



Quarterly Activity & Cashflow Reports for Quarter ending 31 December 2020

Celamin Holdings Ltd

ASX Code: CNL

ACN 139 255 771

ABN 82 139 255 771

Board and Management:

Robin Widdup Chairman
Simon Eley Managing Director
Taz Aldaoud Non-Exec Director
Tim Markwell Alternate Director
to Robin Widdup

Company Secretary

Melanie Leydin

Securities on Issue

195,045,594	ordinary shares
2,000,000	unlisted options
12,000,000	unlisted options
500,000	unlisted options

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Summary:

- **50.99% of Chaketma Phosphate Project Recovered**
- **Legal, accounting and technical due diligence being accelerated**
- **Investigations into TMS actions to avoid arbitration ongoing and further actions to be initiated**
- **A\$6.4m damages being pursued through seizure of assets**

Phosphate and mineral exploration and development company Celamin Holdings Limited (ASX: **CNL**) ("**Celamin**" or the "**Company**") is pleased to present details of its activities for the Quarter ending 31 December 2020.

Celamin reached a significant turning point in its effort to regain control of the Chaketma Phosphate Project in Tunisia ("**Chaketma**") following the illegal transfer of its interest by Tunisian Mining Services ("**TMS**"). Chaketma is a potential large-scale, world class phosphate development asset, which comprises six prospects over a total area of 56km². It hosts a total JORC compliant Inferred Resource of 130Mt @ 20.5% P₂O₅¹, confirmed from drilling at only two of the project's six prospects with access by road, and proximal to rail and gas pipelines (see Figure 1).

Chaketma Update

On 13 November 2020 Celamin announced that it had its 50.99% interest in Chaketma Phosphate SA (**CPSA**) restored following a further successful urgent application to the Tunisian courts. CPSA is the holder of the Chaketma Phosphate Project.

¹ ASX announcements dated 9 November 2012 and 18 June 2013

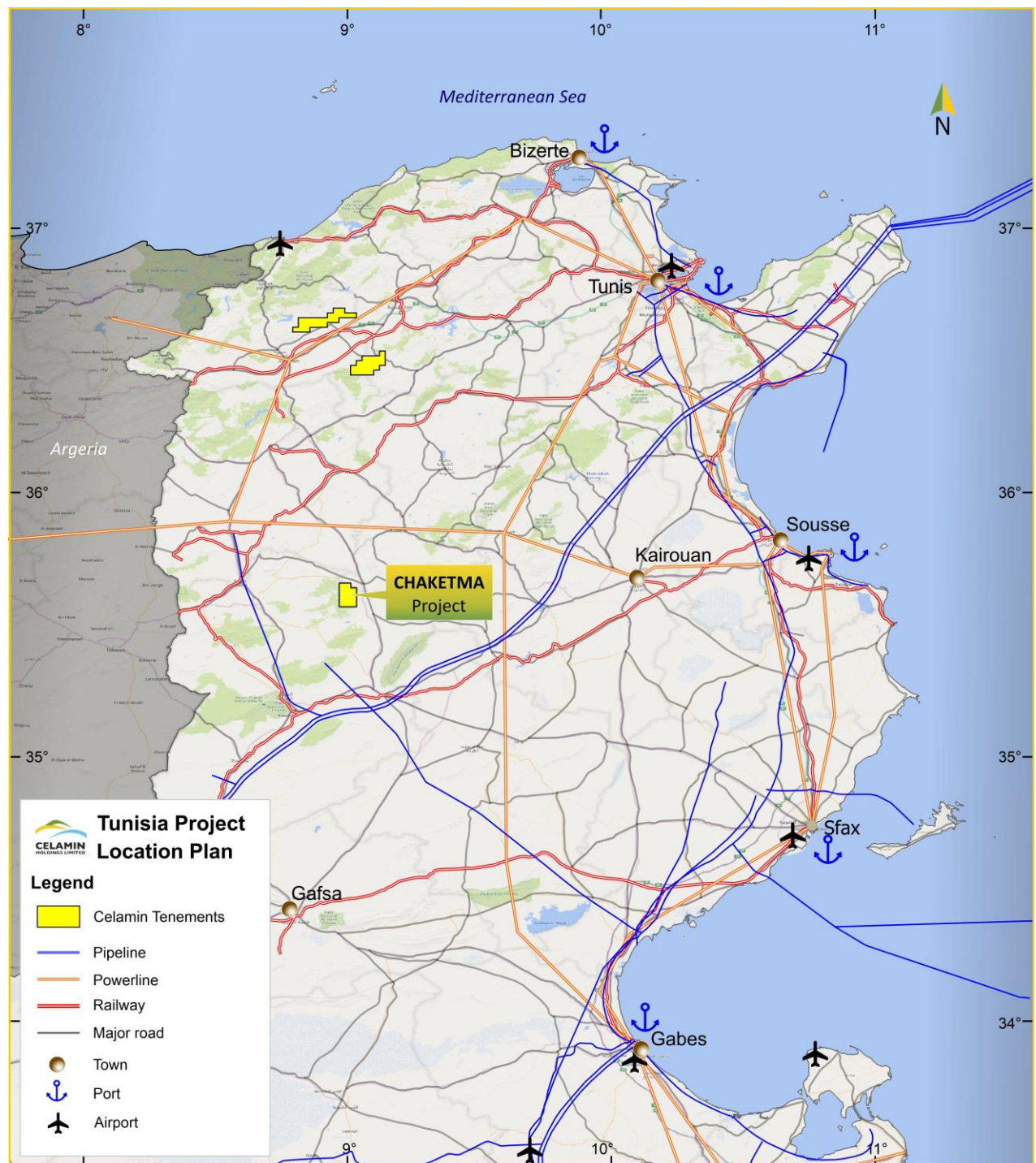


Figure 1: location of the Chaketma Phosphate Project

Celamin was advised that the CPSA share transfer restoring its interest in CPSA had been completed by the court appointed expert. This marks a key step in resolving the dispute dating back to February 2015 following the illegal transfer of Celamin's interest in CPSA by its JV Partner Tunisian Mining Services (TMS). Celamin is seeking a shareholder meeting and update from CPSA, plus continuing in-depth legal and accounting due diligence on CPSA. Celamin is now also entitled to access company assets including all technical data prior to and since the dispute. Feasibility work will begin at Chaketma once due diligence activities are complete.

TMS still owes Celamin US\$4.9M in costs and damages. Celamin will continue the process to force the sale of TMS assets to recover funds to offset the damages and costs owed and, subsequent to the quarter initiated further actions due to the continued non-compliance by TMS.

CPSA applied to convert the Chaketma exploration permit to a mining concession in late 2017, ahead of the February 2018 deadline. TMS has not complied with any orders issued by the arbitrator in November 2017 requiring it to provide Celamin with a copy of the concession application filed on behalf of CPSA. Once received, Celamin will review this application and liaise with government and regulatory authorities prior to advancing the application for a mining concession over Chaketma.

Fast Track Project Relaunch

Celamin is readying to implement an accelerated program to re-start the Chaketma Phosphate Project. Prior to the illegal transfer Celamin's interest in the project in 2015, Celamin had advanced technical work at the Chaketma project. This included establishing an Inferred Resource inventory of 130Mt^{2,3}, promising metallurgical test work⁴, and discussions with multiple potential off-take partners. Celamin understands that further work has been completed since 2015 however, despite clear orders by the arbitrator, TMS has not provided any details of this work.

Upon regaining management control of Chaketma, Celamin will undertake a GAP Analysis of all prior work completed at Chaketma, including the period 2015 to 2020:

- Review of all drilling completed and availability of drill core and records
- Re-estimating the Resource
- Metallurgical test work
- Review of feasibility study submitted as part of the concession application by CPSA
- Review of ESIA work completed and re-engaging with the local communities in the project area

This GAP analysis will then form the basis for commencing a Pre-Feasibility Study (PFS), leading into a Definitive Feasibility Study with the scope to be determined from the PFS.

Given Chaketma's scale and favourable infrastructure, Celamin will assess a staged project development of the Chaketma Phosphate Project:

- Initial rock phosphate concentrate production using either simple washing and screening, or flotation;
- Subsequent downstream processing with integrated fertiliser operations exporting chemical fertiliser products into the globally significant phosphate market.

Processing	Comment	Product
Simple washing and screening	Target >25% P ₂ O ₅ horizon	>28% P ₂ O ₅ rock phosphate
Flotation	All phosphate horizons	>30% P ₂ O ₅ rock phosphate
Conventional acid production	All phosphate horizons	Phosphoric acid

² Gassaa Kebira Inferred Mineral Resource ASX announcement dated 18/6/2013

³ Kef El Louz Inferred Mineral Resources ASX announcement dated 9/11/2012

⁴ Metallurgical breakthrough – Increase phosphate recoveries ASX announcement dated 8/9/2014

Chaketma Resource

Celamin previously announced an Inferred Resource of 130Mt @ 20.5% P_2O_5 at Chaketma for Kef El Louz⁵ on and Gassaa Kebira⁶ (see Table 1). The Kef El Louz Resource estimate needs to be updated with all drilling since 2012 which has extended the deposit to the south.

Celamin will also study the potential to initially target the high-grade portion of the resource in the middle “B” layer (see Figure 2).

Only drill results from Gassaa El Kebira and the northern area of Kef El Louz have been used to calculate the current Inferred Resource of 130Mt @ 20.5% P_2O_5 .

Prospect	Category	Tonnes (Mt)	P_2O_5 (%)
Kef El Louz North ³	Inferred	37	21.0
Gassa Kebira ⁴	Inferred	93	20.3
TOTAL	Inferred	130	20.5

Table1: Chaketma Resource

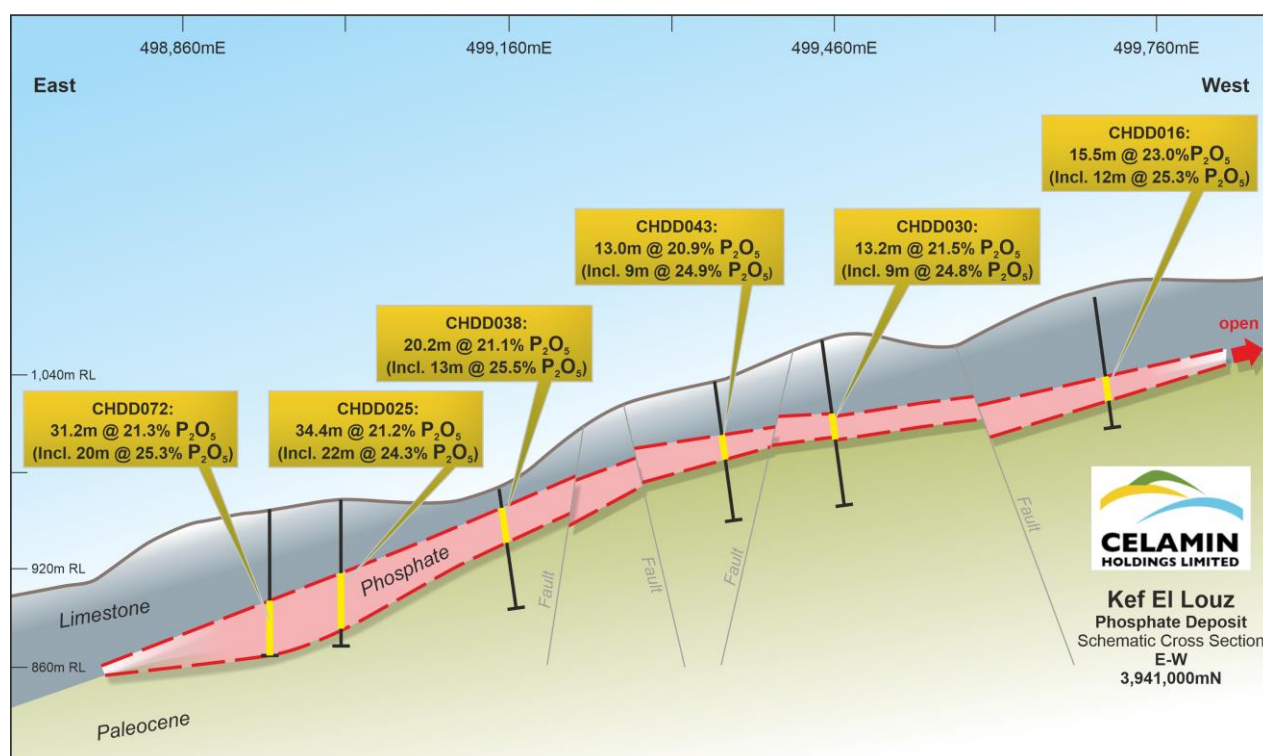


Figure 2: Chaketma cross section with P_2O_5 intercepts on Kel El Louz⁷

⁵ Kef El Louz Inferred Mineral Resources ASX announcement dated 9/11/2012

⁶ Gassaa Kebira Inferred Mineral Resource ASX announcement dated 18/6/2013

⁷ Kef El Louz Inferred Mineral Resources ASX announcement dated 9/11/2012 & 10/4/2014

The Chaketma permit hosts four further prospects that require follow up assessment in due course:

- Sidi Ali Ben Oum Ezzine: 9 holes drilled (average 15.3m @ 20.7% P₂O₅)⁸
- Douar Ouled Hamouda: One hole drilled (13.25m @ 18.8% P₂O₅)⁹
- Kef El Aguab: Undrilled
- Gassat Ezerbat: Undrilled

Investigations into TMS actions

TMS remains in breach of the orders of the arbitration award issued in November 2017 as enforced by Tunisia's Court of Cassation in September 2019. Notwithstanding the continued illegal conduct of TMS, Celamin is committed to Chaketma and investing in Tunisia because of the country's strong political and legal framework. While pleasing to have its interest in CPSA restored, Celamin will continue to pursue TMS for the damages and has initiated other legal processes to facilitate the recovery of damages and costs owed by TMS.

These legal measures include investigations into TMS actions to avoid an adverse arbitration outcome and date back to the commencement of the dispute in early 2015. As announced on 31 August 2020, these investigations have resulted in the seizure of trucks, cars, loaders and other mining equipment. Any such machinery may be sold with funds going to Celamin to offset the damages and costs owed by TMS.

Celamin is also pursuing other actions to hold officers of CPSA and TMS accountable for their decisions concerning the management of Chaketma following the illegal transfer of Celamin's interest in CPSA to TMS.

Accrued damages update

The damages owed by TMS continue to accrue. The amount now owing to Celamin is approximately A\$6.4m. This amount increases every day that TMS fails to honour the arbitration orders issued in November 2017.

Zeflana and Djebba update

The areas around Djebba and Zeflana are known to host historical zinc-lead mines and have not had the benefit of modern exploration technologies (see Figure 3).

Current travel restrictions in place in Tunisia and Australia due to the Coronavirus have prevented Celamin from accessing the projects to advance initial exploration work. When the restrictions are lifted, Celamin plans to complete initial broad scale mapping, soil sampling and geophysical surveys ahead of identifying and prioritising drill targets.

⁸ Chaketma Exploration Update ASX announcements dated 23/1/2012 and 19/12/2012

⁹ See ASX announcement dated 2/4/2013

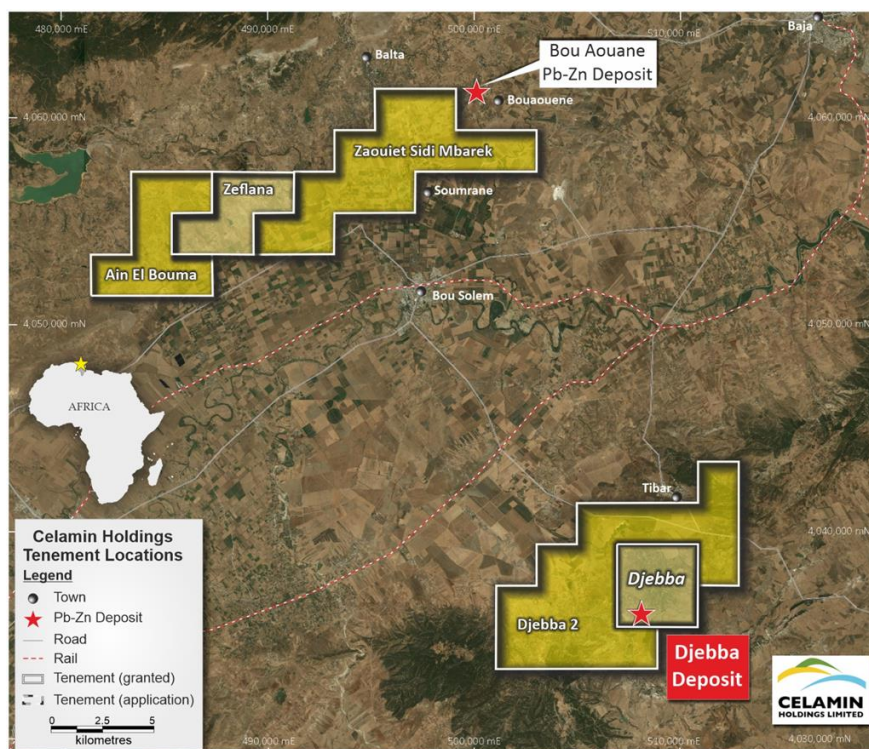


Figure 3; Location of the permits prospective for Zn/Pb in Tunisia

Corporate update

On 27 November 2020, Celamin held its Annual General Meeting to adopt the remuneration report, re-elect a Director, seek approval to issue Shares to Directors in lieu of salary/fees for the period 1 October 2019 to 30 September 2020, amend the Company's Constitution and approve the additional 10% placement facility. All resolutions were overwhelmingly voted in favour.

Celamin held cash and cash equivalents of approximately A\$1.03m at the end of the December 2020 quarter.

Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 5B to this quarterly activities report were \$37,000. These payments are related to Director fees and consulting fees paid to directors and to their related entities during the December 2020 quarter.

This announcement is authorised for release to the market by the Board of Directors of Celamin Holdings Limited.

For further information, please contact:

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Lists of Tenements Held

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in during the quarter	Interest Disposed/farm-out during the quarter
Chaketma	Tunisia	50.99%*		-
Zeflana	Tunisia	100%	-	-
Ain El Bouma	Tunisia	100%	-	-
Zaouiet Sidi Mbarek	Tunisia	100%	-	-
Djebba	Tunisia	100%	-	-
Djebba 2	Tunisia	100%	-	-

** The Chaketma Phosphate Permit is 100% held by CPSA. On 13 November 2020, Celamin announced that it had recovered its interest in CPSA following the transfer by the court appointed expert as outlined in the arbitration award returning Celamin's interest in Chaketma and payment of damages and costs amongst other matters.*

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CELAMIN HOLDINGS LIMITED

ABN

82 139 255 771

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers	-	-	-
1.2 Payments for			
(a) exploration & evaluation	(66)	(66)	(66)
(b) development	-	-	-
(c) production	-	-	-
(d) staff costs	(52)	(143)	(143)
(e) administration and corporate costs	(173)	(353)	(353)
1.3 Dividends received (see note 3)	-	-	-
1.4 Interest received	-	1	1
1.5 Interest and other costs of finance paid	-	-	-
1.6 Income taxes paid	-	-	-
1.7 Government grants and tax incentives	-	-	-
1.8 Other (provide details if material)			
- Government Incentive	7	27	27
1.9 Net cash from / (used in) operating activities	(284)	(534)	(534)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities	-	-	-
(b) tenements	-	-	-
(c) property, plant and equipment	-	-	-
(d) exploration & evaluation	-	-	-
(e) investments	-	-	-
(f) other non-current assets	-	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,312	1,562
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(284)	(534)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	1,026	1,026

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,026	1,312
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,026	1,312

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	37
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(284)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(284)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,026
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,026
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.61
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2021

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.