



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, Director & Acting CEO

Company Secretary:

Melanie Leydin

Securities on Issue:

CNL: 2,712,293,860 ordinary shares
CNLCA: 14,887,796 partly paid shares
CNLOA: 859,560,939 unlisted options

Highlights

- Celamin successfully raises \$1.55M in a placement to sophisticated investors and others
- Funds to be used for enforcement of the final arbitration award, other legal actions in Tunisia and for general working capital purposes
- Engagement strategy with potential local partner initiated
- Appointment of Acting CEO

Following the Arbitration Award made in favour of Celamin Holdings NL¹ (ASX: CNL) (*Celamin, the Company*), the Company is pleased to announce a capital raising of \$1,551,750 which will provide it with funding to pursue enforcement of the Final Arbitration Award for recovery of its interest in the Chaketma Phosphate, other legal actions in Tunisia and for general working capital purposes.

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 Resource² of 130Mt @ 20.5% P₂O₅, confirmed from drilling at only two of the project's six prospects.

The Company has received applications for the placement totalling 6,207,000,000 Shares at an issue price of 0.025 cents per Share for proceeds of AUD\$1,551,750 (**Placement**).

Key contributors to the placement include AFL3, Polo Resources, Lion Selection Group, directors and sophisticated investors, including clients of Patersons Securities (**Patersons**) who 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 400,000,000 Shares to sophisticated investors pursuant to the Company's 15% placement capacity under Listing Rule 7.1, to raise AUD\$100,000 which was completed on 10 January 2018; and
- (b) the Second Tranche being the issue of the balance Shares under the Placement, following shareholder approval at a general meeting of the Company to be held on 14 February 2018 (**General Meeting**).

A notice of General Meeting will be sent to shareholders in due course.

¹ Refer CNL announcement 1 December 2017

² Refer CNL announcement 18 June 2013

Use of Funds

In addition to pursuing the Arbitration and other Legal Proceedings, Celamin's Board is continuing to review new project opportunities, including in Tunisia, and potential transactions with a view to identifying projects and/or transactions that can add shareholder value. New exploration permits for zinc and gold have been applied for in Tunisia over prospective project areas. The application process for these permits is ongoing but the Company is hopeful of grant in the first half of 2018.

Since the Dispute with TMS first surfaced the Company instituted a cash conservation program until the Dispute 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.

In accordance with shareholder approval at the General Meeting held on 6 July 2017, the Directors have elected to take shares and options in lieu of the Company making a physical cash payment for Directors' fees for the period 1 July 2017 to 31 December 2017, to reduce the Company's liabilities and preserve cash for legal proceedings and working capital. 27,004,994 Shares issued at 0.3 cents per share and 13,502,498 options exercisable at 0.2 cents, will be issued to Directors or their nominees in satisfaction of these fees.

Local Partner

Celamin has initiated a strategy to engage with a local partner for the re-commencement of activities in Tunisia following the successful arbitration award and the start of the enforcement process. The intent is to introduce a reputable Tunisian group to become a joint venture partner in the Chaketma Project for when recovery of the asset is complete. Initial dialogue with several groups to date has been very encouraging.

Appointment of Acting CEO

With the positive legal developments and the requirement for a full-time executive, the Board has appointed Tim Markwell as Acting CEO effective immediately. Tim's appointment will ensure effective management of the various legal proceedings, the return of Celamin's interest in CPSA and the Chaketma project, exploration work programs upon grant of the new permits and review and pursuit of potential transactions. Tim is a geologist and investment analyst, and for the past 11 years has managed the African funds of Lion Selection, where he will remain employed whilst Acting CEO for Celamin. Prior to joining Lion, Tim had over 12 years' experience with BHP-Billiton, Golder Associates and Minara Resources in senior technical roles, as well as analyst roles in both stock-broking and funds management.

Tim's engagement commences 10 January 2018 and will terminate upon the appointment of a permanent Chief Executive Officer. Tim's engagement may also be terminated by either party giving one month's notice of termination. The fees for Tim's services will be \$16,667 per month to be settled in shares to be issued to Lion Manager. Subject to shareholder approval, the shares will be issued on the earlier of:

- the date of any capital raising by way of issue of shares subsequent to February 2018 ; or
- the date of shareholder approval being obtained to the issue of shares to the directors of the Company in lieu of director's fees subsequent to February 2018.

The pricing for Fee Shares will be the issue price under the capital raising or the price approved for directors, as the case may be. In addition to this engagement, Tim will continue in his role as a Director of the Company.



Location of the Chaketma Phosphate Project

Background to the Dispute

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 is pursuing various legal processes to resolve this situation (Dispute), including international arbitration (**Arbitration**) by a sole arbitrator (**Arbitrator**) appointed by the International Court of Arbitration of the International Chamber of Commerce (ICC).

As announced to ASX on 1 December 2017, the Arbitrator has issued a final award in favour of Celamin Limited ordering TMS to return Celamin Limited's 51% shareholding in CPSA and to pay damages and costs in excess of US\$4 million.

To date, TMS has not complied with the Final Award and Celamin Limited will now seek enforcement of the Final Award in Tunisia by way of application to the Tunisian Court of Appeal and may institute other legal proceedings to protect its interests during the enforcement process.

For further information or enquiries, please contact:

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Summary Terms of Engagement – Tim Markwell

Commencement date – 10 January 2018

Fees for services - \$16,667 per month