



Quarterly Activity & Cashflow Reports for Quarter ending 30 September 2020

Celamin Holdings Ltd

ASX Code: CNL

ACN 139 255 771

ABN 82 139 255 771

Board and Management:

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

Company Secretary

Melanie Leydin

Securities on Issue

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

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Summary:

- **50.99% of Chaketma Phosphate Project to be returned to Celamin**
- **Investigations into TMS actions to avoid arbitration decision delivering results and ongoing**
- **A\$6.7m damages being pursued through seizure of assets**

Phosphate and mineral exploration and development company Celamin Holdings Limited (ASX: **CNL**) ("**Celamin**" or the "**Company**") is pleased to present details of its activities for the Quarter ending 30 September 2020.

Celamin has made significant progress in regaining control of the Chaketma Phosphate Project in Tunisia ("**Chaketma**") following the illegal transfer of its interest by Tunisian Mining Services ("**TMS**"). Chaketma is a potential large-scale, world class phosphate development asset, which comprises six prospects over a total area of 56km². It hosts a total JORC compliant Inferred Resource of 130Mt @ 20.5% P₂O₅¹, confirmed from drilling at only two of the project's six prospects with access by road, and proximal to rail and gas pipelines (see Figure 1).

Chaketma Update

On 11 September 2020 Celamin announced that its majority stake in Chaketma 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 Celamin's interest was illegally transferred to its former JV partner TMS.

¹ ASX announcements dated 9 November 2012 and 18 June 2013

Following the finalisation of the court process, expected imminently, Celamin will officially have its interest in Chaketma Phosphate SA (“CPSA”), the operating company that holds the Chaketma permit, returned to Celamin’s wholly owned subsidiary, Celamin Ltd.

Celamin has initiated engagement with reputable groups to complete a GAP analysis to progress its development plans. A key aspect of this early work will be the recovery of all data, physical availability of core and a forensic accounting exercise conducted to determine the legitimacy of the manner in which funds in the joint venture account were deployed following the illegal transfer in early 2015.



Figure 1: location of the Chaketma Phosphate Project

Investigations into TMS actions

TMS has consistently failed to comply with any orders of the arbitration award issued in November 2017 as enforced by Tunisia's Court of Cassation in September 2019. Despite this, Celamin has been unwavering in its desire to invest in Tunisia because of the country's strong political and legal framework. Following the return of its interest in Chaketma, Celamin will continue to pursue TMS for approximately A\$6.7m in damages and costs as well as a range of other legal processes.

These legal measures include investigations into TMS actions to avoid an adverse arbitration outcome and date back to the commencement of the dispute in early 2015. As announced on 31 August 2020, these investigations have resulted in the seizure of trucks, cars, loaders and other mining equipment. Celamin's legal team has also seized two excavators located in Tajerouine, Tunisia (see figure 2 below). These machines cannot be accessed by TMS at this time and, subject to determining ownership, may be sold with funds going to Celamin to offset the damages and costs owed by TMS.



Figure 2: two TMS excavators located in Tajerouine seized by Celamin in September.

Celamin has also instituted other actions designed to hold the management of CPSA and TMS accountable for the decisions made in relation to the management of Chaketma following the illegal transfer of Celamin's interest in CPSA to TMS.

Accrued damages update

The damages owed by TMS continue to accrue. The amount now owing to Celamin is approximately A\$6.7m. This amount increases every day that TMS fails to honour the arbitration orders issued in November 2017.

Zeflana and Djebba update

The areas around Djebba and Zeflana are known to host historical zinc-lead mines and have not had the benefit of modern exploration technologies (see Figure 3).

Current restrictions in place in Tunisia and Australia due to the Coronavirus have prevented Celamin from accessing the projects to advance initial exploration work. When the restrictions are lifted, Celamin plans to complete initial broad scale mapping, soil sampling and geophysical surveys ahead of identifying and prioritising drill targets.

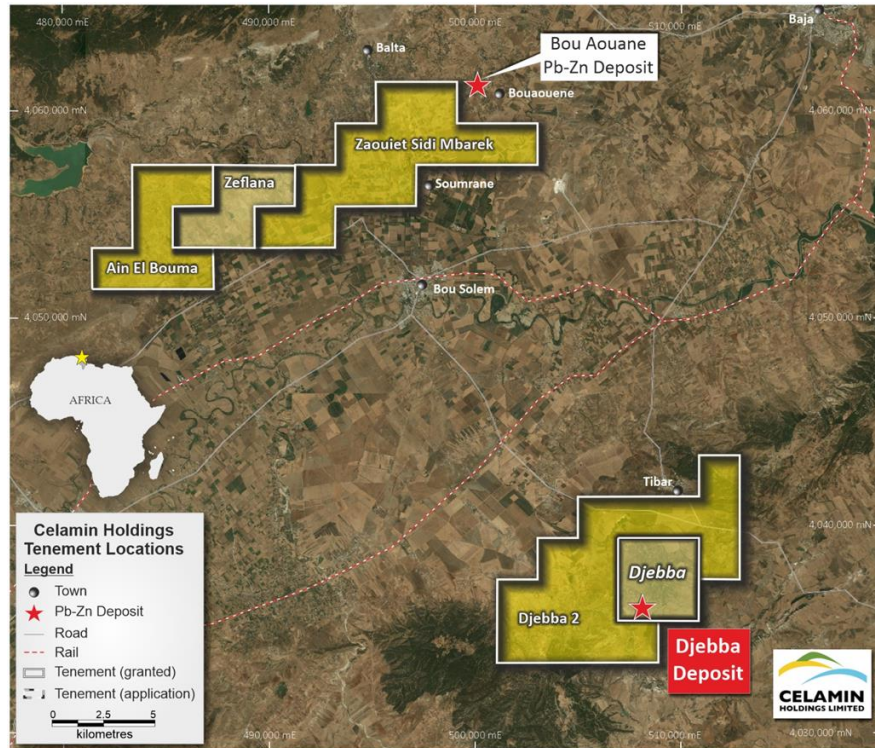


Figure 3; Location of the original and extended Zn/Pb permits in Tunisia

Corporate update

Celamin held cash and cash equivalents of approximately A\$1.3m at the end of the September 2020 quarter.

Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 5B to this quarterly activities report were \$92,000. These payments are related to Director fees and consulting fees paid to directors and to their related entities during the September 2020 quarter.

This announcement is authorised for release to the market by the Board of Directors of Celamin Holdings Limited.

For further information, please contact:

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Managing Director

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Lists of Tenements Held

| Mining Tenement | Location | Beneficial Percentage held | Interest acquired/farm-in during the quarter | Interest Disposed/farm-out during the quarter |
|----------------------------|-----------------|-----------------------------------|---|--|
| Chaketma | Tunisia | - %* | | - * (see below) |
| Zeflana | Tunisia | 100% | - | - |
| Ain El Bouma | Tunisia | 100% | - | - |
| Zaouiet Sidi Mbarek | Tunisia | 100% | - | - |
| Djebba | Tunisia | 100% | - | - |
| Djebba 2 | Tunisia | 100% | - | - |

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

Appendix 5B

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

Name of entity

CELAMIN HOLDINGS LIMITED

ABN

82 139 255 771

Quarter ended ("current quarter")

30 September 2020

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | - |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (91) | (91) |
| | (e) administration and corporate costs | (180) | (180) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 1 | 1 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | | |
| | - Government Incentive | 20 | 20 |
| 1.9 | Net cash from / (used in) operating activities | (250) | (250) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

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

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

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,562 | 1,562 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (250) | (250) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 1,312 | 1,312 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 1,312 | 1,562 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,312 | 1,562 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 92 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

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

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

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-------|---|----------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (250) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (250) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 1,312 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 1,312 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 5.25 |
| | <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Answer: N/A | |
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| | Answer: N/A | |

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

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

Answer: N/A

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

Compliance statement

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

Date: 30 October 2020

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.