CELSIUS COAL LIMITED

ASX RELEASE | 17th January 2014

LABORATORY ANALYSIS CONFIRMS COKING COAL POTENTIAL OF CELSIUS' UZGEN BASIN COKING COAL PROJECT

HIGHLIGHTS

- Raw coal laboratory test results have now been received for 2013 drilling in the Kargasha area of the Uzgen Basin Coking Coal Project. Assay results confirm coking properties in Northern Kargasha (DDTK0010 & DDTK0011) & Southern Kargasha (DDTK0008 & DDTK0009).

- Most sample results from drill holes DDTK0008 to DDTK0011 from the Kargasha area show Free Swell Index (FSI) numbers in the range of 6.5 to 8.5, indicating good coking potential. 46 of the 49 samples analysed from these drill holes show FSI levels greater than 4.5, which is typically assessed as a threshold for coking coal.

- Results from the analysis of DDTK0008 to DDTK0011 from the Kargasha area are consistent with the laboratory results from the 2012 drilling program, suggesting that the majority of the Kargasha area has coking coal potential.

- The 2013 laboratory results from the Kargasha area also show a continuing trend of low sulphur and other deleterious elements.

- Laboratory results are being complied for the Kokkia area of the Uzgen Basin Coking Coal Project and are expected to be available by the end of January. Further detailed metallurgical analysis, including Coke Strength after Reaction (CSR) analysis, is expected to be available during the March quarter. These results will assist the Company with its ongoing mining studies that are currently underway and in discussions with potential off-take partners.

- Celsius is currently preparing an update to its Inferred Mineral Resource of 255Mt (as released to the ASX on the 15th March 2013) and Exploration Target of 55-110Mt (as released to the ASX on the 22nd of March 2013) for its Uzgen Basin Coking Coal Project based on the results of the 2013 drilling. This work is expected to be completed by the end of the first quarter of 2014. The reference made to Exploration Targets is not a statement of mineral resources or reserves. Further information on Exploration Targets is provided on page 8 of this release.

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Celsius Coal Limited (ASX Code: CLA) (Celsius or the Company) is pleased to release coal quality data received from SGS Labs for 2013 drilling in the Kargasha area of the Company's Uzgen Basin Coking Coal Project located in the Central Kyrgyz-Republic (Figure 1).

Analysis of Diamond Drill Core

Celsius has previously reported the following coal intercepts for drill holes DDTK0008 to DDTK0011 in the Company's ASX release dated October 24th 2013. For additional information please refer to JORC table 1 in Appendix A.

Drill hole	Completed Depth	Intervals of Interest
DDTK0008	401.0m	2.08m interval with 1.94m of coal at 370.40m 1.80m interval with 0.87m of coal at 375.81m
DDTK0009	497.0m	1.64m interval with 1.57m of coal at 352.92m
DDTK0010	203.0m	1.67m interval with 1.37m of coal at 55.69m 1.00m interval with 0.91m of coal at 59.00m 0.52m interval with 0.48m of coal at 68.24m 0.91m interval with 0.64m of coal at 73.58m 0.73m interval with 0.63m of coal at 86.27m 0.82m coal interval at 116.42m 0.90m interval with 0.80m of coal at 126.68m
DDTK0011	293.0m	0.71m coal interval at 29.52m 1.62m interval with 1.54m of coal at 43.79 0.57m coal interval at 52.00m 1.54m interval with 1.44m of coal at 78.53m 1.22m interval with 0.85m of coal at 90.62m 0.65m interval with 0.53m of coal at 108.88m 1.79m interval with 1.66m of coal at 116.75m 0.60m coal interval at 166.00m 0.78m coal interval at 198.43m

Results of the raw coal sample testing on the core from these drill holes are shown below. This work was undertaken in the internationally accredited SGS laboratory in Novokuznetsk Russia using industry standard procedures. These laboratory results confirm that all drill holes tested from the Kargasha area have returned intercepts with good coking coal potential. Results were also used to validate thickness of coal intersected in drilling from prior visual inspection.

Coking coal potential is demonstrated by the results from Free Swell Index (FSI) coking tests, with 46 of 49 coal samples from drill holes DDTK0008 to DDTK0011 submitted for FSI tests returning results greater than 4.5, which is generally considered a threshold for coking coals.

All coal samples also show very good thermal characteristics with high GCV^{ad} (air dried gross calorific value), very low inherent moisture (IM), and acceptable total sulphur (TS^{d}). Coking coals with low concentrations of deleterious elements such as phosphorus (confirmed in 2012 programme laboratory analysis) and total sulphur are preferred by steel producers.

Results from DDTK0008 to DDTK0011 are consistent with the 2012 laboratory results and continue to show a consistently high FSI and a low to moderate total sulphur trend. Given the spacing of the drill holes (Figure 2) it suggests that most of the Kargasha area has coking coal potential.

DDTK0008

Samp. No.	From	To	Thick	RD	IM	Ash	VM	CV	TS	FSI
	m	m	m	g/cm^3	%(ad)	%(ad)	%(ad)	Kcal/Kg(ad)	%(db)	
3156	342.66	342.88	0.22	1.40	1.24	17.70	28.60	6930	3.22	**8.0**
3159	370.40	371.35	0.95	1.35	1.26	3.90	20.60	8088	0.32	**1.5**
3160	371.35	371.79	0.44	1.31	0.99	7.30	29.40	7933	0.37	**8.0**
3161	371.79	372.45	0.66	1.28	0.90	4.10	33.10	8184	0.46	**9.0**
3164	375.81	376.37	0.56	1.40	1.11	17.80	29.80	6865	1.59	**8.5**

DDTK0009

Samp. No.	From	To	Thick	RD	IM	Ash	VM	CV	TS	FSI
	m	m	m	g/cm^3	%(ad)	%(ad)	%(ad)	Kcal/kg (ad)	%(db)	
3170	321.51	321.83	0.32	1.37	1.21	15.1	34.00	7104	1.21	**7.5**
3175	353.23	354.56	1.33	1.39	1.22	3.5	22.10	8044	0.10	**0.5**

DDTK0010

Samp. No.	From	To	Thick	RD	IM	Ash	VM	CV	TS	FSI
	m	m	m	g/cm^3	%(ad)	%(ad)	%(ad)	Kcal/Kg(ad)	%(db)	
3178	56.69	57.73	1.04	1.33	1.26	8.0	37.70	7703	0.65	**6.5**
3180	58.00	58.36	0.36	1.34	1.19	9.2	38.10	7590	0.52	**6.0**
3183	59.00	60.00	1.00	1.36	1.36	12.9	35.40	7164	0.49	**5.5**
3185	63.9	64.15	0.25	1.35	1.26	11.30	32.50	7226	1.04	**6.5**
3187	68.24	68.76	0.52	1.46	1.11	19.60	32.40	6363	0.75	**3.0**
3190	73.58	74.08	0.50	1.39	0.95	15.30	38.30	6781	0.71	**5.0**
3192	74.35	74.49	0.14	1.39	1.15	13.10	33.80	7005	2.62	**6.5**
3199	79.77	79.92	0.15	1.36	0.85	11.40	40.00	7232	1.10	**7.0**
3202	86.27	86.45	0.18	1.32	1.14	6.90	36.40	7752	0.85	**7.5**
3203	86.45	86.51	0.06	1.35	0.98	11.60	35.60	7313	0.75	**8.0**

Samp. No.	From	To	Thick	RD	IM	Ash	VM	CV	TS	FSI
	m	m	m	g/cm^3	%(ad)	%(ad)	%(ad)	Kcal/Kg(ad)	%(db)	
3208	95.14	95.3	0.16	1.37	0.97	16.70	35.30	7035	0.98	**6.0**
3211	116.42	117.24	0.82	1.31	1.62	6.50	34.30	7888	0.88	**7.5**
3216	133.06	133.16	0.10	1.44	1.42	18.90	30.20	6755	0.99	**6.0**
3218	133.51	134.00	0.49	1.36	1.53	12.90	32.20	7351	0.97	**7.0**
3220	140.82	141.00	0.18	1.30	1.33	6.60	35.50	7820	1.28	**6.5**
3221	146.00	146.1	0.10	1.44	1.58	16.90	27.40	7088	0.87	**8.5**

DDTK0011

Samp. No.	From	To	Thick	RD	IM	Ash	VM	CV	TS	FSI
	m	m	m	g/cm^3	%(ad)	%(ad)	%(ad)	Kcal/Kg(ad)	%(db)	
3223	29.52	30.23	0.71	1.32	1.05	9.2	36.40	7586	1.02	**7.5**
3227	43.88	45.41	1.53	1.37	1.05	10.7	35.30	7429	0.61	**7.5**
3229	48.94	49.13	0.19	1.36	0.94	12	36.30	7245	0.78	**7.5**
3231	52.00	52.57	0.57	1.34	0.97	4.6	38.30	8104	0.62	**7.5**
3237	67.68	67.84	0.16	1.41	0.94	11.6	35.10	7106	0.82	**7.5**
3238	73.37	73.59	0.22	1.34	0.92	10.5	36.50	7435	1.08	**8.0**
3240	78.53	79.7	1.20	1.40	1.04	12.1	38.00	7012	0.95	**7.5**
3246	90.70	91.03	0.33	1.40	1.05	15.5	33.40	7093	1.22	**6.0**
3249	91.40	91.84	0.44	1.34	0.98	9.9	35.20	7621	0.80	**7.5**
3252	108.87	109.20	0.33	1.41	1.01	16.7	31.70	6981	0.78	**7.5**
3256	116.75	117.50	0.75	1.28	1.36	8.3	33.30	7673	0.61	**7.5**
3258	117.59	118.54	0.95	1.32	1.18	7.4	35.60	7629	0.64	**8.0**
3264	150.37	150.53	0.16	1.29	1.08	8.4	34.90	7718	0.77	**8.5**
3266	150.63	150.85	0.22	1.28	1.06	11.0	35.70	7389	0.83	**8.5**
3268	158.72	159.12	0.40	1.40	1.17	13.3	34.10	7145	1.20	**8.0**
3270	159.46	159.62	0.16	1.35	1.01	13.8	31.00	7185	0.83	**7.5**
3271	160.17	160.32	0.15	1.33	1.45	6.6	29.20	7771	1.12	**7.5**
3273	166.00	166.60	0.60	1.31	1.08	6.6	36.10	7845	0.70	**8.5**
3275	190.17	190.39	0.22	1.37	0.87	13.4	32.40	7270	1.02	**8.5**
3276	193.44	193.57	0.13	1.35	0.99	12.2	33.00	7309	0.73	**8.0**
3278	195.67	196.09	0.42	1.40	1.12	13.1	32.90	7175	0.65	**8.0**
3281	198.43	199.21	0.78	1.33	1.21	10.2	31.20	7517	0.78	**8.0**
3283	222.10	222.25	0.15	1.34	1.32	9.3	28.10	7780	0.89	**7.5**
3284	232.72	232.88	0.16	1.32	1.14	5.3	33.20	8059	0.98	**8.0**
3285	241.87	242.00	0.13	1.33	1.13	5.6	33.60	7983	1.31	**8.5**
3286	253.87	254.00	0.13	1.40	1.13	19.9	26.70	6573	0.79	**8.0**

On-going Testing Program

Samples for DDTK0012, located in the previously untested eastern side of Kargasha, and 5 drill holes from the neighbouring Kokkia tenement, where significant coal intercepts have been returned in the recent drilling campaign, have now been received at SGS Novokuznetsk laboratory and work has commenced on their analysis.

Further, samples for float/sink beneficiation testing on drill holes DDTK0008 to DDTK0011 have been identified and testing is also underway.

Samples from PQ drill holes DDTK0013 & DDKK0004 have been received at ALS Richlands laboratory in Australia and work has commenced on Coke Strength after Reaction (CSR) analysis.

The Company expects to receive the results from the ongoing test work over the balance of the March quarter. These results will assist the Company with its mining studies that are currently underway and in discussions with potential off-take partners.

Commenting on the test results received for Kargasha, Executive Chairman Mr. Alex Molyneux stated “We’re very pleased with the results we have received for Kargasha to date, particularly the continuing strong FSI figures and low sulphur levels. We’re eagerly looking forward to seeing results from our first drilling campaign in the Kokkia tenement and will be sharing those with the market and potential customers as soon as we receive them.”

Uzgen Coal Basin Geology

The Uzgen coal basin is located mainly on the south-western slopes of the Fergana Range and is enclosed within the Paleozoic Fergana-Kokshaal structural zone. Paleozoic rocks served as a source of clastic material for the Jurassic coal-bearing formations within the Basin.

The Uzgen coal basin is comprised of Paleozoic (Silurian, Devonian, Carboniferous, Permian), Mezozoic (Triassic, Jurassic) and Cenozoic (Peleogen, Neogen) rocks which contains the main coal deposits of the Kyrgyz Republic including Kargasha, Kokkia, Min Teke, Kumbel, Zindan Chitty and Besh-Terek Coal Deposits (figure 1).

The Uzgen Basin Coking Coal Project is located at the northern end of the main Uzgen Basin where seams are normally closer to the surface, thicker and better developed than elsewhere in the Basin. The northern portion of the basin has also been identified as having the potential to host coal with coking qualities. To the south of the basin coals are thought to be anthracitic and therefore of too high a rank to be able to produce coke.

Figure 1 - Geology of the Kyrgyz Republic showing the Uzgen Basin

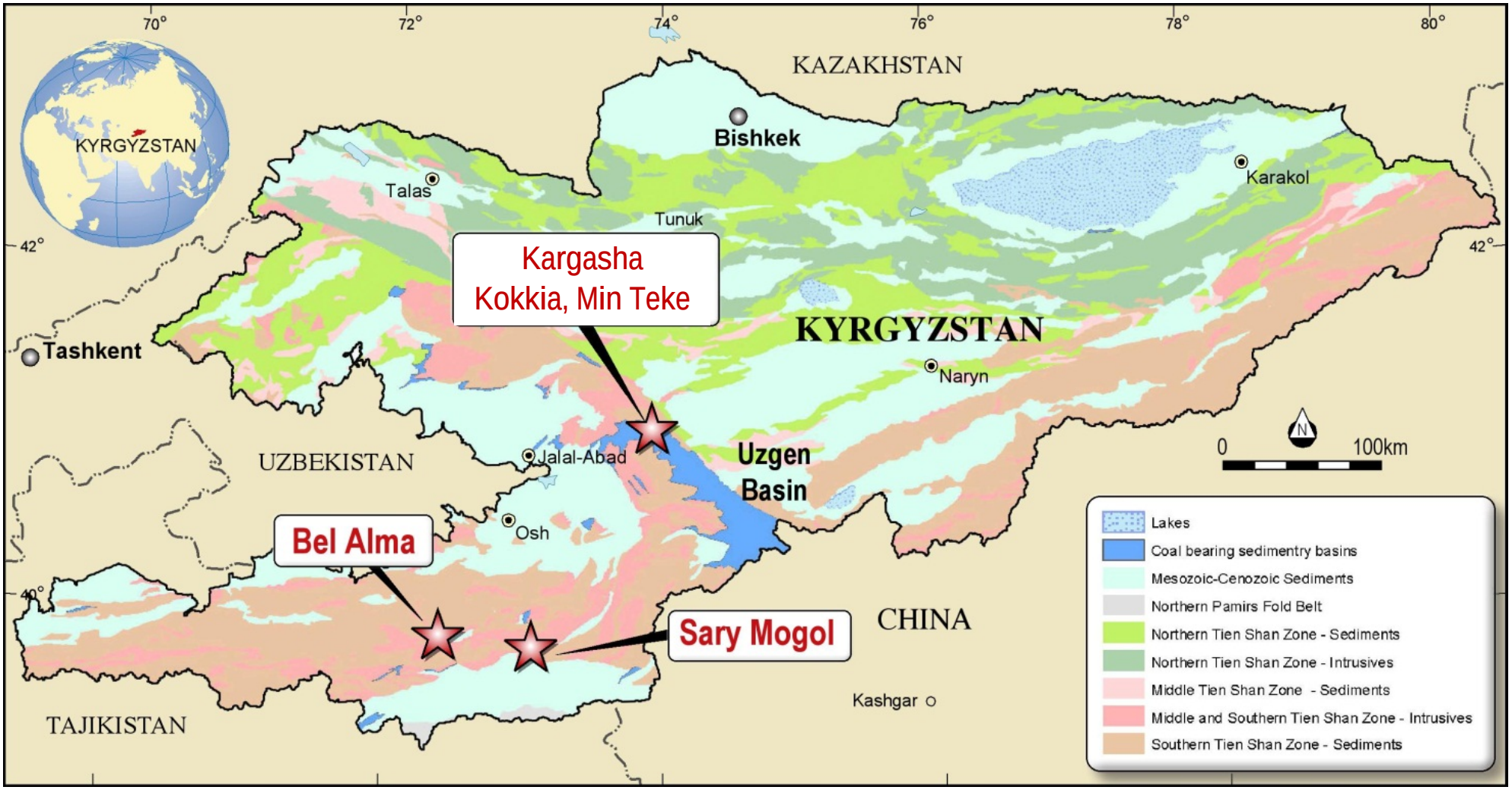
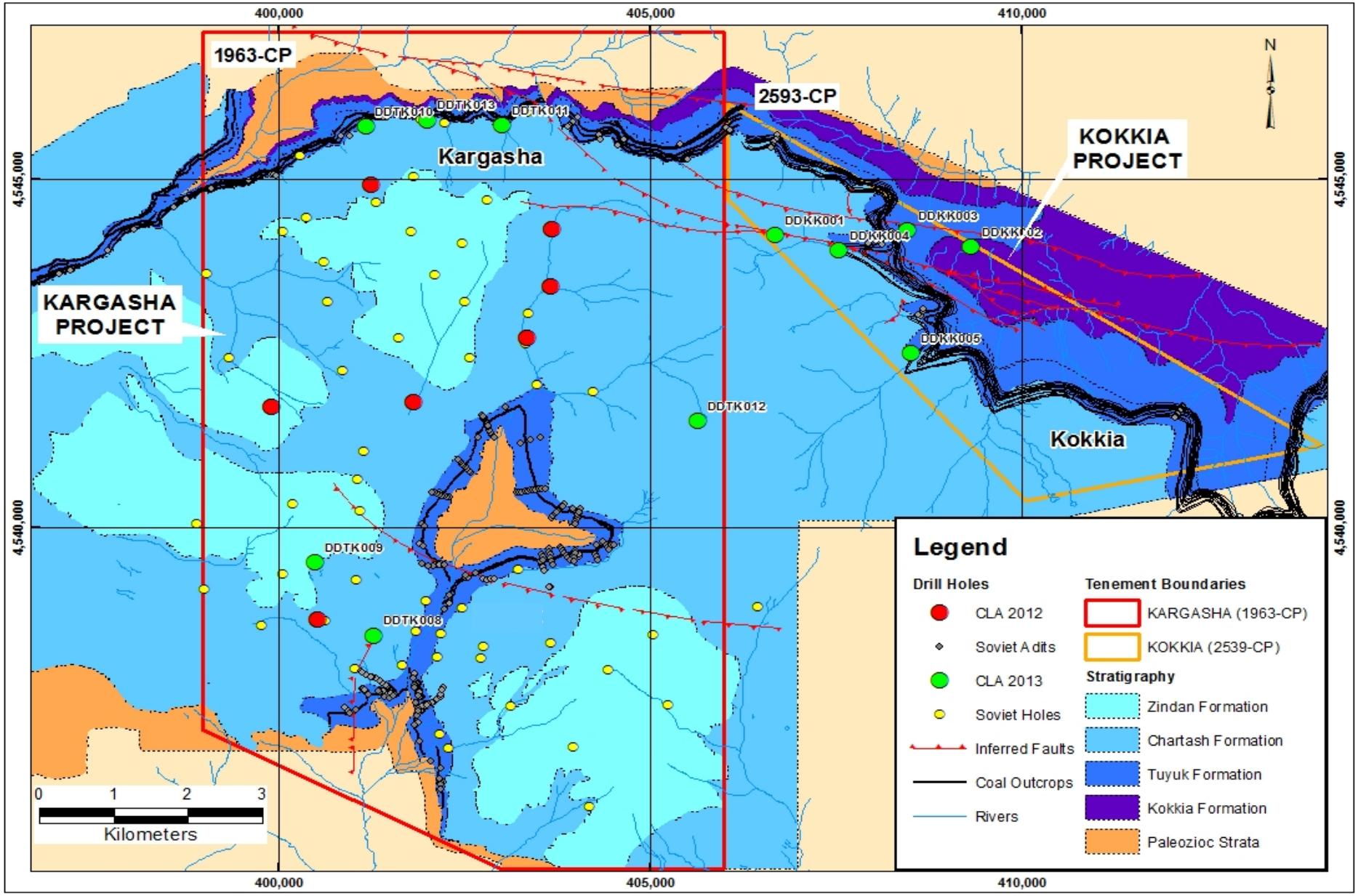


Figure 2.Geology map of the Kargasha license showing Celsius 2013 and 2012 drilling, coal intersections and historical Soviet-era drilling.



ABOUT CELSIUS COAL

Celsius Coal Ltd is an Australian-based exploration company focused on exploring and developing coking and thermal coal deposits in the Kyrgyz Republic.

Celsius acquired a 90% interest in the Sary Mogol and Bel Alma coal licences located in the Alai Range region in the south of the Kyrgyz Republic in March 2012 and has also acquired an 80% interest in the Kargasha, Kokkia and Min Teke licences in the Uzgen Basin. Celsius' main focus is on its Uzgen Basin Coking Coal Project. In addition to its existing assets, the Company continues to actively pursue new projects in the resources sector, not only in Australia and the Kyrgyz Republic, but elsewhere in the world, with the hope of subsequently developing mining operations on those projects.

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

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Alistair Muir, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Muir is the Technical and Operations Director of Celsius Coal Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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. Mr Muir consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this announcement relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) and Reserve(s) have not been used in that context in this announcement. The potential quantity of coal presented in this announcement as Exploration Targets are conceptual in nature. The Company is carrying out drilling and exploration programmes to test these Exploration Targets. Indicative coal quality for the 55-110 Mt exploration target for the Uzgen Basin Coking Coal Project is found below.

Indicative Coal Quality for Exploration Target

Area:	Ash (ad)	Inherent Moisture	Volatile Matter (ad)	Sulphur (db)
Uzgen Basin	9.9% – 12.7%	1.3 %	29.5% – 31.6%	0.65%

APPENDIX A: JORC Table 1 - 2013 Kargasha & Kokkia Drilling

Section 1. Sampling Techniques and Data

Criteria	Explanation
Sampling Techniques	All 9 2013 Kargasha & Kokkia drill holes were cored from surface to target depth using a 3m HQ core barrel for the HQ holes and 1.5m PQ core barrel for the PQ holes. Once coal was identified and logged, the entire core of the coal seam was sampled, as outlined below. The sampling and testing program was based on that developed for 2012 exploration drilling. Ply sampling was undertaken to a maximum thickness of 1.0 m and down to 0.3 m. All coal intervals >0.2 m were sampled and for coal bands exceeding 0.5 m thickness roof and floor samples of 0.1 m were also collected. Seams less than 0.2 m were sampled where immediately adjacent to other coal horizons. Sample definition is based on lithological variations (e.g. coal type changes, nature and extent of clastics, interbeds, seam boundaries etc.). Inseam clastics <0.1 m thick were sampled together with the adjacent coal. Samples were constructed from full cores (i.e. no core splitting was undertaken). Ply samples so far have been tested for: proximate analysis, RD, CV and total sulphur. Sample selection and preparation for all TK (Kargasha) series drill holes was supervised by Celsius Coal. Cores were handled to minimise moisture losses and preserve core condition.
Drilling Techniques	The 2013 CLA (Celsius Coal Limited) series drilling primarily recovered HQ (and PQ test work not completed) core, i.e. 63 mm for HQ core and 85mm for PQ core using conventional triple tube core barrels. Holes were not designed to intersect basement. Detailed geological logs encompassing seam roof and floor positions, core recovery, lithological information, bedding measurements and coal quality data were generated from the core. The 2013 CLA Kargasha series of exploration work drilled 4 HQ cored holes and 1 PQ cored hole (63mm and 85mm respectively), using Track

	Mounted HYDX-5 Drill Rigs with a 3m HQ3 triple tube with split inner tube core barrel and a 1.5m PQ core barrel. All 6 holes were fully cored from surface to the base of the coal sequence in every drill hole.
Drill Sample Recovery	The drillers' records of run length and geologists core measurements were applied to calculate core recovery. There appeared to be very little transfer of core from run to run although this was reviewed prior to sampling. In cases where losses occurred at coal/shale boundaries, the missing portions (typically<0.2 m) were generally allocated to coal (which will be corrected from geophysical logs). Recovery tended to be consistently high for 2013 CLA Series drill holes, with over 95% recovery within the coal bearing Tuyuk Formation for all 11 holes in the Uzgen Basin Coking Coal Project.
Logging	Lithological logs are available for all drill holes with a consistent level of detail across the various drilling programs. This includes rock type, lithological description, stratigraphic identifier, seam correlation and bedding angle. In addition, thickness drilled and core recovery are provided for each lithological interval. Geological logging is based on the ACARP 2012 borehole data standard for the Australian Coal Industry (CoalLog V1.1). The coal bearing interval lithological characteristics were logged to ~0.01 m detail, and all information recorded in LogCheck software. In addition to lithological data a comprehensive geotechnical log was collected for all 9 HQ drill holes. 283 geotechnical samples were collected for the purpose of various analytical rock mechanic tests (i.e. UCS, DS, ITS Slake Durability) and 873 point load tests were conducted in the 9 HQ drill holes. Interpreted limits of soil and scree are included within lithological logs and vary from <1 m to 38 m, averaging ~8 m. The consistency of soil/scree interpretation in boreholes is unclear and warrants further investigation. Base of weathering interpretations are not included within drill hole lithology logs.

Sub-sampling Techniques & Sample Preparation	Diamond core samples to be analysed were taken as full core. Sample mark-up was controlled by geological domaining represented by mineralisation, alteration and lithology.
Quality of assay data and laboratory tests	The 2013 drill series testing was performed at the SGS Novokuznetsk laboratory. The laboratory routinely conducts coal sample preparation and testing according to Russian (GOST) standards, or to ISO, ASTM, or Australian standards where appropriate. As part of the program to maintain acceptable levels of accuracy and precision, the facility regularly participates in international proficiency test programs conducted by Laboratory Quality Services International (involving testing of standard samples on a monthly, bi-monthly or quarterly basis). The laboratory also operates under a current certificate of conformance for the SGS ISO 9001:2008 Quality Management System.
Verification of sampling and assaying	All sampling, geological logging, borehole location, laboratory analysis results and QAQC data are retained in a relational database. CLA uses LogCheck as the relational database which has thorough built-in triggers for validation of imported data. An experienced Senior Geologist oversees quality control of data. Borehole, Geological and Sampling data is captured in a specifically designed database with built in validation for data entry fields using established procedures. No adjustment to assay data is made. An independent consultant was engaged to review CLA's sampling techniques in 2012, which included a site visit. The procedures developed from this review were incorporated in 2012 and continued in 2013. A site audit of the SGS Novokuznetsk laboratory (SGS) was undertaken in September, 2013 by CLA. During the visit all offices, laboratories and storage facilities were inspected. All areas were being kept in a clean and orderly manner, as well as all equipment. Test certificates were also viewed.

	CLA was also shown the sample tracking system from delivery to final analysis and storage. The tracking system uses individual identification tags for each company, project and individual sample to ensure all samples are easily identifiable and can be systematically tracked through the analysis process. Coal analysis equipment used for proximate analysis, ultimate analysis, beneficiation tests, ash analysis and coking analyses at SGS, along with all applicable standards and calibration certificates were all inspected. All equipment appeared clean and well maintained with calibration certificates attached and visible on all equipment. Every piece of equipment at SGS was within the serviced time frame, with no equipment overdue for calibration.
Location of data points	2013 CLA drill holes were surveyed in UTM WSG 1984 Zone 43N by an in house surveyor using control points established by a local survey contracting company. All holes were initially surveyed using a handheld GPS by the Senior Geologist. After drilling was completed all holes were then surveyed at their collar and identified by steel casing using DGPS equipment by a professional in house surveyor.
Data spacing and distribution	The 2013 drill holes were sited to complement previous drilling. The strategy was to: - Increase the total resource inventory - Target exploration in areas with limited historic drilling which are most prospective for the highest ranking coking coals - Target areas of lower strip ratio which are more prospective for open cut mining - Collect geotechnical data for mining studies - Collect bulk samples for coking coal specification determination and advanced product analysis - All holes were drilled to HQ diameter; except for holes drilled for bulk sampling which were drilled to PQ diameter

	Access over the Kargasha area is locally challenging (in line with the rugged topography) and the establishment of a regular drilling grid is therefore problematic. However, drill hole spacing of approximately 1 km has been achieved over much of the tenement, although separations between adjacent boreholes may vary from 250 m to 1400 m. Most of the drilling data relates to 1947-1951 and 1954-1955 exploration, with the 2012 drill holes predominately located in close proximity to pre-existing Soviet sites. 2013 drilling primarily focused on a zone approximately 2.5 km wide along the north-eastern and central-eastern portion of the Kargasha tenement (coinciding with a zone of elevated topography, i.e. > 3000 m) and the northern-central zone of the Kokkia tenement to improve drill spacing in these previously undrilled areas to approximately 1200m between sites across the majority of both tenements. *Geophysical Logging* CLA engaged Monkarotaj LLC from Mongolia to undertake the 2013 geophysical logging program. Beginning in 2005 Monkarotaj started cooperation with Australian company Auslog. Auslog is a specialist manufacturer of geophysical borehole logging equipment used by coal miners, mineral developers, explorers, groundwater and geotechnical engineers. In 2008 Auslog became a part of Weatherford International Ltd., one of the largest global providers of advanced products and services that spans the drilling, evaluation, completion, production and intervention cycles of oil and natural gas wells. As a partner of Auslog Weatherford Company Monkarotaj receive professional and prompt technical support from Australian engineers, technicians and geophysicists. Logging suite used during 2013 drilling included: 1. Natural Gamma Log 2. Gamma-Gamma (Density or Dual Density) Log 3. Caliper Log 4. Resistivity Log 5. Deviation Log 6. Sonic Log

	All tools used are produced by Auslog Weatherford Company. All tools are calibrated and checked on regular basis by Monkarotaj. Calibration data was inspected and found to be consistent.
Orientation of data in relation to geological structure	During 2013 drilling, deviation data was collected using a Magnetic Deviation Sonde, provided and operated by an experienced logging contractor, Monkarotaj LLC, sourced from Mongolia, using calibrated Auslog Weatherford Company equipment. Measurements were typically acquired at vertical intervals of 0.1m to 0.5m. Deviation typically ranged from 1 to 3^{o} at total drilled depth (i.e. 200 to 600m). Azimuth was collected for all 11 drill holes for 2013 and downhole deviation and azimuth was re-collected on four of the seven drill holes from 2012 to confirm 2012 information.
Sample security	For CLA exploration, core boxes were handled in accordance with advice provided by Snowden Mining Industry Consultants Pty Ltd (Snowden), whereby core trays containing coaly material were wrapped in cling wrap after core recovery, padded to minimise disturbance and transported to the base camp for logging, photography and sampling. Samples were double bagged and tagged in heavy duty plastic bags and stored in poly weave sacks. They were typically processed to this stage within 48hrs from initial sample layout. Samples were dispatched by road to Bishkek and subsequently to the SGS laboratory in Novokuznetsk, Russia, by air. The process from drill site to laboratory took between 2 and 10 weeks.

Audits or reviews	Snowden was engaged by CLA in 2012 to review all CLA's technical procedures. Snowden conducted a site visit to review all exploration procedures from drill hole planning to coal sampling and provided a detailed technical review including; - Exploration Concepts and Planning - Exploration Drilling Contracts - Borehole Positional Surveys - Drilling Procedures - Geological Logging - Geophysical Logging - Sampling - Analytical Requirements - Geological Database Management Systems

Section 2 Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	Coals of the Uzgen Basin Coking Coal Project occur within Late Triassic to Mid Jurassic sediments located in central Kyrgyz Republic. The tenements are approximately 80 km east of Jalal-Abad and 110 km northeast of Osh near areas known locally as Kargasha, covered by Exploration Licence 1963-CP, and Kokkia, covered by Exploration License 2593-CP, held by CLA. Tenement dimensions are approximately 7 km by 12 km (west – east and north – south, respectively) for Kargasha and approximately 7.5 km by 1.5 - 2.5 km (northwest – southeast and southwest – northeast, respectively) for Kokkia. The land within the area is agricultural and no permanent settlements exist.
Exploration done by other parties	Drilling prior to work completed by CLA was undertaken in two major phases and a total of 60 drill holes completed. These include: (i) SV Series core drilling: 17 drill holes comprised of SV001 to SV015, SV022 and SV023 (1947-1951, Soviet exploration); (ii) SV Series core drilling: 43 drill holes comprised of SV015 to SV060, excluding SV022 and SV023 (1954-1955, Soviet exploration). All 60 Soviet drill holes are fully cored and in most instances have some form of geophysical log (i.e. 50 of the 60 SV drill holes).

	In addition an extensive program of adits and inclines were constructed along seam outcrops during Soviet exploration between 1943 and 1955. The former were oriented to achieve an approximately horizontal excavation, while the latter followed dip. The total adit/incline data suite may be summarised as follows: (i) Kargasha (southern outcrops) – 92 adits and 187 inclines, averaging 48.0 m and 10.4 m respectively. The maximum excavation length is 683 m for adits and 80 m for inclines; (ii) Kargasha (northern outcrops) – 51 adits and 113 inclines, averaging 27.7 m and 6.9 m respectively. The maximum excavation length is 128 m for adits and 40 m for inclines; (iii) Kokkia – 25 adits and 31 inclines, averaging 10.8 m and 9.8 m, respectively. The maximum excavation length is 58 m for both adits and inclines. In the southern portion of Kargasha, excavations primarily targeted Seams K and J, while those in the north and at Kokkia, tend to be more evenly distributed through the coal sequence. Typical working heights and widths in adit/inclines were in the order of 1.5 to 2 m and widths approximately 1.5 to 2 m. Where positioned in thicker seams (or inter-banded coals) regularly spaced drives up and down were made to intersect seam boundaries. Excavations were mapped in fine detail and show: lithological information, (including thin intraseam clastics bands and highly carbonaceous horizons associated with the coal), seam boundaries, seam splitting and structural features (faults, shear zones etc.). Full and part seam channel samples were collected periodically along excavations. Structural data has been extracted from approximately 30% the excavations for the current modelling and resource evaluation. Coal quality data for Kargasha is sourced from ~15% of the adits/inclines, with K Seam the most frequently tested, although some information is available for all seams, with the exception of Q, KU, and D. At Kokkia, coal quality testing is more limited, with data extracted from ~25% of excavations and restricted to P, M, L, K, J and H Seams.

Geology	*Regional Geology* The Kargasha and Kokkia project areas lie within the Uzgen Basin, on the south western slopes of the Fergana Range and are enclosed within the Paleozoic Fergana-Kokshaal structural zone. Coal seams occur within Early Jurassic sediments of the Tuyuk Formation and are surrounded by Silurian meta-sediments. Basin formation is thought to have commenced in the early Mesozoic period with intensive faulting (and folding) resulting in the formation of large scale depressions. Ongoing tectonic instability, associated subsidence and mechanical erosion, combined with favourable climatic conditions during the early Jurassic, resulted in widespread peat accumulation and preservation. As much as 5000 m of late Triassic to late Jurassic sediments have been deposited in the Uzgen Basin, with the current (often isolated) coal occurrences possibly representing tectonically separated remnants of a formerly more extensive sedimentation. Coal occurrence is most prevalent in the northern Uzgen Basin where terrestrial sedimentation predominated, while the sequence thickens and becomes increasingly marine to the south. The faulting, folding and current disposition of coal bearing sediments is thought to reflect the most recent cycle of mountain building during the late Paleogene Alpine Orogeny. *Stratigraphy* The stratigraphic sequence at Kargasha and Kokkia consists of a late Silurian metasediment basement (mainly clayey slates, siliceous slates and sandstones) overlain by ~1000 m of late Triassic to mid Jurassic terrestrial sediments. The latter include the Kokkia, Tuyuk, Chaartash, and Zindan Formations, in ascending stratigraphic order. A thin but variable veneer of recent scree from <1 m to 38 m, averaging ~10 m completes the sequence. The Kokkia Formation lies unconformably on Silurian basement and consists of a basal breccia and conglomerate, overlain by interbedded sandstones and shales. It is thought to represent alluvial fan deposition during the initial phase of basin infill. This formation is absent in the south of Kargasha, but develops centrally and thickens to the north where it attains a maximum thickness of ~50 m. The Tuyuk Formation consisting of basal conglomerates followed by interbedded coals, shales and sandstones, overlies the Kokkia Formation throughout most of the area. A period of exposure and some erosion may have occurred prior to deposition of the Tuyuk Formation. Coal occurrence within the tenements is restricted to the Tuyuk Formation and deposition in shallow lacustrine and adjacent peat swamp environments, possibly in a coastal plain setting, interpreted. The

	thickness of the Tuyuk Formation increases to the north – northeast and typically ranges from 100 m to 150m. The Chaartash Formation conformably overlies the Tuyuk Formation, although an erosional contact indicating hiatus is locally inferred. Sediments are dominated by conglomerates and coarse grained sandstones and the interval is thought to reflect deltaic sedimentation. The Chaartash Formation is up to 500 m thick within the project area. The conformable Zindan Formation consisting of conglomerates, sandstones and shales of up to 300 m, completes the Mesozoic succession.
Drill hole Information	See - *Table 1. Drill Hole Information*, in Appendix B, below.
Data aggregation methods	No data aggregation was undertaken for this reporting.
Relationship between mineralisation widths and intercept length	All reported intersection lengths are downhole. Coal seams in the Uzgen Basin are typically flat lying across the majority of the lease, therefore vertical drilling will result in intersections reasonably close to true thicknesses. A deviation sonde was run on every drill hole in 2013 to confirm the verticality of the hole, to ensure no deviation occurs, as well as on dip measurements on lithological contacts to confirm coal seam dip and extent across the deposit. Structural field mapping and geological modelling of the coal seams combining all the data is used to ensure accuracy of seam thickness.
Diagrams	See figures in text; *Figure 1 - Geology of the Kyrgyz Republic showing the Uzgen Basin.* *Figure 2 - Geology map of the Kargasha license showing Celsius 2013 and 2012 drilling, coal intersections and historical Soviet-era drilling*.

Balanced reporting	All data reported is based on an intercept basis using field data logging information. Analytical data presented for coal only using a 40% ash cut-off.
Other substantive exploration data	This Table 1 relates to new data. All previous data collected by CLA comprised drilling and sampling in its 2012 drilling program. That data has previously been reported.
Further work	Samples for DDTK0012, located in the previously untested eastern side of Kargasha, and 5 drill holes from the neighbouring Kokkia tenement, where significant coal intercepts have been returned in the recent drilling campaign, have now been received at SGS Novokuznetsk laboratory and work has commenced on their analysis. Further, samples for float/sink beneficiation testing on drill holes DDTK0008 to DDTK0011, as well as, DDKK0001, DDKK0002, DDKK0003 & DDKK0005 have been identified and testing is also underway. Samples from PQ drill holes DDTK0013 & DDKK0004 have been received at ALS Richlands laboratory in Australia and work has commenced on Coke Strength after Reaction (CSR) analysis. The Company expects to receive the results from the ongoing test work over the balance of the March quarter. These results will assist the Company with its mining studies that are currently underway and in discussions with potential off-take partners.

APPENDIX B: Drill Hole Information

Lease	DHID	Coord System	Easting	Northing	RL	Dip	Azim	TD	Hole Type	Size	Reported in this report
2593-CP	DDKK0001	WGS 1984 43N	406658.28	4544185.88	3172.10	-90	0	700.6	FC	HQ	N/A
2593-CP	DDKK0002	WGS 1984 43N	409303.84	4544025.67	3059.82	-90	0	245	FC	HQ	N/A
2593-CP	DDKK0003	WGS 1984 43N	408461.03	4544256.09	3080.51	-90	0	362	FC	HQ	N/A
2593-CP	DDKK0004	WGS 1984 43N	407551.04	4543968.62	2936.57	-90	0	221	FC	PQ	N/A
2593-CP	DDKK0005	WGS 1984 43N	408510.59	4542510.60	2824.74	-90	0	218	FC	HQ	N/A
1963-CP	DDTK0008	WGS 1984 43N	401291.09	4538442.51	2521.91	-90	0	401	FC	HQ	X
1963-CP	DDTK0009	WGS 1984 43N	400501.42	4539499.40	2661.19	-90	0	497	FC	HQ	X
1963-CP	DDTK0010	WGS 1984 43N	401144.02	4545749.32	2321.89	-90	0	203	FC	HQ	X
1963-CP	DDTK0011	WGS 1984 43N	403002.00	4545749.88	2405.59	-90	0	293	FC	HQ	X
1963-CP	DDTK0012	WGS 1984 43N	405777.33	4541598.06	3271.93	-90	0	689	FC	HQ	N/A
1963-CP	DDTK0013	WGS 1984 43N	401890.27	4545788.66	2353.12	-90	0	221	FC	PQ	N/A

X: Reported as part of this release.

N/A: Yet to be reported.