



Quarterly Activity & Cashflow Reports for Quarter ending 30 June 2020

Celamin Holdings Ltd

ASX Code: CNL

ACN 139 255 771

ABN 82 139 255 771

Board and Management:

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

Company Secretary

Melanie Leydin

Securities on Issue

194,009,961	ordinary shares
135,027	unlisted options
2,000,000	unlisted options
12,000,000	unlisted options
500,000	unlisted options

Contact

Phone: +61 (0)3 9692 7222

Fax: +61 (0)3 9077 9233

Email: info@celamin.com

Registered Office Address

Level 4, 100 Albert Road
South Melbourne VIC 3205

Website

www.celaminholdingsltd.com

Summary:

- **50.99% of Chaketma Phosphate Project expected to be returned in August 2020**
- **Investigations into TMS actions to avoid arbitration decision progressing**
- **Initial due diligence on Chaketma commenced**
- **A\$6.5m damages still owed to Celamin and accruing daily**
- **Exercise of listed CNLO options raised A\$1,466,732 during the quarter**

Phosphate and mineral exploration and development company Celamin Holdings Limited (ASX: **CNL**) ("**Celamin**" or the "**Company**") is pleased to present details of its activities for the Quarter ending 30 June 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 65km². It hosts a total JORC compliant Inferred Resource of 130Mt @ 20.5% P₂O₅¹, confirmed from drilling at only two of the project's six prospects with access by road, and proximal to rail and gas pipelines (see Figure 1).

Chaketma Update

The Company provided various updates on Chaketma during the quarter and most recently announced on 23 July 2020 that the final decision on the urgent application to restore its 50.99% stake in the Chaketma Phosphate Project is now likely to occur in August 2020. As noted in the announcement on 23 June 2020, the impact of Coronavirus

¹ ASX announcements dated 9 November 2012 and 18 June 2013

has resulted in a delay to all legal matters, including Celamin's urgent application to restore its interest in Chaketma Phosphates SA (CPSA).

Despite these delays, Celamin has made advancements on various actions to uncover the measures taken by TMS, and others, to avoid an adverse outcome since the commencement of the dispute in 2015.

Celamin also remains entitled to payment of approximately US\$4.7m by TMS in damages and costs. This amount accrues interest daily until paid in full by TMS. Celamin is continuing various actions to seize and sell assets belonging to TMS to offset the amount owed to Celamin.

Noting recent progress to recover its interest in Chaketma, Celamin is pleased to report the modest improvement in the rock phosphate concentrate price which has increased circa 6% from cyclical lows over the last two months². This is in part believed to be due to the impact of the Coronavirus in China and, specifically the region of Hubei, restricting logistics and supply of rock phosphate concentrate. China is also introducing tougher environmental regulations that may affect the export market for rock phosphate concentrate. Further, it is anticipated that an additional 31Mt of rock phosphate concentrate will be required to meet expected phosphate acid production during the next decade.³

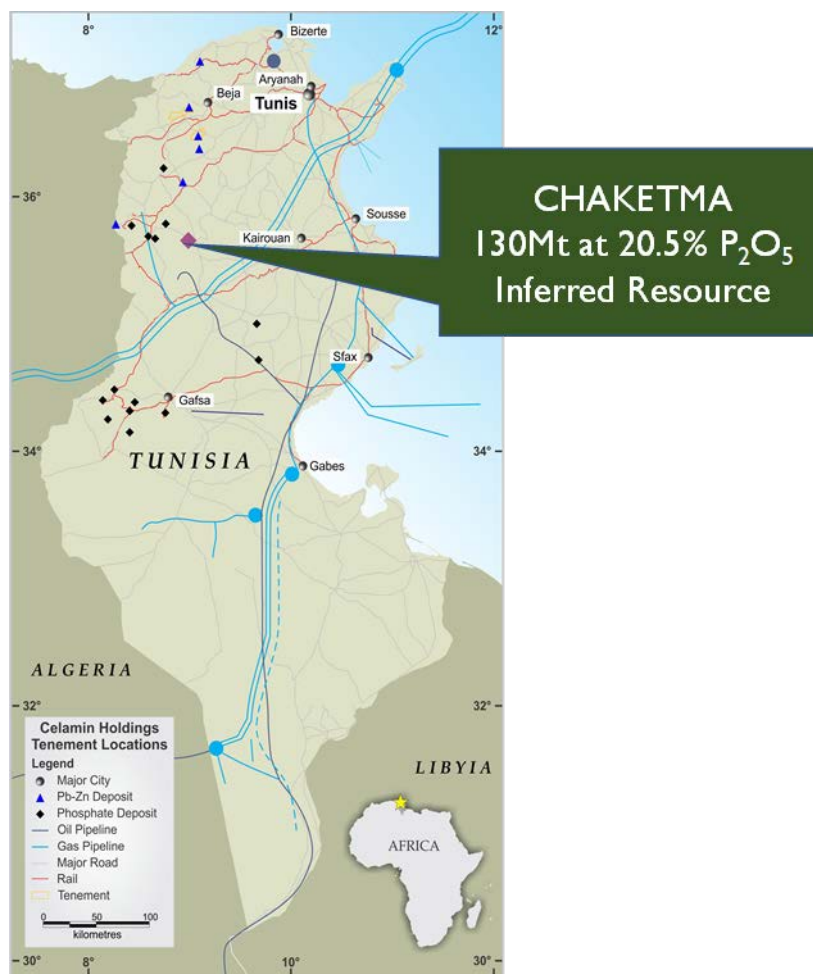


Figure 1 – location of Chaketma

² Phosphate rock (Morocco), 70% BPL, contract, f.a.s. Casablanca, indexmundi.com

³ Argus – Phosphate Rock Analytics, January 2020

Accrued damages update

The damages owed by TMS continue to accrue with the amount now owing to Celamin amounting to approximately A\$6.5M. This amount increases every day that TMS fails to honour the arbitration orders from November 2017.

Zeflana and Djebba update

During the March 2020 quarter, the Company announced that it was granted two exploration permits contiguous with the existing Zeflana exploration permit. The total area around Zeflana now held by Celamin amounts to 88km².

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).

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.

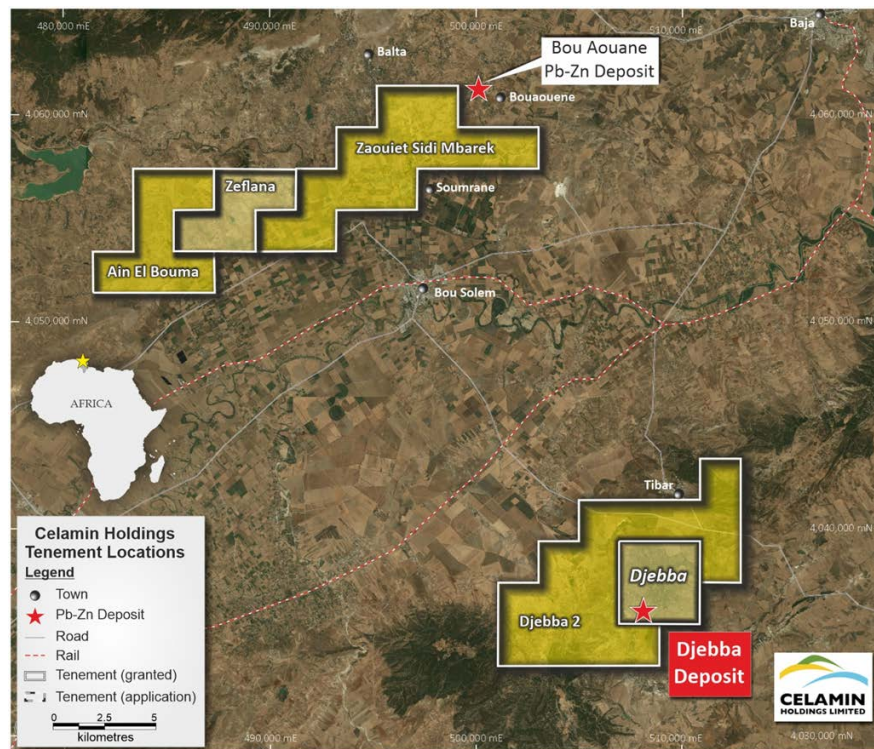


Figure 2; Location of the original and extended Zn/Pb permits in Tunisia

Exercise of Listed Options

During the quarter, a total of A\$1,466,732 was raised due to the exercise of listed CNLO options.

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

Corporate update

Celamin held cash and cash equivalents of approximately A\$1,562,000 at the end of the June 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 \$53,000. These payments are related to Director fees and consulting fees paid to directors and to their related entities during the June 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

T: +61 (03) 9692 7222

E: info@celamin.com

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%	-	-
Zaouiet Sidi Mbarek	Tunisia	100%	-	-
Djebba	Tunisia	100%	-	-
Djebba 2	Tunisia	100%	-	-

* The Chaketma Phosphate Permit is 100% held by CPSA. Prior to 13 February 2015, Celamin held 50.99% of CPSA and the transfer of its interest in CPSA to TMS is the subject of an arbitration award returning Celamin's 50.99% 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")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(199)	(330)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(48)	(248)
	(e) administration and corporate costs	(175)	(732)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
	- Government Incentive	16	16
1.9	Net cash from / (used in) operating activities	(405)	(1,291)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	(19)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(19)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,467	2,101
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,467	2,101

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	503	778
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(405)	(1,291)
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)	1,467	2,101

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	(7)
4.6	Cash and cash equivalents at end of period	1,562	1,562

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,562	503
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,562	503

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	53
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<div style="border: 1px solid black; height: 40px; padding: 5px;">N/A</div>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(405)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(405)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,562
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,562
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.86
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<div style="border: 1px solid black; height: 30px; padding: 5px;">Answer: N/A</div>	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<div style="border: 1px solid black; height: 30px; padding: 5px;">Answer: N/A</div>	

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

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

Answer: N/A

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

Compliance statement

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

Date: 31 July 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.