

Celamin Holdings NL

(Formerly known as Victorian Gold Mines NL)

ABN 82 139 255 771

Half-year Financial Report - 31 December 2010

Celamin Holdings NL
(Formerly known as Victorian Gold Mines NL)
Corporate directory
31 December 2010

Directors	Mr Kevin Nichol (Chairman) Mr David Regan (appointed 12 October 2010) (Executive Director) Mr Peter Avery (Non-executive Director) Mr Michael Trifnovic (Non-executive Director)
Company secretary	Ms Melanie Leydin
Registered office	Suite 304 22 St Kilda Road ST KILDA VIC 3182
Principal place of business	Suite 304 22 St Kilda Road ST KILDA VIC 3182
Share register	Advanced Share Registry Ltd 150 Sterling Highway, NEDLANDS WA 6009
Auditor	Andrew, Frewin & Stewart 61-65 Bull Street BENDIGO VIC 3550
Solicitors	Hemming & Hart Lawyers Level 2, 307 Queen Street BRISBANE QLD 4000
Bankers	Macquarie Bank Level 26, 101 Collins Street MELBOURNE VIC 3000
Stock exchange listing	Celamin Holdings NL shares are listed on the Australian Securities Exchange (ASX codes: CNL, CNLO, CNLCA)
Website address	www.celaminnl.com.au

Celamin Holdings NL
(Formerly known as Victorian Gold Mines NL)
Directors' report
31 December 2010

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 NL (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2010.

Directors

Mr Kevin Nichol	Chairman
Mr David Regan	Executive Director (appointed 12 October 2010)
Mr Peter Avery	Non-executive Director
Mr Michael Trifunovic	Non-executive Director

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Base metal exploration

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$614,090 (31 December 2009: \$125,121).

Corporate Activities:

During the half-year CNL achieved many important milestones in its development as a listed entity.

- The acquisition of the Celamin suite of project assets was completed and the finalisation of the agreement was later accelerated enabling a simpler and complete purchase within a much shorter period. It is anticipated that the final tranche will coincide with the completion of the pre feasibility study and maiden JORC compliant resource statement.
- David Regan was appointed to the board in October as an executive director while Ralph Stagg has been invited to also join the board as the Company's Technical Director. David and Ralph are leading the development of the Celamin North African assets.
- The company changed its name in this latest quarter to Celamin Holdings NL. The company also placed 16 million shares at 36 cents to institutional investors raising \$5.76 million.
- The company changed its company secretary. The board retained the services of Michael Trifunovic as a director and placed Melanie Leydin of Leydin Freyer Chartered Accountants as the new Company Secretary. Melanie brings to the position many years as an experienced Public Company, Company Secretary. Melanie through her firm Leydin Freyer is also the company's accountant.

Bir El Afou Phosphate Project Pre-Feasibility Study Highlights

- Field activities for the Pre-Feasibility Study commenced in the Bir El Afou permit led by Tunisian Mining Services (TMS) personnel and equipment;
- Trenching and Pitting program completed – 14 trenches and pits;
- Diamond core drilling program (HQ) completed at Salsala prospect – 9 holes totalling 563.3m;

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- Diamond core drilling program (HQ) commenced at Bir El Afou (Zebouzi) prospect – 1 hole completed totalling 34m;
- Diamond core drilling program for process samples (PQ) completed at Bir El Afou prospect – 4 holes totalling 105.65m;
- 121 Trench and Pit samples and 175 samples from the Salsala drilling dispatched to the analytical laboratory in Spain;
- PFS engineering work commenced with a site visit incorporating environmental and hydrological engineers;
- A site visit to the Port of Gabes was made by TMS and Celamin representatives;
- Discussions were held with Tunisia Rail. An indicative offer for transportation of product to Port has been received and is being studied;
- Pre-selection from 6 Engineering groups invited to tender for the Pre-Feasibility Study focused on one group. Final negotiations are in train for appointment in early January 2011;
- Negotiations for marketing and offtake arrangements continued.
- Mineralogical studies were completed on 6 composite Garn Halfaya Tailings samples selected based on Pb/Zn ratios and separated into 4 size ranges preparatory to planned flotation testwork;
- A report is in preparation for the Tunisian Government on the Tunisian Tailings Project to support application for renewal of permission for work on selected Tailings storages;
- Further sampling was undertaken in part of the MGila exploration permit completing the regional sampling program planned for the permit. Sample results were still outstanding at the end of the quarter;
- Work on the site access road at Oued El Kebir (Algeria) was completed by the joint venture partner at their cost during the quarter;
- The agreement for Oued El Kebir was close to being finalised during the half-year. Negotiations regarding the minority interest required by the Algerian Government (Foreign corporations are only allowed to hold 49% of Algerian assets) were still being finalised;

Garn Halfaya Tailings

This work showed the mineralogical association is very simple: Galena, Cerrusite, Hemimorphite, pyrite/marcasites, calcite, limestone and quartz. The iron sulphide (pyrite/marcasite) is altered (90 to 100%) to goethite, lepidocrosite and limonite. Most of the zinc is in the form of Hemimorphite ($Zn_4(Si_2O_7)(OH)_2 \cdot 2H_2O$). Galena is the most abundant sulphide, about 50% of the galena is altered to cerrusite. The liberation characteristics of the lead and zinc minerals from the gangue is at about 80 to 100 microns.

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This work gives a solid basis for moving forward into extractive process testwork in the next phase which is planned to commence in 1Q 2011 as soon as the permission has been renewed.

MGhila Base Metal Project

A total of 65 trench, rock chip and stream sediment samples were collected and despatched from the permit during the quarter completing the regional survey work.

The samples were despatched to ALS laboratory in Seville for analysis, results had not been received by the end of the half-year.

Victorian Assets:

No work was undertaken on the Victorian gold assets. The company is focussing on disposing of these assets.

Significant changes in the state of affairs

Note 3 in the Notes to the financial statements details changes in issued capital.

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

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 on the following page.

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



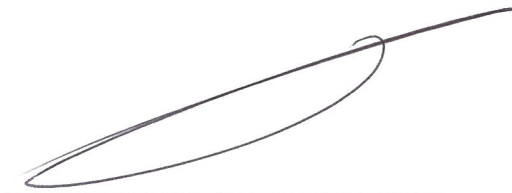
Mr Kevin Nichol
Chairman

9 March 2011
MELBOURNE

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Celamin Holdings NL

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2010 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- no contraventions of any applicable code of professional conduct in relation to the review.



Graeme Stewart
Auditor

ANDREW FREWIN & STEWART
61-65 Bull Street
Bendigo, Victoria

Dated this 9th day of March 2011

Celamin Holdings NL
(Formerly known as Victorian Gold Mines NL)
Financial report
For the half-year ended 31 December 2010

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General information

The financial report covers Celamin Holdings NL as a consolidated entity consisting of Celamin Holdings NL and the entities it controlled. The financial report is presented in Australian dollars, which is Celamin Holdings NL's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

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

Suite 304
22 St Kilda Road
ST KILDA VIC 3182

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 report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 9 March 2011. The directors have the power to amend and reissue the financial report.

Celamin Holdings NL
(Formerly known as Victorian Gold Mines NL)
Statement of comprehensive income
For the half-year ended 31 December 2010

	Consolidated	
	31/12/2010	31/12/2009
	\$	\$
Revenue	34,482	7
Expenses		
Corporate expenses	(223,201)	(68,329)
Administration expenses	(91,582)	(23,483)
Employment expenses	(214,899)	(28,064)
Depreciation and amortisation	(64,929)	(5,252)
Loss on sale of assets	(20,643)	-
Exploration expenditure written off	(33,318)	-
	<u>(614,090)</u>	<u>(125,121)</u>
Loss before income tax expense	(614,090)	(125,121)
Income tax expense	<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Celamin Holdings NL	(614,090)	(125,121)
Other comprehensive income		
Foreign currency translation	<u>789</u>	<u>-</u>
Other comprehensive income for the half-year, net of tax	<u>789</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the owners of Celamin Holdings NL	<u>(613,301)</u>	<u>(125,121)</u>
	Cents	Cents
Basic earnings per share	(1.43)	(0.94)
Diluted earnings per share	(1.43)	(0.94)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Celamin Holdings NL
(Formerly known as Victorian Gold Mines NL)
Statement of financial position
As at 31 December 2010

	Consolidated	
	31/12/2010	30/06/2010
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,633,679	1,324,165
Trade and other receivables	49,328	34,264
Other	66,265	47,816
Total current assets	<u>2,749,272</u>	<u>1,406,245</u>
Non-current assets		
Other financial assets	3,627,454	-
Property, plant and equipment	266,119	404,329
Exploration and evaluation	3,605,884	580,224
Total non-current assets	<u>7,499,457</u>	<u>984,553</u>
Total assets	<u>10,248,729</u>	<u>2,390,798</u>
Liabilities		
Current liabilities		
Trade and other payables	54,740	41,276
Total current liabilities	<u>54,740</u>	<u>41,276</u>
Total liabilities	<u>54,740</u>	<u>41,276</u>
Net assets	<u>10,193,989</u>	<u>2,349,522</u>
Equity		
Contributed equity	11,428,430	2,970,661
Reserves	1,025	236
Accumulated losses	(1,235,466)	(621,375)
Total equity	<u>10,193,989</u>	<u>2,349,522</u>

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

Celamin Holdings NL
(Formerly known as Victorian Gold Mines NL)
Statement of changes in equity
For the half-year ended 31 December 2010

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Consolidated				
Balance at 1 July 2009	3	-	-	3
Other comprehensive income for the half-year, net of tax	-	-	-	-
Loss after income tax expense for the half-year	-	-	(125,121)	(125,121)
Total comprehensive income for the half-year	-	-	(125,121)	(125,121)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	<u>2,874,078</u>	<u>-</u>	<u>-</u>	<u>2,874,078</u>
Balance at 31 December 2009	<u><u>2,874,081</u></u>	<u><u>-</u></u>	<u><u>(125,121)</u></u>	<u><u>2,748,960</u></u>
	Contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Consolidated				
Balance at 1 July 2010	2,970,661	236	(621,376)	2,349,521
Other comprehensive income for the half-year, net of tax	-	789	-	789
Loss after income tax expense for the half-year	-	-	(614,090)	(614,090)
Total comprehensive income for the half-year	-	789	(614,090)	(613,301)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	<u>8,457,769</u>	<u>-</u>	<u>-</u>	<u>8,457,769</u>
Balance at 31 December 2010	<u><u>11,428,430</u></u>	<u><u>1,025</u></u>	<u><u>(1,235,466)</u></u>	<u><u>10,193,989</u></u>

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

Celamin Holdings NL
(Formerly known as Victorian Gold Mines NL)
Statement of cash flows
For the half-year ended 31 December 2010

	Consolidated	
	31/12/2010	31/12/2009
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(549,723)	(90,651)
Interest received	34,473	7
Payments for bank guarantees	-	(20,000)
	<u> </u>	<u> </u>
Net cash used in operating activities	<u>(515,250)</u>	<u>(110,644)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	-	(508,026)
Payments for exploration and evaluation	(3,058,978)	(259,520)
Advance for loan to associate	(250,000)	-
Payments for investment in associates	(344,954)	-
Proceeds from sale of property, plant and equipment	52,638	-
	<u> </u>	<u> </u>
Net cash used in investing activities	<u>(3,601,294)</u>	<u>(767,546)</u>
Cash flows from financing activities		
Proceeds from issue of shares	5,767,687	3,103,203
Share issue transaction costs	(342,418)	(229,122)
	<u> </u>	<u> </u>
Net cash from financing activities	<u>5,425,269</u>	<u>2,874,081</u>
Net increase in cash and cash equivalents	1,308,725	1,995,891
Cash and cash equivalents at the beginning of the financial half-year	1,324,165	-
Effects of exchange rate changes on cash	789	-
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	<u><u>2,633,679</u></u>	<u><u>1,995,891</u></u>

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

Celamin Holdings NL
(Formerly known as Victorian Gold Mines NL)
Notes to the financial statements
31 December 2010

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

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 2010 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 accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New, revised or amending Accounting Standards and Interpretations adopted

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into 1 operating segment: base metals exploration. 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 3. Issued capital

During the half-year reporting period the Company:

- issued 16,000,000 ordinary shares to sophisticated investors raising \$5,760,000 at an issue price of \$0.36.
- in accordance with the Celamin Limited Acquisition Agreement issued 2,500,000 fully paid ordinary shares at a deemed issue price of \$0.55 (55 cents), 5,000,000 options exercisable at \$0.20 (20 cents) on or before 31 March 2014 at a deemed issue price of \$0.33 (33 cents) and 7,500,000 partly paid shares at a deemed issue price of \$0.001 (one tenth of a cent) to the shareholders of Celamin Limited.
- issued 10,626,801 partly paid shares at an issue price of \$0.001 (one tenth of a cent).

Note 4. Contingent liabilities

The Company does not have any contingent liabilities at 31 December 2010.

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(Formerly known as Victorian Gold Mines NL)
Notes to the financial statements
31 December 2010

Note 5. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Equity holding	
		31/12/2010	30/06/2010
		%	%
Victorian Gold Mines Pte Ltd	Singapore	100.00	100.00
Vic Gold Mines Pty Ltd *	Australia	100.00	-

* Incorporated on 16 November 2010

Note 6. Events occurring after the reporting date

On 21 December 2010, the Company announced that it had reached an agreement with the shareholders of Celamin Limited to vary the conditional agreement for acquisition of 100% of Celamin Limited. This amended agreement will result in the acceleration of the acquisition by the Company of the shares of Celamin Limited.

Completion will be conditional upon the Company obtaining all necessary shareholder approvals. Prior to the convening of the shareholders meeting the Company will discuss with the ASX the extent of the application of the provisions of Chapter 11 of the ASX Listing Rules and the application or otherwise of the provisions of Chapter 1, 2 of the ASX Listing Rules.

No other matter or circumstance has arisen since 31 December 2010 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 NL
(Formerly known as Victorian Gold Mines NL)
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes thereto 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 thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2010 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) of the Corporations Act 2001.

On behalf of the directors



Mr Kevin Nichol
Chairman

9 March 2011
MELBOURNE

To the members of Celamin Holdings NL

Scope

We have reviewed the accompanying half-year financial report of Celamin Holdings NL which comprises the statement of financial position as at 31 December 2010, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of the company, 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*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Celamin Holdings NL is not in accordance with *Corporations Act 2001*, including:

- i. giving a true and fair view of the entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



Graeme Stewart
Auditor

ANDREW FREWIN & STEWART
61-65 Bull Street
Bendigo, Victoria
Dated this 9th day of March 2011