



**CELAMIN HOLDINGS LIMITED**  
**ABN 82 139 255 771**

**ANNUAL REPORT – 30 JUNE 2020**

**Celamin Holdings Limited**  
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**30 June 2020**



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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 Phillip Street  
Sydney NSW 2000  
1300 288 664 (within Australia)  
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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: Shares: CNL)

Website

[www.celaminholdingsltd.com](http://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 year ended 30 June 2020.

### **Directors**

The following persons were directors of Celamin Holdings Limited during the whole of the financial 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 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 50.99% shareholding. The Company's centre of interest consisted of:

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

### **Dividends**

There were no dividends paid or declared during the current or previous financial year.

### **Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,808,938 (30 June 2019: \$1,180,887).

#### *Financial Performance*

Operating expenses for the financial year increased by \$654,837 to \$1,775,163 (2019: \$1,120,326). This was mainly driven by significant legal costs and exploration expenses in the prior year. Legal expenses amounted to \$153,861 (2019: \$101,763), due to ongoing dispute with TMS regarding ownership and control of Chaketma Phosphates SA (CPSA).

#### *Financial Position*

The net asset position increased by \$931,661 to \$1,085,909 at 30 June 2020 (30 June 2019: \$154,248), which was largely due to cash received through exercise of options during the year of \$2,100,643, offset by the loss for the year of \$1,808,938.

#### *Cashflow*

During the period the consolidated entity had a negative cash flow from operating activities of \$1,295,599 (2019: \$1,120,326). The increase is largely due to the increase in legal expenditure where various processes were being pursued to resolve the ongoing dispute with TMS in prior year and also due the exploration consulting expenses of \$327,533 incurred in the year on Chaketma Phosphates SA (CPSA). A total of \$2,100,643 was received from the exercise of options during the year.

#### Chaketma Project

##### *JV Partners' Dispute*

Celamin's wholly-owned subsidiary, Celamin Limited, has been wholly successful in the arbitration and court process regarding the return of its of 50.99% interest in Chaketma Phosphate SA (CPSA), the entity that holds the Chaketma Phosphate Project in Tunisia, and payment of US\$4.6m in damages and costs. 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 conclusion of all actions against TMS. Celamin has commenced initial enquiries with credible engineering contractors regarding recommencement of a DFS on a rock phosphate operation in anticipation of the recovery of Chaketma.

*Arbitration success*

A final award ("Final Award") was delivered on 20 November 2017 by the sole arbitrator ("Arbitrator") appointed by the International Court of Arbitration of the International Chamber of Commerce ("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 50.99% shareholding in CPSA, the operating company which holds the Chaketma Phosphates Permit. The Arbitrator ruled in favour of Celamin Limited ordering TMS to return Celamin Limited's 50.99% shareholding in CPSA and to pay damages and costs in excess of US\$4 million with simple interest accruing daily until these payments are met.

*Swiss challenge*

TMS lodged an application to set aside the Final Award with the Swiss Federal Court in January 2018 on the basis of an alleged procedural defect. TMS alleged that they were not provided with certain invoices relating to a portion of the damages awarded in the Final Award, a matter unequivocally denied by Celamin's legal counsel, who also advise that the issues raised by TMS are not relevant to the Arbitrator's decision on the merits of the dispute in the Final Award. On 28 September 2018 the Company received notification that the Swiss Supreme Court declared inadmissible TMS' annulment application to set aside the Final 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 50.99% shareholding in CPSA. In addition to upholding the Final Award, the Swiss Supreme Court also ordered TMS to pay the Court's cost of approximately A\$21,500, plus an additional indemnity to Celamin for its legal costs of approximately A\$24,000. The Company is yet to receive this sum and is considering its alternatives to recover these legal costs.

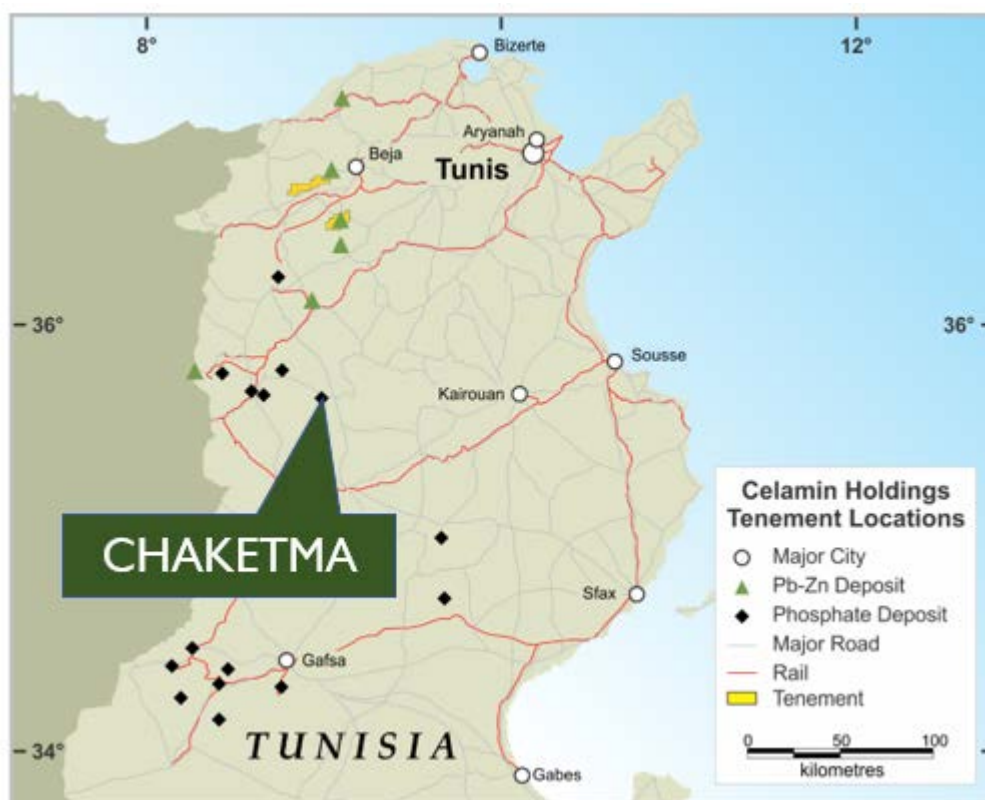
*Tunis Court of Cassation enforces Final Award*

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 50.99% interest in CPSA and payment of over US\$4 million in damages and 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. Damages owing to Celamin at 23 September 2020 amounted to circa US\$4.6 million.

*Chaketma Phosphate Project*

The Chaketma Phosphate Project consists of six prospects and covers a total area of 56km<sup>2</sup>. It is located 210km by road south-west of Tunis and is just 35km from the nearest railhead (see Figure 1 below).

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.

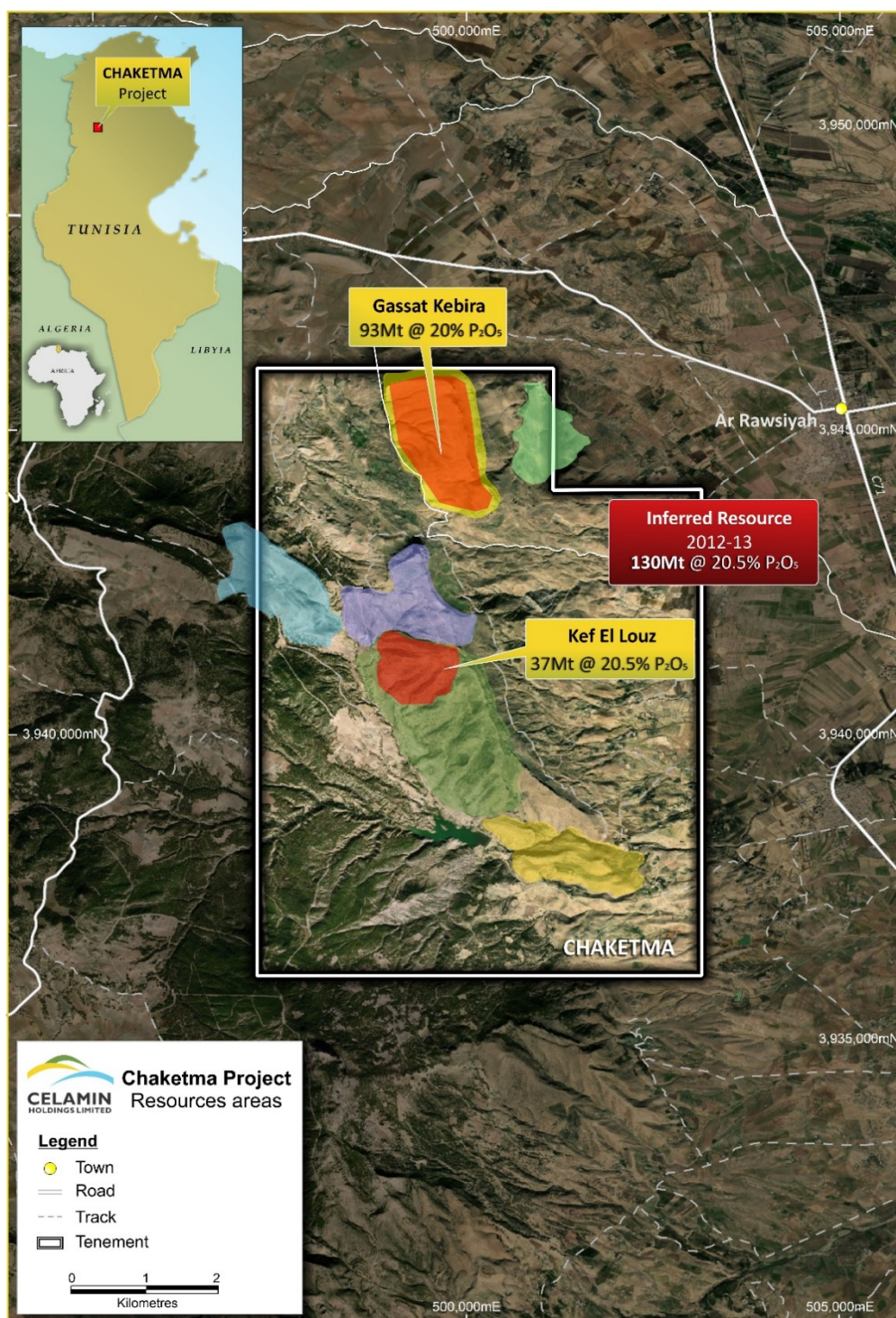


**Figure 1 – location of Chaketma Phosphate Project in Tunisia.**

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 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 (see Figure 2 below). The higher recoveries achieved utilized standard flotation processes often used in phosphate projects.





**Figure 2 – Chaketma Exploration Permit boundary and known prospects.**

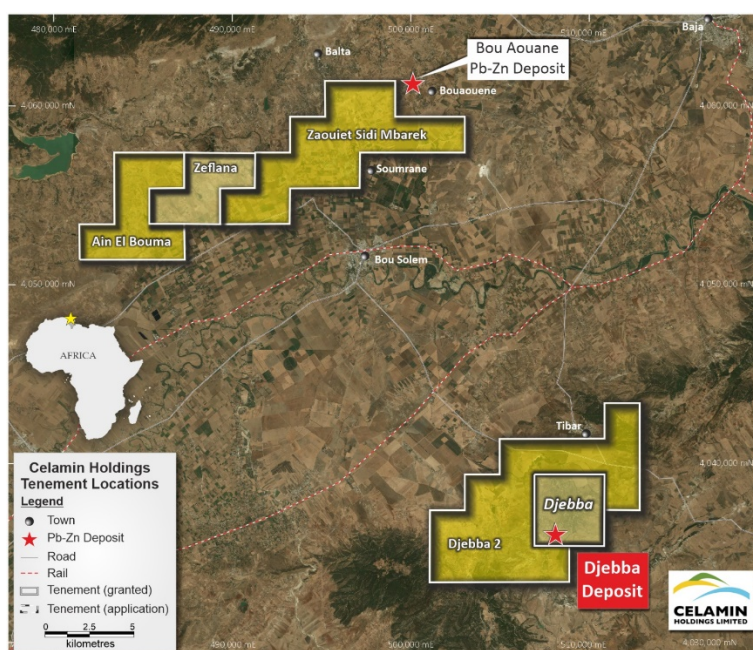
Upon recovery of the project, Celamin anticipates updating the scoping study completed in 2012 incorporating the results from the improved metallurgical test-work and current inputs for a simple rock phosphate operation as the initial stage of a two-stage development path for Chaketma.

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, technical and food grade phosphoric acid. This can be used for food additives, animal feed supplements and fertilisers such as MAP and DAP.

Celamin has also identified and engaged with a new local partner, Mr Ahmed Bouchamaoui. Mr Bouchamaoui is a highly regarded and respected businessmen in Tunisia with interests both locally and abroad. 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 which were granted in January and February 2020 respectively. (see Figure 3 below).



**Figure 3 - Location of the Djebba and Zeflana granted permits with granted contiguous permits.**

### **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.



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

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.

During the year, a total of 42,012,864 fully paid ordinary shares were issued in relation to the exercise of quoted CNLO options at an issue price of \$0.05 (5 cents) each, raising approximately \$2.1million.

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

#### **Matters subsequent to the end of the financial year**

On 31 August 2020, the Company announced that it has been advised by its Tunisian legal team that the final hearing for the urgent application to appoint an independent expert to force the return of its 50.99% stake in the Chaketma Phosphate Project occurred on 26 August 2020.

On 11 September 2020, the Company announced that its majority stake in its flagship North African phosphate project, is to be returned to the Company following a successful court application to force the transfer. The Court of Appeal in Tunis ruled to force the transfer of Celamin's 50.99% interest in the Chaketma Phosphate Project back to the Company after an arbitral award declared this share was illegally taken by its former JV partner TMS. Following the issue of the written decision, expected imminently, a court-appointed independent representative will oversee the return of the shares in the operating company that holds the Chaketma permit, Chaketma Phosphate SA (CPSA), to Celamin's wholly owned subsidiary, Celamin Ltd.

No other matter or circumstance has arisen since 30 June 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.

#### **Likely developments and expected results of operations**

In relation to the dispute between its wholly owned subsidiary Celamin Limited and its joint venture partner TMS in relation to the fraudulent purported transfer to TMS of Celamin's 50.99% interest in the joint venture company CPSA, the consolidated entity will continue to pursue all available legal and other avenues in order to secure the preservation and recognition of Celamin's rights.

#### **Environmental regulation**

The consolidated entity is not currently subject to any significant environmental regulation under Australian Commonwealth or State law.

The Company previously held participating interests in a number of exploration tenements. The various authorities granting tenements required the tenement holder to comply with the terms of the grant of the tenement given to it under those terms of the tenement. There have been no known breaches of the tenement condition, and no such breaches have been notified by any government agency during the financial year ended 30 June 2020 or previously.

**Information on directors**

<b>Name:</b>	Mr Robin Widdup
<b>Title:</b>	Chairman
<b>Qualifications:</b>	BSc (Hons), MAusIMM
<b>Experience and expertise:</b>	Robin is the founder and a director of one of Celamin's largest shareholders, Lion Selection Group Limited. Robin has 40 years of mining industry and equity market experience. Following working in a range of operations in the United Kingdom, Zambia and Australia, Robin joined the J B Were & Sons Resource Research team, prior to founding Lion Selection Group and Lion Manager in 1997. He is currently managing director of Lion Manager, director of Lion Selection Group Limited, and a non-executive director of Lion investees One Asia Resources Limited and Nusantara Resources Ltd. Lion Selection Group Ltd (Director), Nusantara Resources Ltd (Non-Executive Director), One Asia Resources Limited (Non-Executive Director)
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	11,509,684 fully paid ordinary shares
<b>Interests in options:</b>	33,334 unlisted options exercisable at \$0.20 each, expiring 10 January 2021 2,400,000 unlisted options, subject to certain vesting conditions, exercisable at \$0.09 each, expiring 15 July 2022
<b>Name:</b>	Mr Simon Eley
<b>Title:</b>	Managing Director
<b>Qualifications:</b>	LB, BA
<b>Experience and expertise:</b>	Simon is a solicitor with vast experience in the resource sector. Simon was the chairman of Tierra Grande Resources Inc. (TGR) on the NASDAQ until the company entered a merger with VNUE Inc. (OTCQB: VNUE). Simon was an Executive Director of Aragon Resources Limited and led the team that secured the Central Murchison Gold Project which became Aragon's core asset. Simon's experience includes capital raisings, commercial agreements, dispute resolution, corporate management, strategy and acquisitions and divestments.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	Egan Street Resources Limited (resigned 22 November 2019)
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	5,594,036 fully paid ordinary shares
<b>Interests in options:</b>	7,200,000 unlisted options, subject to certain vesting conditions, exercisable at \$0.09 each, expiring 15 July 2022
<b>Name:</b>	Mr Tarecq Aldaoud
<b>Title:</b>	Non-Executive Director
<b>Qualifications:</b>	B.Pharm
<b>Experience and expertise:</b>	Taz is a chemist and entrepreneur. He has 15 years' experience in analysing and investing in resource projects at all stages of development, from exploration right through to mining and production. Taz has business interests in the retail pharmacy sector as well as significant investments in both private and listed resources companies.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	5,391,415 fully paid ordinary shares
<b>Interests in options:</b>	2,400,000 unlisted options, subject to certain vesting conditions, exercisable at \$0.09 each, expiring 15 July 2022

Name: Mr Tim Markwell  
Title: Alternate Director to Robin Widdup  
Age: BSc (Hons), MAusIMM  
Experience and expertise: Tim is the investment manager of prominent mineral resources investment fund African Lion, and has previously sat on the Board of Celamin. Tim is a qualified geologist with over 20 years' experience in the resource sector, including senior technical roles with BHP, Golder Associates and Minara Resources. He joined African Lion in February 2007. Prior to this, he held roles as a resources/investment analyst with a broking firm and then a listed investment fund.

Other current directorships: None  
Former directorships (last 3 years): Aurora Minerals Ltd (resigned 9 December 2019)  
Special responsibilities: None  
Interests in shares: None  
Interests in options: None

"Other current directorships" quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

"Former directorships (in the last 3 years)" quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

#### **Company secretary**

##### **Melanie Leydin – BBus (Acc. Corp Law) CA FGIA**

Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies across a host of industries including but not limited to the Resources, technology, bioscience, biotechnology and health sectors.

Melanie has over 25 years' experience in the accounting profession and over 15 years as a Company Secretary. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

#### **Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board Attended	Held
Mr Robin Widdup	12	12
Mr Simon Eley	11	12
Mr Tarecq Aldaoud	12	12
Mr Tim Markwell	12	12

Held: represents the number of meetings held during the time the director held office.

#### **Remuneration report (audited)**

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

#### ***Principles used to determine the nature and amount of remuneration***

The intention of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The planned framework aims to align executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ("the Board") ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Remuneration and Nomination Committee will implement an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retains high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### ***Non-executive directors remuneration***

Non-Executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. The limit of Non-Executive Director fees was increased to a maximum of \$350,000 at the company's Annual General Meeting on 20 October 2010. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act 2001 at the time of the Director's retirement or termination. Non-Executive Directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX Listing Rules.

As from 1 July 2015 the Company remunerates Non-Executive Directors at a rate of \$40,000 per annum except for the Non-Executive Chairman who receives fees of \$60,000 per annum. There were no incentives or bonuses paid during the year to Non-Executive Directors. For additional duties in assisting management beyond the normal time commitments of non-executive directors, non-executive directors are paid at a per diem rate, with the rates approved by other directors.

#### ***Executive remuneration***

Despite remuneration for executives currently consisting of entirely fixed remuneration, the consolidated entity aims to reward executives with a level and mix of remuneration, based on their position and responsibility, which is both fixed and variable. The consolidated entity will take steps to ensure that executives are paid the correct blend of remuneration to align the interests of executives and shareholders.



The executive remuneration and reward framework has the following components:

- base pay
- share based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

The long-term incentives ('LTI') include long service leave and share based payments.

*Consolidated entity performance and link to remuneration*

The remuneration of directors and executives are not linked to the performance, share price or earnings of the consolidated entity.

As stated above, the consolidated entity aims to reward executives with a level and mix of remuneration, based on their position and responsibility, which is both fixed and variable.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

*Voting and comments made at the Company's 18 November 2019 Annual General Meeting ('AGM')*

At the 18 November 2019 AGM, 99.97% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) and executives of Celamin Holdings Limited are set out in the following tables.

In accordance with best practice corporate governance, the structure of Non-Executive Directors and executive remunerations are separate. This provides a clear structure for earning rewards.

All remuneration paid to Non-Executive Directors during the 2020 and 2019 financial years was fixed.

The key management personnel of the consolidated entity consisted of the following directors and other executives of Celamin Holdings Limited:

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

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Bonuses	Non-monetary	Superannuation	Termination payments	Equity-settled	Total
30 June 2020	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Mr R Widdup	-	-	-	-	-	126,900	126,900
Mr T Aldaoud	43,800	-	-	-	-	61,200	105,000
<i>Executive Directors:</i>							
Mr S Eley	135,000	-	-	12,825	-	232,875	380,700
	178,800	-	-	12,825	-	420,975	612,600

\* Director fees for Chief Executive Officer/ Managing Director and the Non-Executive Directors for the period up to 30 September 2019 were partially settled in ordinary shares. The value of the shares issued to settle amounts owing reflected the fair value of a share on the date of settlement. The difference between the carrying amount of the liability extinguished and the value of the consideration paid, was recognised in the profit and loss as a loss.

\*\* From 1 July 2019, Ms M Leydin is not considered key management personnel, as she is not a decision maker.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Bonuses	Non-monetary	Super-annuation	Termination payments	Equity-settled**	Total
30 June 2019	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Mr R Widdup*	35,298	-	-	-	-	-	35,298
Mr T Aldaoud*	21,900	-	-	-	-	-	21,900
Mr T Markwell*	20,000	-	-	-	-	-	20,000
Mr N Clift***	14,529	-	-	1,380	-	-	15,909
Ms S Higgins****	42,619	-	-	-	-	-	42,619
Mr M Broome	26,429	-	-	-	-	-	26,429
<i>Executive Directors:</i>							
Mr S Eley**	152,964	18,000	-	17,852	-	16,957	205,773
<i>Other Key Management Personnel:</i>							
Ms M Leydin*****	96,000	-	-	-	-	-	96,000
	409,739	18,000	-	19,232	-	16,957	463,928

\* Directors have agreed to defer payment of part salary/fees payable to them until the first occurrence of certain contingency events, which include enforcement of the Final Award, raising significant capital, shareholder approval or the director ceasing to act as a director. The amount of the deferred payments is included in Cash Salary and Fees above

\*\* Mr Eley's Chief Executive Officer fees for the period 1 July 2018 to 31 October 2018 were settled in ordinary shares. The value of the shares issued to settle amounts owing reflected the fair value of a share on the date of settlement. The difference between the carrying amount of the liability extinguished and the value of the consideration paid, was recognised in the profit and loss as a loss.

\*\*\* Included in cash salary and fees paid to N Clift, is \$2,517 related to PAYG on his director fees for the period 1 July 2018 to 23 November 2018.

\*\*\*\* Included in cash salary and fees paid to S Higgins, is \$25,000 related to additional professional and consulting services.

\*\*\*\*\* Fees paid to Leydin Freyer Corporate Pty Ltd for company secretarial fees and accounting services.

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<i>Non-Executive Directors:</i>						
Mr R Widdup	-	100%	-	-	100%	-
Mr T Aldaoud	42%	100%	-	-	58%	-
Mr T Markwell	-	100%	-	-	-	-
Mr N Clift	-	100%	-	-	-	-
Ms S Higgins	-	100%	-	-	-	-
Mr M Broome	-	100%	-	-	-	-
<i>Executive Directors:</i>						
Mr S Eley	39%	92%	-	-	61%	8%
<i>Other Key Management Personnel:</i>						
Ms M Leydin*	-	100%	-	-	-	-

\* From 1 July 2019, Ms M Leydin is not considered key management personnel, as she is not a decision maker.

### **Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Mr Robin Widdup  
Title: Chairman  
Agreement commenced: 11 December 2018  
Details: Mr Widdup may resign from his position and thus terminate this contract at any time by giving written notice. Remuneration comprises a base salary of \$65,700 per annum inclusive of statutory superannuation for non-executive chair duties.

Name: Mr Simon Eley  
Title: Managing Director  
Agreement commenced: 8 April 2019  
Details: No fixed term. Ongoing until terminated by the Company or the employee with 3 months' notice. Remuneration comprises a salary of \$180,000 per annum (plus statutory superannuation). Remuneration is currently paid as a combination of cash and Equity in the Company in lieu of cash, subject to shareholder approval. Long-term incentive arrangements operated or introduced by the Company from time to time, in accordance with the terms and conditions governing those arrangements and as separately notified to the Executive by the Board.

Name: Mr Tarecq Aldaoud  
Title: Non-Executive Director  
Agreement commenced: 3 January 2019  
Details: Mr Aldaoud may resign from his position and thus terminate this contract at any time by giving written notice. Remuneration comprises a base salary of \$43,800 per annum inclusive of statutory superannuation for non-executive director duties.

Name: Mr Tim Markwell  
Title: Alternate Director for Robin Widdup  
Agreement commenced: 2 January 2019  
Details: Mr Markwell may resign from his position and thus terminate this contract at any time by giving written notice.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### **Share-based compensation**

#### *Issue of shares*

Details of shares issued to directors and other key management personnel during the year ended 30 June 2020 are set out below:

Name	Date	Shares	Issue price	\$
Robin Widdup	7 August 2019	93,112	\$0.02800	2,607
Robin Widdup	7 August 2019	176,612	\$0.03100	5,475
Robin Widdup	7 August 2019	119,021	\$0.04600	5,475
Robin Widdup	7 August 2019	89,754	\$0.06100	5,475
Robin Widdup	7 August 2019	78,214	\$0.07000	5,475
Robin Widdup	7 August 2019	77,112	\$0.07100	5,475
Tarecq Aldaoud	7 August 2019	117,741	\$0.03100	3,650
Tarecq Aldaoud	7 August 2019	79,347	\$0.04600	3,650
Tarecq Aldaoud	7 August 2019	59,836	\$0.06100	3,650
Tarecq Aldaoud	7 August 2019	52,142	\$0.07000	3,650
Tarecq Aldaoud	7 August 2019	51,408	\$0.07100	3,650
Simon Eley	7 August 2019	175,694	\$0.02900	5,095
Simon Eley	7 August 2019	181,968	\$0.02800	5,095
Simon Eley	7 August 2019	164,359	\$0.03100	5,095
Simon Eley	7 August 2019	110,763	\$0.04600	5,095
Simon Eley	7 August 2019	83,526	\$0.06100	5,095
Simon Eley	7 August 2019	32,350	\$0.07000	2,265
Simon Eley	7 August 2019	31,894	\$0.07100	2,265
Tim Markwell	7 August 2019	666,665	\$0.02500	16,667
Tim Markwell	7 August 2019	222,222	\$0.03000	6,667
Tim Markwell	7 August 2019	144,927	\$0.02300	3,333
Tim Markwell	7 August 2019	344,826	\$0.02900	10,000
Tim Markwell	7 August 2019	119,047	\$0.02800	3,333
Robin Widdup	18 December 2019	79,347	\$0.06900	5,475
Robin Widdup	18 December 2019	88,306	\$0.06200	5,475
Robin Widdup	18 December 2019	85,546	\$0.06400	5,475
Robin Widdup	18 December 2019	78,214	\$0.07000	5,475
Taz Aldaoud	18 December 2019	52,898	\$0.06900	3,650
Taz Aldaoud	18 December 2019	58,870	\$0.06200	3,650
Taz Aldaoud	18 December 2019	57,031	\$0.06400	3,650
Taz Aldaoud	18 December 2019	52,142	\$0.07000	3,650
Simon Eley	18 December 2019	32,818	\$0.06900	2,265
Simon Eley	18 December 2019	36,524	\$0.06200	2,265
Simon Eley	18 December 2019	35,382	\$0.06400	2,265
Simon Eley	18 December 2019	32,350	\$0.07000	2,265

\* On 7 August 2019, shares were issued to directors in lieu of their fees up to May 2019.

\*\* On 18 December 2019, shares were issued to directors in lieu of their fees up to September 2019.

#### *Options*

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Simon Eley	7,200,000	07/08/2019	See note below	15/07/2022	\$0.09000	\$0.060
Robin Widdup	2,400,000	07/08/2019	See note below	15/07/2022	\$0.09000	\$0.060
Tarecq Aldaoud	2,400,000	07/08/2019	See note below	15/07/2022	\$0.09000	\$0.060



- \* 50% of the above options vest upon regaining a majority interest in Chaketma.  
 \*\* 50% of the above options vest upon securing funding for Definitive Feasibility Study (DFS).

Options granted carry no dividend or voting rights.

### **Additional information**

The earnings of the consolidated entity for the five years to 30 June 2020 are summarised below:

	2020 \$	2019 \$	2018 \$	2017 \$	2016 \$
Other income	33,775	5,277	389,801	4,388	2,758
Loss before income tax	(1,808,938)	(1,180,887)	(1,206,881)	(2,025,351)	(14,300,931)
Loss after income tax	(1,808,938)	(1,180,887)	(1,206,881)	(2,025,351)	(14,300,931)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at the start of the financial year (\$)	0.07	0.03	0.01	0.01	0.01
Share price at the end of the financial year (\$)	0.08	0.07	0.03	0.01	0.01
Basic earnings per share (cents per share)	(1.98)	(1.50)	(2.47)	(20.13)	(143.99)

### **Additional disclosures relating to key management personnel**

#### **Shareholding**

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other	Balance at the end of the year
<b>Ordinary shares</b>					
Mr R Widdup**	7,293,426	2,462,925	1,753,333	-	11,509,684
Mr S Eley*	2,217,605	917,628	2,458,803	-	5,594,036
Mr T Aldaoud**	2,910,000	581,415	1,900,000	-	5,391,415
Ms M Leydin***	158,809	-	-	(158,809)	-
	<u>12,579,840</u>	<u>3,961,968</u>	<u>6,112,136</u>	<u>(158,809)</u>	<u>22,495,135</u>

\* These figures shown as received as part of remuneration include shares issued in relation to settlement of partial salary for period up to 30 September 2019.

\*\* These figures shown as received as part of remuneration include shares issued in relation to settlement of 100% salary for period up to 30 September 2019.

\*\*\* From 1 July 2019, Ms M Leydin is not considered key management personnel, as she is not a decision maker.

#### **Option holdings**

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ Other	Balance at the end of the year
<b>Options over ordinary shares</b>					
Mr R Widdup***	2,206,667	2,400,000	(1,753,333)	-	2,853,334
Mr S Eley*	1,108,803	7,200,000	(2,458,803)	1,350,000	7,200,000
Mr T Aldaoud	1,900,000	2,400,000	(1,900,000)	-	2,400,000
Ms M Leydin**	158,572	-	-	(158,572)	-
	<u>5,374,042</u>	<u>13,350,000</u>	<u>(6,112,136)</u>	<u>(158,572)</u>	<u>12,453,334</u>

\*1,350,000 options referred to in the table above, were acquired off-market by Mr S Eley during the year.

\*\*From 1 July 2019, Ms M Leydin is not considered key management personnel, as she is not a decision maker.

\*\*\*Subsequent to year end, on 11 July 2020, 420,000 unlisted options exercisable at \$0.20 (20 cents) each, held by Mr R Widdup expired.

***This concludes the remuneration report, which has been audited.***

### **Shares under option**

Unissued ordinary shares of Celamin Holdings Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
10 January 2018	10 January 2021	\$0.20000	135,027
9 April 2019	9 April 2021	\$0.04000	2,000,000
7 August 2019	15 July 2022	\$0.09000	12,000,000
18 December 2019	18 December 2021	\$0.01050	500,000
			<u>14,635,027</u>

### **Shares issued on the exercise of options**

The following ordinary shares of Celamin Holdings Limited were issued during the year ended 30 June 2020 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
19 November 2018	\$0.05000	42,012,864

### **Indemnity and insurance of officers**

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

### **Indemnity and insurance of auditor**

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### **Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 17 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

#### **Officers of the company who are former partners of Grant Thornton Audit Pty Ltd**

There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

#### **Auditor's independence declaration**

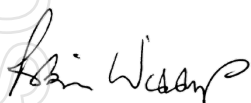
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

#### **Auditor**

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors:



Robin Widdup  
Non-Executive Chairman

30 September 2020  
Melbourne

## 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 audit of Celamin Holdings Limited for the year ended 30 June 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 30 September 2020

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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**Celamin Holdings Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Gain/(loss) on extinguishment of liabilities</b>	5	-	(3,787)
Other income	6	32,066	-
Interest revenue		1,709	9,064
<b>Expenses</b>			
Legal expenses		(153,861)	(101,763)
Corporate expenses		(241,877)	(275,280)
Administration expenses		(274,665)	(326,700)
Employment expenses		(459,534)	(471,433)
Exploration consulting expenses		(327,533)	-
Share based payments expense	30	(385,243)	(10,988)
<b>Loss before income tax expense</b>		(1,808,938)	(1,180,887)
Income tax expense	7	-	-
<b>Loss after income tax expense for the year attributable to the owners of Celamin Holdings Limited</b>		(1,808,938)	(1,180,887)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of Celamin Holdings Limited</b>		<u>(1,808,938)</u>	<u>(1,180,887)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	29	(1.98)	(1.50)
Diluted earnings per share	29	(1.98)	(1.50)

*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 30 June 2020**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	1,561,942	777,668
Trade and other receivables	9	15,838	21,118
Other	10	59,350	21,308
Total current assets		<u>1,637,130</u>	<u>820,094</u>
<b>Non-current assets</b>			
Exploration and evaluation	11	<u>35,421</u>	<u>15,352</u>
Total non-current assets		<u>35,421</u>	<u>15,352</u>
<b>Total assets</b>		<u>1,672,551</u>	<u>835,446</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	564,457	672,091
Employee benefits		<u>22,185</u>	<u>9,097</u>
Total current liabilities		<u>586,642</u>	<u>681,188</u>
<b>Total liabilities</b>		<u>586,642</u>	<u>681,188</u>
<b>Net assets</b>		<u>1,085,909</u>	<u>154,258</u>
<b>Equity</b>			
Issued capital	13	53,415,977	51,060,631
Reserves	14	442,263	57,020
Accumulated losses		<u>(52,772,331)</u>	<u>(50,963,393)</u>
<b>Total equity</b>		<u>1,085,909</u>	<u>154,258</u>

*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 year ended 30 June 2020**



<b>Consolidated</b>	<b>Contributed Equity \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2018	49,595,415	68,782	(49,783,616)	(119,419)
Loss after income tax expense for the year	-	-	(1,180,887)	(1,180,887)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,180,887)	(1,180,887)
Share based payments	-	10,988	-	10,988
Capital raising costs	(60,682)	-	-	(60,682)
Options exercised	-	(22,750)	-	(22,750)
Expired Options	-	-	1,110	1,110
Share capital issued	1,525,898	-	-	1,525,898
Balance at 30 June 2019	<u>51,060,631</u>	<u>57,020</u>	<u>(50,963,393)</u>	<u>154,258</u>
<b>Consolidated</b>	<b>Contributed Equity \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	51,060,631	57,020	(50,963,393)	154,258
Loss after income tax expense for the year	-	-	(1,808,938)	(1,808,938)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,808,938)	(1,808,938)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 30)	-	385,243	-	385,243
Options exercised (note 13)	2,100,643	-	-	2,100,643
Issue of shares (note 13)	254,703	-	-	254,703
Balance at 30 June 2020	<u>53,415,977</u>	<u>442,263</u>	<u>(52,772,331)</u>	<u>1,085,909</u>

*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 year ended 30 June 2020**



		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(1,315,064)	(1,129,390)
Interest received		3,432	9,064
Government grants received		16,033	-
Net cash used in operating activities	28	(1,295,599)	(1,120,326)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation	11	(20,070)	(15,352)
Net cash used in investing activities		(20,070)	(15,352)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares and exercise of options	13	2,100,643	1,389,127
Share issue transaction costs		-	(60,682)
Net cash from financing activities		2,100,643	1,328,445
Net increase in cash and cash equivalents		784,974	192,767
Cash and cash equivalents at the beginning of the financial year		777,668	585,131
Effects of exchange rate changes on cash and cash equivalents		(700)	(230)
Cash and cash equivalents at the end of the financial year	8	<u>1,561,942</u>	<u>777,668</u>

*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 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 30 September 2020. The directors have the power to amend and reissue the financial statements.

## **Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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**

The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (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 improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. 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 but there is no material effect on company's recognition or measurement as company is not involved in any lease agreements.

## **Note 2. Significant accounting policies (continued)**

### **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 \$1,808,938 during the financial year (2019: \$1,180,887) and had net operating cash outflows of \$1,295,599 (2019: \$1,120,326). As a result of the exercise of options during the year, the consolidated entity received \$2,100,643 during the year. Cash balances increased by \$784,974 to \$1,561,942 as at 30 June 2020, compared to \$777,668 in the prior year.

The consolidated entity also has contingent liability as disclosed in Note 20 in relation to its ongoing dispute as detailed in Note 19. These liabilities are only due to be settled from 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.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### **Parent entity information**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Celamin Holdings Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Celamin Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

## **Note 2. Significant accounting policies (continued)**

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### **Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODM"). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### **Revenue recognition**

The consolidated entity recognises revenue as follows:

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

## **Note 2. Significant accounting policies (continued)**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Trade and other receivables**

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### **Joint ventures**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

### **Exploration and evaluation assets**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

### **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

## **Note 2. Significant accounting policies (continued)**

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **Trade and other payables**

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. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Employee benefits**

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.



## **Note 2. Significant accounting policies (continued)**

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

### **Earnings per share**

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Celamin Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### **Reclassification**

Certain amounts reported in prior years in the financial statements have been reclassified to conform to the current year's presentation.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.



## **Note 2. Significant accounting policies (continued)**

### **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. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### *Exploration and evaluation costs*

At each reporting date, the directors review the carrying value of each area of interest, with reference to the indicators of impairment outlined in AASB 6 - Exploration for and Evaluation of Mineral Resources. The directors also consider whether the expenditure on each area of interest qualify for treatment under the requirements of AASB 6.

## **Note 4. 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 5. Gain/(loss) on extinguishment of liabilities**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
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 6. Other income**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Government grant received	32,066	-

**Note 7. Income tax expense**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>

*Numerical reconciliation of income tax expense and tax at the statutory rate*

Loss before income tax expense	(1,808,938)	(1,180,887)
Tax at the statutory tax rate of 27.5%	(497,458)	(324,744)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Costs incurred in deriving non-assessable non-exempt income	75,976	81,312
Share-based payments	105,942	3,022
Other non-assessable non-exempt income	(8,818)	-
	(324,358)	(240,410)
Current year tax losses not recognised	323,330	294,905
Current year temporary differences not recognised	1,028	(35,306)
Current year temporary differences not recognised (unders/overs)	-	(19,189)
Income tax expense	-	-

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>

*Tax losses not recognised*

Unused tax losses for which no deferred tax asset has been recognised	16,880,279	15,637,491
Potential tax benefit @ 27.5%	4,642,077	4,300,310

## **Note 7. Income tax expense (continued)**

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

- i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- iii) no change in tax legislation adversely affects the consolidated entity in realizing the benefits from deducting the losses.

In respect of the activities in Tunisia, the current Mining Code of the Republic of Tunisia provides the holder of exploration permits with a five year exemption from payment of income tax following the commencement of effective exploitation.

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprise:		
Accrued expenses	116,522	116,634
Tax losses	4,642,077	4,300,310
Other temporary differences	120,980	119,839
Total deferred tax assets not recognised	<u>4,879,579</u>	<u>4,536,783</u>

The above potential tax benefit for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

## **Note 8. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<u>1,561,942</u>	<u>777,668</u>

## **Note 9. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Trade and other receivables	160,000	160,000
Less: Provision for doubtful debts	(160,000)	(160,000)
	<u>-</u>	<u>-</u>
GST receivable	15,838	21,118
	<u>15,838</u>	<u>21,118</u>

Celamin has launched legal action in the Tunisian courts to recover the \$160,000 as the samples have never been delivered to Celamin by TMS. TMS have not refunded the \$160,000 that Celamin paid to TMS for the samples. Celamin are pursuing the return of these funds through a separate legal action in Tunisia. This legal action is ongoing at reporting date.

**Note 10. Current assets - other**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Accrued revenue	16,033	-
Prepayments	22,930	921
Deposits supporting bank guarantees	20,387	20,387
	<u>59,350</u>	<u>21,308</u>

**Note 11. Non-current assets - exploration and evaluation**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation assets	<u>35,421</u>	<u>15,352</u>

During the period the consolidated entity was granted two permits in Tunisia prospective for Zinc.

**Note 12. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables	97,235	191,962
Other payables	467,222	480,129
	<u>564,457</u>	<u>672,091</u>

Refer to note 16 for further information on financial instruments.

Following the dispute arising with TMS, the Company announced a cash conservation programme on 24 April 2015. Since that time the payment of all 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 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 13. Equity - issued capital**

	<b>Consolidated</b>			
	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>194,009,961</u>	<u>146,100,894</u>	<u>53,415,977</u>	<u>51,060,631</u>

**Note 13. Equity - issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2018	89,733,939		49,595,415
Settlement of CEO remuneration for July 2018 to October 2018*	16 November 2018	617,605	\$0.02700	16,675
Share Purchase Plan	16 November 2018	24,900,000	\$0.02500	622,500
Issue of shares pursuant to the Top up placement	16 November 2018	12,465,564	\$0.02500	311,639
Issue of shares pursuant to the Top up placement	20 December 2018	994,526	\$0.02500	24,863
Issue of shares as settlement of consulting fees payable*	20 December 2018	3,786,760	\$0.02600	98,456
Placement of FPO's	14 February 2019	10,000,000	\$0.02500	250,000
Exercise of Options	30 June 2019	3,602,500	\$0.05000	180,125
Transfer from share based payments reserve on exercise of options	30 June 2019	-	\$0.00000	21,640
Capital raising costs		-	\$0.00000	(60,682)
Balance	30 June 2019	146,100,894		51,060,631
Settlement of Director fees for January 2018 to May 2019	07 August 2019	2,131,512	\$0.04000	69,982
Settlement of CEO remuneration for November 2018 to May 2019	07 August 2019	780,554	\$0.04000	30,005
Settlement of Director fees January 2018 to May 2019	07 August 2019	360,474	\$0.04000	18,250
Settlement of CEO remuneration for June 2019 to September 2019	18 December 2019	137,074	\$0.06600	9,058
Settlement of Director fees June 2019 to September 2019	18 December 2019	331,413	\$0.06600	21,900
Settlement of Director fees June 2019 to September 2019	18 December 2019	220,941	\$0.06600	14,600
Issue of shares to a consultant in consideration for services provided	18 December 2019	1,934,235	\$0.04700	90,909
services provided	18 December 2019	40,001	\$0.05000	2,000
Exercise of Option	03 January 2020	252,625	\$0.05000	12,631
Exercise of Option	15 January 2020	200,100	\$0.05000	10,005
Exercise of Option	11 February 2020	1,108,803	\$0.05000	55,440
Exercise of Option	14 February 2020	4,053,333	\$0.05000	202,667
Exercise of Option	16 March 2020	6,573,355	\$0.05000	328,668
Exercise of Option	27 March 2020	450,000	\$0.05000	22,500
Exercise of Option	24 April 2020	2,604,387	\$0.05000	130,219
Exercise of Option	01 May 2020	4,794,621	\$0.05000	239,731
Exercise of Option	08 May 2020	4,212,793	\$0.05000	210,640
Exercise of Option	12 May 2020	851,270	\$0.05000	42,563
Exercise of Option	14 May 2020	11,424,111	\$0.05000	571,205
Exercise of Option	19 May 2020	5,447,465	\$0.05000	272,373
Balance	30 June 2020	<u>194,009,961</u>		<u>53,415,977</u>

\*The issue price of these shares represent the deemed fair value of the shares issued to extinguish the existing liabilities.

*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.

### **Note 13. Equity - issued capital (continued)**

#### *Options*

Options do not entitle the holder to participate in dividends and the proceeds on the winding up of the company.

Option holders do not have any voting rights.

#### *Share buy-back*

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

#### *Capital risk management*

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The consolidated entity may issue new shares in order to provide a sufficient level of funding for its phosphate projects whilst maintaining an appropriate capital structure and sound gearing.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

### **Note 14. Equity - reserves**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>

Options reserve

442,263	57,020
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#### *Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

#### *Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	Option \$	Total \$
Balance at 1 July 2018	68,782	68,782
Share based payments	10,988	10,988
Options issued - share-based	(21,640)	(21,640)
Transfer of lapsed options	(1,110)	(1,110)
Balance at 30 June 2019	57,020	57,020
Share based payments	385,243	385,243
Balance at 30 June 2020	442,263	442,263



## Note 15. Equity - dividends

There were no dividends paid or declared during the current or previous financial year.

## Note 16. Financial instruments

### Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

### Market risk

#### Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is assessed using cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was not significant.

	Assets		Liabilities	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Consolidated	\$	\$	\$	\$
US dollars	6,032	5,890	-	-
Tunisian dinar	12,360	7,219	-	-
	<u>18,392</u>	<u>13,109</u>	<u>-</u>	<u>-</u>

Consolidated - 30 June 2020	% change	AUD strengthened Effect on profit before tax		% change	AUD weakened Effect on profit before tax	
		Effect on equity			Effect on equity	
US Dollar	10%	603	603	10%	(603)	(603)
Tunisian dinar	10%	1,236	1,236	10%	(1,236)	(1,236)
		<u>1,839</u>	<u>1,839</u>		<u>(1,839)</u>	<u>(1,839)</u>

Consolidated - 30 June 2019	% change	AUD strengthened Effect on profit before tax		% change	AUD weakened Effect on profit before tax	
		Effect on equity			Effect on equity	
US Dollar	10%	589	589	10%	(589)	(589)
Tunisian dinar	10%	722	722	10%	(722)	(722)
		<u>1,311</u>	<u>1,311</u>		<u>(1,311)</u>	<u>(1,311)</u>

**Note 16. Financial instruments (continued)**

*Interest rate risk*

The consolidated entity's only exposure to interest rate risk is primarily in relation to short-term deposits held which are held with reputable financial institutions.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

**Liquidity risk**

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

*Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 30 June 2020</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	97,235	-	-	-	97,235
Other payables	-	467,222	-	-	-	467,222
Total non-derivatives		564,457	-	-	-	564,457

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 30 June 2019</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	191,962	-	-	-	191,962
Other payables	-	480,129	-	-	-	480,129
Total non-derivatives		672,091	-	-	-	672,091

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Note 16. Financial instruments (continued)**

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 17. Key management personnel disclosures**

***Directors***

The following persons were directors of Celamin Holdings Limited during the financial year:

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

***Compensation***

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	178,800	427,739
Post-employment benefits	12,825	19,232
Share-based payments	420,975	16,957
	<u>612,600</u>	<u>463,928</u>

**Note 18. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	54,000	55,500
<i>Other services - Grant Thornton Audit Pty Ltd</i>		
Preparation of income tax returns	11,000	10,000
	<u>65,000</u>	<u>65,500</u>

**Note 19. Contingent assets**

On 30 November 2017 a Final Award was 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 50.99% 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 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 is currently pursuing legal avenues to enforce both the return of its interest in CPSA and payment of damages and costs.

## **Note 19. Contingent assets (continued)**

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 relation to the fraudulent transfer to TMS of Celamin's 50.99% shareholding in CPSA. 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 50.99% 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. Damages owing to Celamin at 23 September 2020 amounted to circa US\$4.6 million.

## **Note 20. Contingent liabilities**

A Success Fee is 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 CPSA, the operating company holding 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 CPSA and recovery of any sizeable available asset in part or full satisfaction of damages.

## **Note 21. Commitments**

	<b>Consolidated</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
<i>Exploration Licenses - Commitments for Expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	501,967	96,250
One to five years	1,340,522	539,712
	<u>1,842,489</u>	<u>635,962</u>

In order to maintain current rights to tenure to exploration licenses, the consolidated entity has the above exploration expenditure requirements up until expiry of licenses. These obligations, which may be varied from time to time and which are subject to renegotiation upon expiry of the licenses are not provided for in the financial report and are payable.

## **Note 22. Related party transactions**

### *Parent entity*

Celamin Holdings Limited is the parent entity.

### *Subsidiaries*

Interests in subsidiaries are set out in note 24.

### *Joint ventures*

Interests in joint ventures are set out in note 25.

**Note 22. Related party transactions (continued)**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

*Transactions with related parties*

Mr Widdup is a Director of Lion Manager Pty Ltd, and has a relevant interest in Lion Manager Pty Ltd. During the financial year, Celamin Holdings Limited paid \$54,250 to Lion Manager for services rendered pursuant to the Services Agreement entered into between the Company and Lion Manager on or about 10 April 2019.

Mr Markwell is a Director of Lion Manager Pty Ltd, however Mr Markwell does not have a relevant interest in Lion Manager Pty Ltd for the purposes of the Corporations Act as he does not have direct or indirect control of over 20% of the voting power in Lion Manager Pty Ltd. During the financial year, Celamin Holdings Limited paid \$54,250 to Lion Manager for services rendered pursuant to the Services Agreement entered into between the Company and Lion Manager on or about 10 April 2019.

Ms Leydin is a Company Secretary of the Company. During the financial year, Celamin Holdings Limited paid \$96,000 in cash during the financial year and issued \$100,000 in shares to settle accrued fees to Leydin Freyer Corporate Pty Ltd (or their nominee) for company secretarial fees and accounting services.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 23. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(1,532,663)	(885,206)
Total comprehensive income	(1,532,663)	(885,206)

**Note 23. Parent entity information (continued)**

*Statement of financial position*

	<b>Parent</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Total current assets	1,618,420	806,769
Total assets	1,943,558	822,121
Total current liabilities	586,642	673,130
Total liabilities	586,642	673,130
Equity		
Issued capital	53,415,977	51,060,631
Options reserve	442,263	57,020
Accumulated losses	(52,501,324)	(50,968,660)
Total equity	1,356,916	148,991

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2020 and 30 June 2019.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.

**Note 24. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>30 June 2020</b>	<b>30 June 2019</b>
		<b>%</b>	<b>%</b>
Celamin Limited	Australia	100.00%	100.00%
Himilco Resources Pty Ltd	Australia	100.00%	100.00%



## **Note 25. Interests in joint ventures**

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2020 %	30 June 2019 %
Chaketma Phosphates SA	Tunisia	50.99%	50.99%

As noted in the Review of Operations section of the Directors' Report accompanying these financial statements, the consolidated entity's 50.99% shareholding in the joint venture company CPSA has been fraudulently transferred to its joint venture partner TMS. The consolidated entity is currently undertaking steps to recover this shareholding - refer to the Review of Operations section of the Directors' Report accompanying these financial statements for more information.

## **Note 26. Deed of cross guarantee**

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Celamin Holdings Limited  
Celamin Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Celamin Holdings Limited, they also represent the 'Extended Closed Group'.

## **Note 27. Events after the reporting period**

On 31 August 2020, the Company announced that it has been advised by its Tunisian legal team that the final hearing for the urgent application to appoint an independent expert to force the return of its 50.99% stake in the Chaketma Phosphate Project occurred on 26 August 2020.

On 11 September 2020, the Company announced that its majority stake in its flagship North African phosphate project, is to be returned to the Company following a successful court application to force the transfer. The Court of Appeal in Tunis ruled to force the transfer of Celamin's 50.99% interest in the Chaketma Phosphate Project back to the Company after an arbitral award declared this share was illegally taken by its former JV partner TMS. Following the issue of the written decision, expected imminently, a court-appointed independent representative will oversee the return of the shares in the operating company that holds the Chaketma permit, Chaketma Phosphate SA (CPSA), to Celamin's wholly owned subsidiary, Celamin Ltd.

No other matter or circumstance has arisen since 30 June 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 28. Reconciliation of loss after income tax to net cash used in operating activities**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the year	(1,808,938)	(1,180,887)
Adjustments for:		
Share-based payments	385,243	10,988
Foreign exchange differences	701	229
Gain on extinguishment of liabilities	-	3,787
Employment and consulting expenses settled in shares	254,704	111,344
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,280	(4,791)
Decrease/(increase) in prepayments	(22,009)	30,523
Decrease in trade and other payables	(123,668)	(100,616)
Increase in employee benefits	13,088	9,097
Net cash used in operating activities	<u>(1,295,599)</u>	<u>(1,120,326)</u>

**Note 29. Earnings per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Celamin Holdings Limited	<u>(1,808,938)</u>	<u>(1,180,887)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>91,278,359</u>	<u>78,773,232</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>91,278,359</u>	<u>78,773,232</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(1.98)	(1.50)
Diluted earnings per share	(1.98)	(1.50)

**Diluted earnings per share**

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the consolidated entity generated a loss during the financial year.

### Note 30. Share-based payments

An Equity Incentive 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 or other equity securities in the parent entity to eligible employees of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

During the financial year, a total of 12.5 million options were issued under the Equity Incentive Plan (with 12.0 million options issued to Director's of the Company and 0.5 million options issued to a Consultant).

The 12.0 million options issued to Director's vest in two tranches, as follows:

- 50% vesting upon regaining a majority interest in Chaketma.
- 50% vesting upon securing funding for Definitive Feasibility Study (DFS).

The 0.5 million options issued to the Consultant vested immediately at the date of grant.

Set out below are summaries of options granted:

#### 30 June 2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
06/07/2018	11/07/2020	\$0.20000	8,656,616	-	-	-	8,656,616
10/01/2018	10/01/2021	\$0.20000	135,027	-	-	-	135,027
09/04/2019	09/04/2021	\$0.04000	2,000,000	-	-	-	2,000,000
07/08/2019	15/07/2022	\$0.09000	-	12,000,000	-	-	12,000,000
18/12/2019	18/12/2021	\$0.10500	-	500,000	-	-	500,000
			10,791,643	12,500,000	-	-	23,291,643
Weighted average exercise price			\$0.17030	\$0.09060	\$0.00000	\$0.00000	\$0.12750

#### 30 June 2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/05/2018	28/05/2019	\$0.05000	3,787,500	-	(3,602,500)	(185,000)	-
06/07/2018	11/07/2020	\$0.20000	8,656,616	-	-	-	8,656,616
10/01/2018	10/01/2021	\$0.20000	135,027	-	-	-	135,027
09/04/2019	09/04/2021	\$0.04000	-	2,000,000	-	-	2,000,000
			12,579,143	2,000,000	(3,602,500)	(185,000)	10,791,643
Weighted average exercise price			\$0.15480	\$0.04000	\$0.05000	\$0.05000	\$0.17030

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	30 June 2020 Number	30 June 2019 Number
06/07/2018	11/07/2020	8,656,616	8,656,616
10/01/2018	10/01/2021	135,027	135,027
18/12/2019	18/12/2021	500,000	-
		<u>9,291,643</u>	<u>8,791,643</u>

**Note 30. Share-based payments (continued)**

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	\$0.06000	\$0.09000	82.00%	-	0.65%	\$0.060
18/12/2019	18/12/2021	\$0.12000	\$0.10500	87.00%	-	0.78%	\$0.120

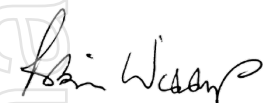
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 26 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Robin Widdup  
Non-Executive Chairman

30 September 2020  
Melbourne

# Independent Auditor's Report

## To the Members of Celamin Holdings Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Celamin Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of \$1,808,938 during the year ended 30 June 2020 and had net operating cash outflows of \$1,295,599. 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 doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Share-based payments – Note 30</b></p> <p>During the financial year, the company granted 12,000,000 unlisted options to Directors as part of the Equity Incentive Plan. These options to Directors vest upon regaining a majority interest in Chaketma, and upon securing funding for Celamin's Definitive Feasibility Study (DFS).</p> <p>Further, 500,000 unlisted options were issued to an external consultant as part of an incentive options package for services rendered, which vested immediately.</p> <p>AASB 2 <i>Share based payments</i> requires options to be valued at grant date and recognised over the vesting period.</p> <p>This area is a key audit matter due to the complex and judgemental estimates used in determining the valuation of the options and the associated share based payments expense.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining management's calculation and agreed the key assumptions utilised in the calculation to underlying support as applicable;</li> <li>• Performing an independent recalculation of the fair value of the options at issuance;</li> <li>• Assessing whether the accounting for these options are in accordance to AASB 2; and</li> <li>• Ensuring that transactions have been appropriately disclosed.</li> </ul>

## Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 10 to 17 of the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Celamin Holdings Ltd, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 30 September 2020

The shareholder information set out below was applicable as at 21 September 2020

**Distribution of equity securities**

Analysis of number of equity security holders by size of holding:

	Number of holders	Number of ordinary shares	% of ordinary shares	Number of holders	Number of \$0.20 unlisted options	% of \$0.20 unlisted options	Number of holders	Number of \$0.04 unlisted options	% of \$0.04 unlisted options
1 to 1,000	331	73,475	0.04	-	-	-	-	-	-
1,001 to 5,000	54	134,556	0.07	-	-	-	-	-	-
5,001 to 10,000	19	156,615	0.08	-	-	-	-	-	-
10,001 to 100,000	76	3,028,225	1.56	4	135,027	100.00	-	-	-
100,001 and over	110	190,617,090	98.25	-	-	-	1	2,000,000	100.00
	590	194,009,961	100.00	4	135,027	100.00	1	2,000,000	100.00
Holding less than a marketable parcel	385	208,031	0.11	-	-	-	-	-	-

	Number of holders	Number of \$0.09 unlisted options	% of \$0.09 unlisted options	Number of holders	Number of \$0.105 unlisted options	% of \$0.105 unlisted options
1 to 1,000	-	-	-	-	-	-
1,001 to 5,000	-	-	-	-	-	-
5,001 to 10,000	-	-	-	-	-	-
10,001 to 100,000	-	-	-	-	-	-
100,001 and over	3	12,000,000	100.00	1	500,000	100.00
	3	12,000,000	100.00	1	500,000	100.00
Holding less than a marketable parcel	-	-	-	-	-	-

## Equity security holders

### *Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	% of total shares issued
AFRICAN LION 3 LIMITED	22,846,709	11.78
RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	20,730,000	10.69
POLO INVESTMENTS LIMITED	13,800,000	7.11
LION MANAGER PTY LTD	11,509,684	5.93
POLO INVESTMENTS LIMITED	10,989,256	5.66
LION SELECTION GROUP LIMITED	6,900,000	3.56
MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <DALY FAMILY S/F TOM A/C>	6,326,127	3.26
NUTSVILLE PTY LTD <INDUST ELECTRIC CO S/F A/C>	5,747,653	2.96
PASIAS HOLDINGS PTY LTD	5,500,000	2.83
LANCASTER CONSULTANTS LIMITED	5,224,526	2.69
CS LOGISTICS PTY LTD <JEPSAK DISCRETIONARY A/C>	4,244,036	2.19
ALDAOUD PTY LTD <ALDAOUD FAMILY A/C>	3,891,415	2.01
RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C>	3,300,000	1.70
SAM GOULOPOULOS PTY LTD <S GOULOPOULOS F/SUPER A/C>	3,000,000	1.55
ATLANTIS MG PTY LTD <MG FAMILY A/C>	3,000,000	1.55
HIGGINS (AUSTRALIA) PTY LTD <HIGGINS SUPER FUND A/C>	2,642,876	1.36
YONDRO PTY LTD <PASIAS FAMILY A/C>	2,500,000	1.29
MAGEDO SUPER PTY LTD <MG FAMILY SUPER FUND A/C>	2,470,367	1.27
TMENA PTY LTD <COMBIVAN PTY LTD ACCOUNT>	2,171,736	1.12
CITICORP NOMINEES PTY LIMITED	2,171,316	1.12
	<b>138,965,701</b>	<b>71.63</b>

### *Unquoted equity securities*

	Number on issue	Number of holders
Options over ordinary shares with exercise price of \$0.2 (20 cents) expiring 10 January 2021	135,027	4
Options over ordinary shares with exercise price of \$0.04 (4 cents) expiring 9 April 2021	2,000,000	1
Options over ordinary shares with exercise price of \$0.09 (9 cents) expiring 15 July 2022	12,000,000	3
Options over ordinary shares with exercise price of \$0.105 (10.5 cents) expiring 18 December 2021	500,000	1
	Options over Number held	\$ of total options
Options over ordinary shares with exercise price of \$0.2 (20 cents) expiring 10 January 2021		
LANCASTER CONSULTANTS LIMITED	50,000	37.03
SUE-ANN HIGGINS	33,334	24.69
LION MANAGER PTY LTD	33,334	24.69
	Options over Number held	\$ of total options
Options over ordinary shares with exercise price of \$0.04 (4 cents) expiring 9 April 2021		
PYROPHOS PTY LTD	2,000,000	100.00

### **Substantial holders**

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

	<b>Ordinary shares</b>	
	<b>Number held*</b>	<b>% of total shares issued</b>
Lion Selection Group Limited	29,746,709	15.78
Polo Resources Limited	27,714,915	14.29
Mr Chris Retzos	27,630,372	14.24
Lion Manager Pty Ltd	9,756,351	6.42

### **Voting rights**

The voting rights attached to ordinary shares are set out below:

#### *Ordinary shares*

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.

There are no other classes of equity securities.

### **Corporate Governance**

The Company's 2020 Corporate Governance Statement is available at <https://celaminholdingsltd.com/corporate-governance/>

### **Annual General Meeting**

Celamin Holdings Limited advises that its Annual General Meeting will be held on Friday, 27 November 2020. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all Shareholders and released to the ASX in due course. In accordance with the ASX Listing Rules and the Company's Constitution, the closing date for receipt of nominations for the position of Director are required to be lodged at the registered office of the Company by 5.00pm (AEST) on 16 October 2020.