



ASX Announcement

26 April 2016

Quarterly Activity & Cashflow Reports for Quarter ending 31 March 2016

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ABN 82 139 255 771

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Investor Relations:

Stephen Nossal

Board of Directors:

Martin Broome, Chairman
Nic Clift, Managing Director
Sue-Ann Higgins, Non-Exec Director
Tim Markwell, Non-Exec Director

Company Secretary

Melanie Leydin

Securities on Issue

CNL: 993,671,986 ordinary shares
CNLCA: 14,887,796 partly paid shares

Summary:

- **Celamin continues to focus on recovery actions regarding the ongoing dispute with its joint venture partner, Tunisian Mining Services**
 - **Legal action now focussing on international arbitration; legal actions also continue in the Tunisian courts**
 - **Arbitration progress reported in 14 April 2016 ASX release**
 - **Shares remain suspended from trading on ASX**
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Phosphate exploration and development company Celamin Holdings NL (ASX: CNL) (Celamin, the Company) presents details of its activities for the Quarter ending 31 March 2016.

Celamin has been focused on the exploration and development of the Chaketma Phosphate Project in Tunisia. The Chaketma Project is a potential large scale 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% P₂O₅, confirmed from drilling at only two of the project's six prospects.

Results from metallurgical test work conducted to date have confirmed the potential for the project to produce a saleable high-grade phosphate concentrate. The project is also well positioned relative to major infrastructure requirements, such as rail, road and ports.

Joint Venture Dispute

The Chaketma Phosphate Permit is held by Chaketma Phosphates SA ("CPSA"). CPSA is the operating company responsible for development of the Chaketma Project. Celamin's wholly-owned subsidiary, Celamin Limited, remains in dispute with its joint venture partner, Tunisian Mining Services ("TMS"), regarding ownership and control of CPSA and is working actively with its legal advisers to resolve this situation.

As the result of a review of its legal actions, carried out and announced in the September 2015 Quarter, Celamin decided to pursue an alternate dispute resolution process, according to its contractual rights. As announced on 3 November 2015, attempts to conduct settlement negotiations with TMS and CPSA were not successful, and Celamin has submitted a request for international arbitration of the dispute in order to seek preservation and recognition of Celamin's rights, including restitution of its shares in CPSA and compensation for damages suffered.

On the basis of strong documentary evidence, Celamin disputes the existence of any default on the part of Celamin Limited and considers that there has been a wrongful and ineffective transfer and purported expropriation of Celamin Limited's shares in CPSA. Celamin therefore considers that it remains the rightful owner of its 51% shares in CPSA. Celamin remains committed to pursuing return of its interest in CPSA and the Chaketma Project and believes early resolution of this dispute is in the best interests of all parties and Tunisia and its people. The Chaketma Phosphate Project is a world class asset and Celamin believes it is best placed to manage the Project to ensure that it proceeds to development.

Celamin is also continuing with various other legal actions in Tunisia including the criminal proceedings and debt recovery actions as previously announced.

Arbitration Update:

The following is an update on the dispute between Celamin's wholly owned subsidiary Celamin Limited and its joint venture partner TMS and CPSA in relation to the fraudulent transfer to TMS of Celamin's 51% shareholding in CPSA, as announced to the ASX on 14 April 2016:

The International Court of Arbitration of the International Chamber of Commerce (ICC) has appointed a sole arbitrator to determine the dispute between the parties.

TMS and CPSA have challenged the jurisdiction of the ICC to hear the dispute on a number of grounds. The jurisdiction issues will be determined prior to the merits of the case.

Celamin has sought and was granted certain emergency and later interim orders from the sole arbitrator preserving the status quo until the dispute is finally determined. These orders were made without prejudice to the decision of the sole arbitrator on jurisdiction or on the merits of the case. The Arbitration orders are confidential subject to disclosures required by legal or regulatory requirements

TMS has not complied with these emergency and interim orders. TMS made an application for the reversal of these orders which has been rejected by the sole arbitrator.

The interim orders are for the purpose of preventing disposal of CPSA's shares and assets and ensuring a continuous disclosure of information to Celamin in relation to CPSA activity and the Chaketma Permit.

Penalties have been ordered and will apply if TMS continues not to comply with the interim measures.

Background to the dispute:

Celamin has been the sole funder of the Chaketma Phosphate Project providing US\$8.6M of funding to December 2014. Celamin's partner, TMS, has been beneficiary of 50% of this project expenditure, as the largest service provider, using equipment purchased with loans from Celamin.

On 21 October 2014, the Director General of CPSA, without seeking the required approval from the CPSA Board, made a US\$3.3M cash call directed to Celamin Limited for funding of the Chaketma feasibility study. CPSA already held an excess of funds above requirements at that time, and, in Celamin Limited's view, no cash call was justified.

Celamin Limited objected to this cash call and, after negotiations, TMS and Celamin Limited entered into an agreement dated 10 December 2014 to reduce the cash call to US\$2M and extend the due date for payment until 15 January 2015, in the expectation of agreement being reached in the first quarter of 2015 on the choice of engineering contractor and the terms of their engagement for conducting the feasibility study for the Chaketma Phosphate Project.

Celamin deposited US\$2M into CPSA's Tunisian bank account on behalf of Celamin Limited in payment of the cash call, receipt of which was confirmed by both CPSA's bank and the Director General of CPSA on 13 January 2015.

On 19 January 2015 the Director General issued a notice of default to Celamin Limited for failure to pay the US\$2M cash call by the due date ("alleged default"), rejecting payment by Celamin on Celamin Limited's behalf despite this payment meeting Tunisian legal requirements and having been made in exactly the same manner as one of the two previous cash calls. Celamin Limited objected to the default notice and the action by the Director General and called a Board meeting scheduled for 9 March 2015 for the purpose of reversing these actions. Due to subsequent events this Board meeting was not held.

Within 24 hours after receipt of the default notice, TMS indicated that it would not be acting on that notice and the Director General and TMS continued working collaboratively with Celamin in progressing the Chaketma Phosphate Project.

On 3 March 2015 the Company was advised by the then Chairman of CPSA, Mr David Regan, that he had received notice from the Director General of CPSA to the effect that Celamin Limited's shares in CPSA had been transferred to TMS on 13 February 2015. Celamin requested a voluntary trading halt on its shares from trading on ASX on 4 March 2015. The shares remain suspended from trading on ASX.

Following initial legal investigations, the Company understands that the Director General (without Celamin's knowledge and without any authority from the CPSA Board) has purported to transfer Celamin Limited's shares to TMS on the basis of the alleged default.

The Company disputes the existence of any default on the part of Celamin Limited and asserts that Celamin Limited's shares in CPSA have been transferred without any legal basis.

The US\$2M deposited by Celamin for the cash call, which remained in a Tunisian bank account in CPSA's name for a period of over three months, was received back into Celamin's bank account in Australia on 27 April 2015, transferred from the Tunisian bank of CPSA at the instigation of the DG of CPSA after having declared the "default". Celamin received no communications from TMS or CPSA in relation to the transferred funds.

Previous cash calls totalling US\$1.7m were provided as loan funds from Celamin Limited to CPSA prior to 31 December 2014, for the purpose of funding the Chaketma Phosphate Project feasibility study. As at 31 January 2015 US\$1.4m of these loan funds remained in CPSA's Tunisian bank account.

Funding:

The Directors and management continue to work with major shareholders and other parties in respect of ongoing funding requirements with a view to having this secured in the next quarter.

ENDS

For further information or enquiries, please contact:

Nic Clift

Managing Director

Celamin Holdings NL.

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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)
Wedderburn EL5471	Victoria, Australia	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 legal actions as detailed in this Report.**

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CELAMIN HOLDINGS NL

ABN

82 139 255 771

Quarter ended ("current quarter")

31 MARCH 2016

Consolidated statement of cash flows

	Current Quarter \$A	Year to Date (9 months) \$A
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) administration	(434,501)	(1,522,107)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	637	2,215
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(433,864)	(1,519,892)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects/farm-ins	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Proceeds from maturity of term deposit	-	-
1.11 Other – Loans to Chaketma Phosphate SA	-	-
1.12 Other – Loan repayments from Chaketma Phosphate SA	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(433,864)	(1,519,892)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(433,864)	(1,519,892)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(433,864)	(1,519,892)
1.20	Cash at beginning of quarter/year to date	960,051	1,957,274
1.21	Exchange rate adjustments to item 1.20	(7,486)	81,319
1.22	Cash at end of quarter	518,701	518,701

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current Quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	56,191
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Add notes as necessary for an understanding of the position.

	Amount Available \$A'000	Amount Used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	481
Total	481

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	518	960
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	518	960

Changes in interests in mining tenements

	Tenement reference	Nature of Interest (note (2))	Interest at beginning of Quarter	Interest at end of Quarter
6.1 Interests in mining tenements relinquished, reduced, lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-
6.3 Interests in mining tenements subject to legal dispute	-	Chaketma Licence owned via shareholding in Chaketma Phosphate SA	51%**	51%**

** : Currently the subject of a legal dispute. Refer to the Company's Quarterly Activities report for further information.

Issued and quoted securities at end of current quarter

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Partly paid +securities <i>(description)</i>	14,887,796	14,887,796	\$0.001	\$0.001
7.2 Changes during quarter (a) Increases through issues (b) Decreases through paid up capital, returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	993,171,986	993,171,986		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	1,000,000 2,000,000	- -	<i>Exercise price</i> \$0.20 \$0.05	<i>Expiry date</i> 31 May 2018 4 May 2017
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/lapsed during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company Secretary)

Print name: MELANIE LEYDIN

Date: 26 April 2016

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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