



Celamin Holdings N.L

ACN 139 255 771 ABN 82 139 255 771
Suite 304, 22 St Kilda Road, St Kilda, VIC 3182

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27 January 2011

CELAMIN HOLDINGS NL DECEMBER 2010 QUARTERLY REPORT

Board of Directors

Kevin Nichol (Chairman)

David Regan (Executive Director)

Peter Avery (Non-executive Director)

Michael Trifunovic (Non-executive Director)

Company Secretary

Melanie Leydin

Quarterly Share Price Activity

Low \$0.31

High \$0.68

Close \$0.43

Securities on Issue:

CNL: 46,634,003 ordinary shares

CNLO: 25,367,001 options expiring 31
March 2014

CNLCA: 18,126,801 partly paid shares

Market Capitalisation as at 31 Dec 2010:

\$20,052,621

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;
- 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.



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Bir El Afou Phosphate Project Field Activities

Celamin's work in the Bir El Afou (BEA) permit area has been significantly expedited by the co-operation and local knowledge of TMS which is a co-venturer in the Project. TMS has a drilling base close to the BEA permit and this base has been offered for use for core and sample processing and storage. Celamin and TMS have also set-up accommodation and offices in the local town of Tajerouine. This has enabled a rapid commencement of field activities.

The joint venture's geologists and senior advisors planned to commence work initially with trenching and pitting close to outcrop to be followed by drilling down dip from the phosphate outcrop. The trenching program was quite successful at Salsala, only two planned trenches were not completed or did not intersect phosphate mineralization. This work was extended to Bir El Afou and Boukechrid prospects. After a few trenches were unable to penetrate thick scree cover owing to loose material causing operational difficulties, it was decided to curtail this program and replace it with shallow drilling near outcrop.

A drilling program of 52 holes totalling 2,570 m has been planned as shown in the table that follows:

| Prospects | No of Holes Planned | Metres | No of Holes Completed |
|--------------------------|---------------------|--------------|-----------------------|
| Salsala | 9 | 430 | 9 |
| Bir El Afou – Zebouzi | 8 | 380 | 1 |
| Bir El Afou | 23 | 1,090 | |
| Bir El Afou – Boukechrid | 12 | 670 | |
| Total | 52 | 2,570 | 10 |

At Salsala, 8 of the holes successfully intersected phosphate mineralization. 121 trench and pit channel and 175 half-split core samples have been sent to ALS Laboratory Group SL in Spain (a division of the Worldwide ALS laboratory group) for analysis of whole rock for 15 major oxide compounds by XRF (SiO_2 , Al_2O_3 , Fe_2O_3 , CaO , MgO , Na_2O , K_2O , Cr_2O_3 , TiO_2 , MnO , P_2O_5 , SrO , BaO , LOI) and 33 trace element analysis using four-acid digest ICP (Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn) methodologies.

When these results have been received and evaluated, a further announcement will be made.

PQ diamond core drilling (4-holes) was completed at Bir El Afou to provide samples for process testwork. These holes were placed close to known outcrop and designed to drill through the entire Lithology and all mineralisation types. Once the work on these samples has demonstrated a 'baseline' process route, samples from other prospects and within Bir El Afou will also be tested to examine the variability of the material. The first hole drilled did not intersect a complete Lithological sequence (BADD-2010-53). It has been interpreted that the upper part of the zone at this site was mined in the past. The planned 3-hole program was therefore moved to another site where a full lithology was successfully intersected in all three holes.

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Environmental and Hydrological site work has commenced as part of the BEA PFS using Tunisian Expertise. For process and potable water supply suitable aquifers close to the Project site have been identified and plans are being prepared to test existing water bores during the PFS. A baseline program has been proposed by local Company EAM sa. Celamin is also being advised by Golders Ltd on this program. The program and budget has been approved and work will commence in early 2011.

Bir El Afou Phosphate - Project Manager Appointment

Celamin is pleased to advise the appointment of a very experienced engineering Project Manager, Mr Malcolm Paterson to its team for the PFS and subsequently the FS. Mr Paterson is a mechanical engineer with major project and company Project Management experience in Australia and Overseas locations. Mr Paterson has led multi-cultural teams working on resource project PFS, Feasibility Studies and Engineering Procurement & Construction Management (EPCM) for major engineering companies in the Vietnam, Philippines, Islamic Republic of Iran, Indonesia, India, Chile, Papua New Guinea and Australia. Mr Paterson has held senior management position with BHP Engineering, Aker Solutions, Rio Tinto, Pacific Coal and Clyde Industries.

Bir El Afou Phosphate Project - Engineering

Transportation of phosphate rock to an export Port is a key component of the engineering for the PFS. Celamin and TMS have held a preliminary meeting with Tunisian Rail for transport of phosphate by rail from site to an export Port. This meeting concluded that Tunisian Rail would provide rail access and rolling stock sufficient for the Stage 1 Project requirements of 1.5 Mtpa of phosphate rock. Tunisia Rail confirmed an indicative price on a tonnage basis for this from mine gate to Port via existing the existing railway network. The port of Gabes in southern Tunisia was nominated by Tunisia Rail.

Celamin and TMS have met with the management of the Port of Gabes and confirmed the availability of a suitable berth for wharfage and loading of phosphate rock.

Further work will be undertaken on both these aspect in early 2011 during the PFS.

Responses were received from six Expression of Interest (EOI) submitted to engineering parties interested and potentially qualified to conduct the PFS. Responses that best fit the criteria established to progress the EOI were received from three engineers. Celamin established a management team and reviewed the responses after establishing criteria to progress the enquiries.

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One Company with a complete, high quality and well thought through response with recent regional and phosphate experience was selected for detailed negotiations. This was based on the following key elements:

- Have sound North African experience;
- Have proven strong mining development expertise;
- Have quality processes;
- Are International and “bankable”;
- Have in their association a Process Manager with recent large Phosphate project management experience;
- Demonstrated a genuine understanding of cultural sensitivities and respect for working in foreign countries; and
- Demonstrated a flexible approach to working with Celamin

Subject to final contract negotiations this group will be appointed early in 2011. The appointment will be announced when the contract has been completed.

Bir El Afou Phosphate Project - Offtake and Marketing

Further meetings were held with a major International fertiliser Group in Europe in December.

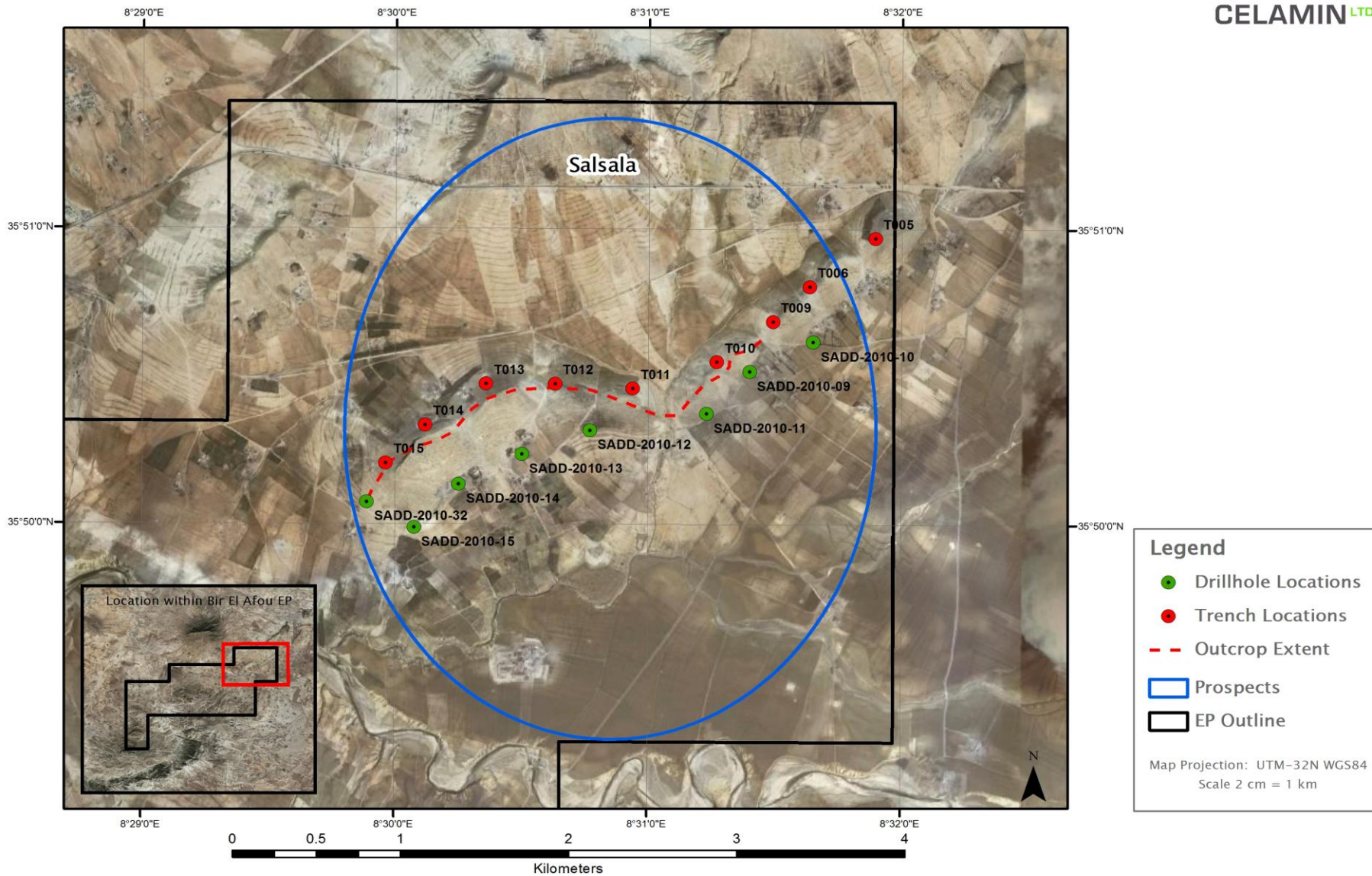
Further meetings to complete the mou are planned for early 2011.

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Salsala prospect: Plan of drill and trench locations



Bir El Afou Phosphate EP – Drillhole and Trench Locations – Salsala



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Details of drill and trench locations completed in the quarter.

| Drillhole | UTM | | Angle | Depth | Recovery | Core | Prospect | Target |
|--------------|----------|-----------|---------|-------|----------|------|-------------|---|
| | East | North | degrees | m | % | Size | | |
| SADD-2010-08 | 456956.0 | 3966523.0 | -90 | 49.6 | 98.5 | HQ | Salsala | Phosphate intersected as planned |
| SADD-2010-09 | 457334.0 | 3966706.0 | -90 | 78.0 | 98.9 | HQ | Salsala | Phosphate intersected as planned |
| SADD-2010-10 | 456699.0 | 3966261.0 | -90 | 63.5 | 97.2 | HQ | Salsala | Phosphate intersected as planned |
| SADD-2010-11 | 456006.0 | 3966159.0 | -90 | 96.3 | 99.7 | HQ | Salsala | Phosphate intersected as planned |
| SADD-2010-12 | 455601.0 | 3966010.9 | -90 | 104.5 | 96.8 | HQ | Salsala | Phosphate intersected as planned |
| SADD-2010-13 | 455224.4 | 3965823.4 | -90 | 67.4 | 99.1 | HQ | Salsala | Phosphate intersected as planned |
| SADD-2010-14 | 454958.0 | 3965554.2 | -90 | 53.6 | 98.5 | HQ | Salsala | Phosphate intersected as planned |
| SADD-2010-15 | 454678.0 | 3965715.1 | -90 | 25.1 | 80.7 | HQ | Salsala | No Intersection |
| SADD-2010-32 | 454830.0 | 3965967.0 | -90 | 30.3 | 91.1 | HQ | Salsala | Phosphate intersected as planned |
| ZADD-2010-29 | 451001.9 | 3964880.3 | -90 | 34.0 | 95.6 | HQ | Zebouzi | Phosphate intersected as planned |
| BADD-2010-53 | 449760.0 | 3964270.0 | -90 | 29.6 | 85.5 | PQ | Bir El Afou | Metallurgical Hole - part intersection only |
| BADD-2010-54 | 449485.0 | 3963763.0 | -90 | 25.0 | 91.8 | PQ | Bir El Afou | Metallurgical Hole - Phosphate intersected as planned |
| BADD-2010-55 | 449485.0 | 3963763.0 | -90 | 25.5 | 89.0 | PQ | Bir El Afou | Metallurgical Hole - Phosphate intersected as planned |
| BADD-2010-56 | 449485.0 | 3963763.0 | -90 | 25.6 | 92.0 | PQ | Bir El Afou | Metallurgical Hole - Phosphate intersected as planned |

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| Trench/Pit | UTM | | Prospect | Target |
|------------|----------|-----------|-------------|---|
| | East | North | | |
| T5 | 457705.3 | 3967355.1 | Salsala | Phosphate intersected as planned |
| T6 | 457315.1 | 3967052.8 | Salsala | Phosphate intersected as planned |
| T9 | 457095.5 | 3966835.5 | Salsala | Phosphate intersected as planned |
| T10 | 456760.5 | 3966583.3 | Salsala | Phosphate intersected as planned |
| T11 | 456260.8 | 3966419.3 | Salsala | Phosphate intersected as planned |
| T12 | 455798.7 | 3966450.4 | Salsala | Phosphate intersected as planned |
| T13 | 455389.0 | 3966451.4 | Salsala | Pit Cancelled - close to infrastructure |
| T14 | 455025.7 | 3966194.9 | Salsala | Phosphate intersected as planned |
| T15 | 454791.0 | 3965957.7 | Salsala | No Intersection |
| T1 | 449743.1 | 3963824.4 | Bir El Afou | Phosphate intersected as planned |
| T2 | 449640.8 | 3963734.6 | Bir El Afou | No Intersection |
| T3 | 449568.4 | 3963735.6 | Bir El Afou | No Intersection |
| T4 | 449388.0 | 3963786.0 | Bir El Afou | Phosphate intersected as planned |
| T35 | 449741.9 | 3964297.3 | Bir El Afou | Phosphate intersected as planned |
| T7 | 449233.0 | 3963091.0 | Boukechrid | Phosphate intersected as planned |

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Other Projects Highlights

- 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 MGhila 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 quarter. 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 ($Zn_4(Si_2O_7)(OH_2).2H_2O$). 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.

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 quarter.

Corporate Activities:

During the quarter CNL achieved many important milestones in its development as a listed entity.

- The acquisition of the Celamin suite of project assets was completed early in the quarter 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.



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- 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.

Victorian Assets:

No work was undertaken on the Victorian gold assets. The company will now dispose of these leases and all enquiries are to be directed to the Company Secretary, Melanie Leydin 03 9692 7222.

About Celamin Holdings NL

Celamin Holdings NL (ASX Code CNL) is an ASX listed company focused on the exploration and development of resource projects in North Africa initially in Tunisia and Algeria.

Through Celamin Ltd (Celamin), the Company's immediate focus is the Bir El Afou Phosphate project held in partnership with local company Tunisian Mining Services SA (TMS). A pre feasibility study targeted on a high grade, low cost Stage 1 mine development is expected to be completed by end September 2011. The Company has currently targeted first mine production by the end of 2013.

Celamin also holds another Phosphate exploration permit in Tunisia with TMS (Chaketma). This project has larger target potential than Bir El Afou. The Company's development plan is for a sequential staged development depending on market conditions once Bir El Afou Stage 1 is in production.

Celamin has also acquired rights to several base metal tailings Projects in Tunisia with TMS and is farming in to an Exploration Permit with base metal (Pb/Zn) targets.

Kevin Nichol
Chairman, Celamin Holdings NL

Compliance Statement:

The Information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr Ralph Stagg, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Institute of Materials, Minerals and Mining (IMMM). Mr Stagg has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Stagg consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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