



***Celamin, on the move –  
An Emerging World Class  
Phosphate Company***

**INDABA PRESENTATION**

**ASX: CNL** | February 2015



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# CORPORATE SUMMARY



## Capital Structure

› ASX Code	CNL
› Ordinary Shares	993.2 M
› Partly Paid Shares	14.8 M
› Total Shares on issue	1,008 M
› 12 month share price range	0.6 – 2.6 ¢
› Cash (31 Dec 2014)	\$3.1 M
› Debt	Nil

## Substantial Shareholders

› Polo Resources Ltd	33.2%
› African Lion	33.1%
› Top 20 shareholders	88.9%



Located 200km southwest of Tunis

# THE CHAKETMA PROJECT



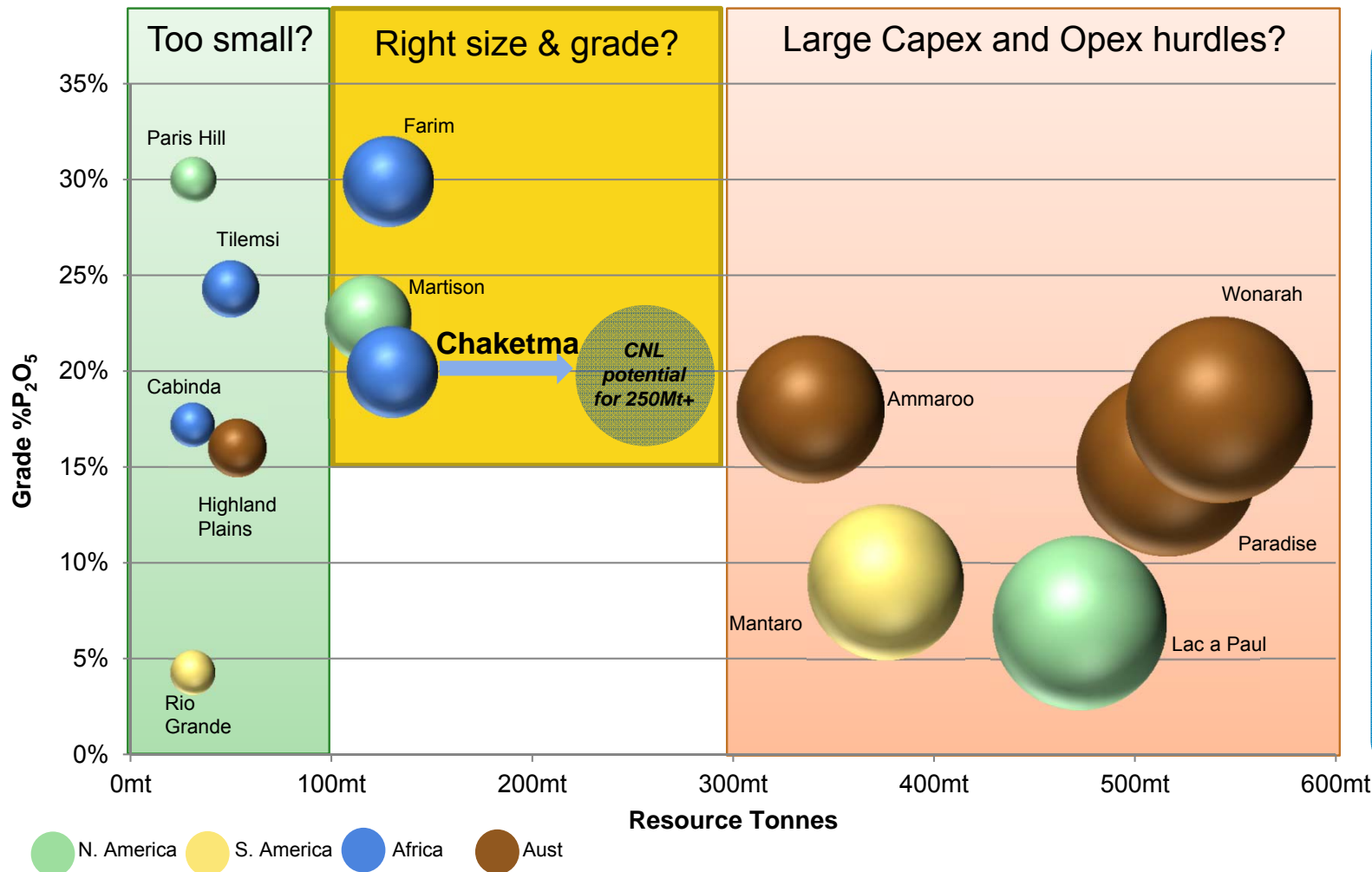
## A Major Phosphate Development Asset:

- › 130Mt @ 20.5% P<sub>2</sub>O<sub>5</sub> (JORC Inferred Resource) with potential for >250Mt.
- › Granted “Major Project” status by Tunisian Government.
- › An advanced development asset with significant upside:
  - Large scale and high-grade deposit, potential for 250Mt+.
  - Saleable high-grade phosphate concentrate.
  - Well located close to key infrastructure.
- › Supportive local JV partner Tunisian Mining Services (51% CNL - 49%TMS).

# CHAKETMA – A WORLD CLASS PROJECT



- › Most North African phosphate projects are state owned and run.
- › **Celamin is the only corporate exposure to North African phosphate.**



**Chaketma is the right size & grade for rock phosphate export project:**

- Long mine life – potentially >50 years.
- High-grade – does not need expensive downstream processing.
- Positive metallurgy – quality concentrate should attract strong off-take interest.

# CHAKETMA INFRASTRUCTURE



## Extensive Infrastructure in place

- › Power – electricity and gas available.
- › Water – options identified.
- › Pilot plants & storage facilities present
- › People – extensive skill base; available labour pool.

## Rail & Port

- › Rail – 35km via sealed road to rail line, line upgrades, rolling stock, sidings.
- › Ports – multiple options available, equipped (storage, sidings, loading).



## 2014 HIGHLIGHTS



# RESTRUCTURE – CONSOLIDATION – PROGRESS

- › Board restructure to best position Company for development of Chaketma Project
  - › Nic Clift appointed MD
  - › Martin Broome appointed Non-executive Chairman
- › Business operations restructured to deliver cost and efficiency savings
  - › Significant cost savings achieved
- › Rights Issue Dec 2014 raised A\$7.6m to fund project development
  - › Significant support from key shareholders African Lion Fund & Polo Resources
  - › Seeking to place a further A\$1.2m from Rights Issue
- › BFS for Chaketma Project formally commenced August 2014
- › Metallurgy test work significant breakthrough

# 2015 - WORK ONGOING



## **Progress on BFS will continue as a priority and will include:**

- › Mineral Resource upgrade to Measured and Indicated - to underpin first 10 years of production.
- › Appointment of engineering contractor for BFS imminent
- › Environmental and Social Impact Assessment (ESIA).
- › Ongoing metallurgical test-work to optimise processing & recovery of phosphate.
- › Water supply – multiple options identified.
- › Major infrastructure studies - port/rail/road access and energy.

## **Offtake and Funding discussions ongoing**

- › Discussions with interested parties; include a major global financial organisation and a North African sovereign wealth fund.



# CHAKETMA PROJECT – INDICATIVE TIMELINE



**Two-Phase Bankable Feasibility Study – imminent start**

**A Preliminary Feasibility Study Report will be issued on the conclusion of Phase I**

Item	Duration	Budget	Indicative Funding Split	
			Celamin	TMS
<b>Phase I – Key Activities:</b> <ul style="list-style-type: none"> <li>• Upgrade Resource</li> <li>• Metallurgy</li> <li>• Water</li> <li>• Infrastructure</li> <li>• ESIA</li> </ul>	6 Months from now	A\$7.0m	A\$7.0m (A\$2m of which spent to-date)	\$0m
<b>Phase II – Detailed Engineering</b>	6 Months	A\$7.5m	A\$5.5m	A\$2.0m
<b>Total</b>	<b>12 Months</b>	<b>A\$14.5m</b>	<b>A\$12.5m</b>	<b>A\$2.0m</b>

## Subsequent Steps

Item	Indicative Duration/Timing	Funding Split	
		Celamin	TMS
Permitting and Mining Licence	6-9 Months	51%	49%
Financing & construction	12-18 Months		
Production	2017		

# COMPELLING LONG TERM DRIVERS



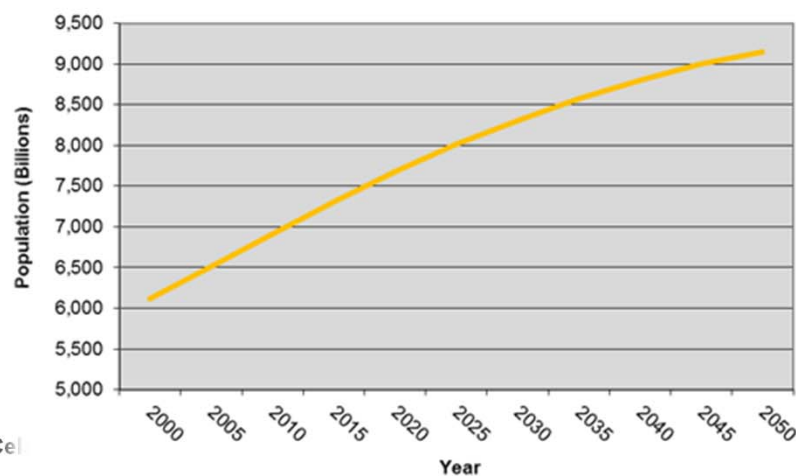
## Phosphate – essential for crop growth

- › Phosphate (along with Potassium and Nitrogen) is **essential for plant growth** and a key ingredient in fertilisers.
- › Phosphate is not recycled. Once taken up by plants, **it must be replaced**.
- › Phosphate is **not substitutable**.

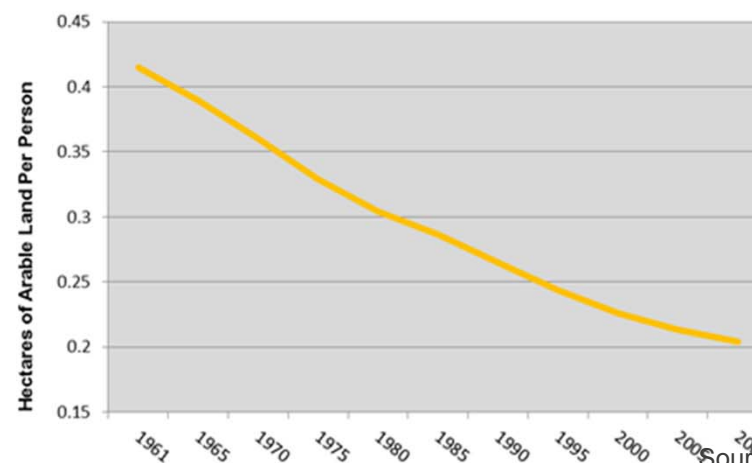
## Main drivers for long term demand

- › Increasing world population.
- › Changing diets of emerging economies – increase in food demand and increase in higher calorific diets.
- › Decreasing arable land → less land must become more productive.

World Population Growth 2000-2050



Arable Land Per Person



# FINANCING & OFFTAKE



## Financing

- › Offtakers – indicative interest.
- › Strategic Banking Investors – interest from multilateral Finance Organisation(s).
- › Regional Equity Investors – African/European investors.

## Marketing

- › Samples – issued, tested and approved for key premium markets.
- › Offtake – long term supply interest.
- › Demand – indicative interest to date of up to 3Mtpa.
- › Supply – not volume constrained.

# ROBUST INVESTMENT THESIS



- › **Experienced team set to deliver world class project**
- › **Unique exposure to the robust phosphate investment thematic.**
- › **Location** – proximity to Europe.
- › **Country** – Tunisia is an established global phosphate supplier.
- › **Product** – high grade, low impurities.
- › **Resource** – JORC compliant (only 2 of 6 prospects drilled).
- › Potential for **long project life**.
- › **Costs** – low strip ratio; high recovery.
- › **Infrastructure** – roads, rail, ports, gas, electricity & water.
- › **Demand** – industry player interest.
- › **Financiers** – discussions underway.





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## *Appendix*



# CHAKETMA - RESOURCES



- › Significant Resource Inventory - **130 Mt @ 20.5% P<sub>2</sub>O<sub>5</sub>** (JORC Inferred).
- › Resource breakdown:
  - Gassa Kebira deposit                      **93Mt @ 20.3% P<sub>2</sub>O<sub>5</sub>** (6:1 strip) <sup>1</sup>
  - Kef El Louz North deposit                **37Mt @ 21% P<sub>2</sub>O<sub>5</sub>** (4:1 strip) <sup>2</sup>
- › Significant upside potential:            >250Mt.
- › Current Resource based on drilling at only 2 of 6 Deposits within Chaketma Project.
- › Multiple targets remain to be drilled.

1. Gassaa Kebira Inferred Mineral Resource announced - 18/06/2013 - <http://www.asx.com.au/asxpdf/20130618/pdf/42gjd74ppx65v9.pdf>  
2. Kef El Louz Inferred Mineral Resource announced - 09/11/2012 <http://www.asx.com.au/asxpdf/20121109/pdf/42b2p3zc2hh8gf.pdf>

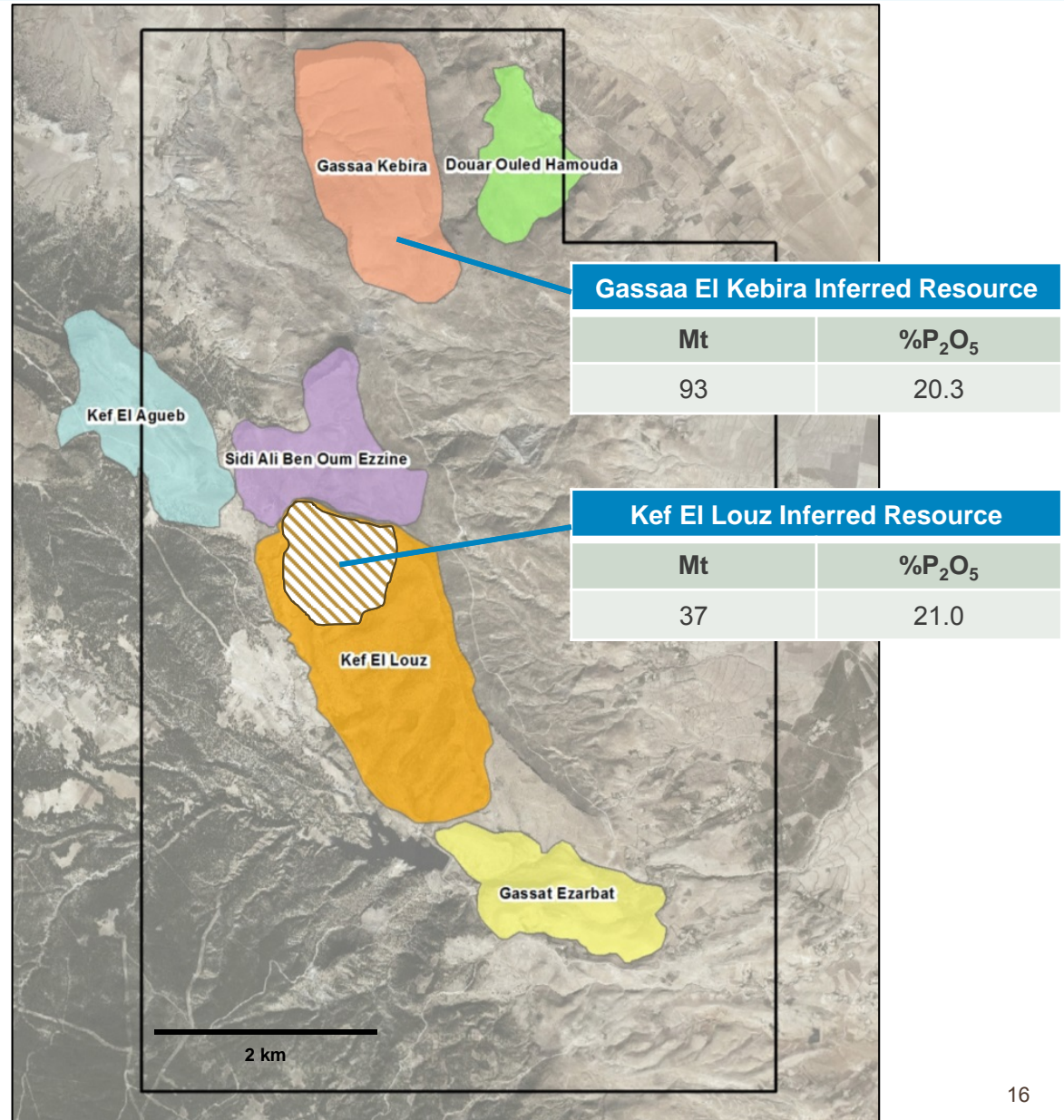


# CHAKETMA - RESOURCES

Chaketma Project hosts 6 prospects:

1. Gassaa El Kebira
2. Douar Ouled Hamouda
3. Kef El Aguab
4. Sidi Ali Ben Oum Ezzine
5. Kef El Louz
6. Gassat Ezerbat

**Only Gassaa El Kebira and northern area of Kef El Louz have been drilled in the current Resource.**



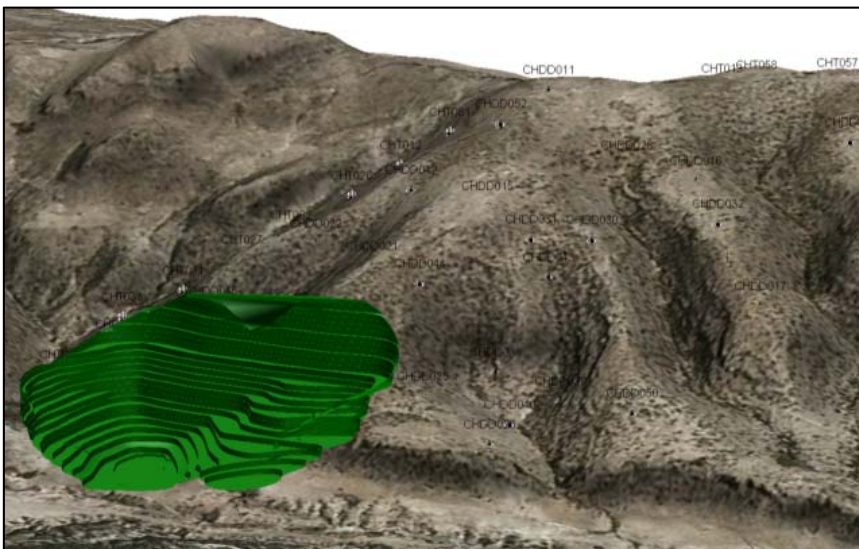


# INDICATIVE MINING PROCESS

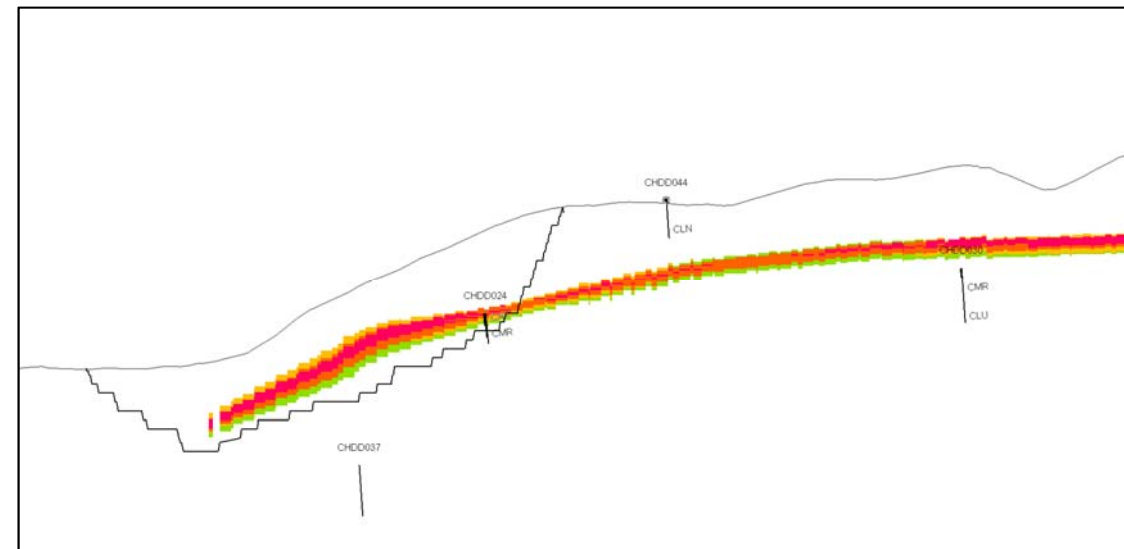


- › Simple mining – open pit, staged approach.
- › Phosphate outcropping.
- › Commencing at 1:1 strip ratio.
- › Mining waste – can be used as backfill in mined areas.
- › Potential for co-disposal of tailings with backfilled waste.

**Preliminary Stage 1 Design:**



**Cross-section through Kef El Louz North:**



# METALLURGY



- › Marketable concentrate verified with excellent recoveries.
- › Composite sample<sup>1</sup> - covering full intersected width of Kef El Louz resource:
  - Concentrate grade: 31.0% P<sub>2</sub>O<sub>5</sub>
  - Recovery: 68% P<sub>2</sub>O<sub>5</sub>
  - MgO: <1.0%
- › Major European reagent supplier – independently confirms testwork
  - Test work on a full composite sample at ambient temperature.
  - Minor elements – acceptable industry standard ranges
- › Independent Engineering Contractors achieved similar results.
- › Recent lab-scale testwork<sup>2</sup> confirmed the potential for significantly improvement
  - Flotation recoveries of around 90% and above
  - Could reduce tonnes mined per tonne of produce from 2.3 to 1.8 compared with 2012 scoping study



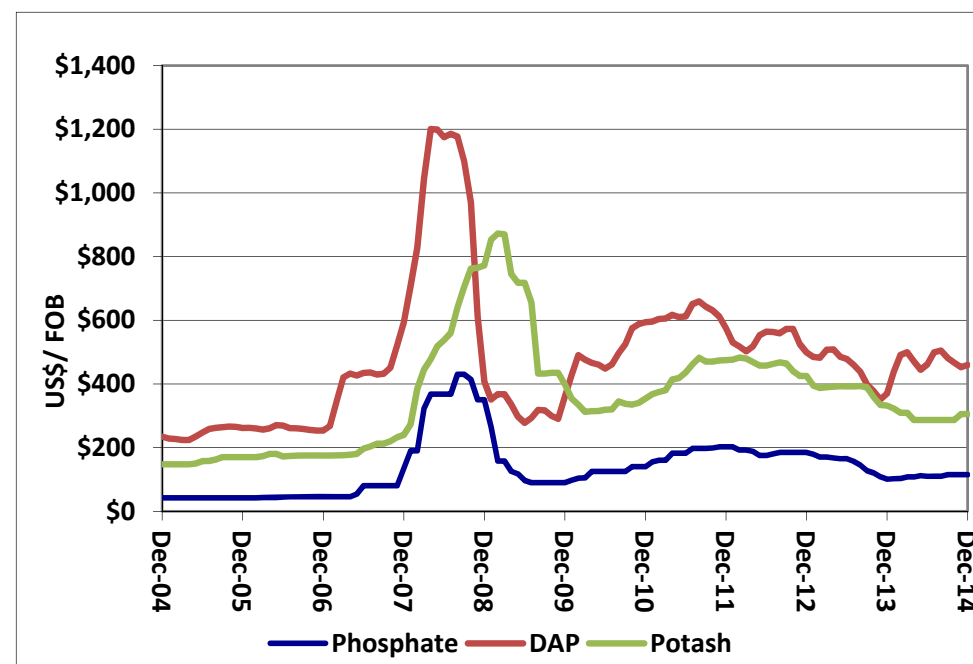
1. Bench scale test work focused on available reagent suite with number of stages of flotation – conventional phosphate reverse flotation, open circuit, elevated temp.  
2. “Metallurgical breakthrough delivers major increase in phosphate recoveries” - <http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01550891>

# PHOSPHATE MARKET



- › Phosphate prices relatively stable and trending upwards over 10 years (excepting a brief spike during the GFC).
- › US reserves declining; increased pressure to import phosphate.
- › South American production used for domestic consumption.
- › China and India are also big producers to satisfy internal consumption, but there are concerns over contaminants and sustainability of this supply.
- › Supply - influenced by Morocco and (to a lesser extent) Saudi Arabia.
- › Demand – India is largest importer and its govt. policy on fertilizer rebates is a significant swing factor.
- › North Africa supplies many markets; Europe, Japan, Korea, India and Africa.

**Phos Rock, DAP & Potash Price**  
10 Years



Source: IndexMundi

# ABOUT TUNISIA



## Mining

- › Mining Tax: 25% (tax exemption first 5 years).
- › Royalty: 1% of gross revenue.
- › Repatriation allowed: no tax on shareholder dividends.
- › Downstream processing attracts 10-year tax holiday.
- › 128 years of phosphate mining - Extensive phosphate infrastructure.



## Country

- › Political – successful Assembly and Presidential elections held in late 2014.
- › New projects – strong support; employment key; educated population.
- › GDP Growth\* – 3.6% (2012), 2.7% (2013), 3.0% (2014<sup>e</sup>), 4.5% (2015 on<sup>e</sup>).
- › Major tourist destination for Europeans and French-based legal system.

\* Source: IMF World Economic Outlook July 2014. <sup>e</sup>IMF estimates 2014 onwards.

# COMPLIANCE & COMPETENT PERSON STATEMENT



## Statement on JORC 2004-2012 Transition

The project inventory currently consists of two Inferred Mineral Resources: Kef El Louz and Gassaa Kebira. Kef El Louz was publically disclosed in compliance with the 2004 edition of the JORC code, while Gassaa Kebira was announced in compliance with the latest 2012 edition. All exploration results to date have been announced in accordance with the 2004 edition of the JORC code.

Information included in the presentation relating to reported exploration results and the Kef El Louz Mineral Resource has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

## Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Oliver Willetts, a Competent Person who is a Member of The Australasian Institute of Mining (membership No. 312940). Oliver Willetts is employed as Senior Resource & Data Geologist at Geos Mining, a Sydney-based independent mining consultancy.

Oliver Willetts has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Oliver Willetts consents to the inclusion in the report of the matters based on his (or her) information in the form and context in which it appears.