



Celamin Holdings Limited

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17 February 2020

Jon Chow
Adviser, Listings Compliance (Melbourne)
ASX Limited
Level 4, North Tower
525 Collins Street
MELBOURNE VIC 3000

By email: Jon.Chow@asx.com.au
ListingsComplianceMelbourne@asx.com.au

Dear Jon,

Celamin Holdings Limited (“CNL” or the “Company”) – Response to ASX Appendix 5B query

We acknowledge receipt of ASX’s letter dated 12 February 2020 regarding the Company’s quarterly report for the period ended 31 December 2019 lodged with ASX on 31 January 2020 and respond to your queries in number order as follows:

- 1. Does CNL expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

Yes, like most junior explorers on the ASX, CNL expects that it will continue to have negative operating cash flows for the time being. CNL is in the final stages of recovering the Chaketma Phosphate Project (Chaketma) and will then commence feasibility studies (including a DFS) on the project to demonstrate its viability.

CNL notes that, as announced on 14 February 2020, it has commenced the process to secure the return of its interest in Chaketma and expects this process to take between one and three months.

- 2. Has CNL 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?**

CNL has several alternatives to raise further cash to fund its operations and will take those steps as and when appropriate. The alternatives include the potential exercise of 68,777,348 CNLO quoted options, exercisable at \$0.05 (5 cents) per option, expiring 18 May 2020. As at the close of trading on Friday, 14 February 2020, CNL shares were trading at \$0.125/share. The Managing Director of Celamin and some of its major shareholders early exercised their options as announced on 14 February 2020, resulting in approximately \$258,000 in proceeds injected into the Company. CNL is also aware that other shareholders are considering the early exercise of their options.

Other alternatives include additional equity raisings and the receipt of funds from the ongoing seizure process to recover damages and costs of approximately A\$6.6m following the enforcement of the November 2017 arbitration decision. Given the Company's supportive shareholder base and historical ability to raise capital, the Company is very confident of successfully raising further funds if and when required. For the record, the Company also retains placement capacity under ASX Listing Rule 7.1 and 7.1A.

Furthermore, CNL is in discussions with institutional financial groups interested in providing funding for both the feasibility studies and project development.

3. ***Does CNL expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?***

Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis that it expects to be able to secure funding as described in the answer to Question 2 above.

4. ***Please confirm that CNL is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.***

Yes, the Company confirms that it is complying with Listing Rule 3.1. The Company believes that there is no information that should be given to the ASX about its financial condition in accordance with Listing Rule 3.1 that has not already been released to the market.

5. ***Please confirm that CNL's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CNL with delegated authority from the board to respond to ASX on disclosure matters.***

Yes, the company confirms that the above response to the questions have been authorised and approved in accordance with the Company's continuous disclosure policy and has been authorised by the Board of Directors.

Please do not hesitate to contact me if you would like to discuss any of the above matters.

For and on Behalf of the Board
CELAMIN HOLDINGS LIMITED



MELANIE LEYDIN
Company Secretary



12 February 2020

Ms Melanie Leydin
Company Secretary
Celamin Holdings Limited
Level 4, 100 Albert Road
South Melbourne VIC 3205

By email:

Dear Ms Leydin

Celamin Holdings Limited ('CNL'): Appendix 5B Query

ASX refers to CNL's Appendix 5B quarterly report for the period ended 31 December 2019 lodged with ASX Market Announcements Platform on 31 January 2020 (the 'Appendix 5B').

ASX notes that CNL has reported:

- negative net operating cash flows for the quarter of \$351,000;
- cash at the end of the quarter of \$134,000; and
- estimated cash outflows for the next quarter of \$234,000.

It is possible to conclude, based on the information in the Appendix 5B that if CNL were to continue to expend cash at the rate indicated by the Appendix 5B, CNL may not have sufficient cash to continue funding its operations.

In view of that, ASX asks CNL to respond separately to each of the following questions and requests for information:

1. Does CNL expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CNL 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?
3. Does CNL expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that CNL is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that CNL's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of CNL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEDT Monday, 17 February 2020**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CNL's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CNL's obligation is to disclose the

information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to CNL’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CNL’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CNL’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Jon Chow
Adviser, Listings Compliance (Melbourne)