CELAMIN HOLDINGS LIMITED
ABN 82 139 255 771

HALF YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Celamin Holdings Limited
Contents
31 December 2019

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 28, 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 codes: Shares: CNL and Listed Options: CNLO)
Website	www.celaminholdingsltd.com

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 the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

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 its 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 51% shareholding. The Company's centre of interest had consisted of:

- Exploration and development of the Chaketma Phosphate in Tunisia.
- Exploration and evaluation work on the newly granted Djebba and Zeflana zinc permits

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $898,863 (31 December 2018: $584,442).

Financial Performance
Operating expenses for the half year increased by $316,980 to $901,115 (31 December 2018: $584,135).This is mainly due to the legal, consulting and exploration cost incurred in the current period in relation to the dispute with TMS regarding ownership and control of CPSA, and an increase in share based payments expense.

Financial Position
The consolidated entity's net liability position of $236,600 (30 June 2019: net asset position of $154,258).The key driver of this movement was a decrease in cash reserves and a significant portion of liabilities have been agreed to be settled on non-cash basis or deferred until a later date.

Cashflow
During the period the consolidated entity had negative cash flows from operating activities of $626,775 (31 December 2018: $571,225). The increase in payments to suppliers and employees was driven by more legal fees in the current period.

Chaketma Phosphate Project

JV Partners Dispute
Celamin's wholly-owned subsidiary, Celamin Limited, has been wholly successful in the arbitration and court process and orders regarding the return of its of 51% interest in the Chaketma Phosphate Project in Tunisia and payment of US$4.4m in damages and costs have been issued. There are no further legal avenues available to former joint venture partner TMS to otherwise delay the return of the Company's interest in Chaketma or payment of damages. The Company has initiated measures to ensure compliance with orders and the Company is hopeful the process will result in the complete conclusion of the dispute with TMS. Celamin has commenced initial enquiries with credible engineering contractors regarding recommencement of feasibility studies on a rock phosphate export operation in anticipation of the recovery of Chaketma.

Background to dispute
For a detailed account and history of the dispute, please refer to the 2018 and 2019 Celamin Holdings Annual Report.

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 31 December 2019, TMS owes Celamin approximately US$4.5m (~A$6.4m) in accrued damages in addition to the return of its interest in Chaketma. Celamin will pursue all measures to ensure compliance by TMS with the orders to return its interest in Chaketma and secure payment of damages and costs. The Company has already commenced several initiatives in this regard.

Chaketma Phosphate Project
The Chaketma Phosphate Project consists of six prospects and covers a total area of 56km2. It is located 210km by road south-west of Tunis and is just 35km from the nearest railhead.

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 12kms 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 in early 2015, a scoping study was completed and announced on 14 August 2012. The results of the scoping study demonstrated to 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.

Upon recovery of 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. Initial work has progressed to the point where an engineering contractor has been shortlisted to complete the Gap Analysis and PFS as soon as Celamin regains control of the project.

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 on foreign direct investment in Tunisia.

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. 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 both permits in the near term.

Significant changes in the state of affairs
On 7 August 2019, the company issued a total of 3,272,540 fully paid ordinary shares at various deemed issue prices per share in lieu of annual salaries and Directors fees, approved by Shareholders at the General Meeting of the Company held on 15 July 2019. Furthermore, the company issued 12,000,000 unlisted options to Director's of the Company, approved by Shareholders at the General Meeting of the Company held on 15 July 2019, exercisable at $0.09 (9 cents) per option, with various vesting conditions, expiring on 15 July 2022.

On 23 September 2019, the company announced that it had received confirmation that the Court of Cassation in Tunis has rejected the Tunisian Mining Services (**TMS**) appeal challenging the orders issued by the Court of Appeal of Tunis on 2 April 2019.

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 (**Chaketma**) following the illegal transfer by TMS. There are no other valid legal challenges open to TMS.

On 18 December 2019, the company issued a total of 2,663,664 fully paid ordinary shares with 689,428 Shares at various deemed issue prices per share in lieu of annual salaries and Directors fees as approved by Shareholders at the Annual General Meeting of the Company held on 18 November 2019. The Company also issued 1,934,235 fully paid ordinary shares at a deemed issue price of $0.047 (4.7 cents) per share to a consultant in consideration for services provided and 40,001 fully paid ordinary shares at an issue price of $0.05 (5 cents) per share in relation to the exercise of quoted CNLO options.

Furthermore, the company issued 500,000 unlisted options to a consultant for services, exercisable at $0.105 (10.5 cents) per option, vesting at date of grant, expiring on 18 December 2021.

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
On 10 January 2020, the company issued a total of 252,625 fully paid ordinary shares at an issue price of $0.05 (5 cents) per Share in relation to the exercise of quoted CNLO options.

On 24 January 2020, the company issued 200,100 fully paid ordinary shares at an issue price of $0.05 (5 cents) per Share in relation to the exercise of quoted CNLO options.

On 14 February 2020, the Company announced it had filed an urgent application to act on TMS' behalf to effect the return of its interest in Chaketma with a bailiff serving a demand on TMS to transfer Celamin's interest in Chaketma back to Celamin. This process is expected to take 1 to 3 months.

On 17 February 2020, the company issued 5,162,136 fully paid ordinary shares at an issue price of $0.05 (5 cents) per Share in relation to the exercise of quoted CNLO options.

No other matter or circumstance has arisen since 31 December 2019 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

13 March 2020

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Auditor's Independence Declaration

To the Directors of Celamin Holdings Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Celamin Holdings Ltd for the half-year ended 31 December 2019, 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, 13 March 2020

Celamin Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Note	Consolidated 31 December 2019 $	31 December 2018 $
Gain/(loss) on extinguishment of liabilities	4	-	(3,787)
Interest revenue		2,252	3,480
Expenses			
Legal expenses		(65,193)	(91,520)
Corporate expenses		(153,797)	(131,203)
Administrative expenses		(168,444)	(124,066)
Employment expenses		(198,416)	(237,346)
Exploration expenses		(63,963)	-
Share based payments	13	(251,302)	-
Loss before income tax expense		(898,863)	(584,442)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Celamin Holdings Limited		(898,863)	(584,442)
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		(898,863)	(584,442)
		Cents	**Cents**
Basic (loss)/earnings per share	12	(0.60)	(0.59)
Diluted (loss)/earnings per share	12	(0.60)	(0.59)

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 2019

		Consolidated	
	Note	31 December 2019 $	30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents		133,606	777,668
Trade and other receivables	5	32,233	21,118
Other		55,660	21,308
Total current assets		221,499	820,094
Non-current assets			
Exploration and evaluation	6	34,840	15,352
Total non-current assets		34,840	15,352
Total assets		256,339	835,446
Liabilities			
Current liabilities			
Trade and other payables	7	492,939	672,091
Employee benefits		-	9,097
Total current liabilities		492,939	681,188
Total liabilities		492,939	681,188
Net assets/(liabilities)		(236,600)	154,258
Equity			
Issued capital	8	51,317,334	51,060,631
Reserves		308,322	57,020
Accumulated losses		(51,862,256)	(50,963,393)
Total equity/(deficiency)		(236,600)	154,258

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 2019

Consolidated	Contributed equity $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	49,595,415	68,782	(49,783,616)	(119,419)
Loss after income tax expense for the half-year	-	-	(584,442)	(584,442)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(584,442)	(584,442)
Share capital issued	1,074,134	-	-	1,074,134
Transactions with owners in their capacity as owners:				
Costs of capital	(45,334)	-	-	(45,334)
Balance at 31 December 2018	50,624,215	68,782	(50,368,058)	324,939

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 (note 8)	256,703	-	-	256,703
Transactions with owners in their capacity as owners:				
Share-based payments (note 13)	-	251,302	-	251,302
Balance at 31 December 2019	51,317,334	308,322	(51,862,256)	(236,600)

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 2019

	Note	Consolidated 31 December 2019 $	31 December 2018 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(629,027)	(574,705)
Interest received		2,252	3,480
Net cash used in operating activities		(626,775)	(571,225)
Cash flows from investing activities			
Payments for exploration and evaluation		(19,489)	(4,788)
Net cash used in investing activities		(19,489)	(4,788)
Cash flows from financing activities			
Proceeds from issue of shares	8	2,000	959,002
Share issue transaction costs		-	(45,333)
Net cash from financing activities		2,000	913,669
Net increase/(decrease) in cash and cash equivalents		(644,264)	337,656
Cash and cash equivalents at the beginning of the financial half-year		777,668	585,130
Effects of exchange rate changes on cash and cash equivalents		202	(227)
Cash and cash equivalents at the end of the financial half-year		133,606	922,559

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 13 March 2020. 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 2019 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 2019 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.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity has adopted this standard from 1 July 2019. There was no significant impact as the consolidated entity is not party to any significant operating lease arrangements.

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 $898,863 during the six-month period ended 31 December 2019 (31 December 2018: $584,442) and had net operating cash outflows of $626,775 (31 December 2018: $571,225). Cash balances as at 31 December 2019 $133,606 compared to $777,668 as at 30 June 2019.

The consolidated entity is in net liability position of $236,600 (30 June 2019: net asset position of $154,258). The key driver of this movement was a decrease in cash reserves and a significant portion of liabilities have been agreed to be settled on non-cash basis or deferred until a later date.

The company has received cash amounting to a total of $280,743 as a result of issuing 5,614,861 fully paid ordinary shares at an issue price of $0.05 (5 cents) per share in January and February 2020 and expects to receive $400,000 in March 2020 as a result of the early exercise of quoted CNLO options.

Following the successful Share Purchase Plan and Placement in FY19, the Company plans to conduct another Placement in June 2020, to raise up to $2,000,000, which, if fully subscribed, and aside from the exercise of the remaining listed $0.05 options (CNLO), will provide funding for the Company’s activities, subject to regaining control of Chaketma.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the consolidated entity to continue as a going concern. 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.

Note 2. Significant accounting policies (continued)

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

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. Gain/(loss) on extinguishment of liabilities

	Consolidated	
	31 December 2019 $	31 December 2018 $
Gain/(loss) on extinguishment of liabilities	-	(3,787)

Following shareholder approval at the 26 November 2018 Annual General Meeting, service fees owing to Lion Manager were settled in ordinary shares of the Company.

In accordance with Interpretation 19 of the Australian Accounting Standards Board, when equity instruments are issued to a creditor to extinguish financial liabilities, the equity instruments are to be measured at the fair value of the equity instruments issued. The difference between the carrying amount of the financial liability extinguished, and the consideration paid, is recognised in profit and loss.

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 December 2019 $	30 June 2019 $
Trade and other receivables	160,000	160,000
Less: Provision for doubtful debts	(160,000)	(160,000)
	-	-
GST receivable	32,233	21,118
	32,233	21,118

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. Non-current assets - exploration and evaluation

	Consolidated 31 December 2019 $	30 June 2019 $
Exploration and evaluation assets	34,840	15,352

Note 7. Current liabilities - trade and other payables

	Consolidated 31 December 2019 $	30 June 2019 $
Trade payables	88,301	191,962
Other payables	404,638	480,129
	492,939	672,091

The Company has entered into an agreement with Nicholas Clift, to settle 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, successful conclusion of the Arbitration and transfer of at least 51% of the shares in CPSA to Celamin Limited and shareholder approval to the issue of such shares. This amount is included in trade and other payables.

Note 8. Equity - issued capital

	Consolidated			
	31 December 2019 Shares	30 June 2019 Shares	31 December 2019 $	30 June 2019 $
Ordinary shares - fully paid	152,037,098	146,100,894	51,317,334	51,060,631

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2019	146,100,894		51,060,631
Settlement of Director fees from Jan 2018 to May 2019	7 August 2019	3,272,540	$0.040	118,236
Settlement of Director fees from June 2019 to Sept 2019	18 December 2019	689,428	$0.066	45,558
Issue of shares to a consultant in consideration for services provided	18 December 2019	1,934,235	$0.047	90,909
Issue of shares on exercise of options	18 December 2019	40,001	$0.050	2,000
Balance	31 December 2019	152,037,098		51,317,334

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.

Note 8. Equity - issued capital (continued)

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 9. Contingent assets

On 30 November 2017 a Final Award has been delivered by the Arbitrator appointed by the ICC to conduct the arbitration of its dispute with its joint venture partner TMS in relation to the fraudulent transfer to TMS of Celamin's 51% shareholding in CPSA, the operating company which holds the Chaketma Phosphates Permit. The Arbitrator found in favour of Celamin Limited ordering TMS, amongst other matters, to return Celamin Limited's 51% 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 is currently pursuing legal avenues to enforce this order.

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 appointed by the ICC to determine the dispute with TMS in relation to the fraudulent transfer to TMS of Celamin's 51% shareholding in Chaketma Phosphates SA (CPSA), the operating company which holds the Chaketma Phosphate Permit. 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.

On 5 April 2019 the Court of Appeal in Tunisia made orders in favour of Celamin enforcing the Final Award ordering TMS to return Celamin's 51% interest in CPSA and payment of over US$4 million in damages plus costs plus interest. TMS appealed this decision and on 23 September 2019 the Company announced that TMS' appeal was rejected by the Court of Cassation in Tunis. At the time of lodgement of this report, TMS is yet to comply with the Final Award and, accordingly, Celamin has initiated further measures to pressure TMS to comply with the orders made. As at 16 December 2019 as per the announcement on 18 December 2019, TMS owes Celamin approxiamately US$4.4m (~A$6.4m) in damages and costs with interest accruing daily.

Note 10. 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 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 in Chaketma and recovery of any sizeable available asset in part or full satisfaction of damages.

Note 11. Events after the reporting period

On 10 January 2020, the company issued a total of 252,625 fully paid ordinary shares at an issue price of $0.05 (5 cents) per Share in relation to the exercise of quoted CNLO options.

On 24 January 2020, the company issued 200,100 fully paid ordinary shares at an issue price of $0.05 (5 cents) per Share in relation to the exercise of quoted CNLO options.

On 17 February 2020, the company issued 5,162,136 fully paid ordinary shares at an issue price of $0.05 (5 cents) per Share in relation to the exercise of quoted CNLO options.

No other matter or circumstance has arisen since 31 December 2019 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 12. Earnings per share

	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Loss after income tax attributable to the owners of Celamin Holdings Limited	(898,863)	(584,442)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	148,901,045	99,309,073
Weighted average number of ordinary shares used in calculating diluted earnings per share	148,901,045	99,309,073
	Cents	**Cents**
Basic (loss)/earnings per share	(0.60)	(0.59)
Diluted (loss)/earnings per share	(0.60)	(0.59)

Note 13. 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 Board, 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 Board.

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

31 December 2019

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
07/08/2019	15/07/2022	$0.090	10,791,643	12,000,000	-	-	22,791,643
18/12/2019	18/12/2021	$0.105	-	500,000	-	-	500,000
			10,791,643	12,500,000	-	-	23,291,643

The options granted on 14 July 2014 vested on 4 November 2014.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
07/08/2019	15/07/2022	$0.060	$0.090	82.00%	-	0.65%	$0.060
18/12/2019	18/12/2021	$0.120	$0.105	87.00%	-	0.78%	$0.120

Celamin Holdings Limited
Directors' declaration
31 December 2019

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 2019 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

13 March 2020

Grant Thornton

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Independent Auditor's Review Report

To the Directors 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 Group), which comprises the consolidated statement of financial position as at 31 December 2019, 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, nothing has come to our attention that causes us to believe that the half year financial report of Celamin Holdings Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019 and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

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 $898,863 during the half-year ended 31 December 2019 and had net operating cash outflows of $626,775. 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 Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 2019 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*. As the auditor of Celamin Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 13 March 2020