early works funding in advance of FID.

Celsius is not presently aware of Sodor or PMR providing any financial assistance to MMCI or having any concrete plans to progress the financing and development of the MCB Project.

Opuwo sales process

As previously announced, Celsius is well progressed on a sales process for its Opuwo Cobalt-Copper Project in Namibia.

Following the completion of site visits and due diligence, Celsius has received multiple proposals and expects to execute a binding sales and purchase agreement prior to the end of June 2026.

Subject to resolving the current arbitration process or reaching an agreement with Sodor and PMR, Celsius intends to utilise the net proceeds from the proposed sale to progress the development of the MCB Copper-Gold Project.

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

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Forward-Looking Statements

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