



ASX Announcement

20 June 2016

Celamin Holdings NL – Loan Funding Secured

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Board of Directors:

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

Company Secretary:

Melanie Leydin

Securities on Issue:

CNL: 993,171,986 ordinary shares
CNLCA: 14,887,796 partly paid shares

Celamin Holdings NL (ASX: CNL) (Celamin, the Company) announces it has secured a loan facility from each of its two major shareholders: African Lion 3 Limited (**AFL**) and Polo Resources Limited (**Polo**) to provide Celamin with the liquidity to continue the arbitration, legal actions in Tunisia and for general working capital purposes.

The facilities are based on commercial terms and have been separately negotiated on an arm's length basis; each for a principal amount of up to US\$400,000, for a total of US\$800,000 ("Facilities"). The terms of the Facilities are detailed below. Both AFL and Polo are substantial shareholders of Celamin with a 33.1% and 33.2% shareholding respectively. The Board has considered various alternative forms of funding for the Company, however, none have been available within the time required and on terms more favourable than the Facilities.

As previously reported, Celamin's wholly owned subsidiary Celamin Limited and its joint venture partner Tunisian Mining Services (**TMS**) and Chaketma Phosphates SA (**CPSA**) are currently in dispute in relation to the fraudulent transfer to TMS of Celamin's 51% in CPSA.

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

Terms of the Facilities

The general terms of each of the Facilities are similar and are governed by separate loan agreements. The loan agreements provide for drawdowns by Celamin up to a maximum principal commitment of US\$400,000 for each facility. The Facilities are repayable by 30 April 2017 or earlier in the event of a capital raising by Celamin. The interest rate is 15% per annum. The loans can be extended at the lenders' discretion, subject to a rollover fee of 5% and an interest rate of 20% per annum from the time of the rollover. In the event of default, interest is payable at the higher rate of 20% per annum. Celamin Limited, Celamin's wholly owned subsidiary, has guaranteed the loans. The lenders will be granted a security interest in the event that shareholders approve such a grant, to be sought by Celamin at any meeting of shareholders held before the Loan Repayment Date. The lenders may elect to convert all or any part of the money owing under the facilities to ordinary shares in Celamin, subject to shareholder approval, where required.

The AFL Facility provides for an initial advance (**Initial Advance**) of up to US\$260,000 which may be drawn down, as required, prior to a decision by the arbitrator on the challenges raised by TMS and CPSA to the jurisdiction of the ICC (**Jurisdiction Decision**), and a further advance of up to US\$140,000 (**Further Advance**) to be provided following the Jurisdiction Decision. A commitment fee of 35% is payable in relation to the Initial Advance, which has been required by the Lender to reflect the risk of funds being provided in circumstances where the Arbitration has not been determined. The Initial Advance is repayable in the event of a Jurisdiction Decision which finds that the ICC does not have jurisdiction to hear the dispute. The Further Advance is subject to a 5% commitment fee.

The Polo Facility may not be drawn down until the later of the date of a Jurisdiction Decision in Celamin's favour, or 1 September 2016. A commitment fee of 5% is payable. A further drawdown fee of 30% of the first 50% of the commitment amount which is drawn down has been required by the lender to also reflect the risk of loan funds being provided in circumstances where the Arbitration has not been determined.

On the basis of strong documentary evidence, Celamin 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 is confident the issues raised in the Arbitration will be decided in its favour.

Celamin believes the loan funding to be sufficient to allow the Company to pursue the Arbitration through to determination, however, the Board intends to continue to investigate and consider alternative funding arrangements if the costs and terms are more beneficial to the Company and the shareholders than the Facilities. Since the dispute first surfaced, the Company instituted a cash conservation program until its resolution, which includes deferral of all non-executive director fee payments, reduction in staffing, including the managing director, and minimisation of administration, office and other corporate expenditure payments.

ENDS

For further information or enquiries, please contact:

Melanie Leydin
Company Secretary