CELSIUS COAL LIMITED

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QUARTERLY ACTIVITIES REPORT

JUNE 2015

HIGHLIGHTS

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 Carmilya 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 the Abengo Hill Nickel Project in 2014. While prospective for both gold and nickel mineralisation the targets identified are early stage and conceptual in nature and therefore the Board has determined that intensive exploration is not warranted at this stage. Activities on the Project will focus on refining and advancing the targets identified through low cost exploration.

Corporate

During the quarter the Company raised $700,000 via a Convertible Note arrangement to cover budgeted listing and compliance costs for the forthcoming year and basic working capital. The terms and conditions of the notes were released to the market in ASX Announcements dated 27th April 2015 and 7th May 2015.

During the quarter the Company also reached agreement with several creditors to convert amounts owed into ordinary fully paid shares in the Company. As a result 222,030,079 fully paid ordinary shares at the deemed issue price of $0.0009 were issued.

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The Company is 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. The company is operating at a greatly reduced cost base with the aim of preserving its cash reserves.

Krygyz Coal Projects

Please refer to our March Quarterly Activities Report for information relating to the previously held Kyrgyz Coal Projects. These are no longer assets of the Company and all the Hong Kong based subsidiary holding companies are currently being liquidated.