CELSIUS COAL LIMITED

ASX RELEASE | 30th April 2015

QUARTERLY ACTIVITIES REPORT

MARCH 2015

HIGHLIGHTS

- **Convertible note issue completed raising $575,000 (before costs).**
- **Agreement reached with Blumont to settle Convertible Note Agreement.**
- **Due to prevailing market conditions the Company has relinquished its Kyrgyz coal projects.**
- **Work will focus the Company's nickel projects in Western Australia and new opportunities.**

Financing update

During the Quarter Celsius signed a deed of termination and release with Blumont in respect to the Convertible Note Deed and Subscription Agreement signed between the companies on the 6th February 2013. The effect of this is that Celsius will not be receiving any further funds from Blumont as previously expected. During the Quarter the funds received under the Convertible Note Deed, along with all interest, were converted into 177,151,526 shares in the Company.

Subsequent to the end of the Quarter Celsius raised $575,000 (before costs) via a convertible note arrangement coordinated by CPS Capital Group. The funds will be used to cover budgeted listing and compliance costs for the forthcoming year, pay trade creditors, limited exploration on the Company's WA projects and basic working capital. The basic terms of the convertible notes were detailed in the ASX release of 27 April 2015.

Krygyz Coal Projects

Due to depressed global coal prices and weak investor markets the Company has been unable to raise adequate funds to advance its Krygyz coal projects from existing or new investors. It has also tried, unsuccessfully, to monetize these assets through any sale process. The agreements under which the Company holds tenure over the projects require substantial ongoing commitments which the Company will be unable to meet both based on its current cash reserves and interest from potential offtake partners. As a result the licenses which contain the Company's coal projects are likely to be forfeited back to the Krygz Government. These projects are held via Hong Kong based subsidiary companies and as a result of the above these companies are now being put into liquidation with no likely return to Celsius shareholders

West Australian Nickel Assets

Celsius owns two nickel assets in Western Australia. 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 Camilya Hill Joint Venture (JV) include Mining Licences M26/47, M26/48, M26/49 and M26/453. Additionally the Company has a 100% interest in the Abengo Hill Nickel Project to the south and west of Minara Resources' Murrin Murrin nickel mine. 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.

Mincor has not advised the Company of any material results from exploration at the Carnilya Hill Project during the Quarter. While mining operations at Carnilya Hill ceased in the first quarter of 2012 access to the decline and other mine infrastructure was maintained so that the opportunity to recommence mining remains intact.

Celsius initiated a reassessment of its nickel assets earlier in 2014. A data compilation and target generation exercise on its Abengo Hill Project for laterite and sulphide nickel was finalized during the Quarter. Based on this work the Company is assessing its options for further work on this Project.

Corporate

The company continues to operate at a greatly reduced cost base and with the aim of preserving its cash reserves. A significant proportion of current creditors have agreed to take shares as consideration for monies owed to them, including the Directors, subject to shareholder approvals. The Board thanks these individuals and companies for their understanding in this difficult investment market

In addition Mr Alistair Muir has moved from his role as Managing Director to a non-executive position with the Company. The Board wishes to thank Mr Muir for his efforts to progress the Company and its projects during a challenging period.

The Company is now actively seeking complementary and non-complementary assets, investments and businesses that have the potential to generate additional shareholder value. These other opportunities might include making investments in other sectors outside of resources. As at the date of this report, no commercial discussions are at a stage that would warrant any disclosure.