



CELSIUS COAL
LIMITED

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CELSIUS ESTABLISHES MAIDEN 255 MILLION TONNES
JORC RESOURCE
AT UZGEN BASIN COKING COAL PROJECT

HIGHLIGHTS

- Maiden total Inferred JORC Code Resource of 255 million tonnes of coal at Celsius' Uzgen Basin Coal Project, Kyrgyz Republic.
- 230 million tonnes of Inferred Resources at Kargasha and 25 million tonnes of Inferred Resources at Kokkia.
- Metallurgical test work confirms coal of coking quality with moderate sulphur, low phosphorous and an average FSI of between 7-7.5 (almost all results greater than 6.0), with good consistency across seams.
- High yield (>60%) into <10% ash product coal.

Celsius Coal Limited (ASX Code: CLA) (Celsius or the Company) is pleased to announce a maiden JORC Code compliant Resource of 255 million tonnes of coal for the Company's flagship Uzgen Basin Coking Coal Project located in Kyrgyz Republic (Figure 3).

The maiden Inferred Resource comprises 230 million tonnes at Kargasha and 25 million tonnes at Kokkia (Table 1). The coal Resource, completed by Australian technical consulting firm, G&S Resources, is based on results from Celsius' 2012 drilling (seven drill holes), Soviet era drilling (60 drill holes) and information from 180 adits within the project areas (Figure 1).

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Notwithstanding a significant maiden coal Resource is now established, clear potential remains to further increase Celsius' Resource inventory and to convert Inferred Resources to Indicated and Measured through:

- infill and extensional drilling at Kargasha (e.g. eastern areas);
- initial drilling at Kokkia; and
- compiling a Resource estimate at Min Teke.

“At 255Mt, this very large maiden coal Resource with high yield and good coking characteristics, positions Celsius to become a significant coking coal producer.” Managing Director, Mr Grant Thomas stated, “we also have great exploration potential, and the funding in place to execute an aggressive work program which will happen during this Kyrgyz summer.”

“It's a great outcome. Having the Soviet era data really reduced exploration risk and has accelerated the whole project. I commend Grant and his team for their efficiency here.” Executive Chairman, Alexander Molyneux stated. “Now we really have something to work with the potential customers on, which is an immediate next step.”

Table 1: Inferred JORC Code Resources at Uzgen Basin Coking Coal Project

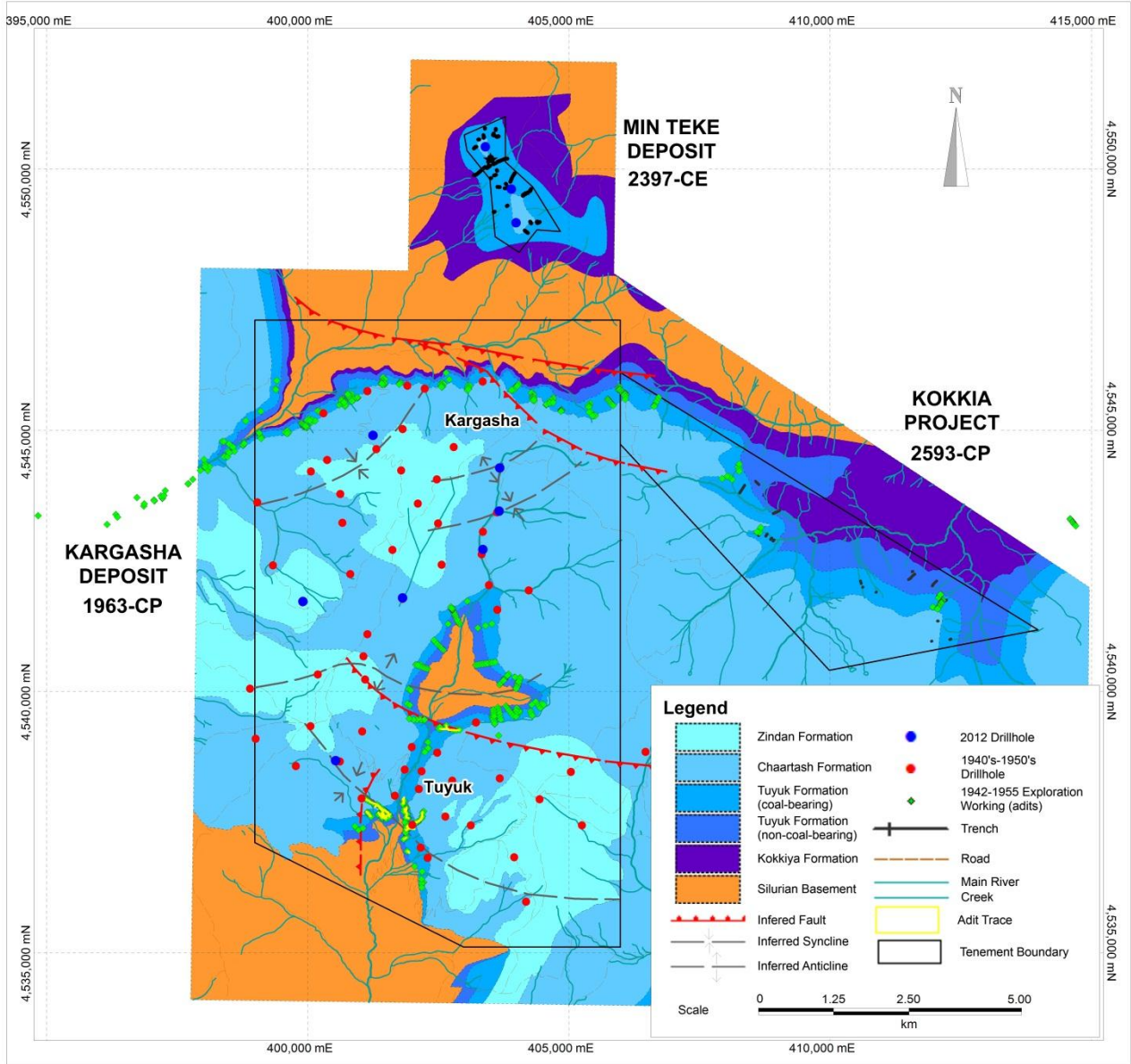
Project Area	Inferred Resource Mt	Ash % (ad)	Inherent Moisture %	Volatile Matter % (ad)	Total Sulphur % (db)
Kargasha**	230	12.7	1.3	31.6	0.64
Kokkia**	25	9.9	1.2	29.5	0.65
Total	255	12.4	1.3	31.4	0.64

** Note: For Kargasha, 50Mt of the estimated Resource, and the total estimated Resource for Kokkia, are derived from areas outside the last points of observation but have been included in the Resource Statement because of the strong evidence of geological continuity based on adits and trenching.

The diagram below presents the distribution of points of observation for drillholes and adits that have been used for resource modeling purposes and demonstrates the relatively high density of this information in the Project areas (Figure 1).



Figure 1: Location of drill holes and adits – Kargasha and Kokkia



KARGASHA RESOURCE DESCRIPTION

The Inferred Resource of 230 million tonnes at Kargasha is contained in 11 seams across the tenement. For Resource estimation purposes a seam thickness cut off of 0.5m has been applied. Details of the Resource on a seam-by-seam basis are as follows (Table 2):



Table 2: Inferred Resource Kargasha on Coal seam basis

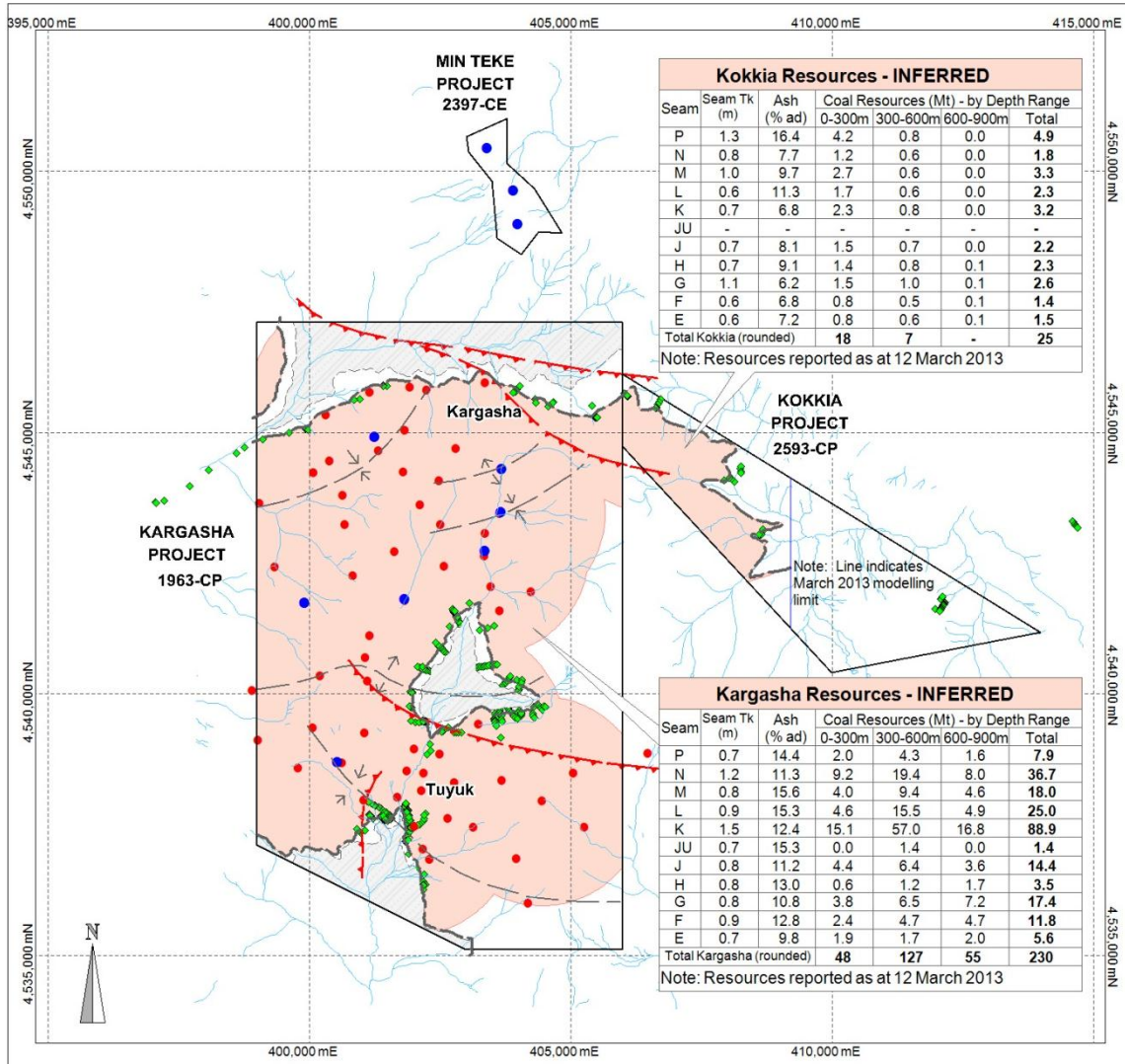
Seam Name	Million tonnes	Ash % (ad)	Inherent Moisture %	Volatile Matter % (ad)	Total Sulphur % (db)	Average Seam Thickness (m)
E	5.6	9.8	0.9	29.7	0.53	0.7
F	11.8	12.8	1.1	30.9	0.69	0.9
G	17.4	10.8	1.1	32.1	0.73	0.8
H	3.5	13.0	1.1	32.0	0.87	0.8
J	14.4	11.2	1.2	32.2	0.65	0.8
K	88.9	12.4	1.3	30.3	0.58	1.5
L	25.0	15.3	1.2	33.4	0.72	0.9
M	18.0	15.6	1.3	31.8	0.75	0.8
N	36.7	11.3	1.4	34.4	0.6	1.2
P	7.9	14.4	1.2	31.3	0.64	0.7
TOTAL	230	12.6	1.3	31.8	0.64	-

The Resource estimate at Kargasha is based on seven fully cored drill holes DD12TK001-7 completed by Celsius in 2012, 60 Soviet era drill holes (approximately 29,000m) SV001-060 completed 1945-1954 and circa 164 adits developed between 1945-1954. Further detail on coal quality is contained in Appendix One.

The Kargasha and Kokkia Resource estimate boundary, and the distribution of points of observation for drillholes and adits that have been used for resource modeling purposes is shown in Figure 2.

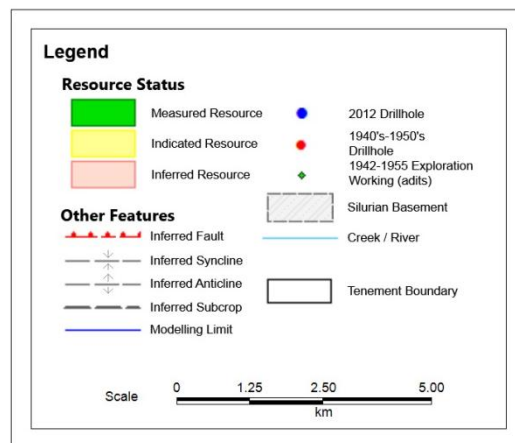


Figure 2: Kargasha and Kokkia Resource estimate boundary



Note:

- (i) The shaded area of inferred resources represents the maximum extent of resource estimation within the project areas. However, for any given coal seam this may vary.
- (ii) Within Kargasha, 50 Mt of the total inferred resource is based on extrapolation beyond points of observation.
- (iii) Within Kokkia, 25 Mt (i.e. the total inferred resource) is based on extrapolation beyond points of observation.





KOKKIA RESOURCE DESCRIPTION

The Inferred Resource of 25 million tonnes at Kokkia is contained in 10 seams across the tenement. For Resource estimation purposes a seam thickness cut off of 0.5m has been applied. Details of the Resource on a seam-by-seam basis are as follows (Table 3):

Table 3: Inferred Resource at Kokkia on a Coal seam basis

Seam Name	Million tonnes	Ash % (ad)	Inherent Moisture %	Volatile Matter % (ad)	Total Sulphur % (db)	Average Seam Thickness (m)
E	1.5	7.2	0.9	28.3	0.45	0.6
F	1.4	6.8	1.1	30	0.72	0.6
G	2.6	6.2	1.3	32.4	0.6	1.1
H	2.3	9.1	1.1	29.8	0.88	0.7
J	2.2	8.1	1.2	29.8	0.62	0.7
K	3.2	6.8	1.2	29.6	0.58	0.7
L	2.3	11.3	1.2	29.8	0.67	0.6
M	3.3	9.7	1.3	29	0.73	1.0
N	1.8	7.7	1.3	33.8	0.56	0.8
P	4.9	16.4	1.0	26.6	0.65	1.3
Total	25	9.8	1.2	29.5	0.65	

The Resource estimate at Kokkia is based on extrapolation of the Kargasha Resource model and circa 16 adits / trenches developed between 1942-1954. Further detail on coal quality is contained in Appendix One.

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DEPTH CONSIDERATIONS

From a depth consideration resources are distributed accordingly:

	Kargasha		Kokkia	
Depth Increment	Increment Mt	Cumulative Mt	Increment Mt	Cumulative Mt
0-300m	48	48	18	18
300-600m	127	175	6	25
600m-900m	55	230	0	25
Total	230		25	

COMPETENT PERSON'S STATEMENT

The information in this announcement that relates to resource estimates is based on information compiled by Dr Gavin Springbett, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Springbett is acting as a consultant to Celsius Coal Limited and is an employee of G&S Resources. Dr Springbett has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Springbett consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results is based on information compiled by Dr David Hornsby, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Hornsby is acting as a consultant to Celsius Coal Limited and is an employee of Gallagher Consulting Services Pty Ltd and is a member of The Minserve Group Pty Ltd. Dr Hornsby has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Dr Hornsby consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.



Figure 3: Location of Celsius coal projects, Kyrgyz Republic



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APPENDIX ONE – FURTHER RESOURCE AND COAL QUALITY INFORMATION

COAL QUALITY SUMMARY

From Celsius' 2012 drilling results at Kargasha, the key features of the coal quality is demonstrated by the analyses from washed composites (though it equally applies to raw low ash samples). This data is summarized as follows:

- Air dried inherent moisture (IM) is low and consistent at 0.9%.
- Ash averages 5% (ad), with the lowest at 2.6% and highest 7.5%.
- Volatile matter (VM) on a dry ash free (daf) basis averages 39.2% and has a relatively small range.
- Gross calorific value (GCV) is high due to the generally low ash of the composites averaging 7862 kcal/kg (ad).
- Total sulfur (TS) values are moderate to low, averaging 0.71% on a dry basis (db) and range from 0.44% to 1.00%.
- Phosphorus is generally low at 0.021% (db).
- Hard-grove Grindability Index (HGI) is reasonably consistent averaging 51, with a range of 43 to 60.
- Ultimate carbon (daf) averages 85.0%, which is consistent with the rank of the coal and shows little variability.
- Hydrogen is reasonably consistent at 5.46%.
- Nitrogen is consistent and relatively low, averaging 1.46%.

The plastic properties of the washed coking composites are generally good and consistent across the coal seams:

- Free-swell Index (FSI) averages 7 to 7.5, with an overall range of 6 to 8.5.
- G Index averages 71 and is reasonably consistent ranging between 66 and 85.
- The Y index is consistent averaging 15mm and ranging from 13mm to 19mm. J seam has the highest average of 17mm.
- Maximum dilatation averages 61% and has significant variation between samples ranging from 31% to 91%.

With regard to laboratory washability testing there is a wide range of head ash ranging up to 35%. All the samples exhibited pronounced separation characteristics with only relatively minor amounts of middlings material. At a cumulative float density of 1.50g/cc (CF1.50RD) the theoretical yield ranges between 41% to 94%, with 84% of values being >60%.

Note: The theoretical yields referred to in this document are laboratory float/sink yields on crushed material only. They have not been obtained from properly pretreated and sized material, and they do not take into account such factors as coal loss and dilution during mining, process plant design and efficiency, or differences in feed and washed product moisture levels.



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ABOUT CELSIUS COAL

Celsius Coal Ltd is focused on developing coking and thermal coal deposits in the Kyrgyz Republic.

Celsius owns 80% of its Uzgen Basin Coking Coal Project (comprising: Kargasha; Kokkia; and Min Teke), which cover an established Soviet-era coking coal resource. It also owns 90% of its Alai Range Projects (comprising: Sary Mogol and Bel Alma).

For more information, please visit www.celsiuscoal.com.au or contact Mr Ranko Matic, Company Secretary on +61 (08) 9226 4500.

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