



Celamin Holdings NL - Funding Update

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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: 1,142,147,036 ordinary shares
CNLCA: 14,887,796 partly paid shares

Celamin Holdings NL (ASX: CNL) (***Celamin, the Company***) is pleased to announce a capital raising of \$1,050,000 which will provide it with funding to pursue the Arbitration of its dispute with its joint venture partner through to determination, other legal actions in Tunisia and for general working capital purposes.

The Company has received placement applications from sophisticated investor clients of Patersons Securities Limited (**Patersons**) for the placement of 350,000,000 Shares at an issue price of 0.1 cents per Share together with one free attaching 3 year 0.2 cent option for every two Shares subscribed for (**New Options**), raising AUD\$350,000, together with applications from each of its two major shareholders: African Lion 3 Limited (**AFL**) and Polo Resources Limited (**Polo**) to subscribe for 350,000,000 Shares and 175,000,000 New Options on the same terms, raising a further AUD\$350,000 from each of AFL3 and Polo and bringing the total amount raised to AUD\$1,050,000. (**Placement**). Patersons will be paid a 6% fee on the funds contributed by their clients.

The Placement is to be undertaken in two tranches as follows:

- (a) the First Tranche being the issue of 148,975,050 Shares to sophisticated investors pursuant to the Company's 15% placement capacity under Listing Rule 7.1, to raise AUD\$148,975.05 which was completed on 30 May 2017; and
- (b) the Second Tranche being the issue of the balance Shares and New Options under the Placement, following shareholder approval at a general meeting of the Company to be held on 3 July 2017 (**General Meeting**).

A notice of general meeting will be sent to shareholders on or about Friday 2 June 2017.

The Company intends to offer its shareholders the opportunity to subscribe for Shares and New Options on the same terms as the Placement by way of a rights issue (**Proposed Rights Issue**). The Company will commence preparation of the prospectus required for the Proposed Rights Issue after the General Meeting and will keep Shareholders informed on the terms and timing of the Proposed Rights Issue as this preparation progresses.

Until March 2015, the Company had been focused on the exploration and development of the Chaketma Phosphate Project in Tunisia. The Chaketma Phosphate Project in Tunisia, is operated by a joint venture company, Chaketma Phosphate SA (**CPSA**), in which the Company's wholly-owned subsidiary, Celamin Limited, held a 51% interest and its Tunisian partner, Tunisian Mining Services (**TMS**) held a 49% interest.

On 3 March 2015 the Company was advised 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 have been suspended from trading on ASX since that time.

Celamin Limited remains in dispute with TMS regarding ownership and control of CPSA and as previously announced is pursuing various legal processes to resolve this situation (**Dispute**). These processes include international arbitration (**Arbitration**) by a sole arbitrator (**Arbitrator**) appointed by the International Court of Arbitration of the International Chamber of Commerce. In the Arbitration, Celamin Limited is seeking preservation and recognition of its rights, including restitution of its shares in CPSA and compensation for damages suffered.

A final hearing of the Dispute by the Arbitrator is to be held in June 2017 and a decision of the Arbitrator is expected before the end of the year.

Since the Dispute first surfaced, the Company instituted a cash conservation program until its resolution including 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.

On 20 June 2016, the Company announced it had secured a loan facility from each of its two major shareholders, AFL3 and Polo, to provide Celamin with the liquidity to continue the arbitration, legal actions in Tunisia, and for general working capital purposes.

These loan facilities have been fully drawn down and the Company requires additional funding to pursue the Arbitration through to determination, to fund the Arbitration and legal actions in Tunisia and for general working capital purposes.

The terms and conditions of the Placement require that the Company:

- convert all money owing under the AFL3 and Polo loan facilities to equity;
- reduce liabilities for directors' fees by seeking agreement of directors to convert those fees to equity; and
- reduce liabilities for the fees for services of Key Management Personnel by conversion of all or part of those fees to equity, by the issue of Shares at an issue price of 0.3 cents per Share (being three times the issue price of Shares under the Placement and the Proposed Rights Issue) and the issue of one free attaching New Option for every two Shares issued.

The Notice of the General Meeting will include resolutions seeking shareholder approval for the conversion of the loan facilities and issue of shares to directors and Key Management Personnel to satisfy these conditions.

The funds raised from the Placement will be used to pursue the arbitration through to determination, to fund the arbitration and legal actions in Tunisia, and for general working capital purposes.

For further information or enquiries, please contact:

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