



ASX Announcement

31 January 2020

## Quarterly Activity & Cashflow Reports for Quarter ending 31 December 2019

### Celamin Holdings Ltd

ASX Code: CNL / CNLO

ACN 139 255 771

ABN 82 139 255 771

### Board and Management:

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

### Company Secretary

Melanie Leydin

### Securities on Issue

152,489,823	ordinary shares
68,777,348	listed options
8,656,616	unlisted options
135,027	unlisted options
2,000,000	unlisted options
12,000,000	unlisted options
500,000	unlisted options

### Contact

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Fax: +61 (0)3 9077 9233  
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### Registered Office Address

Level 4, 100 Albert Road  
South Melbourne VIC 3205

### Website

[www.celaminholdingsltd.com](http://www.celaminholdingsltd.com)

### Summary:

- In Q3 2019 Celamin won the final Tunisian court hearing ordering TMS to return Celamin's interest in Chaketma plus damages
- TMS has no further avenues to dispute the return of Celamin's interest in Chaketma and payment of damages
- TMS has not complied with the orders and, accordingly, Celamin continues seizing TMS assets and pursuing legal avenues to recover control of Chaketma AND A\$6.6M in damages which increases daily
- Celamin is ready to begin feasibility work on Chaketma as soon as control is returned and has the required team on standby
- Additional Djebba exploration permit granted

Phosphate and mineral exploration and development company Celamin Holdings Limited (ASX: **CNL**, **CNLO**) ("**Celamin**" or the "**Company**") is pleased to present details of its activities for the Quarter ending 31 December 2019.

Celamin remains focused on regaining control of the Chaketma Phosphate Project in Tunisia ("**Chaketma**") following the illegal transfer of its interest by Tunisian Mining Services ("**TMS**"). Chaketma is a potential large-scale, world class phosphate development asset, which comprises six prospects over a total area of 65km<sup>2</sup>. It hosts a total JORC compliant Inferred Resource of 130Mt @ 20.5% P<sub>2</sub>O<sub>5</sub><sup>1</sup>, confirmed from drilling at only two of the project's six prospects with access by road and proximal to rail and gas pipelines (see Figure 1).

### Chaketma Update

Celamin continues discussions with TMS to amicably regain its interest in Chaketma following the positive arbitration decision in November 2017 and its confirmation in Tunis by the Court of Cassation in September 2019. TMS is compelled to effect this transfer without delay.

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

The administrative procedure to regain control of Chaketma is distinct from the damages owed to Celamin by TMS and, accordingly, absent reaching an amicable settlement with TMS, the actions Celamin has initiated to seize assets held by TMS, including shares, property and equipment will continue. Upon the conclusion of each of these actions, Celamin will receive funds from the sale of these assets.

Finally, Celamin is seeking further advice following the outcome of recent investigations into the conduct of TMS following the issue of the arbitral orders in November 2017.

Celamin continues to be in contact with the relevant mining administration authorities in Tunisia to update on progress to finally resolving the dispute with TMS. The directors of Celamin remain confident the company will be allowed sufficient time to assess the status of Chaketma either upon TMS honouring its legal obligations or the resolution of the dispute.

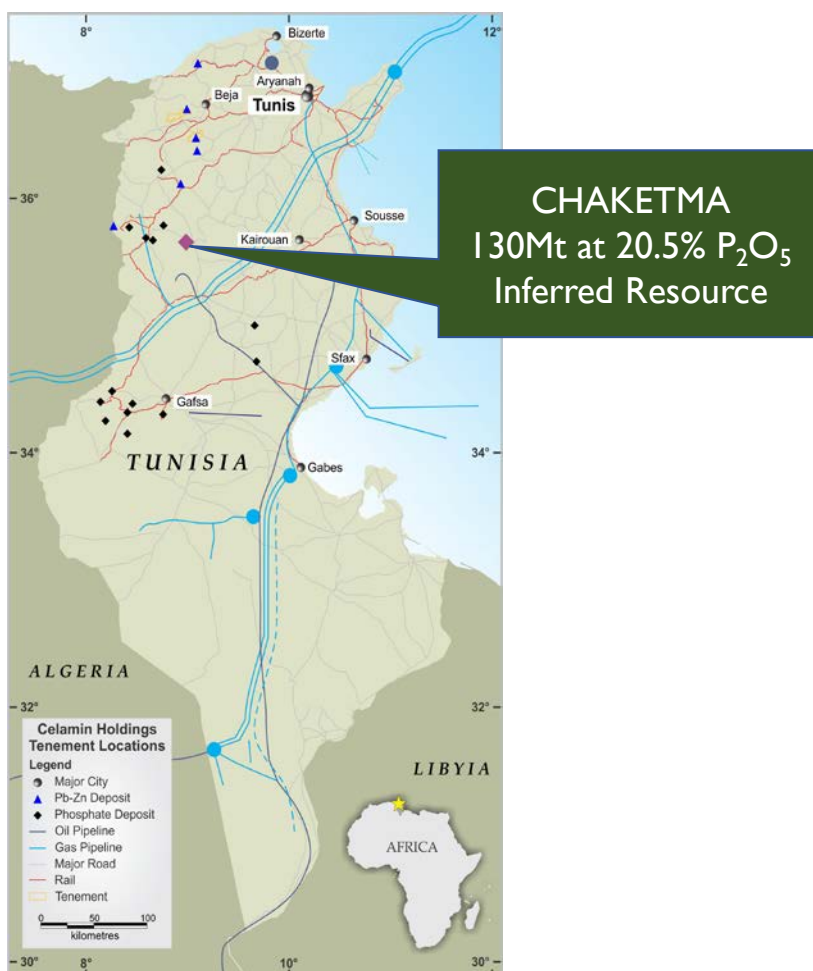
As previously noted, Celamin remains open to exploring alternative methods of resolving the dispute in the interests of all parties in the near future.

### **Accrued damages update**

The damages owed by TMS continue to accrue with the amount now owing to Celamin amounting to approximately A\$6.6M. This amount increases every day that TMS fails to honour the arbitration orders from November 2017.

### **Preparations for technical assessment ahead of anticipated feasibility study ongoing**

As noted in the September quarterly, Celamin is preparing to engage with reputable technical groups to complete a gap analysis and/or scoping study ahead of a more detailed feasibility study. This exercise will focus on the additional information required for the expected staged development of a multi-decade mine at Chaketma. The initial stage is expected to be the development of a rock phosphate export mine following which the Company will assess the viability of an integrated fertiliser/phosphoric acid plant.



**Figure 1 – location of Chaketma**

Following site visits to both the Djebba and Zeflana prospects and subject to access and weather conditions, Celamin will be looking to complete mapping, soil sampling and geophysical surveys ahead of prioritising drill targets.

As previously announced<sup>2</sup>, Djebba has a known historical mineral resource estimate and the granting of the new permit has enlarged the prospective area available to Celamin to identify other targets along the trend.

Two additional permit applications remain outstanding at Zeflana. This is considered an earlier stage prospect based on work completed by Zinifex and Oz Minerals in 2008 that identified large zinc anomalies from prior soil sampling programs.

Celamin anticipates completing the preliminary exploration activities on both the Djebba and Zeflana prospects this half and will update the market as to progress.

### Corporate update

On 18 November 2019 Celamin held its Annual General Meeting to adopt the remuneration report, elect Directors, seek approval to issue Shares to Directors in lieu of salary/fees for the period 1 June 2019 to 30 September 2019 and approve the additional 10% placement facility. All resolutions were overwhelmingly voted in favour.

During and subsequent to the period, 492,726 Celamin listed options were exercised raising \$24,636.30 in proceeds. The Company thanks these shareholders for their financial assistance which is greatly appreciated.

As at 31 January 2020, there are 68,777,348 listed options exercisable at \$0.05 expiring on 18 May 2020 remaining.

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

**For further information, please contact:**

**Simon Eley**

Managing Director

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### Lists of Tenements Held

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in during the quarter	Interest Disposed/farm-out during the quarter
Chaketma	Tunisia	- %*		- * (see below)
Zeflana	Tunisia	100%	-	-
Djebba	Tunisia	100%	-	-

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

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<sup>2</sup> ASX announcement 31 October 2018 – Djebba Zinc-Lead Project - Historical Resource Estimate

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

CELAMIN HOLDINGS LIMITED

### ABN

82 139 255 771

### Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(82)	(83)
(b) development	-	-
(c) production	-	-
(d) staff costs	(76)	(137)
(e) administration and corporate costs	(194)	(424)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(351)</b>	<b>(642)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	2	2
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2</b>	<b>2</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	482	778
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(351)	(642)
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)	2	2
4.5	Effect of movement in exchange rates on cash held	1	(4)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>134</b>	<b>134</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	134	482
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>134</b>	<b>482</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
77
-

Director fees and consulting fees paid to directors and to their related entities during the December 2019 quarter.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

N/A

## Mining exploration entity and oil and gas exploration entity quarterly report

8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A			

9.	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	6
9.2	Development	-
9.3	Production	-
9.4	Staff costs	48
9.5	Administration and corporate costs	180
9.6	Other (provide details if material)	-
9.7	<b>Total estimated cash outflows</b>	<b>234</b>

10.	<b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-



### **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.

Sign here:



Date: 31 January 2020

Company Secretary

Print name: MELANIE LEYDIN

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.