



CELSIUS COAL

LIMITED

A.B.N. 95 009 162 949

HALF-YEAR REPORT

31 DECEMBER 2012

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DIRECTORS

Alexander Molyneux – Executive Chairman
Grant Thomas – Managing Director
William Oliver - Non Executive Director
Ranko Matic – Non Executive Director

COMPANY SECRETARY

Ranko Matic

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
PERTH WA 6000

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WEST PERTH WA 6005

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STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
(Home Branch - Perth)
ASX Code: CLA

REGISTERED OFFICE

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Your Directors present their report together with the financial report on the consolidated entity, consisting of Celsius Coal Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2012.

Directors

The Directors in office at the date of this report and at any time during the half-year are as follows: Directors were in office for the entire period unless otherwise stated.

Alexander Molyneux	Executive Chairman	(appointed 1 December 2012)
Peter O'Malley	Non-Executive Chairman	(resigned 5 November 2012)
Grant Thomas	Executive Director	
Bill Oliver	Non-Executive Director	
Ranko Matic	Non-Executive Director	(appointed 5 November 2012)

Review of Operations

Corporate:

The consolidated net loss of the Company after income tax for the six months ended 31 December 2012 amounted to \$1,686,560 (December 2011: profit \$643,571).

On 29 August 2012 the Company announced it had secured \$4m in a capital raising. Tranche 1 for \$1.9m was completed in September, with 95m ordinary shares being issued on 13 September 2012. This issue was ratified by shareholders at the General Meeting held on 4 October 2012. Tranche 2 for \$2.1m was completed in October 2012, with 105m ordinary shares being issued on 19 October 2012. This issue was approved by shareholders at the General Meeting held on 4 October 2012.

On 4 October 2012 the Company held a General Meeting, where the shareholders approved (among other things) the proposed name change from View Resources Limited to Celsius Coal Limited. During this General Meeting the shareholders approved a change to the scale of activities of the Company to enable the completion of the Kokkia Coal acquisition, which was originally announced to the market on 18 June 2012. Part of this acquisition was the issue of Performance Shares and Consideration Shares, which were also approved to be issued to the vendors of Kokkia Coal. Accordingly the following securities were issued on 25 October 2012, which completed the Kokkia Coal transaction:

500,000,000	Ordinary Shares
200,000,000	Class A Performance Shares
200,000,000	Class B Performance Shares
200,000,000	Class C Performance Shares
150,000,000	Class D Performance Shares
150,000,000	Class E Performance Shares

On 1 November 2012, 30,000,000 Class A options were issued to directors as approved at General Meeting held on 4 October 2012. They were issued with an exercise price of 2 cents and with an expiry date of 31 October 2014.

On 29th November 2012 the Company announced the appointment of Mr Alexander Molyneux as Executive Chairman. Mr Molyneux was selected due to his experience and his track record, to assist the Company specifically in progressing its existing coking and thermal coal projects in the Kyrgyz Republic towards commercialisation.

On 4 January 2013, the Company issued the following securities relating to the Kokkia transaction but effective 31 December 2012 as approved at their General Meeting on 4 October 2012:

15,000,000	Ordinary Shares
5,400,000	Class A Performance Shares
5,400,000	Class B Performance Shares
5,400,000	Class C Performance Shares
5,400,000	Class D Performance Shares
5,400,000	Class E Performance Shares

Exploration Activities

Kyrgyzstan Coal Projects

A confirmatory drill program to test the Company's exploration prospects at its Uzgen Basin Coking Coal Project located in Central Kyrgyzstan was carried out during the reporting period. The Company completed seven drill holes at Kargasha for 3,230.5 metres and three at the Min Teke for 560.4 metres (Figure 1). All holes successfully intersected coal seams with intercepts attached (these intercepts have been confirmed by laboratory analysis and were released on 31st January 2013). The Company has derived an Exploration Target of 501 to 700 million tonnes of coal for the Uzgen Basin Project (see below) and is currently completing its maiden JORC coal resource for the Project based on the results of the 2012 drill programme. Full details of the coal intersections are tabled in ASX Announcement dated 31st January 2013:

Coal Quality Analysis Results

Results of raw coal sample testing from Kargasha were reported on 9th October 2012, 11th December 2012 and 31st January 2013. These laboratory results confirm coal intersected in all drill holes in the Kargasha include coking coal, and also validate the thickness of coal intersected in drilling from visual inspection (reported 9th November 2012).

All coal samples show very good thermal characteristics with high GCV^{ad} (air dried gross calorific value), low IM (Inherent Moisture), and low to moderate phosphorus (P^d) and acceptable total sulphur (TS^d). Coking coals with low concentrations of deleterious elements such as phosphorus and total sulphur are favoured by steel producers.

Coking coal potential is demonstrated by the results from Free Swelling Index (FSI) coking tests, with 46 of 49 coal samples from drillholes DD12TK001-DD12TK007 submitted for FSI tests returning results greater than 4.5. Given the spacing of drill holes (Figure 1) it is possible that a substantial portion of the coal at Kargasha has potential to be used as coking coal.

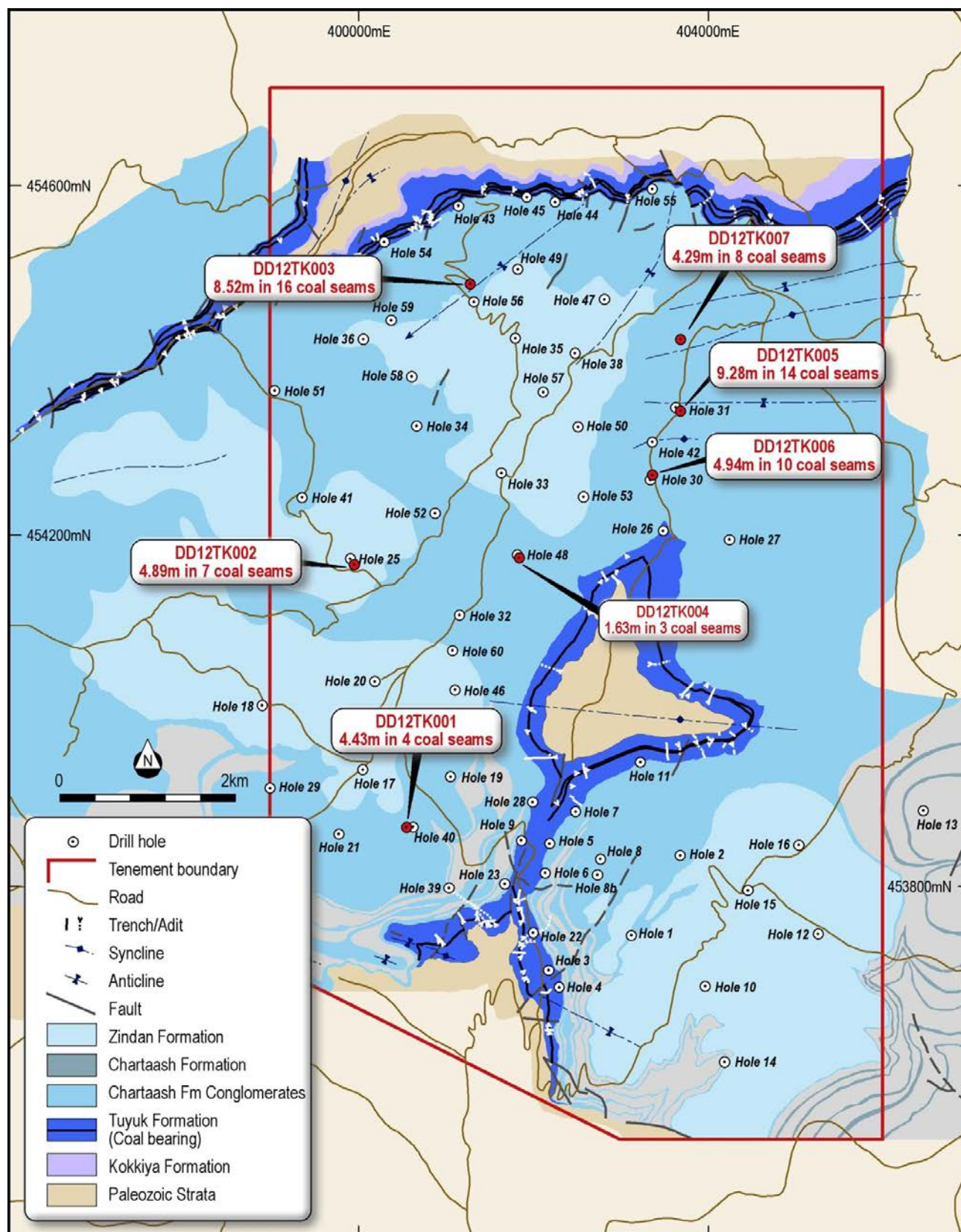
Full details on assay results are tabled in ASX Announcements on 9th October 2012, 12 December 2012 and 31st January 2013.

Laboratory results of small scale float/sink testing of 26 coal and coal composite samples with raw ash>10% were released on 12th February 2013 and show excellent potential for beneficiation. Samples were from the seven drill holes completed in 2012 (DD12TK001 to DD12TK007). Full details of results are tabled in ASX Announcement dated 12th February 2013.

Overall general conclusions from this test work on the 26 samples are that at a cumulative floats density of 1.5 the:

- Theoretical yield ranges from 41% to 94% with 84% of values being >60%.
- Product ash ranges from 2.5% to 9.4% with over 40% of values being between 5 and 6%.
- FSI ranges from 6.5 to 8.5 with 64% being >7.
- Theoretical yield has a strong correlation with raw (head) ash.

Figure 1. Geology Map of Kargasha showing Celsius 2012 drilling, coal intersections and historical Soviet-era drilling.



Testing is continuing to further determine the coking characteristics, ash compositions and ultimate analyses of these samples.

Interim analyses for drill holes DD12MT001, DD12MT002 and DD12MT003 from Min Teke were reported on the 31st January 2013 with further testing continuing. This work was undertaken in the internationally accredited SGS laboratory in Novokuznetsk using industry standard analytical procedures. Results of raw coal sample testing show consistently high gross calorific values, the majority of values are in excess of 6,000 Kcal/Kg with 10 samples exceeding 7,000 Kcal/Kg. Of a total of 14 FSI analyses all but 3 show results in excess of 6.0. It is probable that the lower FSI values are related to the depth of oxidation.

Mining – Sary Mogol (Alai Range Project) & Min Teke (Uzgen Basin Coking Coal Project)

During the reporting period the company carried out open pit mining on the Min Teke and Sary Mogol mining leases to comply with the conditions of the Company's Development / Mining License. The Company anticipates generating a small cash flow from these activities.

In January 2013 the Kyrgyz Republic Ministry of Transport announced the completion of the feasibility study for the Trans-Asia Railway. Based on the announcement and related reports, the study is now being translated into Kyrgyz and Russian (the official languages of Kyrgyz Republic) to allow for more formal discussions to take place regarding implementation. Completion of the feasibility study is in line with various statements made by the governments of People's Republic of China and Kyrgyz Republic in September and December 2012 regarding accelerating the project. The railway is currently anticipated to be completed by the end of 2016 and the current planned route comes within 10 kilometres of Celsius' Uzgen Basin Coking Coal Project.

Celsius has also undertaken a review of transport options to facilitate coal export prior to completion of the Trans-Asia Railway. For the Uzgen Basin coking coal projects, two options exist for export to China: one route of approximately 385km via Osh and then to export via the Irkeshtam border crossing between Kyrgyz Republic and China; and the second being approximately 465km via Naryn for export via the Torugart border crossing (shown on Figure 2 below). Both options appear feasible. However, the route via Osh is more favourable based on road conditions and distance. Generally paved and rehabilitated roads are available on the route via Osh. Utilizing this route, the Company estimates a transport cost of approximately \$10 per tonne to the Kyrgyz Republic-China border.

Carnilya Hill Joint Venture

Celsius (through View Nickel Pty Ltd) owns a 30% joint venture interest in the Carnilya Hill Joint Venture in Western Australia with Mincor Resources NL (**Joint Venture**). Mincor Resources NL (**Mincor**, ASX:MCR) is the operator of the Carnilya Hill JV. The tenements covered by the Carnilya Hill Joint Venture (JV) include Mining Licences M26/47, M26/48, M26/49 and M26/453.

The Carnilya Hill site is currently on care and maintenance. The Joint Venture will incur nominal running costs to ensure the site is kept secure, safe and well maintained. Exploration continues on the tenements comprising the Joint Venture, and is managed by Mincor as the Operator of the Joint Venture. Results from exploration programmes will be released as they become available.

Regional Nickel Exploration

On 1st November 2012 tenement E39/1684 in the Eastern Goldfields region of Western Australia was granted to the Company's subsidiary View Nickel Pty Ltd. The Company continues to compile all data relevant to E39/1684 as well as E39/1641. The tenements are located near to Minara Resources' Murrin Murrin mine and the NiWest operation currently under development by GME Resources Ltd and are believed to have potential for both nickel laterite and nickel sulphide mineralisation. In due course, the Company may consider spinning out its nickel interests into a new public vehicle listed on the ASX.

Events after the Balance Sheet Date

On 7 February 2013, the Company announced to the market that it had secured commitments for \$10m in funding from the Blumont Group Limited ('Blumont'), a company based in Singapore. \$5m of this funding was an ordinary share placement with funds received in March 2013 and the accompanying issue of 227,272,727 ordinary shares at a price of \$0.022 per share effected on 11 March 2013. The additional \$5m is to be received in the form of convertible notes, which is to be drawn in the second half of 2013. The notes will be convertible at A\$0.025 – 0.030 per share and will carry a 12.5% annual interest rate. The agreement with Blumont also provides for a strategic alliance to review other potential projects in Central Asia.

On 25 February 2013, the Company issued the following securities to Alexander Molyneux (or his nominee) as approved at General Meeting held 23 January 2013:

5,750,000	Ordinary Shares
20,000,000	Class C options exercisable at 2 cents and expiring 21 February 2015
25,000,000	Performance Rights – Class A

On 25 February 2013, the Company issued 2,000,000 employee options to Alistair Muir, exercisable at 2 cents and expiring on 21 February 2016.

Other than the above, no other matters or circumstances have arisen since the end of the half-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 subsequent financial years.

Auditor's Independence Declaration

The auditor's independence declaration has been received and is included with this half-year financial report.

Signed in accordance with a resolution of the Board of Directors



Ranko Matic
Director

Dated this 15th day of March 2013

CELSIUS COAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012



	Consolidated	
	31 December	31 December
	2012	2011
	\$	\$
Revenue	-	119,643
Other income	43,959	-
Share of net profits of associate	126,362	285,568
Employee benefits expense	(369,669)	-
Director fees	(149,583)	(63,000)
Legal and other professional fees	(294,462)	(118,777)
Reversal of prior period impairments	-	508,615
Share based payments	(283,000)	-
Other expenses	(757,357)	(88,478)
(Loss)/profit before income tax	(1,683,750)	643,571
Income tax expense	(2,810)	-
(Loss)/profit for the period	(1,686,560)	643,571
Other comprehensive income		
<i>Items that may be reclassified subsequently to operating result</i>		
Foreign currency translation	57,374	-
Total comprehensive (loss)/income for the period	(1,629,186)	643,571
Net (loss)/profit attributable to:		
Members of parent entity	(1,519,899)	643,571
Non-controlling interest	(166,661)	-
	(1,686,560)	643,571
Total comprehensive (loss)/income attributable to:		
Members of the parent entity	(1,462,525)	643,571
Non-controlling interest	(166,661)	-
	(1,629,186)	643,571
Earnings per share:	Cents	Cents
Basic earnings per share	(0.13)	0.07
Diluted earnings per share	(0.13)	0.06

The accompanying notes form part of this interim financial report.

CELSIUS COAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012



	Note	Consolidated 31 December 2012 \$	30 June 2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,382,950	2,494,580
Trade and other receivables		237,104	86,877
Inventories		72,963	-
Other assets		75,166	42,813
Total Current Assets		1,768,183	2,624,270
Non-Current Assets			
Other non-current assets		2,957	2,519,907
Property, plant and equipment		622,337	75,734
Exploration and evaluation expenditure		18,231,925	2,435,632
Investment accounted for using the equity method		-	193,218
Total Non-Current Assets		18,857,219	5,224,491
Total Assets		20,625,402	7,848,761
LIABILITIES			
Current Liabilities			
Trade and other payables		352,015	174,103
Total Current Liabilities		352,015	174,103
Non-Current Liabilities			
Provisions		63,806	-
Total Current Liabilities		63,806	-
Total Liabilities		415,821	174,103
Net Assets		20,209,581	7,674,658
EQUITY			
Contributed equity	3	19,060,776	5,336,646
Reserves		367,194	26,820
Retained earnings		791,293	2,311,192
Parent entity interest		20,219,263	7,674,658
Non-controlling interest		(9,682)	-
Total Equity		20,209,581	7,674,658

The accompanying notes form part of this interim financial report.

CELSIUS COAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012



Consolidated	Contributed Equity	Retained Earnings/ Accumulated Losses	Foreign Currency Translation Reserve	Equity Based Payments Reserve	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	3,948,683	1,668,795	-	40,076	-	5,657,554
Profit for the period	-	643,571	-	-	-	643,571
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	643,571	-	-	-	643,571
Balance at 31 December 2011	3,948,683	2,312,366	-	40,076	-	6,301,125
Balance at 1 July 2012	5,336,646	2,311,192	(13,256)	40,076	-	7,674,658
Loss for the period	-	(1,519,899)	-	-	(166,661)	(1,686,560)
Other comprehensive income	-	-	57,374	-	-	57,374
Total comprehensive income for the period	-	(1,519,899)	57,374	-	(166,661)	(1,629,186)
Issue of share capital	14,300,000	-	-	-	-	14,300,000
Capital raising costs	(575,870)	-	-	-	-	(575,870)
Option reserve	-	-	-	283,000	-	283,000
Recognition of non-controlling interest on acquisition of subsidiary	-	-	-	-	156,979	156,979
Balance at 31 December 2012	19,060,776	791,293	44,118	323,076	(9,682)	20,209,581

The accompanying notes form part of this interim financial report.

CELSIUS COAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012



	Consolidated	
	31 December	31 December
	2012	2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,569,477)	(277,811)
Payments for exploration and evaluation	(3,258,508)	(132,366)
Interest received	33,948	85,273
Receipts from customers	20,992	-
Net cash outflow from operating activities	<u>(4,773,045)</u>	<u>(324,904)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from associates	319,580	1,594,229
Payments for property, plant and equipment	(382,295)	-
Loans to other entities	-	(1,365,721)
Net cash (outflow)/inflow from investing activities	<u>(62,715)</u>	<u>228,508</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	4,000,000	-
Payment for capital raising	(275,870)	-
Net cash inflow from financing activities	<u>3,724,130</u>	<u>-</u>
Net (decrease) in cash held	(1,111,630)	(96,396)
Cash at the beginning of the financial period	2,494,580	4,682,565
Cash at the end of the financial period	<u>1,382,950</u>	<u>4,586,169</u>

The accompanying notes form part of this interim financial report.

1. BASIS OF PREPARATION

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial report of the company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the consolidated entity. It is therefore recommended that this financial report be read in conjunction with the annual financial report of the company for the year ended 30 June 2012, together with any public announcements made by Celsius Coal Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

A summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report can be found in the annual financial report for the year ended 30 June 2012. The accounting policies have been consistently applied, unless otherwise stated.

New and revised Accounting Standards

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2. OPERATING SEGMENTS

Identification of Reportable Segment

The consolidated entity operates within two reportable business segments, being mineral exploration and extraction operations in Australia and the Kyrgyz Republic.

Half Year Ended 31 December 2012	Australia \$	Kyrgyz Republic \$	Consolidated \$
Sales to external customers	-	20,992	20,992
Other revenue/income	142,274	7,055	149,329
Total segment revenue	142,274	28,047	170,321
Segment result before income tax	(1,005,977)	(677,773)	(1,683,750)
Loss before income tax			(1,683,750)

As At 31 December 2012

Segment assets	1,344,889	19,280,513	20,625,402
Total assets			20,625,402
Segment liabilities	265,478	150,343	415,821
Total liabilities			415,821

Half Year Ended 31 December 2011	Australia \$	Kyrgyz Republic \$	Consolidated \$
Other revenue/income	119,643	-	119,643
Total segment revenue	119,643	-	119,643
Segment result before income tax	643,571	-	643,571
Profit before income tax			643,571

As At 31 December 2011

Segment assets	6,434,864	-	6,434,864
Total assets			6,434,864
Segment liabilities	133,739	-	133,739
Total liabilities			133,739

3. CONTRIBUTED EQUITY

The changes to contributed equity were as follows:

	Number of Shares	\$
At beginning of reporting period	1,031,953,670	5,336,646
Shares issued during the period:		
- 13/9/12 Placement	95,000,000	1,900,000
- 19/10/12 Placement	105,000,000	2,100,000
- 24/10/12 Kokkia Transaction	500,000,000	10,000,000
- 31/12/12 Kokkia Transaction	15,000,000	300,000
Capital raising costs		(575,870)
At reporting date	1,746,953,670	19,060,776

4. ACQUISITION OF KOKKIA COAL LIMITED

On 25 October 2012, the Company completed the acquisition of 80% interest in Kokkia Coal Limited, a company incorporated and domiciled in Hong Kong, which in turn holds a 100% interest in three prospective coal tenements located in the Uzgen Coal basin in Kyrgyzstan (being Tuyuk-Kargasha, Kokkia and Min-Teke). The interest is held via Kokkia's 100% ownership of two Kyrgyzstan entities, Panj-Sher Ank Ltd and Baidamar Ltd, which together hold the tenements.

This acquisition is not a business combination, but rather an acquisition of mining tenements.

The purchase consideration was as follows:

	\$
500,000,000 fully paid ordinary shares at \$0.02	10,000,000
Assumption of Kokkia's liability to pay for the acquisition of Baidamar	2,519,907
Total purchase consideration	12,519,907

In addition, 900,000,000 Performance Shares were issued by the Company to the vendors and these Performance Shares are conditional on certain milestones being achieved.

5. COMMITMENTS

As part of the acquisition of Kokkia Coal Limited, the Company is required to, subject to certain provisions, solely fund a 30,000 metre drilling program on the project or spend a minimum of \$15 million on the project (with a minimum of \$5 million spent within two years following the commencement of the project).

6. CONTINGENT LIABILITIES

Since the last annual report date there has been no material change to any contingent liabilities.

7. EVENTS SUBSEQUENT TO REPORTING DATE

On 7 February 2013, the Company announced to the market that it had secured commitments for \$10m in funding from the Blumont Group Limited ('Blumont'), a company based in Singapore. \$5m of this funding was an ordinary share placement with funds received in March 2013 and the accompanying issue of 227,272,727 ordinary shares at a price of \$0.022 per share effected on 11 March 2013. The additional \$5m is to be received in the form of convertible notes, which is to be drawn in the second half of 2013. The notes will be convertible at A\$0.025 – 0.030 per share and will carry a 12.5% annual interest rate. The agreement with Blumont also provides for a strategic alliance to review other potential projects in Central Asia.

On 25 February 2013, the Company issued the following securities to Alexander Molyneux (or his nominee) as approved at General Meeting held 23 January 2013:

5,750,000	Ordinary Shares
20,000,000	Class C options exercisable at 2 cents and expiring 21 February 2015
25,000,000	Performance Rights – Class A

On 25 February 2013, the Company issued 2,000,000 employee options to Alistair Muir, exercisable at 2 cents and expiring on 21 February 2016.

Other than the above, no other matters or circumstances have arisen since the end of the half-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 subsequent financial years.

The directors of the Company declare that:

1. The financial statements and notes, as set out in this half-year financial report, are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.



Ranko Matic
Director

Dated this 15th day of March 2013

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

We have reviewed the accompanying half-year financial report of Celsius Coal Limited which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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

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 2012 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*. As the auditor of Celsius Coal Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Celsius Coal Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

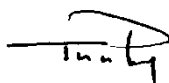
Conclusion

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 Coal 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 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 15 March 2013

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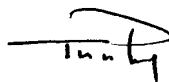
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Celsius Coal Limited for the half-year ended 31 December 2012, 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 Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 15 March 2013