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2023 Interim Financial Report

TERRAMIN

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Registered and Business Office

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Auditors

Grant Thornton Audit Pty Ltd

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Share Registry

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Australian Securities Exchange

ASX ticker code: **TZN**

Corporate Information

Directors

Feng Sheng

Executive Chairman

Michael Kennedy

Non-Executive Deputy-Chairman

Angelo Siciliano

Non-Executive Director

Kevin McGuinness

Non-Executive Director

Junming Zhang

Non-Executive Director

Executive Officer

Martin Janes

Financial Manager and Company Secretary

André van Driel

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Directors' Report

for the Half-year Ended 30 June 2023

Your Directors submit their report on the consolidated entity Terramin Australia Limited (the Company or Terramin) and its controlled entities (the Group), for the half-year ended 30 June 2023, and Auditor's Review Report.

Directors

The following persons were Directors of the Company during the period and up to the date of the report unless stated otherwise:

Feng Sheng	**Executive Chairman**
Michael H Kennedy[1]	**Non-Executive Deputy-Chairman**
Angelo Siciliano[1]	**Non-Executive Director**
Kevin McGuinness[2]	**Non-Executive Director**
Lulu Shi[3]	**Non-Executive Director**
Junming Zhang[4]	**Non-Executive Director**

1. Mr Kennedy and Mr Siciliano are members of the Audit and Risk Committee and the Nominations and Remuneration Committee.
2. Mr. McGuinness is Chair of the Audit and Risk Committee and the Nominations and Remuneration Committee.
3. Ms Shi stepped down as Non-Executive Director on 6th July 2023.
4. Mr Zhang was appointed Non-Executive Director with effect from 6th July 2023.

Principal Activities

During the period, there were no significant changes in the nature of the Group's principal activities which continued to focus on the development of and exploration for base and precious metals (in particular zinc, lead and gold) and other economic mineral deposits.

Operating Results

The consolidated loss of the Group from continuing operations after providing for income tax was $2.24 million for the half-year ended 30 June 2023 (2022: $2.78 million). The major contributors to the result were interest expense associated with the loan facilities provided by major shareholder Asipac Group Pty Ltd (Asipac) and administration expenditure relating to Australian operations.

The consolidated profit of the Group from discontinued operations after providing for income tax was nil for the half-year ended 30 June 2023 (2022: $10.92 million). The prior period result included a significant one-off gain associated with deconsolidation of WMZ following a loss of control. The Group retains a significant influence over WMZ as a consequence of its retained ownership percentage.

The consolidated net asset position as at 30 June 2023 was $16.0 million, a decrease from $18.3 million as at 31 December 2022. The decrease is primarily attributable to the increase in current borrowings and accrued interest payable to Asipac.

Review of Operations

During the period, the Company continued to focus on the exploration, evaluation and development of base and precious metal projects in Australia and Algeria.

Highlights of the Company's key projects are reported below:

Tala Hamza Zinc Project
(*Terramin 49%)*

The Tala Hamza Zinc Project (Tala Hamza) is 100% owned by Western Mediterranean Zinc Spa (WMZ). Terramin holds a 49% shareholding in WMZ and holds management rights in respect of Tala Hamza. The remaining 51% is held by two Algerian Government owned companies: Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (48.5%) and Office National de Recherche Géologique et Minière (ORGM) (2.5%) (Algerian joint venture partners).

In 2020, Terramin completed an optimisation study in respect of Tala Hamza and presented this study to our Algerian joint venture partners. In 2021, the joint venture partners unanimously agreed to endorse this study and agreed to advance the project towards development ('Decision to Mine') (ASX Announcement issued on 7 March 2022).

During the reporting period, a major project milestone was achieved with the Algerian mining regulator issuing the Mining Permit for Tala Hamza (ASX Announcement issued on 18 May 2023).

The issue of the Mining Permit means that Tala Hamza has satisfied all Algerian regulatory, financial and environmental requirements and that it can now proceed towards development. In collaboration with our Algerian joint venture partners, this Mining Permit will allow for the mining and processing of 2.0mtpa of ore (in accordance with the 2020 optimisation study) instead of the 1.3mtpa anticipated in the 2018 Tala Hamza Definitive Feasibility Study (ASX Announcement issued on 29 August 2018), indicating that project returns will be enhanced over the anticipated 20+ year mine life. The Mining Permit encompasses all the area of land required for operation of the mine including mining, processing, haul roads, ore stockpiles, tailings dams, concentrate handling and maintenance and administration.

Following the issue of the Mining Permit, Terramin has commenced discussions with various parties regarding the funding and construction of the project.

The process of acquiring the freehold land required for the project is well underway with Terramin closely liaising with the Algerian government.

Bird in Hand Gold Project (including Angas Zinc Mine and Processing Facility)
(Terramin 100%)

In February 2023, Terramin was advised by the South Australian Department for Energy and Mining (DEM) that its application for a Mining Lease and a Miscellaneous Purposes Licence (Mining Licences) in respect of the Bird in Hand Gold Project (BIHGP) had been refused by the South Australian Minister for Energy and Mining, Mr Tom Koutsantonis (the Minister) (ASX Announcement issued on 9 February 2023).

Subsequently, Terramin received information that the Governor of South Australia, on the advice of the Minister, had issued a proclamation under Section 8 of the Mining Act,

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which prevents future mining applications for the mineral area covered by the BIHGP (ASX Announcement issued on 2 May 2023).

The refusal of the application by the South Australian Government is contrary to the recommendation in an assessment report prepared by DEM which indicated that DEM supported the granting of the Mining Licences in respect of the BIHGP. The conclusion by DEM in their assessment report is not a surprise as Terramin's application was supported by comprehensive studies based on science, which demonstrated that there would be no adverse environmental or socio-economic outcomes arising from Terramin's mining proposal. These studies were peer reviewed by independent and Government experts over many years. Terramin has not been made aware of any issues with the methodology or conclusions of these studies.

As at the reporting date, Terramin has not received an adequate explanation for the decision by the Minister and continues to pursue strategies to resolve the matter.

The BIHGP is situated within the Lobethal exploration tenement that covers 221km^2 and is located approximately 30km north of Terramin's existing mining and processing facilities at the Angas Zinc Mine (AZM) in Strathalbyn. The project has a high-grade Resource of 265,000 ounces of gold 12.6g/t, which is amenable to underground mining. In June 2020, Terramin announced the results of a Feasibility Study which indicated that BIHGP has a robust financial outcome, including a post-tax NPV8 $141 million and IRR of 80.5% over approximately 4 years of production (ASX Announcement issued on 23 June 2020).

The study is based on a gold price of $2,300 per ounce, which is below the current prevailing gold price The BIHGP's base case projection is to produce an average of 44,700 ounces of gold per annum over four years at a low C1 cash cost of $737 per ounce and an all-in sustaining cost of $959 per ounce. The pre-production capital is estimated to be $54 million with potential for reductions in capital as we refine our studies. Payback of pre-production capital is less than 1 year. The BIHGP has significant upside potential with the Bird in Hand ore body remaining open at depth and the nearby historical high-grade gold mines, Bird in Hand Extended Mine and Ridge Mine yet to be explored.

It is anticipated that the Bird in Hand material will be processed utilising the facilities at AZM, which can treat the gold-bearing ore. The existing tailings dam at AZM has the capacity to hold all the Bird in Hand tailings.

Kapunda Copper Joint Venture

(Terramin 50%, subject to farm-out)

In August 2017, Terramin entered into an agreement with Environmental Copper Recovery Pty Ltd (ECR) in respect of the potential development of a low cost in situ recovery (ISR) copper project near Kapunda, South Australia, approximately 90km north of Adelaide. The joint venture is investigating the potential to extract through ISR the copper from shallow oxide ores in and around the historic Kapunda Mine workings (ASX Announcement issued on 2 August 2017).

In late 2020, ECR earned a 50% interest in the joint venture after spending $2.0 million and has committed to spend an additional $4.0 million to earn a further 25% interest. Subject to the completion of this expenditure, Terramin will retain 25% and receive a 1.5% royalty in respect of all metals extracted by the joint venture. In late 2022, ECR announced a $2.5 million collaboration agreement with OZ Minerals Limited (now part of BHP Limited) in respect of this project.

Terramin and ECR have estimated a combined Resource of 47.4 million tonnes at 0.25% copper containing 119,000 tonnes of copper using a 0.05% copper cut off. This Resource estimate is only in respect of that part of the Kapunda mineralisation that is considered amendable to ISR (copper oxides and secondary copper sulphides) and only reports mineralisation that is within 100 metres of the surface.

During the reporting period, ECR has been working on progressing various test work (and associated approvals) to support development of an ISR copper project.

South Gawler Project Joint Venture

(Terramin 100%, subject to farm-out)

The South Gawler Ranges Project is located in the Gawler Craton of South Australia, an area that is becoming increasingly recognised as an under-explored region with high discovery potential. The project comprises a group of eleven exploration licenses totaling 4,524km^2 and are located 100 kms west of Port Augusta. The project area is prospective for a range of deposit styles that host combinations of gold, silver, copper, lead and zinc. The project hosts the Menninnie Dam deposit, the largest undeveloped lead-zinc deposit in South Australia. The lodes at Menninnie Central and Viper have been combined to estimate a JORC 2004 compliant Inferred Resource totaling: 7.7Mt @ 3.1% Zn, 2.6% Pb and 27g/t Ag, at a 2.5% Pb+Zn cut-off (ASX Announcement issued on 1 March 2011).

In 2022, the Company entered into a $10.5 million exploration agreement with Japan Organization for Metals and Energy Security (JOGMEC) (ASX Announcement issued on 15 March 2022).

During the reporting period, a program of modelling of the extensive gravity data collected last year has been completed. JOGMEC and Terramin are currently planning for a series of SQUID surveys over a number of potential target areas. Following the results of those surveys, and subject to appropriate native title clearances, JOGMEC and Terramin anticipate drilling some of those target areas in 2023.

Terramin has commenced negotiations with the local Native Title group in regards to establishing a new Native Title Mining Agreement for exploration activities. The finalisation of this agreement is well advanced.

Directors' Report (continued)

for the Half-year Ended 30 June 2023

Adelaide Hills Exploration

(Terramin100%)

The Adelaide Hills Project consists of nine exploration tenements that cover 2,839km² largely over the southern Adelaide Fold Belt. This project area is considered prospective for gold, copper, lead and zinc and including BIHGP and the Kapunda Copper Joint Venture.

Corporate

During the period, the Company and its major shareholder Asipac agreed to restructure and increase the existing unsecured Standby Term (No.2) Facility from $1.28 million to $2.38 million. The $6 million Bird in Hand Facility, the $21.18 million Standby Short-term Facility and the $2.38 million unsecured Standby Term (No.2) Facility continue on terms that expire on 31 July 2023.

Material Business Risks

The Company's aim is the continued exploration, development and operation of base and precious metals projects (in particular zinc, lead and gold) and other economic mineral deposits. The Company has established joint ventures and is currently investing its resources in the development of the Tala Hamza Zinc Project, as well as progressing the judicial review of the South Australian Government's decision to refuse to issue a mining lease in respect of the BIHGP.

The Board and Management of Terramin are mindful of the current business and economic environment and the impact this may have on the progress of future business operations.

The Company has adopted a risk management system in accordance with Principle 7 of the Company's Corporate Governance Statement. The Company's Audit and Risk Committee along with Management undertake a regular assessment of business risks that the Company is exposed to, which is communicated to the Board.

As such, the Board currently considers the most material business risks to be as follows:

- Market price of commodities – the success of securing funding for the Tala Hamza Zinc Project and the ongoing development and operation of the project is contingent on zinc and lead prices that support the economic viability of the project;
- Key management and personnel – the success of Terramin's operations is reliant on the Company's ability to attract and retain experienced, knowledgeable, skilled and high performing key management and technical staff;
- Political and foreign operations – the operations of Terramin are currently conducted in Australia and Algeria and, as such, are exposed to various levels of political, economic and other natural and man-made risks and uncertainties over which Terramin has limited or no control. Failure to comply with applicable laws, regulations and local practices relating to exploration and mineral licences could result in the loss, reduction and/or expropriation of our rights. The occurrence of these various factors is unpredictable, and even with insurance cover (in whole or in part), could have an adverse effect on Terramin's future operations or its profitability.
- Short-term funding – the Company's short-term funding remains contingent on the support of its major long-term shareholder, Asipac. The company is also investigating alternative funding options to support the business.
- Long-term funding – securing long-term funding for the business is fundamental to the Company's ongoing success. The Company's confidence in achieving this objective has been substantially strengthened by the issue of the mining permit in respect of the Tala Hamza Zinc Project during the period. The Company is currently progressing discussions with investors with the aim of securing long-term funding.

Business Development Activities

The Company continued to identify, assess and, where appropriate, pursue the acquisition of interests in advanced mining projects.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group during the reporting period, other than as referred to in this report.

Subsequent Events

Subsequent to the end of the reporting period, the Company entered into an agreement with Asipac to increase its unsecured Standby Term (No.2) Facility from $2.38 million to $3.18 million on similar terms to enable the Company to execute its corporate strategy while the Company reviews its long-term financing. In addition, the term of the $6 million Bird in Hand Facility, the $21.18 million Standby Short-term Facility and the $3.18 million unsecured Standby Term (No.2) Facility were extended to expire on 31 October 2023.

Futhermore, the Company announced on 2 August 2023 (ASX Announcement: Terramin commences BIHGP legal proceedings) that it had filed legal proceedings in the Supreme Court of South Australia seeking judicial review of the refusal of the BIHGP Mining Lease and the AZM Miscellaneous Purposes Licence Applications by the South Australian Minister for Energy and Mining, Mr Tom Koutsantonis, and the making of the recommendation to her Excellency the Governor of South Australia that the area of land corresponding with mining lease application be reserved pursuant to section 8 of the Act (meaning that those areas be excluded from the possibility of future application under the Act). Terramin contends, amongst other things, that each decision should be set aside on the basis that the decisions misapprehended the statutory power in the Mining Act 1971 (SA), were legally unreasonable, did not take-into-account

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Directors' Report (continued)

for the Half-year Ended 30 June 2023

relevant considerations, took-into-account an irrelevant consideration, and that Terramin was not accorded procedural fairness.

Apart from the matters above, there are no other matters or circumstances that have arisen since 30 June 2023 that have significantly affected or may significantly affect either the entities operations or state of affairs in future years or the results of those operations in future years.

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Eric Whittaker (Tala Hamza, Menninnie, Angas and Kapunda Resources and Exploration Results) and Mr Dan Brost (Bird in Hand Resource), both being Competent Persons who are Member(s) of The Australasian Institute of Mining and Metallurgy (AusIMM).

Mr Whittaker was employed as the Regional Exploration Manager of Terramin and Mr Brost is a geologist consulting to Terramin. Mr Whittaker and Mr Brost have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person(s) as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whittaker and Mr Brost consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled or reviewed by Mr Luke Neesham, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Neesham is Principal Mining Engineer for GO Mining Pty Ltd a consulting firm engaged by Terramin Australia Limited to prepare mining designs and schedules for the Tala Hamza Feasibility Study. Mr Neesham has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Neesham consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Auditor's Independence Declaration

The Auditor's Independence Declaration for the half-year ended 30 June 2023 can be found on page 8 and forms part of the Directors' Report.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in Adelaide this 8th day of September 2023 in accordance with a resolution of the Board of Directors.

Feng Sheng
Executive Chairman

Kevin McGuinness
Non-Executive Director

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Auditor's Independence Declaration

To the Directors of Terramin Australia Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Terramin Australia Limited for the half-year ended 30 June 2023, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 8 September 2023

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Half-year Ended 30 June 2023

	Notes	30 Jun 2023 $'000	30 Jun 2022 $'000
Other Income	4	**81**	-
Raw materials, consumables and other direct costs		**(241)**	(204)
Employee benefits expense		**(394)**	(369)
Depreciation and amortisation expense	9	**(138)**	(363)
Mine rehabilitation obligation expense		**809**	343
Profit on disposal of property, plant and equipment		**286**	-
Exploration and evaluation expenditure expensed (Bird in Hand Gold Project)		**(73)**	-
Share of profit/(loss) of WMZ		**-**	(60)
Other expenses	4	**(680)**	(324)
Loss before net financing costs and income tax		**(350)**	(977)
Finance income	5	**100**	7
Finance costs	5	**(1,995)**	(1,806)
Net finance costs		**(1,895)**	(1,799)
Loss before income tax from continuing operations		**(2,245)**	(2,776)
Income tax benefit	17	-	-
Loss for the period from continuing operations		**(2,245)**	(2,776)
Profit for the period from discontinued operations	22	-	13,695
Profit/(loss) for the period		**(2,245)**	10,919
Profit/(loss) for the period attributable to:			
Owners of the Company		**(2,245)**	10,919
Non-controlling interest		**-**	-
Profit/(loss) for the period		**(2,245)**	10,919
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**-**	-
Other comprehensive (loss)/income for the year, net of income tax (tax: nil)		**-**	-
Total comprehensive (loss)/income for the year attributable to equity holders of the Company		**(2,245)**	10,919
Total comprehensive loss attributable to:			
Owners of the Company		**(2,245)**	10,919
Non-controlling interest		**-**	-
Total comprehensive loss for the period		**(2,245)**	10,919

Earnings per share attributable to the ordinary equity holders of the Company from continuing operations:

	Note	30 Jun 2023	30 Jun 2022
Basic earnings/(loss) per share – (cents per share)	21(a)	**(0.11)**	(0.13)
Diluted earnings/(loss) per share – (cents per share)	21(b)	**(0.11)**	(0.13)

Earnings per share attributable to the ordinary equity holders of the Company from discontinued operations:

	Note	30 Jun 2023	30 Jun 2022
Basic earnings/(loss) per share – (cents per share)	21(a)	**-**	0.52
Diluted earnings/(loss) per share – (cents per share)	21(b)	**-**	0.52

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

TERRAMIN

Consolidated Statement of Financial Position

for the Half-year Ended 30 June 2023

	Notes	30 Jun 2023 $'000	31 Dec 2022 $'000
Assets			
Current Assets			
Cash and cash equivalents	6	**54**	131
Trade and other receivables	7	**167**	127
Other assets		**291**	134
Total current assets		**512**	392
Non-current assets			
Restricted cash	6	**5,670**	5,670
Inventories	8	**240**	251
Property, plant and equipment	9	**5,654**	5,746
Exploration and evaluation	10	**8,084**	8,038
Investment in Associate – Western Mediterranean Zinc Spa	11	**45,575**	45,235
Total non-current assets		**65,223**	64,940
TOTAL ASSETS		**65,735**	65,332
Liabilities			
Current liabilities			
Trade and other payables	12	**15,110**	12,915
Short term borrowings	13	**29,333**	28,258
Provisions	14	**72**	132
Total current liabilities		**44,515**	41,305
Non-current liabilities			
Provisions	14	**5,207**	5,769
Total non-current liabilities		**5,207**	5,769
TOTAL LIABILITIES		**49,722**	47,074
NET ASSETS		**16,013**	18,258
Equity			
Share capital	16	**223,931**	223,931
Reserves	17	**183**	183
Accumulated losses		**(208,101)**	(205,856)
TOTAL EQUITY		**16,013**	18,258

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements.

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Consolidated Statement of Changes in Equity

for the Half-year Ended 30 June 2023

2023	Share capital $'000	Share based payments reserve $'000	Translation reserve $'000	Accumulated losses $'000	**Total attributable to owners $'000**	Non-controlling interest $'000	**Total equity $'000**
Balance at 1 January 2023	**223,931**	**195**	**(12)**	**(205,856)**	**18,258**	**-**	**18,258**
Total comprehensive income for the period							
Profit for the period	-	-	-	(2,245)	(2,245)	-	(2,245)
Other comprehensive income							
Foreign currency translation differences	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(2,245)	(2,245)	-	(2,245)
Other equity movements							
Balance at 30 June 2023	**223,931**	**195**	**(12)**	**(208,101)**	**16,013**	**-**	**16,013**

2022	Share capital $'000	Share based payments reserve $'000	Translation reserve $'000	Accumulated losses $'000	**Total attributable to owners $'000**	Non-controlling interest $'000	**Total equity $'000**
Balance at 1 January 2022	**223,931**	**195**	**(9,279)**	**(192,385)**	**22,462**	**13,134**	**35,596**
Total comprehensive income for the period							
Profit for the period	-	-	6,024	4,895	10,919	-	10,919
Other comprehensive income							
Foreign currency translation differences	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	6,024	4,895	10,919	(13,134)	1,028
Other equity movements							
Deconsolidation of foreign currency translation reserve	-	-	3,243	-	3,243	-	3,243
Deconsolidation of non-controlling interest	-	-	-	-	-	(13,134)	(13,134)
Balance at 30 June 2022	**223,931**	**195**	**(12)**	**(187,490)**	**36,624**	**-**	**36,624**

The Consolidated Statement of Change in Equity is to be read in conjunction with the notes to the consolidated financial statements.

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Consolidated Statement of Cash Flows

for the Half-year Ended 30 June 2023

	Note	Jun 2023 $'000	Jun 2022 $'000
Cash from operating activities:			
Receipts from customers		**54**	-
Payments to suppliers and employees		**(1,445)**	(986)
Financing costs and interest paid		**(50)**	(53)
Interest received		**65**	8
Total cash (used in) operating activities		**(1,376)**	(1,031)
Cash flows from investing activities:			
Proceeds from the sale of property, plant and equipment		**258**	-
Disposal of cash – Western Mediterranean Zinc		**-**	(3)
Transfer to restricted cash		**-**	(5,670)
Exploration and evaluation expenditure		**(34)**	(219)
Net cash (used in) investing activities		**224**	(5,892)
Cash flows from financing activities:			
Proceeds from borrowings		**1,075**	1,250
Repayment of borrowings		**-**	-
Net cash from financing activities		**1,075**	1,250
Other activities:			
Net (decrease)/increase in cash and cash equivalents		**(77)**	(5,673)
Net foreign exchange differences		**-**	(2)
Cash and cash equivalents at beginning of the year (Jun 2021 - including restricted cash on deposit)		**131**	5,721
Cash and cash equivalents at end of the half-year	6	**54**	46

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Reporting entity

The consolidated interim financial statements cover the consolidated entity of Terramin Australia Limited and its controlled entities (the Group). Terramin Australia Limited is a public company, listed on the Australian Securities Exchange (ASX). The Group is primarily involved in the development of, and exploration for, precious and base metals (in particular gold, zinc and lead) and other economic mineral deposits.

2. Basis of preparation

(a) Statement of Compliance

The consolidated interim financial report is a general-purpose financial report that has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 (Cth).

The consolidated interim financial report was authorised for issue by the Directors on the 8th day of September 2023.

(b) Reporting Basis

The consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report, and therefore it is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2021, and any public announcements made by the Company during the interim reporting period in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001 (Cth).

Where required by accounting standards, comparative figures have been reclassified to conform to changes in presentation in the current interim financial period.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the Instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report has been prepared in Australian dollars on the basis of historical costs, except for plant and equipment and derivative financial instruments measured at fair value and the provision for mine rehabilitation measured at the present value of future cash flows.

(c) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the period to 30 June 2023, the Group incurred a loss of $2.25 million from operations.

As at 30 June 2023 the Group's current liabilities exceeded its current assets by $44.0 million.

The financial report has been prepared on a going concern basis on the expectation that the Group can raise additional debt or equity as required. The Directors are aware that additional debt or equity will be required within 12 months, in order to continue as a going concern. The Group's ability to raise equity will rely on investor confidence in the Group's investment in the Tala Hamza Zinc Project or the development or sale of other assets and/or deferral of existing debt facilities, noting that amounts owing to Asipac in respect of the facilities will not be called upon to the financial detriment of the Company.

The Directors note that the matters outlined above indicate material uncertainty, which may cast significant doubt on the ability of the Group to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. At the date of this report, the Directors believe that the Group has adequate resources to continue to explore, evaluate and develop the Group's areas of interest and support to date from Asipac will ensure the Company has sufficient funds to meet its obligations. Subject to market conditions the Directors believe there are reasonable grounds to conclude that the Company will be able to raise funds by way of debt and/or equity to fund anticipated activities and meet financial obligations. For the reasons outlined above, the Board has prepared the Financial Report on a going concern basis.

(d) Use of Estimates and Judgements

The preparation of the financial statements in accordance with AASB requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ending 31 December 2021, except for the accounting of WMZ which required:

- a new estimate or judgement due to the Company having significant influence rather than control of WMZ at the reporting date. As Terramin holds a 49% interest in the underlying equity and 2 of 5 board seats it has been determined that loss of control has occurred but significant influence is maintained; and
- determination of the fair value of the equity instruments held in WMZ as at the date when control was deemed to have been lost. Refer to notes 11 and 22.

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3. Significant accounting policies

The accounting policies applied by the Company in this interim financial report are the same as those applied to the Company's consolidated financial statements as at and for the year ending 31 December 2022.

4. Other Income and Expenses

Other Income	Jun 2023 $000's	Jun 2022 $000's
Revenue from contracts[1]	**31**	-
Other income	**50**	-
Total other income	**81**	-

Revenue from Contracts	30 June 2023 Operator fee Income $'000's	Total $000's
Revenue recognised over time	-	-
Revenue recognised at a point in time	31	31
Total revenue	**31**	**31**

1. *In 2022 Terramin entered into a $10.5 exploration agreement with the Japan Organization for Metals and Energy Security (JOGMEC). Following Foreign Investment Review Board approval in June 2022, the field work activities under the agreement commenced. As operator, the Company receives a quarterly management fee.*

Other Expenses	Jun 2023 $000's	Jun 2022 $000's
Corporate Administration and Marketing Costs	**292**	60
Legal, Accounting, Community Relations and Other Consultants	**343**	227
ASX fees and Share Registry Costs	**42**	35
Other	**3**	2
Total other expenses	**680**	324

5. Finance Income and Costs

Finance Income	Jun 2023 $000's	Jun 2022 $000's
Interest income	**100**	7
Total finance income	**100**	7

Finance Costs	Jun 2023 $000's	Jun 2022 $000's
Interest on borrowings	**1,757**	1,604
Unwinding of discount on mine rehabilitation provision	**224**	191
Amortisation of borrowing costs	**6**	4
Other borrowing costs	**8**	7
Total finance costs	**1,995**	1,806

6. Cash and Cash- Equivalents

	Jun 2023 $000's	Dec 2022 $'000's
Cash on hand	**1**	1
Bank balances	**23**	100
Short-term deposits[1]	**30**	30
Total cash and cash equivalents	**54**	131
Restricted cash on deposit[1,2]	**5,670**	5,670
Total non-current restricted cash	**5,670**	5,670

1. *Represents restricted cash on deposit to support minor credit card facilities.*
2. *$5.67 million (2022: $5.67 million) supports the environmental rehabilitation bond over Mining Lease 6229 required by the South Australian Government. The company may opt to refinance its cash backed bank guarantee facility with the Commonwealth Bank of Australia to a debt arrangement. Given the decision regarding the Bird in Hand Gold Project mining lease refusal and the outcome of pending court proceedings, the restricted nature of the deposits continues to be classified as non-current.*

7. Trade and Other Receivables

	Jun 2023 $000's	Dec 2022 $'000's
Trade receivables	**119**	72
Accrued interest receivable	**37**	1
Other receivables (including GST refund)	**11**	54
Total trade and other receivables	**167**	127

8. Inventories

	Jun 2023 $000's	Dec 2021 $'000's
Non-current		
Raw materials and consumables	**240**	251
Total inventories at the lower of cost and net realisable value	**240**	251

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9. Property Plant and Equipment

Property, plant and equipment	Jun 2023 $000's	Dec 2022 $'000's
Freehold land		
At cost	**3,460**	3,460
Total freehold land[1]	**3,460**	3,460
Buildings and other infrastructure		
At cost	**104**	126
Less accumulated depreciation	**(104)**	(125)
Total buildings and other infrastructure[1]	**-**	1
Right-of-use Assets		
At cost	**288**	288
Less accumulated depreciation	**(288)**	(288)
Total Right-of-Use Assets	**-**	-
Plant and Equipment		
At cost	**56,678**	56,919
Less accumulated impairment	**(14,219)**	(14,219)
Less accumulated depreciation	**(40,265)**	(40,415)
Total plant and equipment[1,]	**2,194**	2,285
Total property plant and equipment	**5,654**	5,746

Movements in carrying amounts	Freehold land $'000	Buildings and other infrastructure $'000	Plant and equipment $'000	Right-of-Use Assets $'000	Total $'000
Opening carrying amount 1 Jan 2023	**3,460**	**1**	**2,285**	**-**	**5,746**
Additions	**-**	**-**	**53**	**-**	**53**
Disposals	**-**	**(1)**	**(6)**	**-**	**(7)**
Depreciation and amortisation	**-**	**-**	**(138)**	**-**	**(138)**
Foreign currency movement	**-**	**-**	**-**	**-**	**-**
Carrying amount at 30 Jun 2023	**3,460**	**-**	**2,194**	**-**	**5,654**

Movements in carrying amounts	Freehold land $'000	Buildings and other infrastructure $'000	Plant and equipment $'000	Right-of-Use Assets $'000	Total $'000
Opening carrying amount 1 Jan 2022	3,460	1	3,013	16	6,490
Additions	-	-	3	-	3
Disposals	-	-	-	-	-
Deemed disposal - deconsolidation of WMZ	-	-	(10)	(6)	(16)
Depreciation and amortisation	-	-	(721)	(10)	(731)
Foreign currency movement	-	-	-	-	-
Carrying amount at 31 Dec 2022	3,460	1	2,285	-	5,746

1. *The Directors have considered the recoverable amount of property, plant and equipment based on available market information for comparable assets.*

10. Exploration and Evaluation Assets

Exploration and evaluation	Jun 2023 $000's	Dec 2022 $'000's
At cost	**8,038**	63,813
Additions	**46**	415
Deemed disposal - deconsolidation of WMZ	**-**	(41,120)
Provision for impairment of Bird in Hand Gold	**-**	(15,099)
Foreign currency movement	**-**	29
Total exploration and evaluation	**8,084**	8,038

Exploration and evaluation projects by location	Jun 2023 $000's	Dec 2022 $'000's
Adelaide Hills (Terramin Exploration 100%)[1]	**2,168**	2,132
Bird in Hand Gold (Terramin Exploration 100%)[3]	**-**	-
South Gawler (Menninnie Metals 100%)[2]	**5,916**	5,906
Total exploration and evaluation	**8,084**	8,038

1. *The Company entered into an agreement with respect to the Kapunda Project, over which the Company has a current Exploration Licence. Environment Copper Recovery Pty Ltd (ECR) earned a 50% interest in the project after spending $2m on field trials and associated studies. ECR elected to earn an additional 25% interest in the project by spending a further $4m. The Company agreed to amend the minimum expenditure terms of the joint arrangement such that at each anniversary date ECR's spend is assessed on a cumulative basis to consider fluctuations in the timing of project activity. Subject to completion of the expenditure by ECR, the Company will retain a minimum 25% contributing interest and a 1.5% net smelter royalty in respect of all metals extracted from the joint venture area. The expenditure by ECR on the project is not reflected in the accounts of the Company, however will contribute to the minimum expenditure obligations under the terms of the Exploration License.*
2. *In 2022, the Company executed a A$10.5 million exploration agreement with JOGMEC relating to the South Gawler Ranges tenements. Following the receipt of FIRB approval in June 2022, JOGMEC and the Company commenced exploration field work. The expenditure by JOGMEC on the project is not reflected in the accounts of the Company, however will contribute to the minimum expenditure obligations under the terms of the Exploration License.*
3. *During the reporting period, the Company was informed by the South Australian Department for Energy and Mining (DEM) of the Minister's decision to refuse to grant a Mining Lease and a Miscellaneous Purposes Licence in respect of the Bird in Hand Gold Project. Subsequent to the reporting date the Company announced it had filed documents as part of its commencement of legal action against the South Australian Government.*

11. Investment in WMZ

Investment in WMZ	Jun 2023 $000's	Dec 2022 $'000's
Fair value at beginning of year	**45,235**	
Fair value at loss of control		45,101
Share of WMZ profit/(loss) during the period	**-**	(60)
Working capital contributed to WMZ in 2023	**340**	194
Total investment in WMZ	**45,575**	45,235

Statement of Financial Position of WMZ	Jun 2023 $'000	Dec 2022 $'000
Current assets	-	84
Non-current assets	-	41,133
Current liabilities	-	(115)
Non-current liabilities	-	-
Net assets	-	41,102

1. *In 2022, the Company transferred 16% of its ownership interest in WMZ to ENOF which resulted in Terramin holding a minority interest at the reporting date. Consequently, the subsidiary WMZ was deconsolidated from the Company's Financial Report with Terramin's 49% investment in WMZ recognised as a non-current asset in accordance with AASB 10 and AASB 128.*
2. *The fair value at the deemed date of loss of control was determined with the assistance of a valuation expert having regard to three valuation methods including:*
   - *Discounted cash flows associated with the Tala Hamza Zinc Project;*
   - *Market Multiples with the following criteria:*
     - *Zinc Focus*
     - *Company listed on a securities exchange (wherever located) and known privately owned projects*
     - *Large mineral resource (zinc equivalent tonnes)*
     - *Feasibility study completed*
   - *Transaction Multiples for Zinc asset transactions from 1 January 2018*
3. *Western Mediterranean Zinc Spa (WMZ) is an Algerian registered company. It is a joint venture vehicle to develop the Project between Terramin and Enterprise Nationale des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF). Terramin holds a 49% shareholding in WMZ, with the remaining 51% held by two Algerian government-owned companies: ENOF and the Office National de Recherche Géologique et Minière (ORGM).*
4. *There are no separate commitments for expenditure at this time for WMZ.*

12. Trade and Other Payables

	Jun 2023 $'000	Dec 2022 $'000
Trade payables	**772**	741
Other payables and accrued expenses	**1,186**	742
Accrued interest on borrowings[1]	**13,152**	11,432
Total trade and other payables	**15,110**	12,915

1. *Primarily represents accrued interest on Asipac finance facilities at the reporting date.*

Trade and other payables are normally non-interest bearing and are settled on 30 days end of month terms with the exception of accrued interest on borrowings.

13. Loans and Borrowings

	Jun 2023 $'000	Dec 2022 $'000
Current liabilities		
Loans - secured[2]	**27,184**	27,184
Loans - unsecured[2]	**2,149**	1,074
Total current borrowings	**29,333**	28,258
Financing facilities		
Loan facilities - available	**29,559**	28,459
Loan facilities - undrawn	**(225)**	(200)
Loan facilities - drawn	**29,334**	28,259
Less: unamortised transaction costs	**(1)**	(1)
Carrying amount	**29,333**	28,258
Guarantee facility		
Guarantee facility – available[3]	**5,665**	5,665
Guarantee facility - drawn	**5,665**	5,665

1. *At reporting date, the Group had drawn down $29.33 million of $29.56 million available to the Company in respect of three loan facilities provided by Asipac. Interest is fixed at a base rate of 12%, payable upon termination date. Subsequent to the reporting date, the Company and Asipac agreed to extend the expiry date of the facilities to 31 October 2023.*
2. *The $5.7 million environmental rehabilitation bond required by the South Australian Government over Mining Lease 6229 continued to be supported by a cash backed Commonwealth Bank of Australia bank guarantee.*

Under the terms of the $6.0 million BIH loan facility (**BIH Facility**) and $21.18 million Standby facility (**Standby Faciilty**) (**Facilities**) provided to Terramin Exploration Pty Ltd (**TZNEx**), the following first ranking securities have been granted to Asipac: a real property mortgage over land acquired at Bird in Hand, a general security interest over all assets of TZNEx and

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a specific security over the shares of TZNEx. All security interests will be discharged upon repayment of amounts due under the Facilities.

The $2.38 million Short term Standby (No.2) Facility (**Standby (No.2) Facility**) is unsecured.

14. Provisions

	Jun 2023 $'000	Dec 2022 $'000
Current		
Employee benefits	**72**	132
Total current provisions	**72**	132
Non-current:		
Employee benefits	**50**	27
Mine rehabilitation	**5,157**	5,742
Total non-current provisions	**5,207**	5,769

	Employee benefits $'000	Mine rehabilitation $'000	Total $'000
At 1 January 2023	159	5,742	5,901
Increase(decrease)	20	(585)	(565)
Paid in the period	(57)	-	(57)
At 30 June 2023	**122**	**5,157**	**5,279**

1. *The mine rehabilitation provision is recognised for the estimated cost of rehabilitation, decommissioning, restoration and long-term monitoring of areas disturbed during operation of the Angas Zinc Mine up to reporting date but not yet rehabilitated.*

The mine rehabilitation provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. The provision has been calculated using a risk-free discount rate of 3.91% (2022: 3.73%).

15. Financial Instruments

The Group is exposed to market risk in the form of commodity price risk, foreign currency exchange risk and interest rate risk. The carrying value of the financial assets and liabilities of the Group, together with the equity and profit or loss impact during the period (if any), that are affected by market risk are categorised as follows:

Financial Instruments	*Note*	Jun 2023 $'000	Dec 2022 $'000
Current			
Cash and cash equivalents	6	**54**	131
Trade and other receivables	7	**167**	127
Trade and other payables	12	**(15,110)**	(12,915)
Financial liabilities at amortised cost	13	**(29,333)**	(28,258)
Total current financial instruments		**(44,222)**	(40,915)

Fair value

The fair values of the financial assets and liabilities of the Group are equal to the carrying amount in the accounts (as detailed previously). In the case of loans and borrowings it is considered that the variable rate debt and associated credit margin is in line with current market rates and therefore is carried in the accounts at fair value.

16. Issued Capital

(a) Ordinary shares

	Jun 2023 $'000	Dec 2022 $'000
2,116,562,720 (2022: 2,116,562,720)		
Ordinary shares	**229,676**	229,676
Share issue costs	**(5,745)**	(5,745)
Total issued capital	**223,931**	223,931

The holders of ordinary shares are entitled to one vote per share at meetings of the Company and participation in dividends declared. All issued shares are fully paid.

(b) Detailed table of capital issued during the half year ended 30 June 2023

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Opening balance 1 Jan 2023		**2,116,562,720**		**223,931**
Closing balance 30 Jun 2023		**2,116,562,720**		**223,931**
Issued Capital				**223,931**

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Opening balance 1 Jan 2022		**2,116,562,720**		**223,931**
Closing balance 31 Dec 2022		**2,116,562,720**		**223,931**
Issued Capital				**223,931**

17. Reserves

(a) Foreign currency translation reserve

Foreign currency translation reserve	Jun 2023 $'000	Dec 2022 $'000
Balance at the beginning of the year	**(12)**	(9,279)
Translation into presentation currency	-	-
Movement on loss of control	-	9,267
Balance at the end of the year	**(12)**	(12)

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(b) Share based payments reserve

Share based payments reserve	Jun 2023 $'000	Dec 2022 $'000
Balance at the beginning of the year	**195**	195
Balance at the end of the period	**195**	195

The share-based payment reserve is used to recognise the value of equity-settled share-based payment transactions, including employees and KMP, as part of their remuneration. During 2023 no share-based payments were made, and no options lapsed or were forfeited. Subsequent to the reporting date, 5,000,000 unlisted options expired unexercised.

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18. Income Tax Expense

As at the date of this report, the Company has determined that no Research and Development claim will be made for the 2022/23 taxation year, recognised as a nil income tax benefit, and no value has been included in Trade and Other Receivables.

The Company is part of an Australian Tax Consolidated Group. The Australian Tax Consolidated Group has potential deferred tax assets of $57.61 million (Dec 2022: $56.79 million). These have not been brought to account because the Directors do not consider the realisation of the deferred tax asset as probable.

In order to utilise the benefit of the tax losses, an assessment will need to be undertaken with regards to the continuity of ownership or same business tests.

19. Segment Reporting

For management purposes, the Group is organised into business units based on geography and has two reportable operating segments:

a. Australia - explores, develops and mines zinc, lead and gold deposits
b. Northern Africa - developing a zinc deposit

No operating segments have been aggregated to form the above reportable operating segments.

	Australia		Northern Africa		Consolidated	
	Jun 2023 $'000	Jun 2022 $'000	**Jun 2023 $'000**	Jun 2022 $'000	**Jun 2023 $'000**	Jun 2022 $'000
Other Income - External customers	**81**	-	**-**	-	**81**	-
Total Other Income	**81**	-	**-**	-	**81**	-
Results						
Raw materials, consumables and other direct costs	**(241)**	(204)	**-**	-	**(241)**	**(204)**
Employee benefits expense	**(394)**	(369)	**-**	-	**(394)**	**(369)**
Depreciation and amortisation	**(138)**	(363)	**-**	-	**(138)**	**(363)**
Exploration and evaluation expensed (Bird in Hand Gold Project)	**(73)**	-	**-**	-	**(73)**	-
Mine rehabilitation obligation expense	**809**	343	**-**	-	**809**	343
Profit on disposal of property, plant and equipment	**286**				**286**	
Share of profit/(loss) of WMZ	**-**	-	**-**	(60)	**-**	(60)
Other expenses	**(680)**	(324)	**-**	-	**(680)**	(324)
Net finance costs	**(1,895)**	(1,799)	**-**	-	**(1,895)**	(1,799)
Profit(Loss) before income tax from continuing operations	**(2,245)**	(2,716)	**-**	(60)	**(2,245)**	(2,776)
Profit(Loss) before income tax from discontinued operations	**-**	-	**-**	13,695	**-**	13,695
Profit(Loss) before income tax	**(2,245)**	(2,716)	**-**	13,635	**(2,245)**	10,919
Income tax expense	**-**	-	**-**	-	**-**	-
Profit(Loss) for the half-year	**(2,245)**	(2,716)	**-**	13,635	**(2,245)**	10,919
	Jun 2023 $'000	Dec 2022 $'000	**Jun 2023 $'000**	Dec 2022 $'000	**Jun 2023 $'000**	Dec 2022 $'000
Operating assets	**20,160**	20,097	**45,575**	45,235	**65,735**	65,332
Operating liabilities	**49,722**	47,074	**-**	-	**49,722**	47,074
Other disclosures:						
Capital expenditure[1]	**46**	415	**340**	-	**386**	415

1. *Capital expenditure consists of property, plant and equipment and exploration and evaluation asset additions and contributions to Investment in Associate – WMZ.*

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

There are no transactions other than cash funding between reportable segments.

20. Share Based Entitlements and Payments

The Group uses share options and share rights to provide incentives to Directors, employees and consultants. The Board, upon the recommendation of senior management, has discretion to determine the number of options to be offered to Eligible Employees (as that term is defined by the EOP) and the terms upon which they are offered, including exercise price and vesting conditions.

During the half year ending 30 June 2023, no options were granted to KMP. Details of the options granted to the former Chief Executive Officer, which remain outstanding at the reporting date, are summarised in the table that follows.

Number & weighted average exercise price of share options

2022	Weighted average exercise price Jun 2023	Number of options Jun 2023	Weighted average exercise Price Dec 2022	Number of Options Dec 2022
Outstanding at 1 Jan	**$0.225**	**5,000,000**	$0.225	5,000,000
Outstanding at 30 Jun	**$0.225**	**5,000,000**	$0.225	5,000,000
Exercisable at 30 Jun	**$0.225**	**5,000,000**	$0.225	5,000,000

Subsequent to the reporting date, the 5,000,000 unlisted options expired unexercised.

21. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share from continuing operations at 30 June 2023 has been based on the net loss attributable to owners of the Company of $2.3m (June 2022: $2.8m) and a weighted average number of ordinary shares outstanding during the half-year ended 30 June 2023 of 2,116,562,720 (June 2022: 2,116,562,720), calculated as follows:

Earnings per share from continuing operations	Jun 2023 $'000	Jun 2022 $'000
Net loss for the year attributable to the owners of the Company	**(2,245)**	(2,776)
Ordinary shares on issue	**2,116,562,720**	2,116,562,720
Weighted average number of shares	**2,116,562,720**	2,116,562,720
Basic earnings per share (cents)	**(0.11)**	(0.13)

The calculation of basic earnings per share from discontinued operations at 30 June 2023 was based on the net loss attributable to owners of the Company of nil (June 2022: $8.06m) and a weighted average number of ordinary shares outstanding during the half-year ended 30 June 2023 of 2,116,562,720 (June 2022: 2,116,562,720), calculated as follows:

Earnings per share from discontinued operations	Jun 2023 $'000	Jun 2022 $'000
Net loss for the year attributable to the owners of the Company	-	10,919
Ordinary shares on issue	**2,116,562,720**	2,116,562,720
Weighted average number of shares	**2,116,562,720**	2,116,562,720
Basic earnings per share (cents)	-	0.52

(b) Diluted earnings per share

The calculation of diluted earnings per share does not include potential ordinary shares on issue as to do so would have the effect of reducing the amount of the loss per share. Therefore, the diluted earnings per share equates to the ordinary earnings per share.

22. Events After the Reporting Date

Subsequent to the end of the reporting period, the Company entered into an agreement with Asipac to increase its unsecured Standby Term (No.2) Facility from $2.38 million to $3.18 million on similar terms to enable the Company to execute its corporate strategy while the Company reviews its long-term financing. In addition, the term of the $6 million Bird in Hand Facility, the $21.18 million Standby Short-term Facility and the $3.18 million unsecured Standby Term (No.2) Facility were extended to expire on 31 October 2023.

Futhermore, the Company announced on 2 August 2023 (ASX Announcement: Terramin commences BIHGP legal proceedings) that it had filed legal proceedings in the Supreme Court of South Australia seeking judicial review of the refusal of the BIHGP Mining Lease and the AZM Miscellaneous Purposes Licence Applications by the South Australian Minister for Energy and Mining, Mr Tom Koutsantonis, and the making of the recommendation to her Excellency the Governor of South Australia that the area of land corresponding with mining lease application and mineral claim 4473 be reserved pursuant to section 8 of the Act (meaning that those areas be excluded from the possibility of future applications under the Act).. Terramin contends, amongst other things, that each decision should be set aside on the basis that the decisions misapprehended the statutory power in the Mining Act 1971 (SA), were legally unreasonable, did not take-into-account relevant considerations, took-into-account an irrelevant consideration, and that Terramin was not accorded procedural fairness.

Apart from the matters above, there are no other matters or circumstances that have arisen since 30 June 2023 that have significantly affected or may significantly affect either the entities operations or state of affairs in future years or the results of those operations in future years.

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Directors’ Declaration

The Directors of the Company declare that:

The financial statements and notes, as set out on pages 9-19:

(a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
(b) give a true and fair view of the consolidated entity’s financial position as at 30 June 2022 and of its performance for the half-year ended on that date.

In the Directors’ opinion, 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 Adelaide on the 8th day of September 2023 in accordance with a resolution of the Board of Directors.

Feng Sheng
Executive Chairman
8th September 2023

Kevin McGuinness
Non-Executive Director
8th September 2023

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Auditor's Independent Report

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Independent Auditor's Review Report

To the Members of Terramin Australia Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Terramin Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Terramin Australia Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Group financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial report, which indicates that the Group incurred a net loss of $2.245 million during the half-year ended 30 June 2023 and, as of that date, the Group's current liabilities exceeded its current assets by $44.003 million. As stated in Note 2(c), these events or conditions 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 Company 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 30 June 2023 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*.

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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 8 September 2023

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