



## Quarterly Activity & Cashflow Reports for Quarter ending 31 March 2020

### Celamin Holdings Ltd

ASX Code: CNL / CNLO

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

167,279,701	ordinary shares
53,987,470	listed options
8,656,616	unlisted options
135,027	unlisted options
2,000,000	unlisted options
12,000,000	unlisted options
500,000	unlisted options

### Contact

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### Registered Office Address

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### Website

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### Summary:

- Court hearing to compel the return of Celamin's interest in Chaketma delayed until May due to Coronavirus
- Seizure actions to recover damages and costs owed by TMS continue and increase daily
- Additional exploration permits contiguous with the Zeflana permit granted
- Early exercise of listed CNLO options raises \$632,000 during the quarter

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

Celamin remains focused on regaining 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 65km<sup>2</sup>. It hosts a total JORC compliant Inferred Resource of 130Mt @ 20.5% P<sub>2</sub>O<sub>5</sub><sup>1</sup>, 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

The Company announced on 14 February 2020 that the Court process to return Celamin's interest in Chaketma has moved into the final phase. Celamin's lawyers instructed a bailiff to serve transfer documents on Taoufik Mansouri, the principal of TMS, to effect the return of Celamin's interest in Chaketma which, despite the arbitral award<sup>2</sup> and decision of the Court of Cassation decision<sup>3</sup>, TMS refused to execute.

<sup>1</sup> ASX announcements dated 9 November 2012 and 18 June 2013

<sup>2</sup> ASX announcement date 30 November 2017

<sup>3</sup> ASX announcement dated 23 September 2019

Following the failure of TMS to comply with legal orders, Celamin lodged an urgent application to effect the compulsory transfer of its interest from TMS to Celamin pursuant to the arbitral award that was enforced by the Court of Cassation. The final hearing for this urgent application was scheduled for 18 March 2020 however this hearing was delayed due to the Tunisian government imposing quarantine and confinement measures in Tunisia due to the Coronavirus.

Celamin has been advised that the hearing for the urgent application is expected to occur in May 2020, subject to restrictions being lifted and courts in Tunis re-opening. The Company will update the market as soon as it becomes aware of the date of the hearing.



Figure 1 – location of Chaketma

The Company has liaised with several firms to assess and evaluate all prior work done on Chaketma and, in particular, work completed by TMS following the illegal transfer of Celamin's interest to itself in early 2015. The focus will be to identify the nature and quality of the work completed to date before the feasibility study commences.

Celamin has also progressed the foreclosure of property held by TMS. An expert has been appointed and carried out a valuation for the courts and the next hearing, following the re-opening of the courts in Tunis, is expected to result in the public auction of the property. Upon the property being sold, and subject to any other security over the property, a judge will determine the amount of funds Celamin will receive to partly offset the damages and costs that remain unpaid by TMS. The total amount currently owed by TMS is US\$4.4m (A\$7.0m). Other seizure actions are underway in relation to vehicles, equipment and shares in other companies held by TMS. Celamin will update the market as required as these measures to secure payment of damages and costs by TMS progress.

The Company remains open to an amicable resolution of the dispute however, in the meantime, will continue to consider all avenues to secure the return of Celamin's interest in Chaketma and payment of damages and costs by TMS.

### Accrued damages update

The damages owed by TMS continue to accrue with the amount now owing to Celamin amounting to approximately A\$7.0M. This amount increases every day that TMS fails to honour the arbitration orders from November 2017.

### Zeflana permit area extended

As announced on 26 February 2020, the Company advised that it received confirmation that two exploration permits contiguous with the existing Zeflana exploration permit had been granted. Ain El Bouma covers the western extensions to Zeflana, and Zaouiet Sidi Mbarek covers the eastern extension. The total area around Zeflana now held by Celamin amounts to 88km<sup>2</sup>.

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 2). The original permits (Djebba and Zeflana), held 100% by a wholly owned subsidiary, were granted in early July 2018 and are eligible for two three-year extensions. Celamin lodged contiguous applications to both project areas in order to ensure that should initial exploration results demonstrate potential to host economic mineralisation, it would not be constrained by the immediate boundaries of the original permits. As announced during the quarter, the additional area around the Djebba permit (Djebba 2) was granted in January 2020 and the Zeflana extensions (Ain El Bouma and Zaouiet Sidi Mbarek) have been granted in February 2020. As above, these permits are granted for an initial period of three years with two three-year extensions.

The additional areas contiguous with the original Zeflana permit were secured based on previous soil sampling work completed by Zinifex and Oz Minerals that delineated multiple zinc anomalies.

Subject to current quarantine and confinement measures in place in Tunisia due to the Coronavirus being lifted, Celamin plans to complete initial broad scale mapping, soil sampling and geophysical surveys ahead of identifying and prioritising drill targets

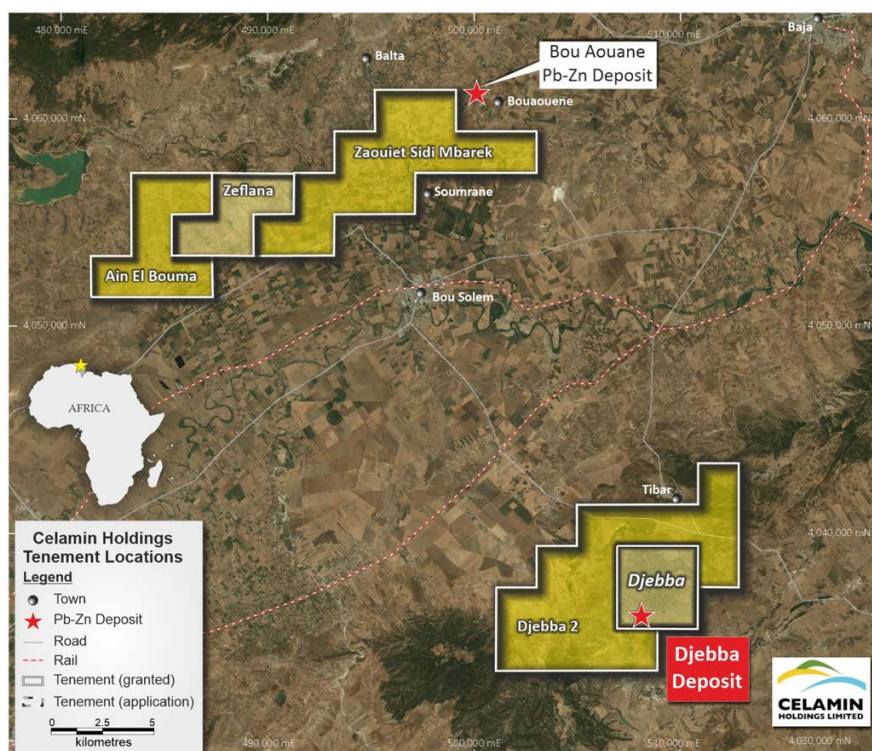


Figure 2; Location of the original and extended Zn/Pb permits in Tunisia

## Early exercise of Listed Options

During the quarter, a total of \$632,000 was raised due to the early exercise of options.

Proceeds from the exercise of these options will contribute to the continued recovery of Chaketma, securing payment of damages and costs owing, initial work required upon recovery of Celamin's interest in Chaketma and general working capital.

Subsequent to the end of the March 2020 quarter, the Company received an additional \$130,219 in relation to the exercise of 2,604,387 CNLO quoted options.

As at 30 April 2020, there are 53,987,470 listed options exercisable at \$0.05 remaining. These listed options will expire on 18 May 2020 and will cease being quoted on the ASX on 12 May 2020. The listed options were issued at nil cost in recognition of the support and patience of Celamin shareholders. If all remaining options are exercised, the cash proceeds to the Company would be \$2,699,374.

## Corporate update

Celamin held cash and cash equivalents of approximately \$503,000 at the end of the March 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 \$56,000. These payments are related to Director fees and consulting fees paid to directors and to their related entities during the March 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:

### Simon Eley

Managing Director

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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	- %*		- * (see below)
Zeflana	Tunisia	100%	-	-
Ain El Bouma	Tunisia	100%	100%	-
Zaouiet Sidi Mbarek	Tunisia	100%	100%	-
Djebba	Tunisia	100%	-	-
Djebba 2	Tunisia	100%	100%	-

\* The Chaketma Phosphate Permit is 100% held by CPSA. Prior to 13 February 2015, Celamin held 51% of CPSA and the transfer of its interest in CPSA to TMS is the subject of an arbitration award returning Celamin's 51% interest and enforcement orders as detailed in this Report.

## 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 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 Months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(67)	(131)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(63)	(200)
	(e) administration and corporate costs	(133)	(557)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	2
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)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(263)</b>	<b>(886)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	(19)
	(e) investments	-	-
	(f) other non-current assets	-	-

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## 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 (9 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(19)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
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	632	634
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>632</b>	<b>634</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	134	778
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(263)	(886)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(19)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	632	634

## 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 (9 Months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(4)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>503</b>	<b>503</b>

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	503	134
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>503</b>	<b>134</b>

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	56
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

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	<b>Total financing facilities</b>	-	-

7.5	<b>Unused financing facilities available at quarter end</b>	-
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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
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## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(263)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(263)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	503
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	503
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	1.91

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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: 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.

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: 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 the remaining 53,987,470 CNLO quoted options, exercisable at \$0.05 (5 cents) per option, expiring 18 May 2020. As at the close of trading on Wednesday, 29 April 2020, CNL shares were trading at \$0.08 (8 cents) per share.

Other alternatives include additional equity raisings and the receipt of funds from the ongoing seizure process to recover damages and costs of approximately A\$7.0m 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.

Subsequent to the end of the March 2020 quarter, the Company received an additional \$130,219 in relation to the exercise of 2,604,387 CNLO quoted options.

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

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: 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.



**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: 30 April 2020

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.