CELSIUS COAL
LIMITED

6 March 2014

The Manager
Announcements
Company Announcements Office
Australian Stock Exchange Limited
PO Box H224 Australia Square
SYDNEY NSW 2000

Dear Sir/Madam,

Appendix 3B

Please find attached an Appendix 3B which provides for the issue of Ordinary Shares converted from Performance Rights Class A.

The conversion of Class A Performance Rights to Ordinary Shares occurred in December 2013, upon vesting conditions being met. A Shortfall of 494,850 was recently discovered and this issue makes up for this shortfall.

The vesting conditions for the Class B Performance Rights (issued December 2013) have also been amended to make up for a recently identified shortfall in the individual vesting conditions, as per the attached Schedule 1. All other terms and conditions remain the same as per Appendix 3B dated 12 December 2013.

Yours faithfully,

Ranko Matic

Non- Executive Director

Company Secretary

Level 1, 12 Kings Park Road
West Perth
WA 6005 Australia

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CELSIUS COAL LIMITED

Schedule 1 - Class B Performance Rights – amended

Performance Rights	Vesting Condition	Length of service
1,250,000	No environmental breaches.	24 months
1,250,000	Safety: 'world class' lost time injury frequency rate (ie, <1.5 LTIFR per 100,000 man hours)	24 months
1,250,000	Strategy: (i) review business plans and budgets for board review and approval; (ii) implement marketing plan; (iii) review plan for transporting coal from the Kyrgyz project to end markets.	24 months
1,250,000	Complete an equity raising of at least $5 million at a price satisfactory to the Board.	24 months
1,500,000	Complete an equity raising of at least $5 million at a price equal to or greater than 150% above the last capital raising price (i.e. 3 cents).	24 months
2,750,000	Initiate relationships with key potential partners and execute at least one MOU (or equivalent) that is announced to ASX.	24 months
1,437,500	During the first three (3) months following the Commencement Date, the VWAP for the Company's shares as traded on ASX being equal to or exceeds $0.03.	24 months
1,437,500	During the second three (3) months following the Commencement Date, the VWAP for the Company's shares as traded on ASX being equal to or exceeds $0.03.	24 months
1,437,500	During the third three (3) months following the Commencement Date, the VWAP for the Company's shares as traded on ASX being equal to or exceeds $0.03.	24 months
1,437,500	During the fourth three (3) months following the Commencement Date, the VWAP for the Company's shares as traded on ASX being equal to or exceeds $0.03.	24 months
5,000,000	Enterprise value/resource as at 12 month anniversary exceeding the average across the "Basket".	24 months
5,000,000	Share price performance of CLA as at the 12 month anniversary exceeding the average across the "Basket".	24 months
25,000,000		

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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	Ordinary Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	494,850
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)	Fully Paid Ordinary Shares

+ 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	Yes
5	Issue price or consideration	Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Conversion of Performance Rights to Ordinary Shares upon vesting conditions being met – a shortfall was discovered in the conversion of Performance Rights to Ordinary Shares that occurred in December 2013. This issue makes up for the shortfall.
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	13 November 2013
6c	Number of +securities issued without security holder approval under rule 7.1	Nil

+ 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)	494,850 (23/1/2013)
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 – 296,720,687 Under 7.1A – 201,147,124
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.	5 March 2014

+ See chapter 19 for defined terms.

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	2,011,471,247	Ordinary Fully Paid Shares

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	155,000,000	Options exercisable at 1 cent each and expiring on 31 March 2014
		5,000,000	Class A Options exercisable at 2 cents each and expiring on 31 October 2014
		20,000,000	Class C Options exercisable at 2 cents each and expiring 21 February 2015
		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	Class B Performance Rights

+ See chapter 19 for defined terms.

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
5,000,000	Employee Options exercisable at 2 cents each and expiring 24 October 2016
35	Convertible notes with a face value of $100,000 each convertible at the 20 day VWAP
12,500,000	Options exercisable at $0.020 and expiring 12/12/16

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

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	

+ See chapter 19 for defined terms.

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	
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	

+ See chapter 19 for defined terms.

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

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

+ See chapter 19 for defined terms.

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	
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	

+ See chapter 19 for defined terms.

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)	

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

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
- 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.

+ See chapter 19 for defined terms.

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: 6/3/2014
(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	1,752,703,670
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*	227,272,727 (issued 11/3/13) 5,000,000 (options exercised 6/8/13) 5,000,000 (options exercised 9/9/13) 5,000,000 (options exercised 24/10/13) 16,000,000 (Perf Rights converted 12/12/13) 494,850 (Perf Rights converted 5/3/14)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
"A"	2,011,471,247

+ 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	301,720,687
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*	5,000,000 (options 24/10/2013)
"C"	**5,000,000**
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*	301,720,687
Subtract "C" *Note: number must be same as shown in Step 3*	5,000,000
Total ["A" x 0.15] – "C"	296,720,687 *[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*	2,011,471,247
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	201,147,124
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*	201,147,124
Subtract "E" *Note: number must be same as shown in Step 3*	Nil
Total ["A" x 0.10] – "E"	201,147,124 *Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.