

# **Celamin Holdings Limited**

**(Formerly known as Celamin Holdings NL)**

**ABN 82 139 255 771**

**Half-year Financial Report - 31 December 2018**

**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Contents**  
**31 December 2018**

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**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Corporate directory**  
**31 December 2018**

|                             |  |
|-----------------------------|--|
| Directors                   | Mr Robin Widdup (Chairman)<br>Mr Simon Eley (Executive Director)<br>Mr Tarecq Aldaoud (Non-Executive Director)<br>Mr Tim Markwell (Alternate Director to Robin Widdup) |
| Company secretary           | Ms Melanie Leydin  |
| Registered office           | Level 4, 100 Albert Road<br>South Melbourne, VIC 3205<br>Australia<br>+61 3 9692 7222  |
| Principal place of business | Level 4, 100 Albert Road<br>South Melbourne VIC, 3205<br>Australia<br>+61 3 9692 7222  |
| Share register              | Automic Group<br>Level 5, 126 Philip Street<br>Sydney, NSW 2000<br>1300 288 664 (within Australia)<br>+61 2 9698 5414 (outside Australia)                              |
| Auditor                     | Grant Thornton Audit Pty Ltd<br>Collins Square, Tower 5<br>727 Collins Street<br>Melbourne VIC 3008  |
| Stock exchange listing      | Celamin Holdings Limited shares are listed on the Australian Securities Exchange<br>(ASX codes: Shares: CNL and Listed Options: CNLO)                                  |
| Website                     | <a href="http://www.celaminnl.com.au">www.celaminnl.com.au</a>   |

**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Directors' report**  
**31 December 2018**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Celamin Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

**Directors**

The following persons were directors of Celamin Holdings Limited during the financial half-year and up to the date of this report, unless otherwise stated:

Mr Robin Widdup, Chairman (Appointed as Alternate to Tim Markwell on 21 November 2018, ceased Alternate to Tim Markwell on 11 December 2018 and Appointed as Non-Executive Director on 11 December 2018)  
Mr Simon Eley, Executive Director (Appointed 11 December 2018)  
Mr Tarecq Aldaoud, Non-Executive Director (Appointed 3 January 2019)  
Mr Tim Markwell, Alternate Director to Robin Widdup (Appointed 3 January 2019, resigned as Non-Executive Director 3 January 2019)  
Mr Nic Clift, Non-Executive Director (Resigned 23 November 2018)  
Ms Sue-Ann Higgins, Non-Executive Director (Resigned 11 December 2018)  
Mr Martin Broome, Non-Executive Chairman (Resigned 11 December 2018)

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity focused on its dispute with its joint venture partner, Tunisian Mining Services ("TMS"), regarding ownership and control of the joint venture company Chaketma Phosphates SA ("CPSA") and its 51% shareholding. The Company's centre of interest had consisted of:

- Exploration and development of the Chaketma Phosphate in Tunisia.
- Exploration and evaluation work on the newly granted Djebba and Zeflana zinc permits

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$584,442 (31 December 2017: \$877,976).

*Financial Performance*

Operating expenses for the half year decreased by \$291,459 to \$587,922 (31 December 2017: \$879,381). This is mainly due to the legal costs incurred in the prior period in relation to the dispute with TMS regarding ownership and control of CPSA.

*Financial Position*

The consolidated entity's net liability position of \$119,419 as at 30 June 2018 has improved to a net asset position of \$324,939 as at 31 December 2018. The key driver of this movement was an increase in cash reserves as a result of successful completion of a share purchase plan and top-up placement during the November and December 2018 period, raising a total of \$622,500 and \$336,502 respectively.

*Cashflow*

During the period the consolidated entity had negative cash flows from operating activities of \$571,225 (31 December 2017: \$908,040). The reduction in payments to suppliers and employees was driven by more legal fees in the prior period. A total of \$959,002 was also raised through the share purchase plan and top-up placement.

*JV Partners Dispute*

Celamin's wholly-owned subsidiary, Celamin Limited, remains in dispute with its joint venture partner, TMS, regarding ownership and control of CPSA and is working actively with its legal advisers to resolve this situation.

*Arbitration success*

A final award ("Final Award") has been delivered by the sole arbitrator ("Arbitrator") appointed by the International Court of Arbitration of the International Chamber of Commerce ("ICC") to conduct the arbitration of its dispute with its joint venture partner TMS in relation to the fraudulent transfer to TMS of Celamin's 51% shareholding in CPSA, the operating company which holds the Chaketma Phosphates Permit. The arbitrator ruled in favour of Celamin Limited ordering, amongst other matters, TMS to return Celamin Limited's 51% shareholding in CPSA and to pay damages and costs in excess of US\$4 million.

*Background to dispute*

Celamin's core asset, the Chaketma Phosphate Project in Tunisia, is operated by a joint venture company, CPSA, in which Celamin held a 51% interest and TMS held a 49% interest.

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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 more than 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. This was completed in the expectation of the parties agreeing on the choice of engineering contractor and the terms of their engagement to conduct the feasibility study for the Chaketma Phosphate Project in the first quarter of 2015.

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, however this 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 remained suspended from trading on ASX until reinstatement on 15 June 2018.

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

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 Director General of CPSA after having declared the "default". Celamin received no communications from TMS or CPSA in relation to the transferred funds.

On the basis of strong documentary evidence, the Company disputed the existence of any default on the part of Celamin Limited and asserted that Celamin Limited's shares in CPSA were transferred without any legal basis.

The Final Award has confirmed that Celamin Limited is the rightful owner of 51% shares in CPSA. Celamin remains committed to pursuing return of its interest in CPSA and recovery of the damages awarded in its favour.

**Significant changes in the state of affairs**

On 3 July 2018, the Company appointed Simon Eley as Chief Executive Officer.

On 17 July 2018, the Company was granted two new exploration permits in Tunisia prospective for Zinc and Lead. The Djebba and Zeflana permits cover 32 kilometres in the Atlas Zinc-Lead Province that runs through the north of the country.

The Company changed its type from a public no liability company to a public company limited by shares and changed its name from Celamin Holdings NL to Celamin Holdings Limited, following shareholder approval at the Annual General Meeting held on 28 May 2018.

On 11 December 2018, the Company announced a number of changes to its Board of Directors. Mr Martin Broome and Ms Sue-Ann Higgins resigned from their role as Directors, while Mr Robin Widdup and Mr Simon Eley were appointed as Directors. This follows the earlier resignation of Non-Executive Director, Nicholas Cliff, in November 2018.

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**31 December 2018**

On 16 November 2018, the Company issued 617,605 ordinary shares in settlement of 50% of the Chief Executive Officer's remuneration for the period 1 July 2018 to 31 October 2018. On the same day the Company issued 24,900,000 ordinary shares in accordance with the Share Purchase Plan as announced on 8 October 2018, raising a total of \$622,500. Furthermore the company issued 12,465,564 ordinary shares pursuant to the Top-up Placement as announced on 14 November 2018, raising a total of \$311,639.

On 20 November 2018, the Company issued a total of 63,772,811 Options expiring 18 May 2020 exercisable at \$0.05 as a result of the 1 for 2 Bonus Options Offer which was announced to the market on 8 October 2018.

On 20 December 2018 following shareholder approval at the Annual General Meeting held on 26 November 2018, the Company issued a further 994,526 ordinary shares pursuant to the Top-up Placement as announced on 14 November 2018, raising an additional \$24,863. As part of this Top-up Placement, a total of 497,263 bonus options were also issued. On the same day the Company issued 3,786,760 ordinary shares in settlement of service fees pursuant to Resolution 6 of the Notice of Annual General Meeting.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the financial half-year**

On 3 January 2019 the Company announced further changes to the Board of Directors. Mr Robin Widdup was appointed Chairman, and Mr Tarecq Aldaoud was appointed as Non-Executive Director. Mr Tim Markwell also stepped down from his role as Non-Executive Director to be appointed as an alternate director to Mr Robin Widdup.

On 14 February 2018 the Company issued 10,000,000 ordinary shares raising a total of \$250,000 pursuant to the Placement Offer as contemplated by the Prospectus lodged with ASIC and ASX on 15 October 2018, the Supplementary Prospectus lodged with ASIC and ASX on 6 December 2018 and the Second Supplementary Prospectus lodged with ASIC and ASX on 1 February 2019 to sophisticated investors. A total of 5,000,000 placement options were also issued on this date, pursuant to the Placement Offer.

On 7 March 2019 the Company announced that it had entered into a Memorandum of Understanding with Tunisian company Al Kassm Holding to work together on mineral resource projects in Tunisia and elsewhere in Africa. As projects are acquired, Celamin and Al Kassm will form incorporated joint ventures, with the project interests of each party to be agreed on a case by case basis.

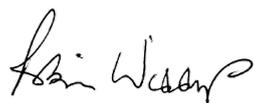
No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Mr Robin Widdup  
Chairman

15 March 2019

## Auditor's Independence Declaration

### To the Directors of Celamin Holdings Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Celamin Holdings Limited for the half-year ended 31 December 2018. I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 15 March 2019

**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2018**

|   |             | <b>Consolidated</b>     |                         |
|---|-------------|-------------------------|-------------------------|
|   | <b>Note</b> | <b>31 December 2018</b> | <b>31 December 2017</b> |
|   |             | <b>\$</b>               | <b>\$</b>               |
| <b>Other income</b>   |             | 3,480                   | 1,405                   |
| <b>Expenses</b>   |             |                         |                         |
| Legal expenses  |             | (91,520)                | (546,839)               |
| Corporate expenses  |             | (131,203)               | (85,993)                |
| Administrative expenses   |             | (124,066)               | (91,485)                |
| Employment expenses   |             | (237,346)               | (153,796)               |
| Finance costs   |             | -                       | (1,268)                 |
| Loss on extinguishment of liabilities   | 4           | (3,787)                 | -                       |
| <b>Loss before income tax expense</b>   |             | (584,442)               | (877,976)               |
| Income tax expense  |             | -                       | -                       |
| <b>Loss after income tax expense for the half-year attributable to the owners of Celamin Holdings Limited</b> |             | (584,442)               | (877,976)               |
| Other comprehensive income for the half-year, net of tax  |             | -                       | -                       |
| <b>Total comprehensive income for the half-year attributable to the owners of Celamin Holdings Limited</b>    |             | <u>(584,442)</u>        | <u>(877,976)</u>        |
|   |             | <b>Cents</b>            | <b>Cents</b>            |
| Basic earnings per share  | 12          | (0.589)                 | (3.353)                 |
| Diluted earnings per share  | 12          | (0.589)                 | (3.353)                 |

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Statement of financial position**  
**As at 31 December 2018**

|                                  |             | <b>Consolidated</b> |                     |
|----------------------------------|-------------|---------------------|---------------------|
|                                  | <b>Note</b> | <b>31 December</b>  | <b>30 June 2018</b> |
|                                  |             | <b>2018</b>         | <b>2018</b>         |
|                                  |             | <b>\$</b>           | <b>\$</b>           |
| <b>Assets</b>                    |             |                     |                     |
| <b>Current assets</b>            |             |                     |                     |
| Cash and cash equivalents        |             | 922,559             | 585,131             |
| Trade and other receivables      | 5           | 27,179              | 16,327              |
| Other                            |             | 49,107              | 51,831              |
| <b>Total current assets</b>      |             | <u>998,845</u>      | <u>653,289</u>      |
| <b>Non-current assets</b>        |             |                     |                     |
| Exploration and evaluation       | 6           | 4,788               | -                   |
| <b>Total non-current assets</b>  |             | <u>4,788</u>        | <u>-</u>            |
| <b>Total assets</b>              |             | <u>1,003,633</u>    | <u>653,289</u>      |
| <b>Liabilities</b>               |             |                     |                     |
| <b>Current liabilities</b>       |             |                     |                     |
| Trade and other payables         | 7           | 674,146             | 772,708             |
| Employee benefits                |             | 4,548               | -                   |
| <b>Total current liabilities</b> |             | <u>678,694</u>      | <u>772,708</u>      |
| <b>Total liabilities</b>         |             | <u>678,694</u>      | <u>772,708</u>      |
| <b>Net assets/(liabilities)</b>  |             | <u>324,939</u>      | <u>(119,419)</u>    |
| <b>Equity</b>                    |             |                     |                     |
| Issued capital                   | 8           | 50,624,215          | 49,595,415          |
| Reserves                         |             | 68,782              | 68,782              |
| Accumulated losses               |             | (50,368,058)        | (49,783,616)        |
| <b>Total equity/(deficiency)</b> |             | <u>324,939</u>      | <u>(119,419)</u>    |

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2018**

|  | <b>Contributed<br/>equity<br/>\$</b> | <b>Reserves<br/>\$</b> | <b>Accumulated<br/>losses<br/>\$</b> | <b>Total<br/>deficiency in<br/>equity<br/>\$</b> |
|--|--------------------------------------|------------------------|--------------------------------------|--|
| <b>Consolidated</b>  |                                      |                        |                                      |  |
| Balance at 1 July 2017                                       | 45,483,459                           | -                      | (48,576,735)                         | (3,093,276)                                      |
| Loss after income tax expense for the half-year              | -                                    | -                      | (877,976)                            | (877,976)  |
| Other comprehensive income for the half-year, net of tax     | -                                    | -                      | -                                    | -  |
| Total comprehensive income for the half-year                 | -                                    | -                      | (877,976)                            | (877,976)  |
| Share capital issued   | 2,908,391                            | -                      | -                                    | 2,908,391  |
| Balance at 31 December 2017                                  | <u>48,391,850</u>                    | <u>-</u>               | <u>(49,454,711)</u>                  | <u>(1,062,861)</u>                               |
|  | <b>Contributed<br/>equity<br/>\$</b> | <b>Reserves<br/>\$</b> | <b>Accumulated<br/>losses<br/>\$</b> | <b>Total equity<br/>\$</b>                       |
| <b>Consolidated</b>  |                                      |                        |                                      |  |
| Balance at 1 July 2018                                       | 49,595,415                           | 68,782                 | (49,783,616)                         | (119,419)  |
| Loss after income tax expense for the half-year              | -                                    | -                      | (584,442)                            | (584,442)  |
| Other comprehensive income for the half-year, net of tax     | -                                    | -                      | -                                    | -  |
| Total comprehensive income for the half-year                 | -                                    | -                      | (584,442)                            | (584,442)  |
| Share capital issued   | 1,074,134                            | -                      | -                                    | 1,074,134  |
| <i>Transactions with owners in their capacity as owners:</i> |                                      |                        |                                      |  |
| Costs of capital   | (45,334)                             | -                      | -                                    | (45,334)   |
| Balance at 31 December 2018                                  | <u>50,624,215</u>                    | <u>68,782</u>          | <u>(50,368,058)</u>                  | <u>324,939</u>                                   |

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Statement of cash flows**  
**For the half-year ended 31 December 2018**

|   | <b>Consolidated</b> |                    |
|---|---------------------|--------------------|
|   | <b>31 December</b>  | <b>31 December</b> |
| <b>Note</b>   | <b>2018</b>         | <b>2017</b>        |
|   | <b>\$</b>           | <b>\$</b>          |
| <b>Cash flows from operating activities</b>                           |                     |                    |
| Payments to suppliers and employees (inclusive of GST)                | (574,705)           | (909,445)          |
| Interest received   | 3,480               | 1,405              |
|   | <u>(571,225)</u>    | <u>(908,040)</u>   |
| <b>Cash flows from investing activities</b>                           |                     |                    |
| Payments for exploration and evaluation                               | (4,788)             | -                  |
|   | <u>(4,788)</u>      | <u>-</u>           |
| <b>Cash flows from financing activities</b>                           |                     |                    |
| Proceeds from issue of shares   | 959,002             | 901,025            |
| Share issue transaction costs   | (45,333)            | -                  |
| Repayment of borrowings   | -                   | (14,059)           |
|   | <u>913,669</u>      | <u>886,966</u>     |
| Net cash from financing activities                                    |                     |                    |
| Net increase/(decrease) in cash and cash equivalents                  | 337,656             | (21,074)           |
| Cash and cash equivalents at the beginning of the financial half-year | 585,130             | 79,032             |
| Effects of exchange rate changes on cash and cash equivalents         | (227)               | -                  |
|   | <u>922,559</u>      | <u>57,958</u>      |
| Cash and cash equivalents at the end of the financial half-year       |                     |                    |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Celamin Holdings Limited**  
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**Notes to the financial statements**  
**31 December 2018**

**Note 1. General information**

The financial statements cover Celamin Holdings Limited as a consolidated entity consisting of Celamin Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Celamin Holdings Limited's functional and presentation currency.

Celamin Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 March 2019. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**Revenue recognition**

Revenue from contracts with customers is recognised to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This is based on a contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in the statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract are, subject to certain criteria, capitalised as an asset and amortised over the contract period.

**Trade and other receivables**

Trade and other receivables are measured at amortised cost using the effective interest method, less any provision for impairment.

*Impairment*

Allowances for impairment are recognised using an 'expected credit loss' ('ECL') model. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

**Trade and other payables**

Trade and other payables are measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

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**31 December 2018**

**Note 2. Significant accounting policies (continued)**

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

*AASB 9 Financial Instruments*

The consolidated entity has adopted AASB 9 from 1 July 2018.

Financial assets are measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. Debt investments are measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the consolidated entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

In applying AASB 9, there were no adjustments required or impact on the financial statements.

*AASB 15 Revenue from Contracts with Customers*

The consolidated entity has adopted AASB 15 from 1 July 2018.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

As the consolidated entity currently does not have any revenue from customer contracts, there was no impact to, and no adjustments required to the financial statements when applying AASB 15.

**Going concern**

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated entity made a loss after tax of \$584,442 during the six-month period ended 31 December 2018 (31 December 2017: \$877,976) and had net operating cash outflows of \$571,225 (31 December 2017: \$908,040). Following the completion of the share purchase plan and top-up placement, the consolidated entity raised a total of \$959,002 during the period. Cash balances as at 31 December 2018 totalled \$922,559, compared to \$585,131 as at 30 June 2018.

**Celamin Holdings Limited**  
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**Notes to the financial statements**  
**31 December 2018**

**Note 2. Significant accounting policies (continued)**

Subsequent to the end of the period, the Company raised an additional \$250,000 pursuant to the Placement Offer as contemplated by the Prospectus lodged with ASIC and ASX on 15 October 2018, the Supplementary Prospectus lodged with ASIC and ASX on 6 December 2018 and the Second Supplementary Prospectus lodged with ASIC and ASX on 1 February 2019 to sophisticated investors. A total of 5,000,000 placement options were also issued on this date, pursuant to the Placement Offer.

The Directors continue to monitor the ongoing funding requirements of the consolidated entity through the preparation of cash flow forecasts prepared by management to ensure that the consolidated entity has sufficient funds to meet their commitments. The Directors are confident that sufficient funds can be secured if required by a combination of capital raising and sale of assets to enable the consolidated entity to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity is currently organised into one operating segment: exploration and development of resource projects in North Africa. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

The information reported to the CODM is on at least a monthly basis.

**Note 4. Loss on extinguishment of liabilities**

Following shareholder approval at the 26 November 2018 Annual General Meeting, service fees owing to Lion Manager were settled in ordinary shares of the Company.

In accordance with Interpretation 19 of the Australian Accounting Standards Board, when equity instruments are issued to a creditor to extinguish financial liabilities, the equity instruments are to be measured at the fair value of the equity instruments issued. The difference between the carrying amount of the financial liability extinguished, and the consideration paid, is recognised in profit and loss.

**Note 5. Current assets - trade and other receivables**

|                                    | <b>Consolidated</b>  |                      |
|------------------------------------|----------------------|----------------------|
|                                    | <b>31 December</b>   | <b>30 June 2018</b>  |
|                                    | <b>2018</b>          | <b>2018</b>          |
|                                    | <b>\$</b>            | <b>\$</b>            |
| Trade and other receivables        | 160,000              | 160,000              |
| Less: Provision for doubtful debts | <u>(160,000)</u>     | <u>(160,000)</u>     |
|                                    | <u>-</u>             | <u>-</u>             |
| GST receivable                     | <u>27,179</u>        | <u>16,327</u>        |
|                                    | <u><u>27,179</u></u> | <u><u>16,327</u></u> |

Celamin has launched legal action in the Tunisian courts to recover the \$160,000 as the samples have never been delivered to Celamin by TMS. TMS have not refunded the \$160,000 that Celamin paid to TMS for the samples. Celamin are pursuing the return of these funds through a separate legal action in Tunisia. The Company is currently obtaining some legal advice as to whether it should continue this legal action at the release of this report.

**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Notes to the financial statements**  
**31 December 2018**

**Note 6. Non-current assets - exploration and evaluation**

|                                   | <b>Consolidated</b> |                     |
|-----------------------------------|---------------------|---------------------|
|                                   | <b>31 December</b>  | <b>30 June 2018</b> |
|                                   | <b>2018</b>         | <b>2018</b>         |
|                                   | <b>\$</b>           | <b>\$</b>           |
| Exploration and evaluation assets | 4,788               | -                   |

During the period the consolidated entity was granted two permits in Tunisia prospective for Zinc.

**Note 7. Current liabilities - trade and other payables**

|                | <b>Consolidated</b> |                     |
|----------------|---------------------|---------------------|
|                | <b>31 December</b>  | <b>30 June 2018</b> |
|                | <b>2018</b>         | <b>2018</b>         |
|                | <b>\$</b>           | <b>\$</b>           |
| Trade payables | 238,425             | 118,954             |
| Other payables | 435,721             | 653,754             |
|                | <u>674,146</u>      | <u>772,708</u>      |

During the period the Company settled accrued fees relating to former Directors in cash. The Company continues to accrue remaining Non-Executive director fees.

**Note 8. Equity - issued capital**

|                              | <b>Consolidated</b> |                     |                    |                     |
|------------------------------|---------------------|---------------------|--------------------|---------------------|
|                              | <b>31 December</b>  | <b>30 June 2018</b> | <b>31 December</b> | <b>30 June 2018</b> |
|                              | <b>2018</b>         | <b>2018</b>         | <b>2018</b>        | <b>2018</b>         |
|                              | <b>Shares</b>       | <b>Shares</b>       | <b>\$</b>          | <b>\$</b>           |
| Ordinary shares - fully paid | <u>132,498,394</u>  | <u>89,733,939</u>   | <u>50,624,215</u>  | <u>49,595,415</u>   |

*Movements in ordinary share capital*

| <b>Details</b>   | <b>Date</b>      | <b>Shares</b>      | <b>Issue price</b> | <b>\$</b>         |
|--|------------------|--------------------|--------------------|-------------------|
| Balance  | 1 July 2018      | 89,733,939         |                    | 49,595,415        |
| Settlement of CEO remuneration for July 2018 to Oct 2018 | 16 November 2018 | 617,605            | \$0.027            | 16,675            |
| Share Purchase plan                                      | 16 November 2018 | 24,900,000         | \$0.025            | 622,500           |
| Issue of shares pursuant to the Top up placement         | 16 November 2018 | 12,465,564         | \$0.025            | 311,639           |
| Issue of shares pursuant to the Top up placement         | 20 December 2018 | 994,526            | \$0.025            | 24,863            |
| Issue of shares as settlement of consulting fees payable | 20 December 2018 | 3,786,760          | \$0.026            | 98,456            |
| Capital raising costs                                    |                  | -                  | -                  | (45,333)          |
| Balance  | 31 December 2018 | <u>132,498,394</u> |                    | <u>50,624,215</u> |

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Notes to the financial statements**  
**31 December 2018**

**Note 8. Equity - issued capital (continued)**

*Share buy-back*

There is no current on-market share buy-back.

**Note 9. Contingent assets**

On 30 November 2017 a Final Award has been delivered by the Arbitrator appointed by the ICC to conduct the arbitration of its dispute with its joint venture partner TMS in relation to the fraudulent transfer to TMS of Celamin's 51% shareholding in CPSA, the operating company which holds the Chaketma Phosphates Permit. The Arbitrator found in favour of Celamin Limited ordering TMS, amongst other matters, to return Celamin Limited's 51% shareholding in CPSA and to pay damages and costs in excess of US\$4 million plus interest from the time of the issue of the Final Award until payment. The Company is currently pursuing legal avenues to enforce this order.

On 28 September 2018 the Company received notification that the Swiss Supreme Court declared inadmissible TMS' annulment application to set aside the Final Arbitration Award delivered by the Arbitrator appointed by the ICC to determine the dispute with TMS in relation to the fraudulent transfer to TMS of Celamin's 51% shareholding in Chaketma Phosphates SA (CPSA), the operating company which holds the Chaketma Phosphate Permit. In addition to upholding the Final Arbitration Award, the Swiss Supreme Court further ordered TMS to pay the Court's cost of approximately A\$21,500, plus an additional indemnity to Celamin for its legal costs in the amount of approximately A\$24,000. The Company is yet to receive this sum and is considering its alternatives to recover these legal costs.

**Note 10. Contingent liabilities**

A Success Fee is payable to the Company's arbitration lawyers as follows:

- A fixed amount of Euro 300,000 payable to Brown Rudnick upon return of Celamin's 51% interest in Chaketma;
- An additional amount payable to Brown Rudnick equal to 2% of any damages awarded in favour of Celamin in the Final Award, payable upon payment of those damages and/or transfer to Celamin of an increased percentage interest in CPSA in lieu of payment of such damages; and
- A fixed amount of Euro 50,000 payable to Sami Houerbi upon return of Celamin's 51% interest in Chaketma and recovery of any sizeable available asset in part or full satisfaction of damages.

**Note 11. Events after the reporting period**

On 3 January 2019 the Company announced further changes to the Board of Directors. Mr Robin Widdup was appointed Chairman, and Mr Tarecq Aldaoud was appointed as Non-Executive Director. Mr Tim Markwell also stepped down from his role as Non-Executive Director to be appointed as an alternate director to Mr Robin Widdup.

On 14 February 2018 the Company issued 10,000,000 ordinary shares raising a total of \$250,000 pursuant to the Placement Offer as contemplated by the Prospectus lodged with ASIC and ASX on 15 October 2018, the Supplementary Prospectus lodged with ASIC and ASX on 6 December 2018 and the Second Supplementary Prospectus lodged with ASIC and ASX on 1 February 2019 to sophisticated investors. A total of 5,000,000 placement options were also issued on this date, pursuant to the Placement Offer.

On 7 March 2019 the Company announced that it had entered into a Memorandum of Understanding with Tunisian company Al Kassm Holding to work together on mineral resource projects in Tunisia and elsewhere in Africa. As projects are acquired, Celamin and Al Kassm will form incorporated joint ventures, with the project interests of each party to be agreed on a case by case basis.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Notes to the financial statements**  
**31 December 2018**

**Note 12. Earnings per share**

|   | <b>Consolidated</b>     |                         |
|---|-------------------------|-------------------------|
|   | <b>31 December 2018</b> | <b>31 December 2017</b> |
|   | <b>\$</b>               | <b>\$</b>               |
| Loss after income tax attributable to the owners of Celamin Holdings Limited              | <u>(584,442)</u>        | <u>(877,976)</u>        |
|   | <b>Number</b>           | <b>Number</b>           |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | <u>99,309,073</u>       | <u>26,184,264</u>       |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>99,309,073</u>       | <u>26,184,264</u>       |
|   | <b>Cents</b>            | <b>Cents</b>            |
| Basic earnings per share  | (0.589)                 | (3.353)                 |
| Diluted earnings per share  | (0.589)                 | (3.353)                 |

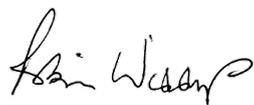
**Celamin Holdings Limited**  
**(Formerly known as Celamin Holdings NL)**  
**Directors' declaration**  
**31 December 2018**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors:



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Mr Robin Widdup  
Chairman

15 March 2019

# Independent Auditor's Review Report

To the Directors of Celamin Holdings Limited

Report on the review of the half year financial report

## Conclusion

We have reviewed the accompanying half year financial report of Celamin Holdings Limited (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Celamin Holdings Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

## Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$584,442 during the half year ended 31 December 2018 and, as of that date, the Group had net operating cash outflows of \$571,225. The cash and cash equivalents balance as at 31 December 2018 was \$922,559. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Directors' responsibility for the half year financial report

The Directors of the Group are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Celamin Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 15 March 2019