CELAMIN HOLDINGS LIMITED
ABN 82 139 255 771

HALF YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Celamin Holdings Limited
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31 December 2020

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31 December 2020

Directors	Mr Robin Widdup (Chairman) Mr Simon Eley (Managing Director) Mr Tarecq Aldaoud (Non-Executive Director) Mr Tim Markwell (Alternate Director to Robin Widdup)
Chief Executive Officer	Mr Simon Eley
Company secretary	Ms Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Australia +61 3 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne VIC, 3205 Australia +61 3 9692 7222
Perth office	Unit 27, 210 Queen Victoria Street North Fremantle, WA 6159 Australia +61 439 993 146
Share register	Automic Group Level 5, 126 Philip Street Sydney, NSW 2000 1300 288 664 (within Australia) +61 2 9698 5414 (outside Australia)
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Stock exchange listing	Celamin Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: CNL)
Website	www.celaminholdingsltd.com

Celamin Holdings Limited
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Celamin Holdings Limited (referred to hereafter as 'Celamin' or the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors
The following persons were directors of Celamin Holdings Limited during the financial half-year and up to the date of this report, unless otherwise stated:

Mr Robin Widdup, Chairman
Mr Simon Eley, Managing Director
Mr Tarecq Aldaoud, Non-Executive Director
Mr Tim Markwell, Alternate Director to Robin Widdup

Principal activities
During the financial half-year the principal continuing activities of the consolidated entity focused on resolving the dispute with its joint venture partner, Tunisian Mining Services ("TMS"), regarding ownership and control of the joint venture company Chaketma Phosphates SA ("CPSA") and its 50.99% shareholding. The Company focused on:

- Recovering its 50.99% interest in the Chaketma Phosphate Project;
- Regaining control of CPSA ahead of commencing exploration and development activities; and
- Exploration and evaluation work on the newly granted Djebba and Zeflana zinc permits.

Chaketma Project Recovered

Celamin had the return of its 50.99% interest in the Chaketma Phosphate SA (**CPSA**), holder of the Chaketma Phosphate Project confirmed by the courts in Tunisia during the half year ending 31 December 2020. Chaketma is a potential large-scale, world-class phosphate development asset, which comprises six prospects over a total area of 56km^2. At the time of the dispute the deposit had a JORC compliant Inferred Resource of 130Mt @ 20.5% P_2O_5[1], confirmed from drilling at only two of the project's six prospects.

Celamin was advised that the CPSA share transfer restoring its interest in CPSA was 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 TMS. Celamin immediately began the process to call a shareholder meeting and requested an update from CPSA, plus initiated measures to complete 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.

Notwithstanding the above, the Director General of CPSA is yet to officially recognise the transfer on the company files as required by the Company Code in Tunisia. Until this is completed, Celamin is unable to exercise its rights as a majority shareholder, namely to access company information, call a shareholder meeting or subsequently appoint board members.

Accordingly, although Celamin has achieved success with the court process to recover its interest in CPSA, not all required steps recognising the restoration of Celamin Ltd's interest in CPSA have yet been completed.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $580,947 (31 December 2019: $898,863).

Financial Performance
Operating expenses for the half year decreased by $309,477 to $591,638 (31 December 2019: $901,115). This is mainly due to a decrease in share based payments expense.

Financial Position
The consolidated entity's net asset position was $601,798 as at 31 December 2020 (30 June 2020: net asset position of $1,085,909). The key driver of this movement was a decrease in cash reserves.

[1] *ASX announcements dated 9 November 2012 and 18 June 2013*

Cashflow
During the period the consolidated entity had negative cash flows from operating activities of $536,103 (31 December 2019: $626,775). This is mainly due to decrease in payments to suppliers and employees during the half year period.

Chaketma Phosphate Project

JV Partners Dispute
Celamin's wholly-owned subsidiary, Celamin Limited, has been successful in the arbitration and court process. Orders regarding the return of its of 50.99% interest in the Chaketma Phosphate Project in Tunisia and payment of US$4.9m in damages and costs (including interest) have been issued. The Company has initiated measures to ensure compliance with the orders and the Company is hopeful the process will result in the complete conclusion of the dispute with TMS. Celamin has initiated enquiries with credible engineering contractors regarding recommencement of feasibility studies on a rock phosphate export operation in anticipation of regaining management of Chaketma[2].

Arbitration and appeal success
On 23 September 2019, the company won the final appeal lodged by TMS challenging the enforcement orders of the Court of Appeal confirming the arbitration decision issued in November 2017. The decision of the Court of Cassation was the final stage of the legal actions taken to recover Celamin's interest in the Chaketma Phosphate Project following the illegal transfer by TMS. There are no other valid legal challenges open to TMS. As at this date, TMS owes Celamin approximately US$4.9m (~A$6.3m) in accrued damages as awarded by the arbitrator in late 2017 and enforced by the courts in Tunisia. Celamin will continue the process to recover these damages and costs which includes forcing the sale of TMS assets to recover funds to offset the damages and costs owed. Celamin will pursue all measures to ensure compliance by TMS and the Company has already commenced several initiatives in this regard.

Celamin has commenced an action to seize TMS' interest in Chaketma. Should TMS fail to pay the US$4.9m damages and costs owing in full, Celamin could apply to offset the amount owed by TMS by claiming TMS' interest in Chaketma. Assuming such an action is successful, Celamin would have 100% of Chaketma.

Chaketma Phosphate Project
The Chaketma Phosphate Project consists of six prospects and covers a total area of 56km^2. It is located 210km by road south-west of Tunis and is just 35km from the nearest railhead. A major gas pipeline is within 40km of Chaketma.

The bulk of the phosphate within the permit is located at the base of a massive limestone unit close to the top of a high segmented plateau which rises approximately 600 metres above the valley floor. This plateau extends for approximately 12km from north to south and varies in depth from between 900 and 1,200 metres. The plateau is divided into distinct domains or prospects by a series of normal faults.

Prior to the fraudulent transfer of Celamin's interest in Chaketma by TMS in early 2015, a scoping study was completed and announced on 14 August 2012. The results of the scoping study demonstrated the potential viability of the project and steps were taken to extend the drilling completed on the project and commence a definitive feasibility study.

On 8 September 2014 the Company announced a marked improvement in metallurgical recoveries of the phosphate from the Kef El Louz prospect. The higher recoveries achieved utilized standard flotation processes often used in phosphate projects and improved the potential viability of Chaketma.
Upon completion of due diligence on Chaketma, Celamin anticipates completing a gap analysis and review of any data collected since 2015 in the lead up to commencing feasibility work incorporating the results from the improved metallurgical test-work and current inputs for a simple rock phosphate export operation as the initial stage of a two-stage development path for Chaketma.

Celamin will assess the potential for the second stage of development, and evaluate the viability of an integrated chemical fertiliser and/or phosphoric acid plant to produce fertiliser and technical/food grade phosphoric acid. This can be used for food additives, animal feed supplements and fertilisers such as MAP and DAP.

Celamin has identified and engaged with a new local partner and respected technical groups to fast-track the commencement of feasibility activities and development paths. In addition, the Company is continuing discussions with international institutional financiers, off-take partners, infrastructure groups and the government of Tunisia given the potential demonstrable local benefits and positive impact of foreign direct investment in Tunisia.

[2] For a detailed account and history of the dispute, please refer to the 2018, 2019 and 2020 Celamin Holdings Annual Reports.

Zinc-lead projects
While the Chaketma Phosphate Project remains the focus for Celamin, the Company applied for and was granted two zinc-lead projects, Djebba and Zeflana, on 17 July 2018. Both projects are highly prospective base metal projects in the Atlas Zinc-Lead Belt where high impact exploration can be efficiently completed to derive drill ready targets and potentially enhance shareholder value. Both Djebba and Zeflana are located near historical zinc-lead mines and have had limited modern exploration technologies applied to the permits. The permits are held 100% by a wholly owned subsidiary and are eligible for two three-year extensions. Celamin anticipates applying to the Tunisian authorities for an extension to complete some of the work planned at Djebba and Zeflana due to the inability to travel to the sites because of COVID-19. In late 2018, the Company applied for extensions contiguous to both Djebba and Zeflana and in early 2020, these extensions were granted giving Celamin a more significant land holding in this prospective region. Celamin is planning to complete preliminary exploration work on these permits in the near term and will consider alternative routes to deliver value to shareholders.

Significant changes in the state of affairs

On 13 November 2020, the Company announced that it had officially recovered its 50.99% interest in CPSA. The Company had been advised that the 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 TMS. The Company has sought a shareholder meeting and update from CPSA, plus is continuing in-depth legal and accounting due diligence on CPSA. The Company is now also entitled to access CPSA assets including all technical data prior to and since the dispute. Feasibility work will begin at Chaketma once due diligence activities are complete.

On 23 December 2020, the Company announced that it had issued a total of 1,035,633 fully paid ordinary shares (Shares) at various deemed issue prices per share, in lieu of annual salaries and Directors fees in accordance with Resolutions 3 and 4 of the Company's 2020 Notice of Annual General Meeting, approved by shareholders on 27 November 2020.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year
No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Robin Widdup
Chairman

16 March 2021

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Auditor's Independence Declaration

To the Directors of Celamin Holdings Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Celamin Holdings Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 16 March 2021

Celamin Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Consolidated 31 December 2020 $	31 December 2019 $
Revenue			
Other income	4	9,620	-
Interest revenue		1,071	2,252
Expenses			
Legal expenses		(120,666)	(65,193)
Corporate expenses		(135,473)	(153,797)
Administrative expenses		(92,303)	(168,444)
Employment expenses		(147,176)	(198,416)
Exploration expenses		(59,289)	(63,963)
Share based payments	16	(36,731)	(251,302)
Loss before income tax expense		(580,947)	(898,863)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Celamin Holdings Limited	10	(580,947)	(898,863)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Celamin Holdings Limited		(580,947)	(898,863)
		Cents	**Cents**
Basic (loss)/earnings per share	15	(0.64)	(0.60)
Diluted (loss)/earnings per share	15	(0.64)	(0.60)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Celamin Holdings Limited
Statement of financial position
As at 31 December 2020

	Note	Consolidated 31 December 2020 $	30 June 2020 $
Assets			
Current assets			
Cash and cash equivalents		1,025,839	1,561,942
Trade and other receivables	5	21,908	15,838
Other	6	32,972	59,350
Total current assets		1,080,719	1,637,130
Non-current assets			
Exploration and evaluation	7	35,421	35,421
Total non-current assets		35,421	35,421
Total assets		1,116,140	1,672,551
Liabilities			
Current liabilities			
Trade and other payables	8	487,567	564,457
Employee benefits		26,775	22,185
Total current liabilities		514,342	586,642
Total liabilities		514,342	586,642
Net assets		601,798	1,085,909
Equity			
Issued capital	9	53,512,813	53,415,977
Reserves		442,263	442,263
Accumulated Losses	10	(53,353,278)	(52,772,331)
Total equity		601,798	1,085,909

The above statement of financial position should be read in conjunction with the accompanying notes

Celamin Holdings Limited
Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Contributed equity $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2019	51,060,631	57,020	(50,963,393)	154,258
Loss after income tax expense for the half-year	-	-	(898,863)	(898,863)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(898,863)	(898,863)
Share capital issued	256,703	-	-	256,703
Transactions with owners in their capacity as owners:				
Share-based payments	-	251,302	-	251,302
Balance at 31 December 2019	51,317,334	308,322	(51,862,256)	(236,600)

Consolidated	Contributed equity $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	53,415,977	442,263	(52,772,331)	1,085,909
Loss after income tax expense for the half-year	-	-	(580,947)	(580,947)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(580,947)	(580,947)
Share capital issued (note 9)	96,836	-	-	96,836
Balance at 31 December 2020	53,512,813	442,263	(53,353,278)	601,798

The above statement of changes in equity should be read in conjunction with the accompanying notes

Celamin Holdings Limited
Statement of cash flows
For the half-year ended 31 December 2020

	Note	Consolidated 31 December 2020 $	31 December 2019 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(562,827)	(629,027)
Interest received		1,071	2,252
COVID-19 -Government grant received		25,653	-
Net cash used in operating activities		(536,103)	(626,775)
Cash flows from investing activities			
Payments for exploration and evaluation		-	(19,489)
Net cash used in investing activities		-	(19,489)
Cash flows from financing activities			
Proceeds from issue of shares	9	-	2,000
Net cash from financing activities		-	2,000
Net decrease in cash and cash equivalents		(536,103)	(644,264)
Cash and cash equivalents at the beginning of the financial half-year		1,561,942	777,668
Effects of exchange rate changes on cash and cash equivalents		-	202
Cash and cash equivalents at the end of the financial half-year		1,025,839	133,606

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Celamin Holdings Limited as a consolidated entity consisting of Celamin Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Celamin Holdings Limited's functional and presentation currency.

Celamin Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4
100 Albert Road
South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 March 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Revenue recognition

Revenue from contracts with customers is recognised to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This is based on a contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in the statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract are, subject to certain criteria, capitalised as an asset and amortised over the contract period.

Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment

Allowances for impairment are recognised using an 'expected credit loss' ('ECL') model. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

Trade and other payables

Trade and other payables are measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated entity made a loss after tax of $580,947 during the six-month period ended 31 December 2020 (31 December 2019: $898,863) and had net operating cash outflows of $536,103 (31 December 2019: $626,775). Cash balances as at 31 December 2020 $1,025,839 compared to $1,561,942 as at 30 June 2020.

The consolidated entity is in net asset position of $601,798 (30 June 2020: net asset position of $1,085,909). The key driver of this movement was a decrease in cash reserves.

The consolidated entity also has contingent liabilities as disclosed in Note 13 in relation to it's ongoing dispute as detailed in Note 12.These liabilities may be settled following a favourable result of the dispute.

The Directors continue to monitor the ongoing funding requirements of the consolidated entity through the preparation of cash flow forecasts prepared by management to ensure that the consolidated entity has sufficient funds to meet their commitments. The Directors are confident that sufficient funds can be secured if required by a combination of capital raising and sale of assets to enable the consolidated entity to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

These financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor to the amounts or classifications of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

Coronavirus (COVID-19) pandemic

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread globally as well as in Australia. The spread of COVID-19 has caused significant volatility in Australian and international markets. There is a significant uncertainty around the breadth and duration of business disruptions related to COVID-19 and therefore the Company has taken precautionary measures by temporarily closing the Company’s office and having arranged for its employees to work remotely, as well as minimising non-critical activities and curtailing travel. At the date of this report, the impact of these measures is not expected to significantly impact the completion of the current work being undertaken. However, as the circumstances continue to evolve, there may be disruptions to the future work timelines if employees, consultants or their respective families are personally impacted by COVID-19 or if travel and other operational restrictions are not lifted.

Note 3. Operating segments

AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the consolidated entity that are regularly reviewed by the Chief Operating Decision Makers ("CODM") in order to allocate resources to the segment and to assess its performance. The consolidated entity is currently organised into one operating segment: exploration and development of resource projects in North Africa.

This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are the CODM) in assessing performance and in determining the allocation of resources.

Note 4. Other income

	Consolidated	
	31 December 2020 $	31 December 2019 $
COVID-19 -Cash flow boost	9,620	-

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 December 2020 $	30 June 2020 $
Trade and other receivables	160,000	160,000
Less: Provision for doubtful debts	(160,000)	(160,000)
	-	-
GST receivable	21,908	15,838
	21,908	15,838

Celamin has previously launched legal action in the Tunisian courts to recover $160,000 from TMS for its contribution of exploration expenditure prior to 31 January 2013 under a previous JV agreement. Celamin continues to review its legal position with regards to this debt.

Note 6. Current assets - Other

	Consolidated	
	31 December 2020 $	30 June 2020 $
Accrued revenue	-	16,033
Prepayments	12,585	22,930
Other current assets	20,387	20,387
	32,972	59,350

Note 7. Non-current assets - exploration and evaluation

	Consolidated	
	31 December 2020 $	30 June 2020 $
Exploration and evaluation assets	35,421	35,421

Note 8. Current liabilities - trade and other payables

	Consolidated	
	31 December 2020 $	30 June 2020 $
Trade payables	83,878	97,235
Other payables	403,689	467,222
	487,567	564,457

Following the dispute arising with TMS, the Company announced a cash conservation programme on 24 April 2015. Since that time the payment of some Non-Executive Director fees and a portion of Mr Eley's Managing Director fees have been deferred, and those fees have been accrued in Other payables, rather than paid in cash.

The Company entered into an agreement with Nicholas Clift, to pay deferred salary payments, notice and other entitlements in the sum of $314,093 (including superannuation) owing to Mr Clift upon termination of his employment as Managing Director of the Company, in ordinary shares of the Company (based on the 30 day VWAP at the time of issue), subject to certain conditions including, compliance with his employment agreement, successful conclusion of the Arbitration and transfer of at least 51% of the shares in CPSA to Celamin Limited, as well as shareholder approval for the issue of such shares. Assuming all conditions are met, which is not the case at this point in time, this amount is included in trade and other payables.

Note 9. Equity - Issued capital

	Consolidated			
	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 $	30 June 2020 $
Ordinary shares - fully paid	195,045,594	194,009,961	53,512,813	53,415,977

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2020	194,009,961		53,415,977
Settlement of Director fees October 2019 to September 2020	23 December 2020	701,087	$0.094	65,700
Settlement of Annual salary October 2019 to September 2020	23 December 2020	334,546	$0.094	31,136
Balance	31 December 2020	195,045,594		53,512,813

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 10. Equity - Accumulated Losses

	Consolidated	
	31 December 2020 $	30 June 2020 $
Accumulated losses at the beginning of the financial half-year	(52,772,331)	(50,963,393)
Loss after income tax expense for the half-year	(580,947)	(1,808,938)
Accumulated losses at the end of the financial half-year	(53,353,278)	(52,772,331)

Note 11. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 12. Contingent assets

On 30 November 2017 a Final Award was delivered by the Arbitrator appointed by the ICC to conduct the arbitration of Celamin's dispute with its joint venture partner TMS in relation to the fraudulent transfer to TMS of Celamin's 50.99% shareholding in CPSA, the operating company which holds the Chaketma Phosphate permit. The Arbitrator found in favour of Celamin Limited ordering TMS, amongst other matters, to return Celamin Limited's 50.99% shareholding in CPSA and to pay damages and costs in excess of US$4 million plus interest from the time of the issue of the Final Award until payment. The Company has successfully enforced the legal return of its interest in CPSA and is currently pursuing legal avenues to restore all its rights as a majority shareholder and secure payment of costs and damages owed by TMS.

On 28 September 2018 the Company received notification that the Swiss Supreme Court declared inadmissible TMS' annulment application to set aside the Final Arbitration Award delivered by the Arbitrator. In addition to upholding the Final Arbitration Award, the Swiss Supreme Court further ordered TMS to pay the Court's cost of approximately A$21,500, plus an additional indemnity to Celamin for its legal costs in the amount of approximately A$24,000. The Company is yet to receive this sum and is considering its alternatives to recover these legal costs in addition to the damages and costs awarded by the Arbitrator.

Celamin had its 50.99% interest in CPSA legally restored following the appointment of a court appointed independent expert, reducing TMS to 48.99%. TMS owes Celamin US$4.9M in costs and damages. Celamin will seek to restore all its rights as a majority shareholder and continue to pursue TMS for the outstanding costs and damages by forcing the sale of TMS assets to recover funds to offset the damages and costs owed. 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 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. Celamin will review this application and liaise with government and regulatory authorities prior to advancing the application for a mining concession over Chaketma.

Notwithstanding the above, the Director General of CPSA is yet to officially recognise the transfer on CPSA's company files as required by the Company Code in Tunisia. Until this is completed, Celamin is unable to exercise its rights as a majority shareholder, namely, to access company information, call a shareholder meeting or subsequently appoint board members.

Note 13. Contingent liabilities

Success fees are payable to the Company's arbitration lawyers as follows:

- A fixed amount of Euro 300,000 payable to Brown Rudnick upon return of Celamin's 51% interest and management control in Chaketma;
- An additional amount payable to Brown Rudnick equal to 2% of any damages awarded in favour of Celamin in the Final Award, payable upon payment of those damages and/or transfer to Celamin of an increased percentage interest in CPSA in lieu of payment of such damages; and
- A fixed amount of Euro 50,000 payable to Sami Houerbi upon return of Celamin's 51% interest and management control in Chaketma as well as recovery of any sizeable available asset in part or full satisfaction of damages.

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 15. Earnings per share

	Consolidated	
	31 December 2020 $	31 December 2019 $
Loss after income tax attributable to the owners of Celamin Holdings Limited	(580,947)	(898,863)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	91,323,633	148,901,045
Weighted average number of ordinary shares used in calculating diluted earnings per share	91,323,633	148,901,045
	Cents	**Cents**
Basic (loss)/earnings per share	(0.64)	(0.60)
Diluted (loss)/earnings per share	(0.64)	(0.60)

Note 16. Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the parent entity to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of options granted under the plan:

31 December 2020

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
06/07/2018	11/07/2020	$0.200	8,656,616	-	-	(8,656,616)	-
10/01/2018	10/01/2021	$0.200	135,027	-	-	-	135,027
09/04/2019	09/04/2021	$0.040	2,000,000	-	-	-	2,000,000
07/08/2019	15/07/2022	$0.090	12,000,000	-	-	-	12,000,000
18/12/2019	18/12/2021	$0.105	500,000	-	-	-	500,000
			23,291,643	-	-	(8,656,616)	14,635,027

During the half year ended 31 December 2020, the Company issued a total of 1,035,633 fully paid ordinary shares at various deemed issue prices per share, in lieu of annual salaries and Directors fees for Simon Eley and Robin Widdup in accordance with Resolutions 3 and 4 of the Company's 2020 Notice of Annual General Meeting, approved by shareholders on 27 November 2020. The share-based payments expense for the half year amounted to $36,731 which relates to the salary and fees settled in shares for the period July 2020 to September 2020.

Celamin Holdings Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors:

Mr Robin Widdup
Chairman

16 March 2021

Grant Thornton

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Independent Auditor's Report

To the Members of Celamin Holdings Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Celamin Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Celamin Holdings Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Celamin Holdings Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $580,947 during the half-year ended 31 December 2020 and had net operating cash outflows of $536,103. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Grant Thornton

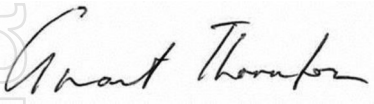
Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 16 March 2021