Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Celsius Coal Limited

ABN

95 009 162 949

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	a. Ordinary Shares b. Convertible notes
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	a. 111,019,842 b. 5
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	a. Fully Paid Ordinary Shares b. Convertible Notes terms and conditions as per Annexure 2

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	a. Yes b. N/A
5	Issue price or consideration	a. $0.0009 b. $25,000 face value
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	a. Issued to various trade creditors in lieu of payment of funds owed by the Company. b. Convertible Notes issued to cover budgeted listing and compliance costs for the forthcoming year, payment of some trade creditors, limited exploration on the Company's WA nickel projects and basic working capital.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B,* and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	28 November 2014
6c	Number of +securities issued without security holder approval under rule 7.1	a) 111,019,842

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	n/a
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	n/a
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Under 7.1 - 56,496,588 Under 7.1A – 267,280,120
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	22 May 2015

8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	Number	+Class
		3,017,224,746	Ordinary Fully Paid Shares

+ See chapter 19 for defined terms.

	Number	+Class
Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	2,000,000	Employee Options exercisable at 2 cents each and expiring 21 February 2016
	205,400,000	Class A Performance Shares
	205,400,000	Class B Performance Shares
	205,400,000	Class C Performance Shares
	155,400,000	Class D Performance Shares
	155,400,00	Class E Performance Shares
	25,000,000	Options exercisable at $0.025 and expiring 10/4/16
	15,000,000	Options exercisable at $0.020 and expiring 20/5/16
	15,000,000	Options exercisable at $0.035 and expiring 20/5/16
	15,000,000	Options exercisable at $0.050 and expiring 20/5/16
	12,500,000	Options exercisable at $0.020 and expiring 12/12/2016
	28	Convertible Notes

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividend policy established as the Company is still in exploration phase

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	

+ See chapter 19 for defined terms.

23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements *in full* through a broker?	
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

+ See chapter 19 for defined terms.

34 Type of +securities
(*tick one*)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	
39	+Class of +securities for which quotation is sought	

+ See chapter 19 for defined terms.

40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	

42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

+ See chapter 19 for defined terms.

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 22/5/2015
(Non-Executive Director & Company secretary)

Print name: Ranko Matic

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	2,011,471,247
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	227,062,500 (SPP & General Offer 15/8/14) 18,750,000 (Ratified at AGM 28/11/14) 238,365,922 (Dr fees/salaries 22/12/14) 177,151,526 (Blumont Conversion 3/3/15)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
"A"	2,672,801,195

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	400,920,179
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	122,393,512 (issued Dec 2014) 111,010,237 (7 May 2015) 111,019,842 (21 May 2015 – this issue)
"C"	**344,423,591**
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	400,920,179
Subtract "C" *Note: number must be same as shown in Step 3*	344,423,591
Total ["A" x 0.15] – "C"	56,496,588 *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	2,672,801,195
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	267,280,120
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	Nil
"E"	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	267,280,120
Subtract "E" *Note: number must be same as shown in Step 3*	Nil
Total ["A" x 0.10] – "E"	267,280,120 *Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 2

Terms and Conditions for Convertible Notes

The following is a summary of the rights and liabilities attaching to the Convertible Notes:

1.1 Amount

A$575,000 (each individual Convertible Note has a face value of $25,000).

1.2 Maturity Date

The first to occur of:

(a) The Date of Conversion

(b) 6 months from the date the Convertible Notes are issued; and

(c) Any earlier date on which the Company repays the Convertible Note in accordance with the Conditions, including, but not limited to, upon redemption of the Convertible Note.

1.3 Interest Rate

(a) On the Maturity Date, the Company agrees to pay each holder of a Convertible Note a fixed interest payment equal to 15% of the face value of the Convertible Notes held by those Noteholders.

(b) For so long as an Event of Default is outstanding:

(i) the Company also agrees to pay each Noteholder interest on each Convertible Note at the rate of 15% per annum;

(ii) interest will accrue daily from the date that an Event of Default occurs until the date that the Convertible Notes (and fees and interest) are repaid in full or otherwise converted into Shares and New Options in their entirety; and

(iii) interest on the Convertible Notes not paid when due shall compound.

1.4 Settlement of interest in Shares

(a) Subject to no Event of Default outstanding:

(i) each holder of the Convertible Notes agrees that the fixed interest payment payable by the Company will, at the holder's election, be satisfied through either the issue of Shares or payment in cash; and

(ii) the issue price per Share used in converting the fee into Shares will be the conversion price determined in accordance with the Placement Price detailed below; and

(iii) in the case of Shares, the Shares will all be issued on the Maturity Date.

+ See chapter 19 for defined terms.

(b) In the event that there is an Event of Default outstanding, the fixed interest payment payable by the Company and any other interest payable by the Company must be paid to each Noteholder in cash on the Maturity Date.

1.5 Redemption

Subject to the above, a Convertible Note will be redeemed on the first to occur of the following:

(a) the receipt by the Company of a Redemption Notice in respect of the Convertible Note as a result of the exercise by the Trustee of its rights or by the Noteholder; or

(b) the receipt by the Company of a Redemption Notice in respect of the Convertible Note as a result of the exercise by the Noteholder.

1.6 Conversion

(a) A Noteholder will be entitled to convert all of the Notes held by that Noteholder by delivering a Conversion Notice to the Company, at any time from the date of issue of the Convertible Notes until the second Business Day prior to the Maturity Date.

(b) If the Maturity Date arrives and there is no Event of Default is outstanding, each Noteholder will be deemed to have delivered a Conversion Notice to the Company.

(c) A Noteholder may only exercise the Conversion Option in respect of the whole of the face value of each Note held by that Noteholder and not in respect of a proportion only of the face value of a Note held by that Noteholder.

(d) Within 5 Business Days of the date a Conversion Notice is received or deemed received the Company will proceed to issue and allot to the Noteholder that number of Shares and New Options as calculated in accordance with the Conversion Rate as detailed below.

(e) The issue and allotment of Shares (as fully paid) and the issue of New Options on conversion will be deemed for all purposes to be in full satisfaction and discharge of the principal amount owing to the Noteholder pursuant to the Convertible Notes the subject of the Conversion Notice but the conversion pursuant to this clause will in no way affect any liability of the Company for unpaid fees and interest accrued up to the Date of Conversion which the Company will pay to the Noteholder.

(f) The Shares issued and allotted will rank equally in all respects with all issued ordinary shares in the capital of the Company at the Date of Conversion.

(g) The Company will make application for official quotation by the ASX of all Shares issued and allotted upon the conversion. Such application will be made as soon as reasonably practicable after Shares are so issued and allotted.

(h) Within 10 Business Days of the issue and allotment of Shares and New Options to a Noteholder upon the conversion, the Company will deliver to the Noteholder a holding statement in respect of the fully paid Shares and New Options so issued and allotted.

1.7 Conversion Rate

(a) the number of Shares to which a Noteholder will be entitled on conversion of each Note will be equal to the face value of the Note divided by the Placement Price; and

(b) the number of New Options to which a Noteholder will be entitled on conversion of each Note is one (1) New Option for every two (2) Shares issued to a Noteholder on conversion.

1.8 Shares allotted on conversion

The Shares to be allotted on conversion under this Schedule 1 will be shares with respect to which no provision is made (whether by the Constitution of the Company or other instrument constituting or defining the constitution of the Company or otherwise) for changing or converting them into shares of another class, except for the purpose of enabling, in accordance with any law relating to companies, the Consolidation and division of all or any of the share capital of the Company or of another company or the subdivision of all or any of the shares in the capital of the Company or of another company.

1.9 Reconstruction

Subject to the Law and the ASX Listing Rules, as applicable, if there is a reconstruction (including, Consolidation, subdivision, reduction or return) of the issued capital of the Company, the basis for conversion of the Notes set out in the Conversion Rate will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the shareholders of the Company, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Notes will remain unchanged.

1.10 Company obligations

Subject to the Company not having complied with the ASIC Class Order at the time of issue of the Notes, each time Shares and New Options are issued:

(a) immediately issue a notice to ASX that complies with sections 708A(5)(e) and 708A(6) of the Corporations Act (and such notice must confirm that the Company has not withheld any excluded information for the purposes of section 708A(6)(e) of the Corporations Act); and

(b) sign all documents and do all acts and things (including by lodging an Appendix 3B with ASX and otherwise as required of it by ASX) to ensure that the Shares are quoted on the official list within three 3 Business Days.

(c) If a notice delivered for any reason is not effective to ensure that an offer for sale of the Shares and New Options does not require disclosure to investors, the Company must no later than thirty (30) days after the date of issue of the Shares and New Options lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares and New Options does not require disclosure to investors.

1.11 Placement Price

Price on a post-consolidation basis, at which the Company issues shares under the next equity raising completed after the date of the Convertible Notes Deeds

1.12 Security

The Convertible Notes will be secured by a general security deed granted by the Company over all of the Company's present and after acquired property.

1.13 Right to attend meetings

A Noteholder is entitled to attend any shareholder meeting of the Company. A Note does not carry a right to vote at any shareholder meeting unless provided for by the ASX Listing Rules or the Corporations Act.

1.14 Foreign Holders

Where Convertible Notes are held by or on behalf of a person resident outside Australia, then, but despite any other terms or conditions applicable to such Convertible Notes, it will be a condition precedent to the right of the Noteholder to receive payment of any amount payable under this Schedule 1 or to obtain Shares on conversion that the requirements of all applicable laws of the Commonwealth of Australia or any of its States or Territories and of the country of residence of the Noteholder in respect of such payment or conversion are satisfied so that such payment or conversion will not result in a breach of any such applicable law by the Company.

1.15 Transferability

The Convertible Notes (in whole but not part) may be transferred or assigned by a Noteholder provided the transfer or assignment is notified to the Company at least 3 Business Days prior to the date of transfer or assignment.