25 February 2019

ASX Market Announcements Office

ASX Limited

Exchange Centre

Level 4, 20 Bridge Street

SYDNEY NSW 2000

Dear Sir/Madam,

Terramin Australia's 2018 Full Year Financial Results for Announcement to the Market

Terramin Australia Limited announced its results today for the full year ended 31 December 2018.

Please find attached Appendix 4E and 2018 Annual Report including:

- Sustainability Report
- Annual Financial Report
- Additional Securities Exchange Information, including
  - Corporate Governance Statement
  - Global Reporting Initiatives Index

Regards

Simon Iacopetta
Chief Financial Officer and Company Secretary

Enc

Appendix 4E Statement

TERRAMIN AUSTRALIA LIMITED

PRELIMINARY FINAL REPORT

Current reporting period:	12 months ended 31 December 2018
Previous corresponding period:	12 months ended 31 December 2017
Reporting Cycle:	12 months

Results for Announcement to the Market

(All comparisons to year ended 31 December 2018)	$'000	Up/down	Movement %
Revenues from ordinary activities	-	-	-
Revenues from ordinary activities excluding interest income	-	-	-
Loss after tax from ordinary activities	(6,010)	up	89

Operating and Financial Review

There was no revenue from ordinary activities for the financial year ended 31 December 2018.

The commentary on the consolidated results and outlook, including changes in the state of affairs and likely developments of the consolidated entity, are set out in the Review of Operations section of the Directors Report. Further Appendix 4E disclosure requirements can be found in the 31 December 2018 Annual Financial Report and accompanying notes.

Dividends Information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Interim 2018 dividend per share	Nil	Nil	Nil
Final 2018 dividend per share	Nil	Nil	Nil

No interim dividend was paid for the year ending 31 December 2018 and no final dividend has been proposed for the year ending 31 December 2018.

Net Tangible Assets per Security

	31 December 2018	31 December 2017
Net tangible assets per security	0.03	0.03

Independent Auditors Report

The consolidated financial statements upon which this Appendix 4E is based have been audited and the Independent Auditors Report to the members of Terramin Australia Limited is included in the attached Annual Financial Report.

2018 Annual Report

Contents


Simon Iacopetta, Michael Kennedy, Kevin McGuinness, Feng Sheng, Richard Taylor & Angelo Siciliano

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W www.terramin.com.au
ABN 67 062 576 238
ACN 062 576 238

Auditors

Grant Thornton Audit Pty Ltd

Level 3, 170 Frome Street
Adelaide, South Australia, 5000

Share Registry

Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street
Adelaide, South Australia, 5000
T 1300 556 161

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

Wang Xinyu
Executive Director

Chief Executive Officer

Richard Taylor

Chief Financial Officer and Company Secretary

Simon Iacopetta

Chairman's Review

Dear Fellow Shareholders,

In 2018, Terramin had substantial success in repositioning the company for development of its two major assets, Tala Hamza in Algeria and Bird-in-Hand in South Australia. Terramin announced a demerger of its gold business from its base metals assets and the company has worked diligently towards pursuing this objective at a time that will add greatest value to shareholders. I note that, at the time of writing, the gold price in Australian dollar terms continues to be at historic highs.

Terramin welcomed a new Chief Executive Officer (CEO), Mr Richard Taylor, who joined Terramin from roles with Mineral Deposits Ltd and PanAust Ltd, as well as a new Chief Financial Officer (CFO) and Company Secretary, Mr Simon Iacopetta, who joined the company from Ramelius Resources Ltd. Both individuals have refreshed our management ranks and brought new ideas and approaches to building value in Terramin.

At the South Australian Resources and Energy Investment Conference this year we announced our South Australian gold strategy, which centres on growing our resource base in the state towards an aspirational target of 1 million ounces. By year end we were well advanced and able to announce the acquisition of PM53, which hosts the historic Kitticoola Mine. Kitticoola has the potential to compliment ore trucked to Angas from Bird-in-Hand and utilise spare capacity at our processing hub.

While we would have hoped to have made faster progress with approvals in both Algeria and South Australia, we continued to have constructive dialogue with regulators in both jurisdictions that will make moving to operations smoother. During this time, we have cut back on administration and holding costs while we work through the remaining issues.

Importantly, we have had a safe year without any serious workplace injuries or environmental incidents at both sites. I commend our dedicated workforce for their strong performance in this area and for looking after the welfare of their colleagues and communities that host our activities. At Bird-in-Hand, our rehabilitation and replanting initiatives have now had more than three years to take hold and are developing into strong local habitats. I am pleased to see the results of our English language training programs in Bejaia, Algeria paying dividends for our staff.

Sustainability is central to our company, with environment and community at the core of our developing projects. Our Environment and Community Policies are at the forefront of our decision making, and we strongly believe in maximising the benefits and minimising the impacts resulting from our activities in the communities we operate.

Tala Hamza Zinc Project

During the year, Terramin finalised the revised Definitive Feasibility Study (**DFS**), Mining Lease Application and Environmental Impact Assessment for the Tala Hamza Zinc Project. We had several workshops and technical sessions with our joint venture partners and the Algerian regulators, and concluded the year in 2018 by receiving confirmation that the technical changes to the DFS, which we embarked on in 2014, including the Underhand Drift and Fill (UDF) method, dry-stack tailings management and cement paste backfill, were accepted.

As a result, subsequent discussions have moved forward on commercial and financial aspects of the joint venture. During 2018, we were able to release the financial results of the DFS, as well as initial positive results from an Optimisation Study undertaken to look at utilising part of the mid-grade halo around the central ore body. The Optimisation Study points to the possibility of higher metal production in the project's early years. The optimisation work is ongoing and Terramin will be engaging in 2019 with its joint venture partners to see a robust technical and economic project enter into development.

Bird-in-Hand Gold Project

I was delighted in 2018 to be able to release an updated Bird-in-Hand Scoping Study with robust financial outcomes. The Study demonstrates the benefit of pursuing the South Australian gold strategy and changing our focus to unlocking the precious metal potential in the state.

Terramin made substantial progress on the Managed Aquifer Recharge (MAR) test work which was requested to be brought forward in the approval process by the Department for Energy and Mining. Initial results have proven positive and we look forward to concluding this last piece of test work needed to lodge the Mining Lease Application (MLA) early in 2019.

Concluding Remarks

Terramin is set for a positive start to 2019 and we look forward to benefitting from a return to higher commodity prices, particularly zinc and lead. Terramin continues to be uniquely placed to capitalise on these opportunities.

Feng (Bruce) Sheng
Executive Chairman

About Terramin

Terramin Australia Limited engages in the exploration, evaluation and development of base and precious metal projects in Australia and overseas.

Terramin has a clear focus on growing a production pipeline of base and precious metal projects close to infrastructure and with low capital and operating costs. Consistent with this focus, the Group holds a number of highly prospective mineral deposits and exploration tenements across South Australian and Algerian locations.

Projects include the flagship Tala Hamza Zinc Project, which is located on the Mediterranean coast of Algeria and is a joint venture with two Algerian government-owned companies, as well as the Bird-in-Hand Gold Project, Angas Zinc Mine, the Kitticoola joint venture, the Kapunda joint venture, and the Adelaide Hills and South Gawler exploration tenements in South Australia. In total, the Group has access to 3 billion pounds of zinc, 265,000 ounces of gold and 260 million pounds of copper in situ.

Terramin has a highly capable team to take projects from exploration through feasibility to production. This team is supported by a Board which has extensive business and project development experience.

The safety of everyone involved in operations is at the core of the Company. The primary objective is to operate in a manner that builds long term, sustainable value for shareholders.

Vision and Values

Terramin will become a globally diversified top 5 base metals company through its first-mover advantage in Algeria and strengths in stakeholder engagement and environmental stewardship.

Acting in a manner that is compliant with regulatory, safety and environmental standards

Working with others, being a member of a high performing team

Seeking new and innovative opportunities to develop and grow Terramin

Behaving with honesty and acting with integrity

Building shareholder confidence

Shaping perception

Listening to others

Treating fellow employees with respect

Shared success

A solutions orientated approach and accountability for results

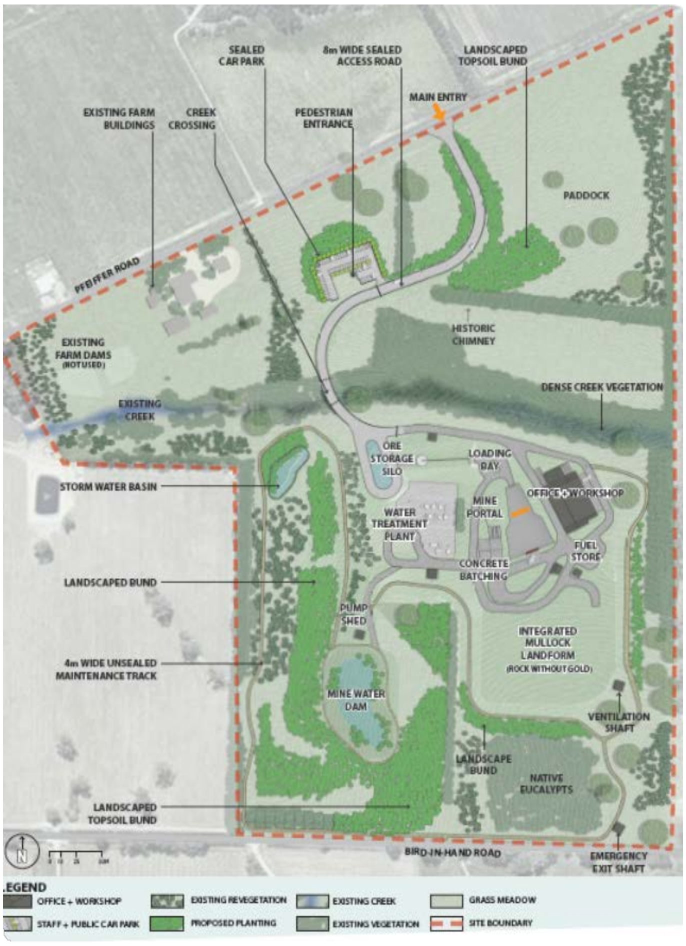
Key Projects

TALA HAMZA ZINC PROJECT ALGERIA (65%)

- Mineral Resource of 53.0 million tonnes @ 5.3% zinc and 1.3% lead.
- Definitive Feasibility Study 2018, mining lease application and Environmental Impact Study substantially completed and ready for lodgement by joint venture partners.
- Extensive infrastructure in place.
- Low power and fuel costs.
- Attractive regional exploration.

BIRD-IN-HAND GOLD PROJECT SOUTH AUSTRALIA (100%)

- Mineral Resource of 265,000 ounces at 12.6 g/t gold.
- Ore body remains open at depth with further exploration upside nearby.
- Scoping Study for Bird-in-Hand released with Post-Tax Nominal NPV_8 of $101 and IRR 96%.
- Utilising existing Angas Processing Facility.
- Initial bores required for the Managed Aquifer Recharge (MAR) installed.



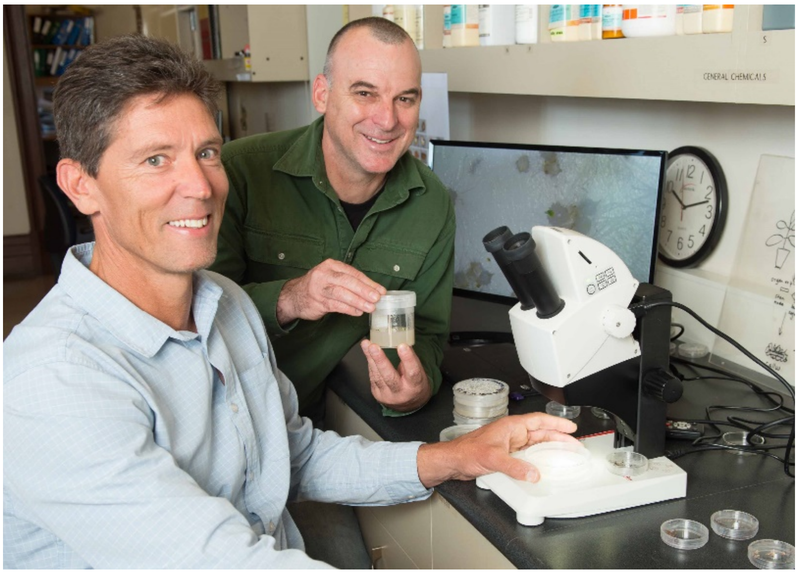
Sustainability

Environment

Terramin is focussed on environmental management in the areas in which we operate. The Group is subject to environmental regulation, which applies to all facets of the company's projects – exploration, development, mining and rehabilitation activities. Exploration licences and mining leases contain conditions which Terramin strictly complies with. The Group's Directors, management, employees, consultants and contractors are committed to achieving a high standard of environmental performance, which is monitored by the Audit, Risk and Compliance Committee.

To the best of the Directors' knowledge, there have been no non-fulfilments of lease conditions on Terramin's tenements, nor any instances of non-compliance with environmental conditions, legislation, or other regulations through 2018.

This year, Terramin have opted to align this report with the Global Reporting Initiatives Index as a step towards GRI compliance in future years. The Index has been included at the end of this report.



Environment Policy

Terramin recognises that strong environmental performance, including formal compliance with all regulatory requirements, is an integral component of an efficient and sustainable business. This means purposely engaging in practices that help protect, preserve and enhance the environment in which the Company operates, as well as integrating environmental issues into the decision making process of the company's operations.

South Australia Seed Conservation Centre

During 2018, Terramin joined with the Adelaide Botanic Gardens to sponsor the seed propagation of the endangered Caladenia rigida, more commonly known as the Stiff White Spider Orchid, which is native to the Mount Lofty Ranges. The Stiff White Spider Orchid was known to extend from Macclesfield, south-east of Adelaide, north to Williamstown and to north-east of Adelaide in the early 1990s, however, with increased land clearing, overgrazing of native animals as well as pests and insects, bushfires and climatic changes, the population has been in significant decline. Terramin, along with the South Australia Seed Conservation Centre are working together to collect, propagate and replant individual plants into strategic locations in the Mount Lofty Ranges to increase genetic diversity and local populations of this orchid as part of the nationwide recovery plan.

Sustainability (continued)

Water Management

Both Angas Zinc Mine and Bird-in-Hand project site currently rely upon groundwater sources to supply operational water. Regional and site groundwater monitoring networks have been implemented and provide water level and water quality data, which is used to support the Mining Lease and Miscellaneous Purposes Licence applications for the Bird-in-Hand Gold Project. Terramin remain committed to long-term water management planning and continuing to invest in studies which expand upon our understanding of the hydrogeology in the areas.

2018 Groundwater Use	ML
Bird-in-Hand	10
Angas Zinc Mine	15

The Tailings Storage Facility **(TSF)** at the Angas Zinc Mine **(AZM)** was managed in compliance with lease conditions throughout 2018.The 2018 audit concluded that the AZM TSF does not present an immediate risk to the safety of the personnel, downstream population or the environment.

Total and indirect emissions (National Pollutant Inventory reporting)

Terramin is committed to being open and transparent about our performance against emission standards and report annually through the National Pollutant Inventory**,** administered by the Commonwealth Department of the Environment and Energy. The reporting period encompasses 1 July 2017 through to 30 June 2018. Current activities see emissions limited to diesel consumption for vehicles and generators, natural gas and electricity consumption onsite.

Substance	Fugitive (kg)	Point (kg)
Oxides of Carbon	109.6	0.04
Formaldehyde	2.2	
Oxides of Nitrogen	176.7	0.23
Poly Aromatic Hydrocarbons	0.0085	
Particulate matter < 10 um	20.9	0.01
Sulphur dioxide	0.14	0.00000021
Total volatile organic compounds (VOC)	22.01	0.00306

The energy and emissions boundary is based on operational control as defined by the National Greenhouse and Energy Reporting (NGER) Act 2007. The applied global warming potential (GWP) rates and emission factors are based on the NGER Act (2007) and the National Pollutant Inventory.

Sustainability (continued)

Social

Terramin is committed to working with communities where we operate to maximise the benefits and minimise the impacts resulting from our activities. All projects have a Community Engagement Plan which aims to –

- enhance and encourage positive relations between all parties;
- clearly disseminate information about the company’s plans, the project, its associated activities and the potential impacts, both adverse and positive, which may accrue;
- provide details about how this information flow will be achieved; and
- manage the identification of and response to issues raised by stakeholders.

National Tree Planting day saw 11 800 seedlings planted by Joeys, Cubs, Scouts and Venturers from the Eden Hills Scout Group. Terramin management teamed up with Eden Hills members and volunteers over a weekend, in a fundraising effort which was a win-win for Terramin, the environment, and youth members scout badge program. A follow up planting day saw a further 7 300 additional seedlings planted. So far, more than 40 000 native trees, shrubs at sedges have been planted at the Bird-in-Hand project site as part of the Company’s revegetation program.

Terramin look forward to reinvigorating Community Grants through 2019.

Communication between our Australian and Algerian offices is paramount for success. During the year, Terramin have continued to undertake English language training of our staff in our Bejaia office. Language training is imperative for this project, allowing our Australian and Algeria teams to communicate effectively across borders, in a Project that requires an understanding of English, French and Arabic.

Communities Policy

At Terramin we recognise that achieving positive relationships within the communities in which we operate is imperative in conducting responsible business. We also recognise that it is vital to inform, consult, involve and collaborate with the local communities to work towards beneficial outcomes and continually strive to secure our social license to operate. Our Communities Policy aims to be open and transparent in our engagement with all communities, and is focussed on creating respectful relationships and long term partnerships which enable communities to obtain a fair share in the benefits from our Projects.

Terramin maintain a Grievance Policy, Community information hotline and contact email address, available at https://www.terramin.com.au/.

Sustainability (continued)

CSIRO

Terramin Australia engaged CSIRO to conduct independent ongoing analysis of community attitudes to the company's proposed underground gold operation in the Adelaide Hills during 2018. The program was called Local Voices. The program gives communities neighbouring the operations an opportunity to express their views and experiences directly, helping to inform the company's decision making.

CSIRO's approach enables a dynamic interaction between Terramin and the community that aims to increase understanding on all sides, build trust, and strengthen relationships. The CSIRO work builds upon knowledge gained from Australian and global communities through thousands of CSIRO research hours over the past decade.

The program includes a community rewards program, whereby participants can register local community groups to receive tokens for each survey they complete. Participants allocate their tokens to eligible community groups who have registered with Local Voices. These registered community groups can then convert their tokens into a cash donation for their use – 1000 tokens are worth $500.

More information on stakeholder groups and our Community Consultation Committees are located on our website at https://www.terramin.com.au/community/.

Memberships

Terramin provides industry support and is part of the South Australian Chamber of Mines and Energy (SACOME) as well as a member of the Association of Mining and Exploration Companies (AMEC) and is represented on the SACOME Mine Closure Working Group. Terramin's staff are professional members of the Australasian Institute of Mining and Metallurgy (AusIMM), Australian Institute of Company Directors, CPA Australia, and the Nature Conservation Society of South Australia.

Local Procurement

Terramin Local Spend Policy seeks to prioritise local suppliers of goods and services in the regions where we operate. Local businesses are supported through the pre-qualification checklist and our procurement standards. At present, expenditure is limited while the permitting process continues. Terramin looks forward to sourcing much of its construction work from local companies once approvals are in place.

Safety

Our target is to provide an injury free workplace for our team by ensuring hazards are identified and managed appropriately through the Company Risk Management Framework. All safety incidents are investigated, to allow learnings to be shared and actions to be implemented as a result.

July 2018 saw the implementation of an updated Company Risk Management Framework, which outlines the key processes and actions arising as part of hazard identification for all parts of the Company – from new exploration sites and exploration programs to active developing projects, corporate offices and the Angas Zinc Mine, which remains in Care and Maintenance.

All employees are committed to acting in ways which are in line with our Code of Conduct, which incorporates regulatory, safety and environmental standards, and must take reasonable care of not only their own health and safety, but that of those around them.

Safety statistics are reported for the Terramin workforce, as well as all consultants, contractors and visitors working on Terramin sites, including, but not limited to, Tala Hamza, the Angas Zinc Mine and Processing Facility, the Bird-in-Hand Gold Project, and any of the active exploration sites.

Safety Performance	
Employee or Contractor fatalities	-
Safety incidents	-
Contractor Inductions	51
Visitor Inductions	33
Fit for Purpose safety audits on drilling equipment	5
Safework SA Site Audits	2



Governance

Corporate Governance Statement

At Terramin, governance is an essential part of the way we work; not just in what we do, but in how we act, how we speak to each other and how we evaluate our behaviour. Our culture and values are aligned with, and support, good governance practices.

This summarised statement along with the Corporate Governance Principles and Recommendations located in the annex at page 68 set out the key features of the Terramin Australia Limited's governance framework, and reports against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council (ASX Principles and Recommendations).

The Board is committed to conducting the company's business in accordance with high standards of corporate governance and with a view to creating and delivering value for shareholders. To this end, the Board has adopted a system of internal controls, a risk management framework and corporate governance policies and practices, which are designed to support and promote the responsible management and conduct of the company.

Throughout 2018, the company's governance arrangements were consistent with the ASX Principles and Recommendations, where practicable. During 2018, the company undertook a strategic review and continued to work on progressing various changes identified as part of that review. Where the company's compliance with the Principles and Recommendations is reflected in a separate document or policy, a reference to the location of that document or policy is included in the annex at page 68. In accordance with the ASX Principles and Recommendations, the company's policies and charters referred to in the annex on page 68 are available on the Corporate Governance section of the company's website. References in this statement to "reporting period" are to the financial year ended 31 December 2018.

The Board is responsible for overseeing the management of the company. The Board has adopted a Board Charter that sets out its roles and responsibilities, which includes setting the company's goals and objectives, reviewing and monitoring the company's material risks and its system of internal compliance and controls, setting an appropriate corporate governance framework, and determining broad policy issues for the company. The Board also ensures that specific powers and responsibilities have been delegated to Company Executives and that the overall strategy is aimed at delivering value for shareholders. Two committees help the Board with the effective discharge of its responsibilities.

Audit and Risk Committee - assists the Board in the effective discharge of its responsibilities in relation to financial reporting and disclosure processes, internal financial controls, funding, financial risk management, including external audit functions, and oversight of the internal control and risk management system's effectiveness.

Nomination and Remuneration Committee - assists the Board in discharging its responsibilities relating to the remuneration of directors, executives and employees, succession planning, and relevant policy establishment and monitoring.

Our Board of Directors and Executives

Name of Director	Term	Classification
Mr Feng (Bruce) Sheng	Director and Chairman	Executive
Mr Michael Kennedy	Director and Deputy Chairman	Independent
Mr Kevin McGuinness	Director	Independent
Mr Angelo Siciliano	Director	Non-Independent
Mr Wang Xinyu	Director	Executive

Name of Executive	Term	Classification
Mr Richard Taylor	Chief Executive Officer	Executive
Mr Simon Iacopetta	Chief Financial Officer and Company Secretary	Executive

This Corporate Governance Statement is current as at 25 February 2019 and has been approved by the Board of Terramin Australia Limited. Refer to annex on page 68.

Financial Report

Directors’ Report

for the Year Ended 31 December 2018

Your Directors submit their report on the consolidated entity Terramin Australia Limited (the Company or Terramin) and its controlled entities (the Group), for the year ended 31 December 2018 and auditor’s report.

Directors

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

Mr Feng (Bruce) Sheng

Executive Chairman

Appointed Director 17 April 2013 and Executive Chairman 11 January 2018

Mr Sheng is Chairman of Melbourne based Asipac Group (including Asipac Capital Pty Ltd and Asipac Group Pty Ltd) (**Asipac**). He has owned and operated several businesses over the years predominantly focused in property investment and development. Asipac is an active investor in the resources sector and a significant shareholder in Terramin. Asipac is also an active member of the Australia China Business Council (ACBC) and Mr Sheng is the Vice-President of the ACBC (Victoria). He is also a Director of Western Mediterranean Zinc Spa (**WMZ**), the company which owns and operates the Tala Hamza Zinc Project in Algeria.

Mr Michael H Kennedy

B.Com (Economics)

Non-Executive Deputy Chairman

Appointed 15 June 2005

Mr Kennedy has enjoyed a 40 year career in the non- ferrous mining and smelting industry, and has held a number of senior marketing and logistics roles with the CRA/RTZ Group, managing raw material sales from the Bougainville, Broken Hill, Cobar and Woodlawn mines, managed raw material purchases and supply into the Port Pirie lead smelter, Budel zinc smelter (Netherlands), and the Avonmouth (UK) and Cockle Creek (Newcastle) zinc-lead smelters. He was the resident Director of the Korea Zinc group of companies in Australia from 1991 until 2005, which encompassed the construction and commissioning of the Sun Metals zinc refinery in Townsville. Mr Kennedy is Deputy-Chairman of the Board, and a member of the Audit, Risk and Compliance Committee, the Nominations and Remuneration Committee.

Mr Kevin McGuinness

BAA, ACA

Non-Executive Director

Appointed 17 April 2013

Mr McGuinness is a finance executive with more than 25 years of experience as a Director and in executive management with ASX listed and private companies in the mining, medical equipment industries and not-for-profit organisations. Mr McGuinness was previously the Chief Financial Officer of Exact Mining Services. He is the current Chairman of Green Industries SA, a former Director and Chairman of the Royal Zoological Society of SA and a former Director of ASX listed, Ellex Medical Lasers Limited. Mr McGuinness is Chair of the Audit, Risk and Compliance Committee, the Nominations and Remuneration Committee. Mr McGuinness is also a Director of WMZ.

Mr Angelo Siciliano

FIPA, Registered Tax Agent, BBus

Non-Executive Director

Appointed 2 January 2013

Mr Siciliano has more than 20 years of experience as an accountant in property development and financial accounting. Mr Siciliano is the Chief Financial Officer of Asipac and for the last 16 years has owned and managed an accounting practice predominantly focussing on taxation advice and business consulting. Mr Siciliano is a fellow of the Institute of Public Accountants. He is a member of the Company’s Audit, Risk and Compliance Committee, and of the Nominations and Remuneration Committee.

Mr Wang Xinyu

Executive Director

Appointed Director 2 March 2017 and Executive Director 11 January 2018

Mr Wang is a vice president of China Non-Ferrous Metal Industry’s Foreign Engineering and Construction Co Ltd (**NFC**) and is currently a Director of Industrial Construction Corporation LLC (Mongolia), China Nerin Engineering Co. Ltd and NFC India Pvt. Ltd. Mr Wang has project management experience in a number of smelting and mining operations in the Middle East and Central Asia, notably the Iran Yazd Zinc Mine and Smelter and the Arak Aluminium Smelter Project.

Directors' Report (continued)

Company Secretary

Mr Simon Iacopetta

B.Com (Corporate Finance & Accounting), CA, G.Cert (Applied Finance & Investment), MAICD

Chief Financial Officer

Mr Iacopetta is a mining executive with broad experience in corporate finance and financial management functions in the resources and professional services sectors. He was most recently Chief Financial Officer of ASX listed gold miner Ramelius Resources Limited responsible for capital management, corporate treasury, financial management and project evaluation. Previously, he held senior management roles with an international accounting firm specialising in the provision of corporate finance and assurance services primarily focusing on publicly listed companies. Simon is a graduate of the University of Adelaide, has completed post graduate study in both Finance and Accounting and is a member of the Institute of Chartered Accountants Australia and New Zealand and the Institute of Company Directors. Mr Iacopetta is also Chief Financial Officer of Terramin Australia Limited.

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 31 December 2018, and the number of meetings attended by each Director were:

Directors	Directors' Meetings		Audit, Risk & Compliance Committee		Nominations & Remuneration Committee	
	E	A	E	A	E	A
F Sheng	7	7	-	-	-	-
M Kennedy	7	7	4	4	2	2
K McGuinness	7	7	4	4	2	2
A Siciliano	7	7	4	4	2	2
X Wang	7	4	-	-	-	-

E Number of meetings eligible to attend.
A Number of meetings attended.

Principal Activities

During the year, 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 after providing for income tax was $6.0 million for the year ended 31 December 2018 (2017: $3.2 million). The major contributors to the result were development costs, interest and administration expenditure in relation to Australian and overseas operations.

The consolidated net asset position as at 31 December 2018 was $47.4 million, decreased from $51.9 million as at 31 December 2017.

Dividends Paid or Recommended

No dividends were paid or declared during the year and no recommendation was made to pay a dividend.

Review of Operations

During the year, the Company continued to focus on the exploration, evaluation and development of base and precious metal projects in Australia and Algeria. Highlights for each of the Company's major projects are reported below.

North African Projects

Tala Hamza Zinc Project
(Terramin 65%)

The Tala Hamza Zinc Project is 100% owned by Western Mediterranean Zinc Spa (**WMZ**). Terramin has a 65% shareholding in WMZ. The remaining 35% is held by two Algerian Government owned companies: Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (**ENOF**) (32.5%) and Office National de Recherche Géologique et Minière (**ORGM**) (2.5%). WMZ was formed following a resolution of the State Participation Council (**CPE**) to create a legal entity between ENOF and Terramin for the development and mining of the Tala Hamza zinc-lead deposit.

During the reporting period, Terramin and WMZ completed the revised Definitive Feasibility Study (**DFS**) and engaged in detailed technical and financing meetings with Algerian authorities. The Company compiled the final documentation for the Mining Lease Application which incorporate recent project enhancements such as the dry stacking of tailings and the relocation of the processing plant. The documentation for the mining lease application also includes the delivery of an Environmental Impact Assessment.

Following finalisation of the technical aspects of the DFS, the Tala Hamza project team undertook detailed technical review of the DFS proposal with its joint venture partners, including site visits to similar operations with Underhand Drift and Fill (UDF) in operation. Terramin was informed in December 2018 that all technical matters were now finalised and the focus would now be on commercial and financing matters.

The partners are working together to provide all the required information to the Algerian regulator in the format that the regulator requires for the mining lease application. The Tala Hamza exploration license expired on 1 February 2018. Its renewal is not required as WMZ will lodge a mining lease application immediately after the project partners have resolved to take a decision to mine. WMZ is entitled to a two year grace period should it be required.

Directors' Report (continued)

Australian Projects

Bird-in-Hand Gold Project (including Angas Zinc Mine and Processing Facility)
(Terramin / Terramin Exploration Pty Ltd 100%)

The Bird-in-Hand Gold Project is located approximately 30km north of Terramin's existing mining and processing facilities at the Angas Zinc Mine in Strathalbyn. The project has a high grade Resource of 265,000 ounces of gold 12.6g/t, which is amenable to underground mining. Terramin announced the results of an updated Scoping Study in October 2018. Subject to required regulatory approvals, the Bird-in-Hand material will be processed utilising the facilities at Angas which can be modified to process gold-bearing material. The existing tailings dam at Angas has the capacity to hold all the Bird-in-Hand tailings.

The Angas Zinc Mine and Processing Facility is located 2 km outside the town of Strathalbyn, 60 km south east of Adelaide. The mine is currently in care and maintenance pending the resumption of exploration at depth and near mine, in addition to evaluation of the development of the Bird-in-Hand Gold Project. The site remains in compliance with the lease conditions on all levels.

During the reporting period, the Company released a scoping study, which included an updated Mineral Resources Statement, as well as project economics based on the most current project planning, as reflected in the drafted Mining Lease Application. The Bird-in-Hand deposit has a global Mineral Resource Estimate of 650 Kt (at a cut off of 1.0 g/t) including an Indicated Resource of 432 Kt. Total material mined (at a project evaluation cut-off grade of 1.0 grams per tonne) is 595 Kt at 11g/t (76% Indicated and 24% Inferred) with an average mine production rate of 150 Ktpa and mine life of 4 years (5 years incl. pre-production and final backfilling).

Terramin has successfully conducted a trial Managed Aquifer Recharge (MAR) drilling program which has further demonstrated the ground water modelling developed in the prior 5 years is fit for purpose and further confirms the sites amenability to MAR as a water management solution. The remainder of the reporting period focused on completing the groundwater studies which are pivotal to the project, as outlined in the Project's Ministerial Determination issued by the South Australian Government during 2017. Stage 2 (of 2) MAR injection test work of the recently drilled bores will be undertaken when government approvals are gained.

The Company has substantially completed the studies necessary for the preparation of the mining lease. These studies include groundwater modelling and management planning, underground infrastructure planning, surface water studies and stormwater infrastructure design, geotechnical modelling, existing site contamination assessment, visual amenity design, air quality and vibration studies. The risk assessment for the project in relation to the environmental, community and economic impacts continues to be updated, and will continue throughout the life of the project.

Directors’ Report (continued)

In addition, the Company continued its community engagement programme which included regular meetings of the Woodside and Strathalbyn Community Consultative Committees for the project, allowing community members to provide valuable input into the proposed project. The Company submitted a Miscellaneous Purposes Licence Management Plan in draft form to allow the processing of Bird-in-Hand ore at the Angas Processing Facility during July, and received feedback in February 2019 from the Department for Energy and Mining (DEM). After submitting the mining lease in draft form to the DEM at the end of the 2017, the company received feedback on the proposal during the year, and resultantly commenced additional groundwater studies to address outstanding items.

Adelaide Hills Project

(Terramin / Terramin Exploration Pty Ltd 100%)

The Adelaide Hills Project consists of eleven exploration tenements that cover 3,481km² largely over the southern Adelaide Fold Belt. This project area is considered prospective for gold, copper, lead and zinc. In addition to Bird-in-Hand Gold Project and the Kapunda Copper Project current active project areas include: Kitticoola, Wild Horse and the Ulooloo goldfield. During the reporting period, Terramin acquired a 100 % holding of Private Mine 53, from Kitticooler Holdings Pty Ltd (ASX: TZN 9th January 2019). PM 53 covers the historic Kitticoola copper gold mine located 2.5km south of Palmer and approximately 62km by road from Terramin’s Angas Processing Facility (APF) at Strathalbyn.

The Kitticoola Mine operated between 1846 and 1869 as a copper mine producing 7,000 tonnes of ore at an estimated average grade of 2.25% copper. The gold potential was not realised until 1890 and the mine intermittently produced 30,000 tonnes of ore at an average recovered grade of 5.4 g/t gold at that time.

Mineralisation in the mine area is comprised of nine lodes, with only three, the Baker, Mastermann and Anstey lodes having been opened to any extent. The lodes occupy two sets of tensional fractures within the Palmer Fault. Lodes occur within the Palmer Granite as narrow veins ranging from 1m to 15m in width and 30m to 200m in length. In 1981 CRA Exploration Pty Ltd (CRA) evaluated the remnant mineralisation in the oxide and sulphides zones as having average grades of 5.24g/t gold and 0.55% copper and 14.52g/t gold and 4.45% copper respectively.

Terramin’s exploration geologists have undertaken reconnaissance and due diligence work with the permission of the owner of PM 53. This work confirmed the previous publicly available information and published results. Terramin will evaluate Kitticoola by drilling to test the modelled down plunge extension of the Mastermann Lode.

Kapunda Copper Joint Venture

(Terramin Exploration Pty Ltd 100%, 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 90 km north of Adelaide. The joint venture will be investigating the potential to extract through ISR the copper from shallow oxide ores in and around the historic Kapunda Mine workings. If field leaching tests are successful, then a feasibility study of the project to produce copper (and possibly gold) will be commissioned. Under the terms of the agreement, ECR can earn a 50% interest in the project after spending $2.0 million and a further 25% after spending an additional $4.0 million.

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.

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. ECR was successful in 2018 in securing $2.6m in government funding to pursue the ISR testwork.

South Gawler Project Joint Venture

(Menninnie Metals Pty Ltd (MMPL) 100%)

The Southern 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 eighteen Exploration Licenses totaling 8958km^2. 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: TZN 1st March 2011). During the year, MMPL terminated the Farm-in and Joint Venture Agreement with Evolution Mining Limited (Evolution) for the Project (ASX: TZN 19th April 2018). Menninnie Metals retains 100% of the Southern Gawler Ranges Project with Evolution relinquishing its farm-in rights. Since resuming control of the entire Project the Company has had the gravity and aeromagnetic data sets reprocessed. Careful examination of the regional images suggests a number of areas may have IOCG potential. Of the four areas modelled, two are now judged to comprise credible multi-point gravity anomalies.

Directors' Report (continued)

Corporate

During the year the Company restructured its Board and Senior Management roles to ensure appropriate focus on the critical government permitting phase of both the Bird-in-Hand gold project and Tala Hamza zinc and lead project. Mr Feng (Bruce) Sheng assumed the role of Executive Chairman and Mr Wang Xinyu has moved to an Executive Director role. Mr Richard Taylor was appointed as Chief Executive Officer and Mr Simon Iacopetta was appointed Chief Financial Officer and Company Secretary.

The new management team represented the company at domestic and international mining conferences and presented to investors throughout Australia, in Hong Kong, London and New York.

The Company and its major shareholder Asipac, agreed to increase the Standby Term Facility from $3.25 million to $6.25 million during the year. Additionally, both parties agreed to extend the $5 million Corporate Facility, $6 million Bird-in-Hand Facility and the $6.25 million Standby Term Facility by 12 months to 31 October 2019.

There were no options exercised during the reporting period. A total of 10,000,000 options were granted to the incoming Chief Executive Officer during the period and 1,750,000 options expired during the reporting period.

A total of 423,828 share rights were granted during the year ended 31 December 2018.

Business Development Activities

Throughout 2018, the Company continued to identify, assess and, where appropriate, pursue the acquisition of interests in advanced mining projects. The Company negotiated the acquisition of Private Mine 53 (PM53) which contains the historic Kitticoola Mine. The negotiations culminated in signing of the agreement in January 2019.

Significant Changes in State of Affairs

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

Subsequent Events

Apart from the matters below, there are no other matters or circumstances that have arisen since the end of the year 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.

Terramin entered into an agreement to acquire 100% of Private Mine 53 which covers the historic Kitticoola copper gold mine that was operated intermittently between 1846 and 1971.

The agreement provides Terramin with the exploration rights, subject to a land access fee and a sliding scale royalty payable on gold produced.

Terramin entered into an agreement with major shareholder Asipac to restructure and increase the existing Standby Term Facility from $6.25 million to $8.25 million.

Future Developments

The Group will continue to work with its Algerian partners to obtain the regulatory approvals and proceed with the development of the Tala Hamza Zinc Project. The Group also intends to progress the Bird-in-Hand Gold Project through to the permitting of the project and undertake exploration and evaluation expenditure, particularly at Kitticoola.

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 is employed as the Regional Exploration Manager of Terramin Australia Limited 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.

Directors' Report (continued)

Share Capital

(a) Ordinary Shares

As at 31 December 2018, there were 1,869,601,371 fully paid ordinary shares in the capital of the Company on issue.

(b) Unlisted Options outstanding at the date of this report

At the date of this report, 10,000,000 unlisted options over fully paid ordinary shares in the capital of the Company were on issue.

Expiry Date	Exercise Price $	Number of Options on Issue
2 August 2023	0.20	2,500,000
2 August 2023	0.25	2,500,000
2 August 2023	0.32	2,500,000
2 August 2023	0.40	2,500,000
Total		**10,000,000**

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of the Company or any other body corporate.

(c) Unlisted options exercised/cancelled during the year

There were no unlisted options over fully paid ordinary shares in the capital of the Company exercised during the period. During the year 1,750,000 options lapsed and were cancelled.

(d) Unlisted options exercised/cancelled since 31 December 2018

No unlisted options over fully paid shares in the Company have been exercised or cancelled since 31 December 2018.

(e) Share rights issued/converted during the year

During the year, there were no share rights issued. A total of 423,828 share rights were converted into shares during the reporting period.

(f) Share rights issued/converted since 31 December 2018

Since 31 December 2018, there were no share rights converted to ordinary shares.

Remuneration Report - Audited

This remuneration report for the year ended 31 December 2018 outlines the remuneration arrangements of the Company in accordance with requirements of the Corporations Act 2001 (Act) the Corporations Regulations 2001.

The remuneration report details the remuneration arrangements for Key Management Personnel (**KMP**). Under the Accounting Standards, KMPs are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company including any Director (whether executive or otherwise). The information regarding remuneration and entitlements of the Company's Board and KMP required for the purposes of Section 300A of the Act is provided below.

(a) Directors and Other Key Management

The following persons were Directors of the Company during the financial year and up until the date of this report unless stated otherwise:

Non-Executive Directors

Mr F Sheng (Chairman - Non-Independent)[1]
Mr MH Kennedy (Deputy Chairman - Independent)
Mr A Siciliano (Non-Independent)
Mr K McGuinness (Independent)
Mr X Wang (Non-Independent) [1]

1. *Mr Sheng and Mr Wang were appointed Executive Chairman and Executive Director respectively by the board on 11 January 2018.*

The following persons are also Key Management Personnel of the Group:

Other Key Management Personnel

Mr R Taylor (Chief Executive Officer)[2]
Mr S Iacopetta (Chief Financial Officer & Company Secretary)[3]
Mr M Janes (former Chief Executive Officer)[4]
Mr S Gauducheau (former Legal Counsel & Company Secretary)[5]
Mr JF Ranford (former Chief Technical Officer)[6]

2. *Mr R Taylor was appointed Chief Executive Officer on 28 May 2018.*
3. *Mr S Iacopetta was appointed Chief Financial Officer and Company Secretary on 5 June 2018.*
4. *Mr M Janes concluded his employment on 8 August 2018.*
5. *Mr S Gauducheau concluded his employment on 28 June 2018.*
6. *Mr JF Ranford concluded his employment on 30 April 2018.*

Directors' Report (continued)

(b) Nominations and Remuneration Committee

The Nominations and Remuneration Committee is a committee of the Board. The current members of the committee are Mr K McGuinness (Chair), Mr MH Kennedy and Mr A Siciliano.

The Committee is responsible to assist the Board to:

- ensure it is of an effective composition, size and commitment to adequately discharge its responsibilities and duties; and
- independently ensure that the Company adopts and complies with remuneration policies that:
  - attract, retain and motivate high calibre Directors and Executives so as to enhance performance by the Company;
  - are consistent with the human resource needs of the Company; and
  - motivate Directors and management to pursue the long-term growth and success of the Company within an appropriate control framework and ensure that shareholder and employee interests are aligned.

(c) Remuneration Policy and Practices

This report outlines the remuneration arrangements for KMP of the Company. It is recognised that the performance of the Company depends on the quality and skills of its Directors and Executives. The Board is mindful of the need to attract, motivate and retain highly skilled Directors and Executives.

Compensation of KMPs of the Group is competitively set to attract and retain appropriately qualified and experienced Directors and Executives in accordance with the following principles:

- Provide competitive rewards in accordance with market standards to attract and retain high calibre Directors and other KMP; and
- Link rewards with the strategic goals and performance of the Group and the creation of shareholder value (by the granting of share options where appropriate).

The policy for determining the nature and amount of remuneration of the KMP includes consideration of individual performance in addition to the overall performance of the Group. Historically, the Group's performance was measured by a range of financial and production indicators. Since the Angas Zinc Mine was placed in care and maintenance, the remuneration of KMPs is dependent upon achievement of progress towards a number of company objectives: (1) company funding; (2) progress towards the development of the Tala Hamza Zinc Project (including delivery of revised DFS, decision to mine by the partners, approvals, funding and transition towards development); (3) progress towards the development of the Bird-in-Hand Gold Project (including approvals, financing, firming and expanding the existing resource); and (4) growing the Company's assets.

(d) Use of Remuneration Consultants

From time to time the Nominations and Remuneration Committee may seek external remuneration advice as required. No such advice was obtained during the reporting period.

(e) Remuneration Report Approval

At the last Annual General Meeting held on 30 May 2018, the Remuneration Report for the financial year ending 31 December 2017 was not approved by shareholders. The feedback received by directors related to the use of shares to compensate directors and management. Following that feedback the board resolved to no longer compensate its directors with shares in lieu of cash payment for directors' fees and to provide share rights only as part of the CEO's base salary.

(f) Executive Remuneration and Incentives

I. Fixed Remuneration

The fixed portion of Executive remuneration packages comprise a base salary, statutory superannuation payment and FBT charges related to employee benefits, such as car parking. Executive performance and remuneration packages are reviewed, where possible, annually by the Nominations and Remuneration Committee. The review process includes consideration of both individual performance and the overall performance of the Group.

II. Share Rights

Following the feedback from shareholders at the 2017 AGM the board resolved to no longer issue share rights under the plan as part of the CEO's base salary. The Company currently does not have an operative Share Rights Plan.

III. Incentives

Performance based remuneration may include both short-term and long-term incentives, and is designed to reward KMP for meeting or exceeding key performance indicators (KPI's). KPI's may include financial metrics and completion of key group objectives. The Board may from time to time approve the award of such incentives subject to satisfaction of KPI's. The short-term incentive (STI) is an "at risk" bonus which may be provided in the form of cash and/or equity securities.

Long-term incentives may be provided under the Terramin Australia Employee Option Plan (EOP). The Directors may grant options to employees to acquire shares at an exercise price set by the Board. Each share option converts into one ordinary share of the Company when exercised.

The grant of options is linked to the achievement of the Company's objectives (refer item (c) of the remuneration report) and the creation of shareholder value.

Directors' Report (continued)

IV. Employment Contracts

Mr Richard Taylor, the Company's Chief Executive Officer, entered into an employment contract in May 2018 with no fixed term. Either party may terminate the agreement in the first 6 months with 1 month's notice. The Company or the CEO may terminate the agreement by providing a 3 months' notice thereafter. The Company may elect, at its discretion, to make a payment in lieu. Under this contract, Mr Taylor receives a salary of $325,000 per annum (including superannuation).

Mr Simon Iacopetta, the Company's Chief Financial Officer and Company Secretary, entered into an employment contract with the Company in May 2018. Under this contract, Mr Iacopetta receives a salary of $250,000 per annum (including superannuation). Either party may terminate the agreement in the first 6 months with 1 month's notice. Thereafter, either party may terminate the employment contract without cause by providing 3 months written notice or (in the case of the Company) by maing a payment in lieu.

Unless agreed otherwise by the board, termination payments of any Executives or employees are not payable in the instance of resignation or dismissal for serious misconduct.

(g) Directors Remuneration

I. Remuneration

The maximum aggregate fees payable to Non-Executive Directors is subject to approval by shareholders at a general meeting. All securities issued to Directors and related parties must be approved by shareholders at a general meeting.

Non-Executive Directors are either paid a base fee plus superannuation, or remunerated via contractual arrangements approved by the Board and negotiated in consultation with the Nominations and Remuneration Committee. The current Non-Executive base fees (other than fees for the Chairman and Deputy Chairman) are $40,000 per annum. The Chairman and Deputy Chairman receive $100,000 and $60,000 per annum respectively.
The non-executive directors fees paid are consistent with fees paid to non-executive directors of comparable companies. Company policy supports the issue, where appropriate, of equity securities to Directors (whether Executive or Non-Executive) to help ensure Directors' interests are aligned with those of shareholders. The board has not paid director's fees in shares during the reporting period.

The aggregate fees paid to Non-Executive Directors during 2018 was $237,500 (with a further $77,500 remaining unpaid at reporting date) compared to the maximum limit approved by shareholders at the 2010 Annual General Meeting of $700,000.

The Board recognises that from time to time, Non-Executive Directors are called upon to provide services in addition to their usual Director's duties. Accordingly, Directors may be compensated for additional duties undertaken at the request of the Board, for instance extensive travels to Algeria or meetings with overseas investors. In accordance with Company policy additional compensation of up to $1,000 per day may be provided to Directors for work additional to standard Board duties. This form of Non-Executive compensation is only provided in circumstances where Directors are required to commit time beyond that expected of a Non-Executive Director role and requires a continuous commitment of 2 or more days. Additional remuneration may be paid in shares in lieu of cash subject to shareholder approval.

During 2018 no additional fees were paid to Non- Executive Directors in relation to work outside of standard Board duties.

II. Director Options

There were no options or other equity securities issued to Directors during the year as remuneration.

III. Retirement or other Post-Employment Benefits

The Company has no policy to provide benefits to its Directors or Executives upon their retirement or otherwise upon cessation of employment, other than by making the statutory superannuation guarantee contributions as required by law.

IV. Board and Committees – Membership and Remuneration

The following table sets out the Chair and members of each committee and the annual fees allocated for each position.

Committee	Chairman Fee $	Vice Chairman Fee $	Member Fee $
Each Non-Executive Director	100,000	60,000	40,000
Additional work to standard Board duties[1]	1,000/day	1,000/day	1,000/day
Audit, Risk and Compliance			
K McGuinness (Chair), MH Kennedy, A Siciliano	7,500	-	5,000
Nominations and Remuneration			
K McGuinness (Chair), MH Kennedy, A Siciliano	7,500	-	5,000
Due Diligence			
K McGuinness (Chair), MH Kennedy	-	-	-

1. *Subject to Board approval to compensate for work undertaken in addition to standard Director's duties and requires a commitment of 2 or more days.*

Directors' Report (continued)

(h) Parent Entity Directors' and Executives' Remuneration and Entitlements

During the year, the following cash and non-cash payments were made to the Key Management Personnel:

Key Management Personnel		Short Term Benefits		Long Term Benefits	Post-Employment		Share-based Payments			Total
		Salary & Fees	Contract Payments	Annual and Long Service Leave[9]	Super-annuation Benefits	Termination Benefits	Share Rights	Share Options	% of Total	
Directors[1]										
MH Kennedy	2018	63,927		-	6,073	-	-	-	0.0%	70,000
	2017	63,927	-	-	6,073	-	-	-	0.0%	70,000
A Siciliano	2018	-	50,000	-	-	-	-	-	0.0%	50,000
	2017	-	50,000	-	-	-	-	-	0.0%	50,000
K McGuinness	2018	-	55,000	-	-	-	-	-	0.0%	55,000
	2017	-	55,000	-	-	-	-	-	0.0%	55,000
F Sheng	2018	-	100,000	-	-	-	-	-	0.0%	100,000
	2017	-	100,000	-	-	-	-	-	0.0%	100,000
W Xinyu	2018	-	40,000	-	-	-	-	-	0.0%	40,000
	2017	-	33,115	-	-	-	-	-	0.0%	33,115
Y Xie[3]	2018	-	-	-	-	-	-	-	0.0%	-
	2017	-	6,885	-	-	-	-	-	0.0%	6,885
Key Management										
R Taylor[4]	2018	177,702	-	16,105	16,882	-	-	110,956	34.5%	321,645
S Iacopetta[5]	2018	131,425	-	11,984	12,485	-	-	-	0.0%	155,894
MS Janes[6]	2018	230,776	-	(114,017)	15,089	-	-	-	0.0%	131,848
	2017	218,750	-	30,295	24,938	-	43,750[2]	-	13.8%	317,733
JF Ranford[7]	2018	116,058	-	(75,880)	8,853	-	-	-	0.0%	49,031
	2017	293,550	-	(2,672)	27,887	-	-	-	0.0%	318,765
SD Gauducheau[8]	2018	138,073	-	(60,642)	8,721	100,000	-	-	0.0%	186,152
	2017	200,000	-	(13,025)	19,000	-	-	-	0.0%	205,975
TOTAL	**2018**	**857,961**	**245,000**	**(222,450)**	**68,103**	**100,000**	**-**	**110,956**	**-**	**1,159,570**
	2017	**776,227**	**245,000**	**14,598**	**77,898**	**-**	**43,750**	**-**	**-**	**1,157,473**

1. *Refer to page 21 of the Directors' Report for details of Non-Executive Directors' fees allocated by role*
2. *Represents 100% of the former CEO share rights entitlement for 2017*
3. *Mr Y Xie retired on 2 March 2017*
4. *Mr R Taylor commenced as Chief Executive Officer on 28 May 2018*
5. *Mr S Iacopetta commenced as Chief Financial Officer and Company Secretary on 5 June 2018*
6. *Mr M Janes concluded his employment on 8 August 2018*
7. *Mr JF Ranford concluded his employment on 30 April 2018*
8. *Mr S Gauducheau concluded his employment on 28 June 2018*
9. *The amounts disclosed in this column represent the movements in the associated provisions*

Directors' Report (continued)

(i) Key management personnel - shares and options over equity instruments

The movement during the reporting period in the number of ordinary shares or options over ordinary shares in Terramin Australia Limited by each Key Management Personnel is as follows:

Key Management Personnel	Shares Balance 1 Jan 18	Shares Acquired during Year	Shares Issued as Remuneration[1]	Cessation as KMP	Shares Balance 31 Dec 18
Parent Entity Directors					
MH Kennedy	3,934,580	-	-	-	3,934,580
A Siciliano	9,923,168	-	-	-	9,923,168
K McGuinness	2,023,580	-	-	-	2,023,580
F Sheng	620,713,916	-	-	-	620,713,916
W Xinyu	-	-	-	-	-
Other Key Management Personnel					
R Taylor[2]	-	-	-	-	-
S Iacopetta[3]	-	-	-	-	-
MS Janes[4]	1,321,508	-	423,828	(1,745,336)	-
JF Ranford[5]	500,000	-	-	(500,000)	-
SD Gauducheau[6]	683,771	-	-	(683,771)	-
Total	**639,100,523**	**-**	**423,828**	**(2,929,107)**	**636,595,244**

1. *Relates to the conversion of share rights previously issued as remuneration. Further details of Shares and Share Rights, including terms and exercise price are included in the Financial Report*
2. *Mr R Taylor commenced Chief Executive Officer on 28 May 2018*
3. *Mr S Iacopetta commenced Chief Financial Officer and Company Secretary on 5 June 2018*
4. *Mr M Janes concluded his employment on 8 August 2018*
5. *Mr JF Ranford concluded his employment on 30 April 2018*
6. *Mr S Gauducheau concluded his employment on 28 June 2018*

Key Management Personnel	Options Balance 1 Jan 18	Options Granted as Incentive[1]	Options Exercised	Cessation as KMP	Balance Options 31 Dec 18
Parent Entity Directors					
MH Kennedy	-	-	-	-	-
A Siciliano	-	-	-	-	-
K McGuinness	-	-	-	-	-
F Sheng	-	-	-	-	-
W Xinyu	-	-	-	-	-
Other Key Management Personnel					
R Taylor[2]	-	10,000,000	-	-	10,000,000
S Iacopetta[3]	-	-	-	-	-
MS Janes[4]	750,000	-	-	(750,000)	-
JF Ranford[5]	500,000	-	-	(500,000)	-
SD Gauducheau[6]	500,000	-	-	(500,000)	-
Total	**1,750,000**	**10,000,000**	**-**	**(1,750,000)**	**10,000,000**

1. *Relates to options granted during the reporting period as remuneration. Further details of Options, including terms and exercise price are included in the Financial Report*
2. *Mr R Taylor commenced Chief Executive Officer on 28 May 2018*
3. *Mr S Iacopetta commenced Chief Financial Officer and Company Secretary on 5 June 2018*
4. *Mr M Janes concluded his employment on 8 August 2018*
5. *Mr JF Ranford concluded his employment on 30 April 2018*
6. *Mr S Gauducheau concluded his employment on 28 June 2018*

Directors' Report (continued)

Key Management Personnel	Share Rights Balance 1 Jan 18	Share Rights Issued in Lieu of Cash Payments	Share Rights Converted into Shares[1]	Balance Share Rights 31 Dec 2018
Parent Entity Directors				
MH Kennedy	-	-	-	-
A Siciliano	-	-	-	-
K McGuinness	-	-	-	-
F Sheng	-	-	-	-
W Xinyu	-	-	-	-
Other Key Management Personnel				
R Taylor[2]	-	-	-	-
S Iacopetta[3]	-	-	-	-
MS Janes[4]	423,828	-	(423,828)	-
JF Ranford[5]	-	-	-	-
SD Gauducheau[6]	-	-	-	-
Total	**423,828**	**-**	**(423,828)**	**-**

1. *Relates to the conversion of share rights previously issued as remuneration. Further details of Shares and Share Rights, including terms and exercise price are included in the Financial Report*
2. *Mr R Taylor commenced Chief Executive Officer on 28 May 2018*
3. *Mr S Iacopetta commenced Chief Financial Officer and Company Secretary on 5 June 2018*
4. *Mr M Janes concluded his employment on 8 August 2018*
5. *Mr JF Ranford concluded his employment on 30 April 2018*
6. *Mr S Gauducheau concluded his employment on 28 June 2018*

Directors’ Report (continued)

(j) Shares and Options Issued or Lapsed during the Year

No shares or options were granted to Non-executive Directors or other KMPs as remuneration during the year. In December 2018, 1,750,000 unlisted options lapsed and were accordingly cancelled.

(k) Share Rights Issued or Converted during the Year

During the year, there were no share rights issued. A total of 423,828 share rights relating to 2017, were converted into shares during the Reporting Period.

(l) Other Director and Key Management Personnel transactions

Some KMP, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These entities transacted with the Group in the reporting period. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm’s length basis.

At 31 December 2018, Asipac owned 33.18% of the ordinary shares in Terramin (2017: 33.18%) and is controlled by Mr Sheng who is Executive Chairman of the Company. Mr Siciliano is the Chief Financial Officer of Asipac. The value of transactions relating to KMP and entities over which they have control or significant influence were as follows:

Directors’ fees outstanding as at 31 December 2018:

Directors	2018	2017
M Kennedy[1]	-	-
A Siciliano[1]	**12,500**	12,500
K McGuinness[1]	-	-
F Sheng	**25,000**	25,000
W Xinyu	**73,115**	33,115
Y Xie	-	76,875
Total	**110,615**	147,490

1. *Mr Kennedy, Mr Siciliano and Mr McGuinness are Non-Executive Directors of the Company.*

Other transactions with related parties are disclosed at note 20.

(m) Share Trading Policies

All Company employees and contractors, Directors and Executives are subject to the Company’s Share Trading Policy (available on the Company’s website) with respect to limiting their exposure to risk in relation to the Company’s securities, including securities issued as an element of Executive remuneration. The Company’s Share Trading Policy requires all officers, employees and consultants to the Company to notify the Chairman and Company Secretary of any intention to deal in the Company’s securities, whether by sale or purchase of shares on market, or the exercise of options. The notified dealing is subject to the approval of the Chairman. In addition, and in accordance with ASX Listing Rule 12, the Company’s trading policy provides that all Directors, officers and consultants are prohibited from trading in the Company’s securities during specific periods. The Board considers that, in light of the size and structure of the Company and the absence of a secondary market for the Company’s securities, this policy provides adequate protection against unauthorised dealings by Directors and specified Executives, in particular in relation to risk mitigation. The current Share trading policy has been approved by the board on 9 April 2015.

End of Audited Remuneration Report

Key management personnel equity interest

The Key Management Personnel of the Company had the following direct or indirect interests in the equity of the Company as at the date of this report:

Key Management Personnel	Fully paid ordinary shares	Options	Share Rights
Parent Entity Directors			
MH Kennedy	3,934,580	-	-
A Siciliano	9,923,168	-	-
K McGuinness	2,023,580	-	-
F Sheng	620,713,916	-	-
W Xinyu	-	-	-
Other Key Management Personnel			
R Taylor	-	10,000,000	-
S Iacopetta	-	-	-
Total	**636,595,244**	**10,000,000**	**-**

Directors' Report (continued)

Indemnification of Directors and Officers

Directors' and Officers' Liability Insurance has been subscribed to. The Officers of the Company and the Group covered by the insurance policy includes any person acting in the course of duties for the Company or the Group who is or was a Director, Secretary or Senior Executive. The contract of insurance prohibits the disclosure of the nature of the liability covered and the amount of the premium. The Group has not otherwise, during or since the end of the period, indemnified or agreed to indemnify an officer or auditor of the Group or any related body corporate against a liability incurred as such an officer or auditor.

Non-audit Services

The Company may decide to employ the auditor, Grant Thornton on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important. Details of the amounts paid or payable to the auditor for non-audit services provided during the year are set out below.

The Board of directors has considered the position, and in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Non-assurance services	**2018 $'000**	2017 $'000
Tax advice and compliance services	40	-
Total	**40**	**-**

Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 31 December 2018 can be found on page 29 and forms part of the Directors' Report.

Litigation

As at the date of this report, no person has applied to the Court under section 237 of the Act for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company of all or any part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Act.

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 25th day of February 2019 in accordance with a resolution of the Board of Directors.

Feng Sheng
Executive Chairman

Kevin McGuinness
Non-Executive Director

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 35-60, and the remuneration disclosures contained in pages 21-25 of the Directors' Report, are in accordance with the Corporations Act 2001, and:
   a. comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the consolidated entity;
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. the financial statements and notes for the financial year comply with the Accounting Standards;
   c. the declaration is provided in accordance with section 295A of the Corporations Act 2001 and is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks; and
   d. the financial statements and notes for the financial year give a true and fair view;
3. 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;
4. the consolidated financial statements comply with International Financial Reporting Standards as disclosed in note 2(a).

This declaration is made in accordance with a resolution of the Board of Directors.

Feng Sheng
Executive Chairman
25 February 2019

Kevin McGuinness
Non-Executive Director
25 February 2019


HMA
65m PINK
85m Yellow
130m

Auditor’s Independence Declaration

GrantThornton

Grant Thornton Audit Pty Ltd
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GPO Box 1270
Adelaide SA 5000

T +61 8 8372 6666

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 audit of Terramin Australia Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 25 February 2019

Grant Thornton

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Independent Auditor's Report

To the Members of Terramin Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Terramin Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial statements, which indicates that the Company incurred a net loss of $6 million during the year ended 31 December 2018 and as of that date, the Group's current liabilities exceeded its current assets by $19.9 million. As stated in Note 2(c), these events or conditions, along with other matters as set forth in Note 2(c), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets - Notes 3(i) & 11	

At 31 December 2018 the carrying value of exploration and evaluation assets was $63.12 million.
 	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
 	
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
 	
This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.
	Our procedures included, amongst others:
	
	• obtaining management's reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
	• reviewing management's area of interest considerations against AASB 6;
	• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including;
	  - tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;
	  - enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;
	  - understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
	• assessing the accuracy of impairment recorded for the year as it pertained to exploration interests;
	• evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and
	• assessing the appropriateness of the related financial statement disclosures.

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Key audit matter	How our audit addressed the key audit matter
Property, Plant and Equipment – Notes 3(e) & 10	
At 31 December 2018 the carrying value of Property, Plant and Equipment was $8.42 million, with the majority of this value being attributed to land and buildings associated with Bird-in-Hand and Angas Zinc Mine sites and plant and equipment held at scrap value at the Angas Zinc Mine site. The evaluation of the recoverable amount of the assets requires significant judgement in determining key assumptions supporting the expected future cash flows and the utilisation of the relevant assets. This area is a key audit matter due to the level of judgement and estimation used in determining the existence of impairment triggers.	Our procedures included, amongst others: • Obtaining management's reconciliation of property, plant and equipment and agreeing to the general ledger; • Reviewing material additions and disposals that occurred during the year to supporting documentation; • Evaluating the competence, capabilities and objectivity of management's appointed independent valuer in the value assessment of various property, plant and equipment categories; • Reviewed management's impairment consideration over the carrying value of the project against the criteria within AASB 136 *Impairment of Assets*; and • Reviewing the appropriateness of the related disclosures within the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's/Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company/Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 19 to 25 of the Directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of Terramin Australia Limited, for the year ended 31 December 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 25 February 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 31 December 2018

	Note	2018 $'000	2017 $'000
Other Income	4	**254**	-
Raw materials, consumables and other direct costs		**(459)**	(702)
Employee benefits expense		**(1,554)**	(1,336)
Depreciation and amortisation	10	**(45)**	(44)
Exploration and evaluation expensed (Oued Amizour Project)		**(1,076)**	-
Mine rehabilitation obligation expense		**(47)**	1,496
Share based payments expense		**(111)**	-
Other expenses	4	**(1,200)**	(983)
Loss before net financing costs and income tax		**(4,238)**	(1,569)
Finance income	6	**3**	4
Finance costs	6	**(2,119)**	(1,615)
Net finance costs		**(2,116)**	**(1,611)**
Loss before income tax		**(6,354)**	**(3,180)**
Income tax benefit	18	**344**	-
Loss for the year		**(6,010)**	**(3,180)**
Attributable to:			
Owners of the Company		**(5,635)**	(2,996)
Non-controlling interest	17	**(375)**	(184)
Loss for the year		**(6,010)**	**(3,180)**
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**1,333**	(1,717)
Other comprehensive (loss)/income for the year, net of income tax (tax: nil)		**1,333**	(1,717)
Total comprehensive loss for the year attributable to equity holders of the Company		**(4,677)**	(4,897)
Attributable to:			
Owners of the Company		**(4,302)**	(4,713)
Non-controlling interest		**(375)**	(184)
Total comprehensive loss for the year		**(4,677)**	(4,897)

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

	Note	**2018**	2017
Basic earnings/(loss) per share – (cents per share)	27(a)	**(0.30)**	(0.16)
Diluted earnings/(loss) per share – (cents per share)	27(b)	**(0.30)**	(0.16)

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.

Consolidated Statement of Financial Position

as at 31 December 2018

	Notes	2018 $'000	2017 $'000
Assets			
Current Assets			
Cash and cash equivalents	7	**252**	2,698
Trade and other receivables	9	**138**	68
Other assets		**109**	77
Total current assets		**499**	2,843
Non-current assets			
Inventories	8	**496**	632
Property, plant and equipment	10	**8,420**	8,497
Exploration and evaluation	11	**63,121**	59,627
Total non-current assets		**72,037**	68,756
TOTAL ASSETS		**72,536**	71,599
Liabilities			
Current liabilities			
Trade and other payables	12	**3,376**	1,737
Short term borrowings	13	**16,900**	13,061
Provisions	14	**163**	323
Total current liabilities		**20,439**	15,121
Non-current liabilities			
Long term borrowings	13	**2**	11
Provisions	14	**4,742**	4,548
Total non-current liabilities		**4,744**	4,559
TOTAL LIABILITIES		**25,183**	19,680
NET ASSETS		**47,353**	51,919
Equity			
Share capital	15	**215,383**	215,318
Reserves	16	**(6,063)**	(7,442)
Accumulated losses		**(175,544)**	(169,909)
Total equity attributable to equity holders of the Company		**33,776**	37,967
Non-controlling interest	17	**13,577**	13,952
TOTAL EQUITY		**47,353**	51,919

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

Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2018

2018	Share capital $'000	Share based payments reserve $'000	Translation reserve $'000	Accumulated losses $'000	**Total attributable to owners $'000**	Non- controlling interest $'000 (note 17)	**Total equity $'000**
Balance at 1 January 2018	**215,318**	**90**	**(7,532)**	**(169,909)**	**37,967**	**13,952**	**51,919**
Total comprehensive income for the period							
Loss for the year	-	-	-	(5,635)	(5,635)	(375)	(6,010)
Other comprehensive income							
Foreign currency translation differences	-	-	1,333	-	1,333	-	1,333
Total other comprehensive income	-	-	1,333	-	1,333	-	1,333
Total comprehensive income for the year	-	-	1,333	(5,635)	(4,302)	(375)	(4,677)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Options Granted	-	111	-	-	111	-	111
Share Rights Converted into Shares	65	(65)	-	-	-	-	-
Total contributions by and distributions to owners	65	46	-	-	111	-	111
Balance at 31 December 2018	**215,383**	**136**	**(6,199)**	**(175,544)**	**33,776**	**13,577**	**47,353**

2017	Share capital $'000	Share based payments reserve $'000	Translation reserve $'000	Accumulated losses $'000	**Total attributable to owners $'000**	Non- controlling interest $'000 (note 17)	**Total equity $'000**
Balance at 1 January 2017	**204,054**	**9,014**	**(5,815)**	**(175,859)**	**31,394**	**14,136**	**45,530**
Loss for the year	-	-	-	(2,996)	(2,996)	(184)	(3,180)
Other comprehensive							
Foreign currency translation differences	-	-	(1,717)	-	(1,717)	-	(1,717)
Total other comprehensive income	-	-	(1,717)	-	(1,717)	-	(1,717)
Total comprehensive income for the year	-	-	(1,717)	(2,996)	(4,713)	(184)	(4,897)
Transactions with owners, recorded directly in							
Contributions by and distributions to owners							
Issue of ordinary shares	12,000	-	-	-	12,000	-	12,000
Share issue costs	(802)	-	-	-	(802)	-	(802)
Share rights issued	-	88	-	-	88	-	88
Share rights converted into ordinary shares	66	(66)	-	-	-	-	-
Transfer lapsed options to retained earnings	-	(8,946)	-	8,946	-	-	-
Total contributions by and distributions to owners	11,264	(8,924)	-	8,946	11,286	-	11,286
Balance at 31 December 2017	**215,318**	**90**	**(7,532)**	**(169,909)**	**37,967**	**13,952**	**51,919**

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

Consolidated Statement of Cash Flows

for the Year Ended 31 December 2018

	Note	2018 $'000	2017 $'000
Cash from operating activities:			
Receipts from customers		**203**	-
Payments to suppliers and employees		**(4,594)**	(4,456)
Financing costs and interest paid		**(308)**	(1,445)
Interest received		**4**	4
Research and development tax concession received		**272**	-
Total cash (used in) operating activities	19	**(4,423)**	(5,897)
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment		**89**	-
Payments for property, plant and equipment		**(4)**	(14)
Exploration and evaluation expenditure		**(2,087)**	(4,886)
Net cash (used in) investing activities		**(2,002)**	(4,900)
Cash flows from financing activities:			
Proceeds from the issue of share capital		**-**	12,000
Payment of transaction costs on equity		**-**	(802)
Proceeds from borrowings		**4,000**	2,817
Repayment of borrowings		**(10)**	(1,585)
Net cash from financing activities		**3,990**	12,430
Other activities:			
Net (decrease)/increase in cash and cash equivalents		**(2,435)**	1,633
Net foreign exchange differences		**(11)**	28
Cash and cash equivalents at beginning of the year		**2,698**	1,037
Cash and cash equivalents at end of the year	7	**252**	2,698

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 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 financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

Terramin Australia Limited is a for-profit entity for the purpose of preparing the financial statements.

Terramin Australia Limited is a public company incorporated and domiciled in Australia. The address of its registered office is Unit 7, 202-208 Glen Osmond Road, Fullarton, SA, 5063.

(b) Basis of Measurement

The financial statements are presented in Australian dollars (AUD), have been prepared on an accruals basis and are based on historical costs, except for the provision for mine rehabilitation measured at the present value of future cash flows. The Group 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.

(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 2018, the Group incurred a loss of $6.0 million, and after transferring lapsed options from the share based payments reserve, this brought accumulated losses to $175.5 million. As at 31 December 2018 the Group's current liabilities exceeded its current assets by $19.9 million. The Group had net assets of $47.4 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 development or sale of the Bird-in-Hand Gold Project or investment in the Tala Hamza Zinc Project or other assets.

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 particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- *Note 3(i) - Exploration and Evaluation Expenditure: recoverable amount and ore reserve estimates.*
- *Note 3(k) - Provisions: estimated cost of rehabilitation, decommissioning and restoration.*
- *Note 3(l) - Share Based Entitlements and Payments: assumptions are required to be made in respect to measuring share price volatility, dividend yield, future option holding period and other inputs to the Black-Scholes option pricing model fair value calculations.*
- *Note 3(r) - Recognition of tax losses: assessment of the point in time at which it is deemed probable that future taxable income will be derived.*

(e) New and Amended Standards Adopted by the Group

i. Accounting Standards & Interpretations issued & effective

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014) became effective for periods beginning on or after 1 January 2018. Accordingly, the Group applied AASB 15 and AASB 9 for the first time to the reporting period ended 31 December 2018. Changes to the Group's accounting policies arising from these standards are summarised below:

AASB 9 Financial Instruments

Recognition and derecognition

Financial assets & financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to cash flows from the financial asset expire, or when financial asset & substantially all risks a rewards are transferred. A financial liability is derecognised when extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for trade receivables that do not contain a significant financing component and are measured at transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets (FA) at amortised cost
- FA's at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which are presented within other expenses.

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade & most other receivables fall into this category.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below. The Group's financial liabilities include borrowings & trade & other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL. Subsequently, financial liabilities are measured at amortised cost using effective interest method except for derivative & financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated & effective hedging instruments). All interest-related charges are reported in profit or loss are included within finance costs or finance income. Borrowings classified as amortised cost under AASB 139& continue to be accounted for at amortised cost under AASB 9.

Impairment of financial instruments

The group assesses on a forward looking basis the expected credit losses associated with its financial assets per the new three-stage expected credit loss model. The impairment methodology applied depends on whether there has been a significant increase in credit risk for that class of financial asset. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Reconciliation of financial instruments on adoption of AASB 9

The table below shows the classification of each class of financial assets & liabilities under AASB 139 & AASB 9 as at 1 January 2018:

	AASB 139 Carrying Classification	AASB 9 Carrying Classification	AASB 139 Carrying Amount $'000	AASB 9 Carrying Amount $'000
Financial Assets				
Other Receivables	Loans & receivables	Amortised Cost	68	68
Financial Liabilities				
Borrowings	Amortised Cost	Amortised Cost	13,072	13,072

When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods.

AASB 15 Revenue from Contracts with Customers

Replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:

- establishes a new revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue

The new Standard has been applied as at 1 January 2018. There is no impact to the Group's historical financial results given the company is not currently in production.

i. *Standards and Interpretations issued but not yet effective*

Australian Accounting Standards and Interpretations recently been issued or amended that potentially impact the Group but are not yet effective and have not been adopted for the annual reporting period ended 31 December 2018 are outlined below:

AASB 16 Leases

AASB 16 replaces IAS 17 Leases for financial reporting periods beginning on or after 1 January 2019. Early adoption is permitted for companies also applying AASB 15 Revenue from Contracts with Customers. Key features are:

- elimination of classification of leases as either operating leases or finance leases for a lessee;
- the recognition of lease assets and liabilities on the balance sheet, initially measured at present value of unavoidable future lease payments;
- recognise depreciation of lease assets and interest on lease liabilities on the statement of profit or loss and other comprehensive income over the lease term;
- separation of the total amount of cash paid into a principal portion and interest in the statement of cash flows. Leases of low-value assets (such as personal computers) are exempt from the requirements;
- short-term leases (less than 12 months) & leases of low value assets (such as computers) are exempt.

The Group does not currently have significant operating leases, therefore no material impact on financial statements is expected.

3. Significant accounting policies

(a) Basis of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 December 2018. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of four months or less.

(c) Inventories

Non-current inventories represent spare parts and consumables which are not expected to be used within 12 months. Inventories are valued at lower of cost and net realisable value.

(d) Trade and Other Receivables

Trade and other receivables are recognised at cost and carried at original invoice amount less allowances for impairment losses.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. In prior year, impairment of receivables was not recognised until objective evidence was available that a loss event had occurred.

(e) Property, Plant and Equipment

Property

Freehold land is measured at cost and buildings are measured at cost basis less depreciation & any impairment losses recognised.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses recognised.

The depreciable amount of all property, plant and equipment, excluding freehold land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use down to the any residual value, as determined by the Group.

The depreciation rates used for each class of depreciable asset is the lesser of the rate determined by the life of the mining operation and the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Class of Asset	Depreciation rates
Motor vehicles	22.5 - 25%
Computer and office equipment	15 - 40%
Plant and equipment	5 - 33%
Leasehold improvements	20%
Buildings and other infrastructure	5 - 33%

(f) Impairment of Assets

Non-financial Assets

At each reporting date, the Group reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset is determined and compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised as an expense in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised, with the exception that any previously impaired goodwill should not be re-recognised.

Financial Assets

The Group's financial assets are subject to AASB 9's new three-stage expected credit loss model. Each class of financial asset is considered for impairment based on their credit risk profile (as disclosed in note 22(b)(2)). No impairment allowance was recognised for the Australian government bonds or the corporate bonds.

Prior accounting policy for impairment of financial assets
In the prior year, a financial asset was considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost was calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset was calculated by reference to its current fair value. Significant financial assets were tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses were recognised in the profit or loss. Any cumulative loss in respect of an available-for-sale (AFS) financial asset recognised previously in equity was transferred to the profit or loss. An impairment loss was reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and AFS financial assets that are debt securities, the reversal was recognised in profit or loss.

Recoverable Amount

In assessing whether the carrying amount of an asset is impaired, the asset's carrying value is compared with its recoverable amount. The recoverable amount of non-financial assets or cash-generating units (CGU) is the greater of their fair value or realisable value less costs to sell and value in use. In assessing fair value, or value in use, estimates and assumptions including the appropriate rate at which to discount cash flows, the timing of the cash flows, expected life of the relevant area of interest, exchange rates, commodity prices, ore reserves, future capital requirements and future operating performance are used. The recoverable amount of an asset or CGU will be impacted by changes in these estimates and assumptions which could result in an adjustment to the carrying amount of that asset or CGU.

(g) Ore Reserves

Economically recoverable ore reserves represent the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions. The determination of ore reserves includes estimates and assumptions about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Changes in a project's ore reserve impacts the assessment of recoverability of exploration and evaluation assets, property, plant and equipment and intangible assets, the carrying amounts of assets depreciated on a units of production basis, provisions for site restoration and the recognition of deferred tax assets, including tax losses.

(h) Investments in Associates and Joint Arrangements

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(i) Exploration and Evaluation Expenditure

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets (E&E assets) on an area of interest basis pending determination of the technical feasibility and commercial viability of the project. When a license expires and is not expected to be renewed, is relinquished or a project is abandoned, the related costs are recognised in the profit or loss immediately. With respect to the Tala Hamza Zinc Project, all exploration and evaluation costs incurred from February 2018 (at which time the exploration license was not renewed) were expensed.

Tangible and intangible E&E assets that are available for use are depreciated (amortised) over their estimated useful lives. Upon commencement of production, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the reserves.

E&E assets are assessed for impairment if (1) sufficient data exists to determine technical feasibility and commercial viability, and (2) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment note 3(f)). E&E assets are assessed for impairment when any of the following facts and circumstances exist:

- The term of the exploration license in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

E&E assets are transferred to development assets once the technical feasibility and commercial viability of an area of interest can be demonstrated. E&E assets are assessed for impairment, and any impairment loss is recognised prior to being reclassified.

Pre-licence expenditure and expenditure deemed to be unsuccessful is recognised in the profit or loss immediately.

(j) Trade and Other Payables

Trade payables and other payables are stated at cost.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Site restoration liability

A provision is recognised for the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during operation of the Angas Zinc Mine up to reporting date but not yet rehabilitated.

The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology.

As the provision represents the discounted value of the present obligation, using a pre-tax rate that reflects current market assessments and the risks specific to the liability, the increase in value of the provision due to the passage of time will be recognised as a borrowing cost in the profit or loss in future periods. The provision is recognised as a non-current liability (in line with the expected timescales for the work to be performed), with a corresponding asset taken to account and amortised over the life of the mine. At each reporting date the rehabilitation liability is reviewed and re-measured in line with changes in discount rates and timing and the amounts of the costs to be incurred based on area of disturbance at reporting date. Changes in the liability relating to the re-assessment of rehabilitation estimates are recognised directly within the profit or loss.

(l) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share Based Payments

The Group uses share options to provide incentives to Directors, employees and consultants. The Board, upon the recommendation of the Nominations and Remuneration Committee, 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. The fair value of options at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised as an expense over the period during which the Directors, employees or consultants become unconditionally entitled to the options (vesting period). Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital.

The Group uses share rights to provide incentives to employees. Share rights were valued at grant date and are expensed to reflect amounts owing. Upon issue of the share rights an increase in equity is recognised.

(m) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases (refer notes 13 and 28(d)). Finance leases are capitalised at lease inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included as loans and borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the lesser of the asset's useful life and the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

An onerous lease contract arises when the unavoidable costs exceed the benefits expected to be generated by the contract. Where onerous leases are identified a provision for the present value of future payments is recognised.

(n) Loans and Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs.

Subsequent to initial recognition, loans and borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis. Loans and borrowings with a determinable payment due less than twelve months from reporting date are classified as current liabilities.

(o) Financing Costs

Financing costs include interest payable on borrowings calculated using the effective interest method, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges, and the impact of the unwind of discount on long-term provisions for site restoration.

Financing costs incurred in relation to the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other financing costs are expensed as incurred.

(p) Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian Dollars (AUD), which is Terramin's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains / (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(q) Share Capital

Ordinary shares are classified as equity. Qualifying transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(r) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Determination of future tax profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgements about commodity prices, ore reserves (note 3(g)), exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows.

Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

The Company and its Australian subsidiaries are part of an income tax consolidated group under the Australian Tax Consolidation Regime.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprises convertible notes and share options granted to employees, Directors, consultants and other third parties.

(u) Segments

The consolidated entity has identified its operating segments to be its Australian interests and its Northern African interests, based on the different geographical regions and the similarity of assets within those regions. This is the basis on which internal reports are provided to management for assessing performance and determining the allocation of resources within the consolidated entity.

A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those segments operating in other economic environments.

Segment information is presented only in respect of the Group's geographical segments, being Australia and Northern Africa, which is the basis of the Group's internal reporting.

(v) Financial Risk Management

The Group's activities expose it to the following risks from the use of financial instruments:

Credit Risk

The risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from short term cash investments.

Liquidity Risk

The risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages this exposure by targeting to have sufficient cash financing facilities available on demand to meet planned expenditure for a minimum period of 45 days (refer note 13 for detail on available financing facilities).

Market Risk

The risk that changes in foreign exchange rates and interest rates will affect the Group's income or value of its holdings of financial instruments. The Group may enter into commodity derivatives, foreign exchange derivatives and may also incur financial liabilities (debt), in order to manage market risks. All such transactions are carried out within Board approved limits.

The Group's financial risks are managed primarily by the Chief Executive Officer, including external consultation advice as required, as a part of the day-to-day management of the Group's affairs. Finance and risk reporting is a standard item in the report presented at each Board meeting.

Capital Management

The Board seeks to maintain a strong capital base sufficient to maintain the future development of the Group's business. The Board closely monitors the Group's level of capital so as to ensure it is appropriate for the Group's planned level of activities. There were no changes to the Group's approach to capital management during the year.

(w) Research and Development Tax Incentive

To the extent that research and development costs are eligible activities, under the "Research and Development Tax Incentive" programme, a refundable tax offset is available for companies with annual turnover of less than $20 million. The Group recognises, where it is possible to reliably estimate, refundable tax offsets in the financial year as an income tax benefit in profit or loss, resulting from the monetisation of available tax losses that otherwise would have been carried forward.

4. Other Income and Expenses

Other Income	2018 $000's	2017 $000's
Gain on disposal of plant and equipment	**46**	-
Service fee income	**137**	-
Other	**71**	
Total other income	**254**	-

Other Expenses	2018 $000's	2017 $000's
Corporate Administration and Marketing Costs	**576**	379
Legal, Accounting, Community Relations and Other Consultants	**451**	421
ASX fees and Share Registry Costs	**95**	89
Other	**78**	94
Total other expenses	**1,200**	**983**

5. Auditor's Remuneration

	2018 $	2017 $
Grant Thornton Audit Pty Ltd		
Audit and review of financial reports	**68,000**	73,118
Non-audit services	**40,000**	-
Total auditor's remuneration	**108,000**	**73,118**

6. Finance Income and Costs

	2018 $'000	2017 $'000
Finance income		
Interest income	**2**	4
Foreign exchange gains	**1**	-
Total finance income	**3**	**4**

	2018 $'000	2017 $'000
Finance costs		
Interest on borrowings	**1,177**	901
Unwinding of discount on mine rehabilitation provision	**215**	162
Amortisation of borrowing costs	**365**	238
Other borrowing costs	**362**	313
Foreign exchange losses	**-**	1
Total finance costs	**2,119**	1,615

7. Cash and Cash Equivalents

	2018 $'000	2017 $'000
Cash on hand	**2**	3
Bank balances	**217**	2,672
Short-term deposits[1]	**33**	23
Total cash and cash equivalents	**252**	**2,698**

1. *Represents restricted cash to support a bond and minor credit card facilities.*

8. Inventories

	2018 $'000	2017 $'000
Non-current		
Raw materials and consumables	**496**	632
Total inventories at the lower of cost and net realisable value	**496**	**632**

9. Trade and Other Receivables

	2018 $'000	2017 $'000
Trade receivables	**-**	-
Research and development tax benefit	**72**	-
Other receivables (including GST refund)	**66**	68
Total trade and other receivables	**138**	**68**

10. Property Plant and Equipment

	2018 $'000	2017 $'000
Freehold land		
At cost	**4,271**	4,271
Total freehold land[1]	**4,271**	**4,271**
Buildings and other infrastructure		
At cost	**126**	126
Less accumulated depreciation	**(121)**	(120)
Total buildings and other infrastructure[1]	**5**	**6**
Plant and Equipment		
At cost	**58,536**	59,029
Less accumulated impairment	**(14,219)**	(14,219)
Less accumulated depreciation	**(40,173)**	(40,590)
Total plant and equipment[1]	**4,144**	**4,220**
Total property plant and equipment	**8,420**	**8,497**

1. *The Directors have considered the recoverable amount of property, plant and equipment based on available market information and have taken into account the expected future use of these assets as the Company moves towards approval of a mining licence for the Bird-in-Hand Gold Project.*

10. Property Plant and Equipment (continued)

Movements in carrying amounts

	Freehold land $'000	Buildings and other infrastructure $'000	Plant and equipment $'000	Construction in progress $'000	Total $'000
Opening carrying amount 1 Jan 2018	4,271	6	4,220	-	8,497
Additions	-	-	4	-	4
Disposals	-	-	(61)	-	(61)
Depreciation and amortisation	-	(1)	(44)	-	(45)
Foreign currency movement	-	-	25	-	25
Carrying amount at 31 Dec 2018	**4,271**	**5**	**4,144**	**-**	**8,420**

	Freehold land $'000	Buildings and other infrastructure $'000	Plant and equipment $'000	Construction in progress $'000	Total $'000
Opening carrying amount 1 Jan 2017	4,271	9	4,251	-	8,531
Additions	-	-	-	14	14
Disposals	-	-	-	-	-
Transfers	-	-	14	(14)	-
Depreciation and amortisation	-	(3)	(41)	-	(44)
Foreign currency movement	-	-	(4)	-	(4)
Carrying amount at 31 Dec 2017	**4,271**	**6**	**4,220**	**-**	**8,497**

11. Exploration and Evaluation Assets

	2018 $'000	2017 $'000
Exploration and evaluation		
At cost	**59,627**	56,278
Additions	**2,397**	4,948
Exploration write-off[1]	**(121)**	-
Foreign currency movement	**1,218**	(1,599)
Total exploration and evaluation	**63,121**	59,627

1. *Exploration write-off represents all exploration and evaluation costs incurred from February 2018 (at which time the exploration license was not renewed) for the Tala Hamza project.*

	2018 $'000	2017 $'000
Exploration and evaluation projects by location		
Tala Hamza Zinc (Terramin 65%)	**44,101**	42,734
Adelaide Hills (Terramin 100%)[1]	**2,038**	1,451
Bird in Hand Gold (Terramin Exploration 100%)	**11,384**	9,964
South Gawler (Menninnie Metals 100%)	**5,598**	5,478
Total exploration and evaluation	**63,121**	59,627

1. *The Company has 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**) can earn up to a 50% interest in the project after spending $2m on field trials and associated studies. ECR can earn an additional 25% interest in the project by spending a further $4m. Subject to the completion of the expenditure by ECR, the Company will retain a minimum 25% contributing interest as well as a 1.5% net smelter royalty in respect of all metals extracted from the joint venture area. ECR have agreed to spend a minimum of $300,000 within the first year and each subsequent year of the joint arrangement. 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.*

12. Trade and Other Payables

	2018 $'000	2017 $'000
Trade payables	**87**	205
Other payables and accrued expenses	**3,289**	1,532
Total trade and other payables	**3,376**	**1,737**

Trade and other payables are normally non-interest bearing and are settled on 30 days end of month terms.

13. Loans and Borrowings

	2018 $'000	2017 $'000
Current liabilities		
Lease liabilities (note 28(d))[1]	**9**	10
Loans - secured[2]	**11,000**	11,000
Loans - unsecured[3]	**5,891**	2,051
Total current borrowings	**16,900**	**13,061**
Non-current liabilities		
Lease liabilities (note 28(d))[1]	**2**	11
Total non-current borrowings	**2**	**11**
Financing facilities		
Loan facilities - available	**17,250**	14,250
Loan facilities - undrawn	**-**	(1,000)
Loan facilities - drawn	**17,250**	**13,250**
Less: unamortised transaction costs	**(359)**	(199)
Carrying amount at 31 December	**16,891**	**13,051**
Guarantee facility		
Guarantee facility - available[4]	5,315	5,315
Guarantee facility - undrawn	-	-
Guarantee facility - drawn	**5,315**	**5,315**

1. *Lease liabilities are effectively secured as rights to the leased assets revert to the lessor in the event of default.*
2. *At reporting date, the Group had fully drawn down $11 million of two loan facilities provided by Asipac. Interest is payable half yearly on the facilities and is fixed at a base rate of 8%. Interest can be paid in cash or shares at the election of the Group. The facility has a term expiring 31 October 2019. It will be an interest rate review event if the Group does not raise $10 million of additional equity by 31 January 2019. If the lender formally declares an interest rate review event, then it may request by notice to the Borrower that it will review the interest rate in a manner to be negotiated between the parties in good faith within 90 days. No review event has been declared as at the date of this report.*
3. *As at reporting date, the Group had drawn down $6.25 million of its unsecured short-term facility provided by Asipac to support working capital requirements. The facility has a term expiring 31 October 2019. Interest is fixed at a base rate of 8%, payable upon termination date. If the lender formally declares an interest rate review event, then it may request by notice to the Borrower that it will review the interest rate in a manner to be negotiated between the parties in good faith within 90 days.*
4. *A $5.3 million guarantee facility has been provided by Investec PLC in relation to rehabilitation bonds required by South Australian Government over Mining Lease 6229. The facility has a term expiring 30 September 2019. It will be a review event if the Group does not raise a minimum of $10,000,000 of additional capital by 31 May 2019.*

The carrying value of plant and equipment and mining property subject to finance loans and hire purchase contracts at 31 December 2018 was $ 11,497 (2017: $21,700). Assets under hire purchase contracts are pledged as security for related finance loans & hire purchase liabilities.

The Guarantee Facility provided by Investec and the $5.0 million loan facility provided by Asipac to the Company (**Corporate Facility**) are secured under the terms of a security trust deed for which Investec PLC acts as trustee (Security Trust Deed). The first ranking security interests created under the Security Trust Deed relates to all assets of the Company.

Under the terms of the $6.0 million loan facility provided to Terramin Exploration Pty Ltd (**BIH Facility**), 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 the assets of Terramin Exploration Pty Ltd & a specific security over the shares of Terramin Exploration Pty Ltd. All security interests will be discharged upon repayment of all amounts due under the BIH Facility.

14. Provisions

	2018 $'000	2017 $'000
Current		
Employee benefits	**163**	323
Total current provisions	**163**	**323**
Non-current:		
Employee benefits	**50**	116
Mine rehabilitation	**4,692**	4,432
Total non-current provisions	**4,742**	**4,548**

	Employee Benefits $'000	Mine rehabilitation $'000	Total $'000
At 1 January 2018	439	4,432	4,871
Increases in provisions	379	260	639
Paid during the period	(605)	-	(605)
At 31 December 2018	**213**	**4,692**	**4,905**

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 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 2.25% (2017: 2.57%).

The rehabilitation is expected to occur following the processing of ore from the Bird-in-Hand Gold Project (subject to regulatory approvals).

15. Issued capital

(a) Ordinary shares

	2018 $'000	2017 $'000
1,869,601,371 (2017: 1,869,177,543)		
Ordinary shares	**221,034**	220,969
Share issue costs	**(5,651)**	(5,651)
Total issued capital	**215,383**	215,318

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 year

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Opening balance 1 January 2018		**1,869,177,543**		**215,318**
Share rights converted	2 January 2018	162,615	0.13	21
Share rights converted	4 April 2018	137,882	0.16	22
Share rights converted	5 July 2018	123,331	0.18	22
Closing balance 31 December 2018		**1,869,601,371**		**215,383**
Share issue costs				-
Issued Capital				**215,383**

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Opening balance 1 January 2017		**1,795,996,987**		**204,054**
Share placement	2 February 2017	25,000,000	0.16	4,000
Share rights converted	4 April 2017	140,231	0.16	22
Share rights converted	3 July 2017	190,332	0.12	22
Share placement	27 September 2017	37,500,001	0.17	6,300
Share rights converted	4 October 2017	230,945	0.10	22
Share placement	4 October 2017	10,119,047	0.17	1,700
Closing balance 31 December 2017		**1,869,177,543**		**216,120**
Share issue costs				(802)
Issued Capital				**215,318**

16. Reserves

(a) Foreign currency translation reserve

Foreign currency translation reserve	2018 $'000	2017 $'000
Balance at the beginning of the year	**(7,532)**	(5,815)
Adjustment arising on translation into presentation currency	**1,333**	(1,717)
Balance at the end of the year	**(6,199)**	**(7,532)**

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

	2018 $'000	2017 $'000
Balance at the beginning of the year	**90**	9,014
Transfer of lapsed options to retained earnings	**-**	(8,946)
Options issued during the year	**111**	-
Share rights issued during the year	**-**	88
Share rights converted during the year	**(65)**	(66)
Balance at the end of the year	**136**	90
Total reserves	**(6,063)**	(7,442)

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 the 2018 reporting period the CEO received 10,000,000 options (2017: nil) which were valued in accordance with the Black Scholes valuation methodology for which $110,956 was recognised as a share based payment expense during the 2018 reporting period (2017: $nil). There were no share rights granted to employees including KMP's during the 2018 reporting period. Under the terms of the remuneration package of the Group's Chief Executive Officer $87,500 was paid in share rights in the 2017 reporting period under a Terramin Employee Share Rights Plan. The share rights were issued quarterly and were priced at a 5% discount to the volume weighted average price of the shares traded in the last 5 days of the relevant quarter. The share rights convert to ordinary shares 12 months after the date of issue. During the 2017 reporting period, 654,773 share rights were issued, 393,560 of which relate to the 2016 remuneration year and 261,213 to 2017. 561,508 share rights converted to ordinary shares during the 2017 reporting period ($65,625).

17. Non-controlling Interest

	2018 $'000	2017 $'000
Balance at the beginning of the year	**13,952**	14,136
Share of movement in net assets	**(375)**	(184)
Balance at the end of the year	**13,577**	**13,952**

Movement in non-controlling interest in 2018 relates to the 35% minority interest (ENOF 32.5% and ORGM 2.5%) in exploration and evaluation costs for the Tala Hamza Zinc Project funded directly by the Group through its 65% shareholding in WMZ. During 2018, the Group funded approximately $0.8 million (2017: $3.1 million) of exploration and evaluation costs in WMZ, of which ENOF and ORGM are entitled to $0.3 million (2017: $1.1 million) being (35%). The remainder of the movement is in relation to foreign exchange changes. A total of 35% of all assets contributed to WMZ by the Group effectively accrue to ENOF and ORGM for nil consideration (other than forming part of the Group's 65% earn-in) and has therefore been included in movement in net assets attributable to the non-controlling interest.

Refer to note 23 for further disclosures with respect to material non-controlling interests.

18. Income Tax Expense

	2018 $'000	2017 $'000
Prima facie tax benefit on loss before income tax at 30% (2017: 30%)	**(1,906)**	(875)
Decrease in income tax benefit due to:		
(Deductible)/non-deductible items	**64**	11
Deferred tax asset not brought to account	**(1,842)**	(864)
Research and development tax concession received[1]	**344**	-
Unused tax losses for which no deferred tax asset has been recognised	**173,280**	164,858
Potential tax benefit	**51,984**	49,262
The applicable weighted average effective tax rates for the reporting period are:	**29%**	27%

1. *As at the date of this report, an estimate of the Research and Development claim has been calculated for the 2017/18 financial year and is 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 $51.9 million (2017: $49.3 million). These have not been brought to account because the Directors do not consider the realisation of the deferred tax asset as probable. The benefit of these tax losses will be obtained if:

a. *the Australian Tax Consolidated Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be realised;*

b. *the Australian Tax Consolidated Group can comply with the conditions for deductibility imposed by tax legislation; and*

c. *no changes in the income tax legislation adversely affect the Australian Tax Consolidated Group in realising the benefit from the deduction of the loss.*

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. Cash Flow Information

Reconciliation of cash flow from operations with loss from ordinary activities after income tax:

	2018 $'000	2017 $'000
Loss for the period	**(6,010)**	(3,180)
Adjustment for:		
Depreciation and amortisation	**45**	44
Non-cash inventory movements	**95**	38
Share-based payment transactions (other)	**111**	88
Realised foreign exchange (gain)/loss	**-**	1
Amortisation of borrowing costs	**365**	238
Mine rehabilitation provision - change in assumptions (including discount unwind)	**260**	357
Mine rehabilitation provision - revision of expected future costs	**-**	(1,691)
Gain on disposal of Non-Current Asset	**(27)**	-
Other	**-**	9
Change in operating assets and liabilities: As		
Decrease/(increase) in trade and other receivables	**(112)**	30
Decrease/(increase) in inventory	**-**	28
Decrease/(increase) in prepayments	**(20)**	(4)
(Decrease)/increase in payables and accruals	**1,096**	(1,897)
(Decrease)/increase in provisions	**(226)**	42
Cashflow (used in) operating activities	**(4,423)**	(5,897)

20. Related Parties

(a) Key management personnel compensation

Summary of Key Management Personnel (KMP) compensation:

	2018 $	2017 $
Short-term employee benefits	**1,102,961**	1,021,227
Long-term employee benefits	**(222,450)**	14,598
Post-employment benefits	**68,103**	77,898
Termination benefits	**100,000**	-
Share-based payments	**110,956**	43,750
Total KMP compensation	**1,159,570**	**1,157,473**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting year related to KMP. Amounts paid to KMP from prior years have been excluded from this table.

(b) Other transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Entities with significant influence over the Group

At 31 December 2018, Asipac owned 33.18% of the ordinary shares in Terramin (2017: 33.18%) and is controlled by Mr Sheng who is the Executive Chairman of the Company. Mr Siciliano is the Chief Financial Officer of Asipac. Asipac has had the following transactions in the year:

Asipac Group	2018 $'000	2017 $'000
Borrowings as at 1 January	**13,250**	11,650
Loans advanced during the year	**4,000**	2,600
Loan repayments in the year	**-**	(1,000)
Borrowings as at 31 December	**17,250**	13,250
Related Party Transactions		
Fees in relation to equity raising	**-**	264
Loan facility fees paid/payable	**764**	484
Interest paid/payable	**1,657**	903
Related Party Balance		
Amounts owed at year end	**2,421**	774

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

On 6 November 2015, the Terramin Exploration Pty Ltd entered into a Marketing Agreement with Asipac Capital Pty Ltd, a related party of Asipac. The marketing Agreement appoints Asipac Capital as its marketing agent for the sale of gold products in Asian markets and China in particular.

Other related party of the Group

As at the date of this report, Asipac Group owns 50% of the shares in BMY Group Pty Ltd and Mr Bruce Sheng, the Executive Chairman of the Company is also is a director of BMY Group Pty Ltd. The Company entered into the following transactions with BMY Group Pty Ltd:

	BMY Group	
	2018 $'000	2017 $'000
Fees in relation to equity raisings	-	528

There are no other related party transactions not disclosed in this report.

21. 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	2018 $'000	2017 $'000
Current			
Cash and cash equivalents	7	**252**	2,698
Trade and other receivables	9	**138**	68
Trade and other payables	12	**(3,376)**	(1,737)
Financial liabilities at amortised cost	13	**(16,902)**	(13,072)
Total current financial instruments		**(19,888)**	(12,043)

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.

22. Financial Risk Management

The Group's principal financial liabilities comprise loans and trade and other payables. The main purpose of these financial instruments is to finance the Group's operations. The Group has various financial assets such as accounts receivable and cash and short-term deposits, which arise directly from operations.

The Group manages its exposure to key financial risks in accordance with the Group's risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are market risks, comprising commodity price risk, currency risk, interest rate risk, credit risk and liquidity risk.

The Group's senior management oversees the management of financial risks. The Group's senior management is supported by the Audit, Risk and Compliance Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Audit, Risk and Compliance Committee provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and the Group's risk appetite.

All derivative activities for risk management purposes are carried out by management that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. At this stage, the Group does not currently apply any form of hedge accounting.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: commodity price risk, interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, accounts receivable, accounts payable, accrued liabilities and derivative financial instruments. The Company currently has no commodity price risk.

(a) Currency risk

The Group is exposed to foreign currency risk on purchases and cash at bank which are denominated in a currency other than AUD. The currencies giving rise to this are primarily USD and Algerian Dinar (DZD). The Group does not enter into derivative financial instruments to hedge such transactions denominated in a foreign currency. No amount was recognised in the statement of profit or loss and other comprehensive income during the current year (2017:$nil).

The Group's exposure to foreign currency risk at reporting date was as follows:

In AUD thousand equivalent	31 December 2018 USD	31 December 2018 DZD	31 December 2017 USD	31 December 2017 DZD
Cash at bank	**2**	**34**	1	7
Trade receivables	**-**	**30**	-	12
Trade payables	**-**	**(74)**	-	(227)
Gross exposure	**2**	**(10)**	1	(208)

The following exchange rates applied for the Group Consolidated Statement of Financial Position:

Currency Exchange Rates	Currency	2018	2017
Year-end rates used for the consolidated statement of financial position, to translate the currencies into AUD, are:	USD DZD	**0.71** **83.05**	0.78 89.35

Sensitivity Analysis

Sensitivity to fluctuations in foreign currency rates is based on outstanding monetary items at 31 December 2018 which are denominated in a foreign currency.

Holdings exposed to currency risk at the end of the period are minimal.

(b) Interest rate risk

The Group has an exposure to future interest rates on investments in variable-rate securities and variable- rate borrowings.

The Group does not use derivatives to mitigate these exposures.

The Group's exposure to interest rate risk and effective weighted average interest rates are as follows:

Net Financial Assets (Liabilities) 2018	Effective interest rate	Total $'000	Floating Int rate $'000	Fixed interest rate
Cash[1]	2.03%	219	219	-
Short-term deposits[1]	1.42%	33	33	-
Finance lease liabilities	14.50%	(11)	-	(11)
Loans[1]	8.00%	(17,250)	-	(17,250)
Total (Net)		**(17,009)**	**252**	**(17,261)**

Net Financial Assets (Liabilities) 2017	Effective interest rate	Total $'000	Floating Interest rate $'000	Fixed interest rate
Cash[1]	0.76%	2,675	2,675	-
Short-term deposits[1]	2.08%	23	23	-
Finance lease liabilities	4.20%	(21)	-	(21)
Loans	8.00%	(13,250)	-	(13,250)
Total (Net)		**(10,573)**	**2,698**	**(13,271)**

1. *Includes AUD and USD denominated balances.*
2. *The facilities have a term expiring 31 October 2019. It will be an interest rate review event if the Group does not raise $10 million of additional equity by 31 January 2019. If the lender formally declares an interest rate review event, then it may request by notice to the Borrower that it will review the interest rate in a manner to be negotiated between the parties in good faith within 90 days. No review event has been declared as at the date of this report.*

Sensitivity analysis

The Group has interest bearing liabilities with the Asipac Group which may be varied.

The following table illustrates the sensitivity of interest repayments to a reasonably possible change in interest of +/- 1% (2017: +/- 1%)

	$'000	$'000
Interest Rate Sensitivity	+1%	-1%
Loans - 31 December 2018	(173)	173
Loans - 31 December 2017	-	-

2. Credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

Credit risk exposure - assets	Note	**2018 $'000**	2017 $'000
Trade and other receivables	9	**138**	68
Cash assets	7	**252**	2,698
Total financial assets		**390**	2,766

The Group's maximum exposure to credit risk for loans and receivables at the reporting date by geographic region was:

Credit risk exposure – loans and receivables	Note	2018 $'000	2017 $'000
Australia		**109**	56
USA		**-**	-
Other		**29**	12
Total trade and other receivables	**9**	**138**	68

3. Liquidity risk

The contractual maturities of financial liabilities, including estimated interest payments:

2018	Note	Carrying amount[1] $'000	Contractual cash flows[2] $'000	6 months or less[3] $'000	6-12 Months[3] $'000	1-2 years[3] $'000	2-5 years[3] $'000	More than 5 years[3] $'000
Non-derivative financial liabilities								
Trade and other payables	12	3,376	(3,376)	(3,376)	-	-	-	-
Loans - secured	13	11,000	(12,287)	-	(12,287)	-	-	-
Loans - unsecured	13	5,891	(6,620)	-	(6,620)	-	-	-
Finance lease liabilities	28(d)	11	(11)	(6)	(3)	(2)	-	-
Total non-derivative financial liabilities		**20,278**	**(22,294)**	**(3,382)**	**(18,910)**	**(2)**	**-**	**-**

2017	Note	Carrying amount[1] $'000	Contractual cash flows[2] $'000	6 months or less[3] $'000	6-12 Months[3] $'000	1-2 years[3] $'000	2-5 years[3] $'000	More than 5 years[3] $'000
Non-derivative financial liabilities								
Trade and other payables	12	1,737	(1,737)	(1,737)	-	-	-	-
Loans - secured	13	10,801	(11,532)	(434)	(11,098)	-	-	-
Loans - unsecured	13	2,250	(2,400)	(89)	(2,311)	-	-	-
Finance lease liabilities	28(d)	17	(17)	(4)	(4)	(8)	(1)	-
Total non-derivative financial liabilities		**14,805**	**(15,686)**	**(2,264)**	**(13,413)**	**(8)**	**(1)**	**-**

1. *Represents amounts reflected in the statement of financial position as at 31 December.*
2. *Represents total loan principal, accrued interest and accrued fees payable as at 31 December.*

Represents schedule of payments of loan principal, accrued interest and accrued fees in accordance with specified time bands.

23. Controlled Entities

Name	Country of incorporation	Percentage 2018	2017
Parent Entity			
Terramin Australia Limited	Australia		
Subsidiaries of parent entity			
Menninnie Metals Pty Ltd	Australia	**100%**	100%
Western Mediterranean Zinc Spa	Algeria	**65%**	65%
Terramin Spain S.L.	Spain	**100%**	100%
Terramin Exploration Pty Ltd	Australia	**100%**	100%

Subsidiary with material non-controlling interests

The Group includes one subsidiary, Western Mediterranean Zinc Spa, with material Non-Controlling Interests (‘NCI’):

Name	Proportion of Ownership Interests & Voting Rights held by the NCI		Profit/(Loss) Allocated to NCI		Accumulated NCI	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Western Mediterranean Zinc Spa	35%	35%	(375)	(184)	13,577	13,952

Summarised financial information for Western Mediterranean Zinc Spa, before intragroup eliminations, is set out below:

	2018 $'000	2017 $'000
Current assets	**101**	94
Non-current assets	**44,113**	42,739
Total assets	**44,214**	42,833
Current liabilities	**74**	227
Non-current liabilities	**-**	-
Total liabilities	**74**	227

	2018 $'000	2017 $'000
Revenue	**-**	-
Loss for the year	**(1,072)**	(525)
Other comprehensive income for the year (all attributable to owners of the parent)	**-**	-
Total comprehensive loss for the year	**(1,072)**	**(525)**
Net cash (used in) operating activities	**(823)**	(1,128)
Net cash used in investing activities	**-**	-
Net cash from financing activities	**847**	1,229
Net cash (outflow)	**24**	**101**
Cash Balance as at 31 December	**31**	**7**

24. 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	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000
Other Income						
External customers	**254**	-	**-**	-	**254**	-
Total Other Income	**254**	-	**-**	-	**254**	-
Results						
Raw materials, consumables and other direct costs	**(459)**	(702)	**-**	-	**(459)**	(702)
Employee benefits & share based payments expense	**(1,665)**	(983)	**-**	(353)	**(1,665)**	(1,336)
Depreciation and amortisation	**(45)**	(44)	**-**	-	**(45)**	(44)
Exploration and evaluation expensed	**-**	-	**(1,076)**	-	**(1,076)**	-
Mine rehabilitation obligation expense	**(47)**	1,496	**-**	-	**(47)**	1,496
Other expenses	**(1,204)**	(811)	**4**	(172)	**(1,200)**	(983)
Net finance costs	**(2,116)**	(1,611)	**-**	-	**(2,116)**	(1,611)
(Loss) before income tax	**(5,282)**	(2,655)	**(1,072)**	(525)	**(6,354)**	(3,180)
Income tax expense	**344**	-	**-**	-	**344**	-
(Loss) for the year for the operating segment	**(4,938)**	(2,655)	**(1,072)**	(525)	**(6,010)**	(3,180)
(Loss) for the year attributable to non-controlling interest	**-**	-	**(375)**	(184)	**(375)**	(184)
(Loss) for the year attributable to equity holders of the Company	**(4,938)**	(2,655)	**(697)**	(341)	**(5,635)**	(2,996)
Operating assets	**28,322**	28,766	**44,214**	42,833	**72,536**	71,599
Operating liabilities	**25,109**	19,453	**74**	227	**25,183**	19,680
Other disclosures						
Capital expenditure[1]	**2,273**	2,337	**128**	3,096	**2,401**	5,433

1. *Capital expenditure consists of additions of property, plant and equipment, and exploration and evaluation assets.*

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.

25. 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.

For the first half of the calendar year 2017, under the terms of the remuneration package of the Group's Chief Executive Officer, share rights under a Terramin Employee Share Rights Plan were issued. The share rights were issued quarterly and are priced at a 5% discount to the volume weighted average price of the shares traded in the last 5 days of the relevant quarter. The share rights convert to ordinary shares 12 months after the date of issue. During the period, the remuneration package of the Group's Chief Executive Officer was renegotiated and from 1 July 2017, the share rights component was replaced with an equivalent cash payment.

During the calendar year 2018, 10,000,000 options were granted to the Group's Chief Executive Officer. Details of the options granted to the Chief Executive Officer are summarised in the notes that follow. No options were granted to KMP's during the calendar year 2017.

(a) Number and weighted average exercise prices of share options

	Weighted average exercise price 2018	Number of options 2018	Weighted average exercise price 2017	Number of options 2017
Outstanding at 1 January	$0.135	1,750,000	$0.135	3,500,000
Granted during the period	$0.293	10,000,000	-	-
Exercised during the period	$0.00	-	-	-
Lapsed during the year	$0.135	(1,750,000)	$0.135	(1,750,000)
Outstanding at 31 December	$0.293	10,000,000	$0.135	1,750,000
Exercisable at 31 December	$0.00	-	$0.135	1,750,000

The options outstanding at 31 December 2018 have a weighted average contractual life of 3.4 years (2017: 0.97 years).

A balance of 10,000,000 options were outstanding for the Group at 31 December 2018. A total of 1,750,000 options lapsed during the reporting period ending 31 December 2018.

(b) Options exercised during the year

There were not options exercised during the reporting period (2017: Nil).

(c) Table of share options movement for the Group at 31 December 2018

Expiry Date	Number of options	Options expense this year $'000	Total option value $'000
Opening balance 1 January 2018	1,750,000	**-**	**-**
Granted during the period	10,000,000	**111**	**371**
Lapsed during the period	(1,750,000)	-	-
Closing balance 31 December 2018	10,000,000	**111**	**371**

(d) Table of share options movement for the Group at 31 December 2017

Expiry Date	Number of options	Options expense this year $'000	Total option value $'000
Opening balance 1 January 2017	**3,500,000**	**-**	**-**
Lapsed during the period	(1,750,000)	-	-
Closing balance 31 December 2017	**1,750,000**	**-**	**-**

(e) Shares issued in lieu of cash payments

During the year, the following share were issued in lieu of cash payments.

Type of Share Rights Issue 2018	Date of issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Shares issued in lieu of salary and wages	2 January 2018	162,615	0.13	21
Shares issued in lieu of salary and wages	4 April 2018	137,882	0.16	22
Shares issued in lieu of salary and wages	8 July 2018	123,331	0.18	22
Total shares issued in lieu of cash payments		**423,828**		**65**

Type of Share Rights Issue 2017	Date of issue	Number of Share Rights issued	Issue Price $	Share Rights $'000
Share Rights issued in lieu of salary and wages	2 February 2017	230,945	0.09	22
Share Rights issued in lieu of salary and wages	2 February 2017	162,615	0.13	22
Share Rights issued in lieu of salary and wages	4 April 2017	137,882	0.16	22
Share Rights issued in lieu of salary and wages	3 July 2017	123,331	0.18	22
Total Share Rights issued in lieu of cash payments		**654,773**		**88**

26. Employee Option Plan

(a) Current Options

10,000,000 options were granted, no options were exercised and 1,750,000 options lapsed during the reporting period.

(b) Employee Incentive Plan

Terramin has established an Employee Incentive Plan. Shares are allotted to employees under this Plan at the Board's discretion.

The following options are currently on issue:

	No. of Options on issue	Exercise Price	Fair Value $'000
Balance as at 1 January 2018	1,750,000	$0.135	-
Granted during the financial year[1]	2,500,000	$0.200	104,750
Granted during the financial year[1]	2,500,000	$0.250	90,250
Granted during the financial year[1]	2,500,000	$0.320	88,250
Granted during the financial year[1]	2,500,000	$0.400	87,500
Balance as at 31 December 2018	**11,750,000**		370,750
Lapsed during the financial year	(1,750,000)		-
Balance as at 31 December 2018	**10,000,000**	**$0.293[2]**	**370,750**

1. *Share Based Payments expense is recognised over the vesting period on a pro-rata basis from the grant date.*
2. *Represents the weighted average exercise price*

	Tranche A Granted Dec-18	Tranche B Granted Dec-18	Tranche C Granted Dec-18	Tranche D Granted Dec-18
Total fair value at grant date[1]	$104,750	$90,250	$88,250	$87,500
Number of securities issued	2,500,000	2,500,000	2,500,000	2,500,000
Exercise price	$0.20	$0.25	$0.32	$0.40
Volatility	80%	80%	80%	80%
Term	3 years	3 years	3.5 years	4 years
Risk free rate	2.10%	2.10%	2.20%	2.20%

1. *Options were granted on 2 August 2018. During the 2018 reporting period the share based payment expense of $110,956 represents the vested portion of total fair value of options of $370,750.*

The fair value of options issued is calculated using the Black-Scholes Option Pricing Model.

27. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share at 31 December 2018 was based on the net loss attributable to owners of the Company of $5.6m (2017: $3.0m) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2018 of 1,869,503,284 (2017: 1,831,391,323), calculated as follows:

	2018 $'000	2017 $'000
Net loss for the year attributable to the owners of the Company	**(5,635)**	(2,996)
Ordinary shares on issue	**1,869,601,371**	1,869,177,543
Weighted average number of shares	**1,869,503,284**	1,831,391,323
Basic earnings per share (cents)	**(0.30)**	(0.16)

(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.

28. Commitments and Contingencies

There are contractual commitments at the reporting date as follows:

(a) Operating lease

Non-cancellable operating leases contracted but not capitalised in the financial statements payable:

	2018 $'000	2017 $'000
Within 1 year	80	31
One to five years	22	22
Total	**102**	**53**

(b) Minimum expenditure on exploration tenements of which the Group has title

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations are subject to renegotiation and may be farmed out or relinquished. These obligations are not provided for in the parent entity financial statements.

Region	Adelaide Hills[1] $'000	South Gawler[2] $'000	Total $'000
Within 1 year	-	4,171	**4,171**
1 to 5 years	4,434	1,670	**6,104**
Total minimum expenditure[3]	4,434	5,841	**10,275**

1. *Adelaide Hills fold belt tenements have an amalgamated minimum expenditure of $4.16 million over 2 years expiring on 30 June 2020 and represents a portion of the total minimum expenditure.*
2. *South Gawler project tenements have an amalgamated minimum expenditure of $3.5 million over 3 years expiring on 31 December 2019 and represents a portion of the total minimum expenditure.*
3. *The minimum expenditure on a tenement is subject to change at the end of a five year term from when the tenement was granted.*

Future minimum rentals payable on non-cancellable leases due	2018 $'000	2017 $'000
Within 1 year	**4,171**	3,000
Later than 1 year but not later than 3 years	**6,104**	980
Total minimum commitments	**10,275**	3,980

(c) Capital expenditure commitments

	2018 $'000	2017 $'000
Within 1 year	-	25
Total	-	25

The minimum expenditure on a tenement is subject to change at the end of a five year term from when the tenement was granted.

(d) Finance leases

	2018 $'000	2017 $'000
Within 1 year	**10**	10
Longer than 1 year and not longer than 5	**2**	11
Minimum lease payments	**12**	21
Less: future finance charges	**1**	4
Total lease liabilities	**11**	17
Representing		
Current	**9**	7
Non-current	**2**	10
Total lease liabilities	**11**	17

The interest rate implicit in the lease is 14.5%.

(e) Other commitments

Tala Hamza Zinc Project

In February 2006, the Group signed a joint venture agreement in respect of the Tala Hamza Zinc Project with ENOF, an Algerian Government company involved in exploration and mining activities. The Company agreed to manage and finance the joint venture until a decision to mine is made.

Bird-in-Hand acquisition

Terramin Exploration Pty Ltd agreed to purchase the Bird-in-Hand Gold Project from Maximus Resources Limited. Pursuant to a tenement sale and purchase agreement two further payments of $1 million each may become payable following approval of the Programme for Environmental Protection and Rehabilitation in respect of the Bird-in- Hand deposit and following the first shipment of mined gold respectively. A net smelter royalty will also become payable following the first shipment of mined gold.

Consultancy fee

Under the Technical Cooperation Agreement entered into with NFC up to an additional 8 million ordinary shares will be issued upon the Board of WMZ taking a decision to mine.

Finder's Fee

A second tranche of a finder's fee is payable to a non-related party and linked to the commencement of commercial production from the first producing mine established on the Oued Amizour tenement covered by the Algerian joint venture agreement with ENOF. The amount payable will be US$62,500 which will be converted into the Australian Dollar equivalent at the time of the contingent payment in the future, as well as 100,000 unlisted options exercisable at 25 cents each within 3 years of date of issue.

Bank Guarantees - Angas Zinc Mine

As at 31 December 2018, the Company had lodged bank guarantees having a face value of $5.3 million with the South Australian Government.

Litigation

As at the date of this report, the Company is not involved in any litigation.

29. Events After the Reporting Date

Apart from the matters below, there are no other matters or circumstances that have arisen since the end of the year 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.

Terramin entered into an agreement to acquire 100% of Private Mine 53 which covers the historic Kitticoola copper gold mine that was operated intermittently between 1846 and 1971. The agreement provides Terramin with the exploration rights, subject to a land access fee and a sliding scale royalty payable on gold produced.

Terramin entered into an agreement with major shareholder Asipac to restructure and increase the existing Standby Term Facility from $6.25 million to $8.25 million.

30. Parent Entity Disclosures

As at, and throughout, the financial year ending 31 December 2018 the parent Company of the Group was Terramin Australia Limited.

	2018 $'000	2017 $'000
Result of the parent entity		
Loss for the period	**(4,676)**	(4,899)
Other comprehensive income	**-**	-
Total comprehensive income for the period	**(4,676)**	(4,899)
Financial position of parent entity		
Current assets	**13,735**	14,143
Total assets	**51,834**	50,603
Current liabilities	**13,472**	8,269
Total liabilities	**18,216**	12,827
Total equity of the parent entity comprising of:		
Share capital	**215,383**	215,318
Reserves	**135**	90
Accumulated losses	**(168,165)**	(163,489)
Total equity	**47,353**	51,919

Parent entity capital commitments for acquisition of property plant and equipment

There are no capital commitments for acquisition of property, plant and equipment as at 31 December 2018.

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has not entered into a deed of Cross Guarantee with respect to its subsidiaries.

Tenement Information

Terramin Australia Limited

Tenement listing Title name and locations	Licence number	Licence area	Expiry date	Interest	Minimum expenditure	Application for renewal of licence lodged
Angas - South Australia	ML 6229	87.97ha	16/08/2026	100%	Not applicable	
Bremer - South Australia[1]	EL 5924	387km^2	26/10/2021	100%	$1,680,000 over 3 years	
Cambrai - South Australia[1]	EL 5662	89km^2	20/07/2020	100%	$120,000 over 3 years	
Pfeiffer - South Australia[1]	EL 6228	154km^2	21/11/2019	100%	$180,000 over 2 years	
Tepko - South Australia[1]	EL 6267	778km^2	7/10/2020	100%	$420,000 over 2 years	
Wild Horse - South Australia	EL 5846	462km^2	8/09/2020	100%	$174,000 over 2 years	

Terramin Exploration Pty Ltd (100% Terramin)

Tenement listing Title name and locations	Licence number	Licence area	Expiry date	Interest	Minimum expenditure	Application for renewal of licence lodged
Kapunda - South Australia[1]	EL 6198	624km^2	27/04/2020	100%	$720,000 over 2 years	
Lobethal - South Australia[1]	EL 5469	221km^2	31/08/2019	100%	$600,000 over 3 years	
Mount Barker - South Australia[1]	EL 6154	118km^2	24/02/2020	100%	$320,000 over 2 years	
Mount Pleasant - South Australia[1]	EL 5805	452km^2	29/03/2021	100%	$900,000 over 3 years	
Mount Torrens - South Australia[1]	EL 5568	93km^2	24/02/2019	100%	$480,000 over 3 years	22/11/2018
Ulooloo – South Australia	EL 6293	103km^2	18/12/2020	100%	$100,000 over 2 years	

Western Mediterranean Zinc Spa (65% Terramin)

Tenement listing Title name and locations	Licence number	Licence area	Expiry date	WMZ Interest	Minimum expenditure
Oued Amizour - Algeria	6911 PEM	12,276ha	31/01/2018	100%	Not applicable

Menninnie Metals Pty Ltd (100% Terramin)

Tenement listing Title name and locations	Licence number	Licence area	Expiry date	MMPL Interest	Minimum expenditure	Application for renewal of licence lodged
Beacon - South Australia	EL 6076	371km^2	9/01/2020	100%	$130,000 over 2 years	
Jumpuppy - South Australia	EL 6077	971km^2	9/01/2020	100%	$250,000 over 2 years	
Kallinta - South Australia	EL 6078	688km^2	9/01/2020	100%	$190,000 over 2 years	
Kolendo - South Australia[2]	EL 5453	208km^2	26/07/2019	100%	$300,000 over 3 years	
Menninnie - South Australia[2]	EL 5949	101km^2	26/10/2018	100%	$640,000 over 2 years	18/09/2018
Moonaree - South Australia[2]	EL 6079	816km^2	9/01/2020	100%	$220,000 over 2 years	
Mt Ive - South Australia[2]	EL 6200	214km^2	20/06/2020	100%	$200,000 over 2 year	
Mt Ive South - South Australia	EL 5430	394km^2	19/06/2018	100%	$320,000 over 2 year	9/05/2018
Mulleroo - South Australia[2]	EL 5855	210km^2	19/09/2018	100%	$100,000 over 2 years	9/08/2018
Nonning - South Australia[2]	EL 5925	312km^2	30/11/2018	100%	$480,000 over 2 years	25/10/2018
Peltabinna – South Australia	EL 6290	637km^2	11/12/2020	100%	$180,000 over 2 years	
Reid - South Australia	EL 6093	716km^2	11/01/2020	100%	$225,000 over 2 years	
Siam - South Australia	EL 6094	379km^2	11/01/2020	100%	$155,000 over 2 years	
Tanner - South Australia	EL 5458	354km^2	31/07/2018	100%	$259,000 over 1 year	29/06/2018
Taringa - South Australia[2]	EL 5816	988km^2	20/02/2021	100%	$750,000 over 3 years	
Thurlga - South Australia	EL 5518	951km^2	27/11/2018	100%	$412,000 over 1 year	26/10/2018
Unalla - South Australia[2]	EL 6179	155km^2	6/06/2020	100%	$180,000 over 2 year	
Wipipippee - South Australia[2]	EL 6064	493km^2	2/05/2019	100%	$320,000 over 2 years	

1. *Subject to an amalgamated expenditure arrangement with the Department for Energy and Mining (DEM) (see note 28(b)) encompassing the Adelaide Hills tenements.*
2. *Subject to an amalgamated expenditure arrangement with the Department for Energy and Mining (DEM)) (see note 28(b)) encompassing the Menninnie Metals tenements.*

Reserves and Resources

Terramin's Mineral Resource and Ore Reserve estimates as at 31 December 2017 and 31 December 2018 are listed below. The Mineral Resource estimates are reported inclusive of Ore Reserve estimates. The totals and average of some reports may appear inconsistent with the parts, but this is due to rounding of values to levels of reporting precision commensurate with the confidence in the respective estimates.

The complete JORC Code reports, including JORC Code Table 1 checklists, which detail the material assumptions and technical parameters for each estimate, can be found at https://www.terramin.com.au/ under the menu 'ASX Announcements'. The JORC Code Competent Person statements for the 31 December 2018 estimates are included on pages 18 and 65 of this Annual Report.

Terramin's public reporting governance for mineral resources and ore reserves includes a chain of assurance measures. Firstly, Terramin ensures that the Competent Persons responsible for public reporting:

- are current members of a professional organisation that is recognised in the JORC Code framework;
- have sufficient mining industry experience that is relevant to the style of mineralisation and reporting activity, to be considered a Competent Person as defined in the JORC Code;
- have provided Terramin with a written sign-off on the results and estimates that are reported, stating that the report agrees with supporting documentation regarding the results or estimates prepared by each Competent Person; and
- have prepared supporting documentation for results and estimates to a level consistent with normal industry practices – which for JORC Code 2012 resources includes Table 1 Checklists for any results and/or estimates reported.

The following tables set out the current Resource and Reserve position for the Company.

Table of Resources – Lead Zinc

		Measured Resource			Indicated Resource			Inferred Resource			Total Resources		
	Terramin Interest (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)
2017													
Tala Hamza	65	30.6	5.7	1.6	20.5	3.6	0.8	17.5	3.7	0.6	68.6	4.6	1.1
Angas	100				0.66	4.68	1.81	0.25	2.8	1.3	0.91	4.2	1.7
Sunter	100				0.13	5.7	2.31	0.24	2.9	1.2	0.38	3.8	1.6
Menninnie Dam	100							7.7	3.1	2.6	7.7	3.1	2.6
Total (100%)		**30.6**	**5.7**	**1.6**	**21.3**	**3.6**	**0.8**	**25.8**	**3.5**	**1.2**	**77.5**	**4.4**	**1.3**
Total (Terramin share 2017)		**19.6**	**5.7**	**1.6**	**14.1**	**3.6**	**0.8**	**19.7**	**3.4**	**1.4**	**53.5**	**4.3**	**1.3**
2018													
Tala Hamza[1, 2]	65				44.2	5.54	1.44	8.9	4.0	0.7	53.0	5.3	1.3
Angas[4, 5]	100				0.66	4.68	1.81	0.25	2.8	1.3	0.91	4.2	1.7
Sunter[4, 6]	100				0.13	5.70	2.31	0.24	2.9	1.2	0.38	3.8	1.6
Menninnie Dam[7, 8]	100							7.7	3.1	2.6	7.7	3.1	2.6
Total (100%)					**44.99**	**5.53**	**1.45**	**17.09**	**2.16**	**1.57**	**61.99**	**4.62**	**1.47**
Total (Terramin share)					**29.53**	**5.20**	**1.45**	**13.98**	**3.46**	**1.77**	**43.44**	**4.87**	**1.54**

Table of Resources – Gold

		Indicated Resource			Inferred Resource			Total Resources				
	Terramin Interest (%)	Tonnes (Kt)	Au (g/t)	Ag (g/t)	Tonnes (Kt)	Au (g/t)	Ag (g/t)	Tonnes (Kt)	Au (g/t)	Au (kOz)	Ag (g/t)	Ag (kOz)
2017												
Bird-in-Hand	100	167	16.16	13.5	421	12.23	3	588	13	252	6.1	115
Total (100%)		**167**	**16.16**	**13.5**	**421**	**12.23**	**3**	**588**	**13**	**252**	**6.1**	**115**
Total (Terramin share 2017)		**167**	**16.16**	**13.5**	**421**	**12.23**	**3**	**588**	**13**	**252**	**6.1**	**115**
2018												
Bird-in-Hand[9, 10]	100	432	14.4	7.56	220	9.2	2.4	650	12.6	265	5.8	122
Total (100%)	-	**432**	**14.4**	**7.56**	**220**	**9.2**	**2.4**	**650**	**12.6**	**265**	**5.8**	**122**
Total (Terramin share)	-	**432**	**14.4**	**7.56**	**220**	**9.2**	**2.4**	**650**	**12.6**	**265**	**5.8**	**122**

Reserves and Resources (continued)

Table of Resources – Copper

2018	Terramin Interest (%)	Indicated Resource Tonnes (Mt)	Cu (%)	Inferred Resource Tonnes (Mt)	Cu (%)	Total Resources Tonnes (Mt)	Cu (%)
Kapunda[11, 12, 13]	100			47.4	0.25	47.4	0.25
Total (100%)	-			**47.4**	**0.25**	**47.4**	**0.25**
Total (Terramin share)	-			**47.4**	**0.25**	**47.4**	**0.25**

Table of Reserves – Lead Zinc

	Terramin Interest (%)	Probable Reserve Tonnes (Mt)	Zn (%)	Pb (%)	Total Reserve Tonnes (Mt)	Zn (%)	Pb (%)
2017							
Tala Hamza	65	38.1	4.78	1.36	38.1	4.78	1.36
Tatal (100%)		**38.1**	**4.78**	**1.36**	**38.1**	**4.78**	**1.36**
Total (Terramin share 2017)		**24.8**	**4.78**	**1.36**	**24.8**	**4.78**	**1.36**
2018							
Tala Hamza[2, 3]	65	25.9	6.3	1.8	25.9	6.3	1.8
Total (100%)	-	**25.9**	**6.3**	**1.8**	**25.9**	**6.3**	**1.8**
Total (Terramin share)	-	**16.8**	**6.3**	**1.8**	**16.8**	**6.3**	**1.8**

1. *Resources for Tala Hamza (JORC 2004) are estimated at a cut off of 3% ZnEq. The Zinc Equivalence formula for Tala Hamza is %ZnEq = %Zn + 0.856 x %Pb and is based on long term predicted prices of Pb USD2,400/t and Zn USD2425/t and metal recoveries of Pb 62% and Zn 88%.*
2. *Tala Hamza Resources as at January 2018. The reserve is as at 29 August 2018. The reserve is based on the Underhand Drift and Fill mining method. Resources are inclusive of Reserves.*
3. *Reserve cut off grade at Tala Hamza is 4.5% ZnEq (JORC 2012).*
4. *Resources for Angas and Sunter (JORC 2004) are estimated at a cut off of 2% Pb+Zn.*
5. *Angas Resources as at 1 Jan 2013. Resources exclude oxide and transitional material.*
6. *Sunter Resources as at 29 November 2011. Resources exclude oxide and transitional material.*
7. *Resources for Menninnie Dam (JORC 2004) are estimated at a cut off of 2.5% Pb+Zn.*
8. *Menninnie Dam Resources as at 15 February 2011. Resources exclude oxide and transitional material.*
9. *Resources for Bird-in-Hand (JORC 2012) are estimated at a cut off of 1g/t Au.*
10. *Bird-in-Hand Resources as at 30 October 2018.*
11. *Resource for Kapunda (JORC 2012) estimated at a cut off of 0.05% Cu. Resource excludes primary sulphide material.*
12. *Kapunda Resource as at 12 February 2018.*
13. *Subject to terms of JV with Environmental Copper Recovery Pty Ltd announced 2 August 2017.*

JORC 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 Members of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whittaker is employed as the Regional Exploration Manager of Terramin Australia Limited 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 a 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 mineralization 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.

Additional Securities Exchange Information

Equity Securities on Issue

Fully paid ordinary shares

As at 31 January 2019, there were 2,521 holders of a total of 1,869,601,371 ordinary fully paid shares in the capital of the Company. All ordinary fully paid shares in the capital of the Company are listed for quotation on the ASX.

Unlisted options

As at 31 January 2019, there was 1 holder of a total of 10,000,000 options over fully paid ordinary shares in the capital of the Company.

Shareholder Voting Rights

At a general meeting of shareholders, on a show of hands, each person who is a member or sole proxy has one vote. On a poll, each shareholder is entitled to one vote for each fully paid share.

Unlisted options carry no voting rights.

Distribution Schedule as at 31 January 2019

Number of securities	Fully paid ordinary shares	Unlisted options
1 – 1,000	486	0
1,001 – 5,000	740	0
5,001 – 10,000	325	0
10,001 – 100,000	719	0
100,001 – and over	251	1
Total	**2,521**	**1**

As at 31 January 2019, there were 1,166 shareholdings of less than a marketable parcel.

Substantial Shareholders

As at 31 January 2019, the following shareholders were substantial shareholders, as disclosed in substantial shareholder notices given to the Company:

Shareholder	Number of shares	% Issued capital
Asipac Group Pty Ltd	620,267,260	33.18
Citycorp Nominees Pty Limited	288,335,952	15.42
Tronic Enterprise Development Limited	198,636,923	10.62
HSBC Custody Nominees (Australia) Limited	155,702,567	8.33

Additional Securities Exchange Information (continued)

List of 20 Largest Shareholders

The names of the twenty largest shareholders as shown in the Company's register at 31 January 2019 are:

Shareholder	Number of shares	% Issued capital
Asipac Group Pty Ltd	620,267,260	33.18
Citycorp Nominees Pty Limited	288,335,952	15.42
Tronic Enterprise Development Limited	198,636,923	10.62
HSBC Custody Nominees (Australia) Limited	155,702,567	8.33
J P Morgan Nominees Australia Pty Limited	71,126,111	3.80
China Non-Ferrous Metals Industry's Foreign Engineering and Construction	67,800,000	3.63
New Asia Wealth Investment Holding (SG) Pty Ltd	57,185,513	3.06
Fly Wealth Investment Pty Ltd <Fly Wealth Investment A/C>	35,800,000	1.91
Mr Jing Wang	35,399,949	1.89
Vasco Investment Managers Ltd <BMYG Australia IPO T 2 A/C>	19,049,619	1.02
Mr Julian Paul Leach	18,685,187	1.00
Auway Finance Group Pty Ltd	17,857,143	0.96
Ms Er Xu	17,511,817	0.94
Silver Springs Investment Pty Ltd <Wendy Li Family A/C>	15,580,967	0.83
BNP Paribas Nominees Pty Ltd <Ib AU Noms Retailclient DRP>	15,043,242	0.80
Vasco Investment Managers Limited <BMYG Australia IPO T 3 A/C>	10,119,047	0.54
Huge Field Investment Ltd	10,000,000	0.53
BNP Paribas Noms Pty Ltd <DRP>	9,700,842	0.52
Enterprise Flourishing Pty Ltd <Li Jun Family A/C>	9,056,197	0.48
Zhang & Chen Investment Trust <Zhang & Chen Investment>	7,700,000	0.41
Total	**1,680,558,336**	**89.89**

Additional Information

Unquoted equity securities

The following persons were the holders of 20% or more of the equity securities in an unquoted class as at 31 January 2019:

Class of unquoted securities	Number of securities held	% of securities in class
Unlisted options		
Richard Taylor	10,000,000	100.00

On-Market Share Buy-Back

There is no current on-market buy-back in place.

Corporate Governance Principles and Recommendations

The Corporate Governance Principles and Recommendations are included overleaf.

Global Reporting Initiative Index

This year, Terramin have opted to prepare this report with the objectives outlined in the Global Reporting Initiatives Index, which has been included at the end of this report.

Corporate Governance Principles and Recommendations

Principle 1 – Lay solid foundations for management and oversight

Recommendation 1.1 – Recommendation followed

A listed entity should disclose:

(a) *the respective roles and responsibilities of its board and management; and*
(b) *those matters expressly reserved to the board and those delegated to management.*

The Company's Board Charter sets out (amongst other things): (a) the roles and responsibilities of the Board and of management; (b) the matters expressly reserved to the Board; and (c) the matters delegated to management. A copy of the Board Charter can be viewed at:

https://www.terramin.com.au/corporate/charters-policies/

The Audit & Risk Committee and Nomination & Remuneration Committee have also been referred responsibilities by the Board as set out in each Committee's Charter. The Charters for the Committees can be viewed at:

https://www.terramin.com.au/corporate/charters-policies/

https://www.terramin.com.au/corporate/charters-policies/

Recommendation 1.2 – Recommendation followed

A listed entity should:

(a) *undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and*
(b) *provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

Prior to the appointment of a person, or putting forward to security holders a candidate for election, as a director, the Company undertakes checks which it believes are appropriate to verify a director's character, experience, education, criminal record and bankruptcy history including for new directors:

- background and reference checking;
- requesting information in relation to the person's current and previous positions, directorships, bankruptcy history and any potential conflicts of interests.

The Company ensures that all material information in its possession relevant to a shareholder's decision whether to elect or re-elect a director, including the information referred to in Recommendation 1.2, is provided to shareholders in the Company's Notice of Annual General Meeting.

Recommendation 1.3 – Recommendation followed

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Each director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.

Recommendation 1.4 – Recommendation followed

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary has a direct line of reporting to the Chairman and is responsible for:

- advising and supporting the Chairman and the Board and its committees to manage the day to day governance framework of the Company;
- assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and despatch of Board agendas and papers; and
- assisting with all matters to do with the proper functioning of the Board including advising on governance matters and assisting with induction and professional development of directors.

The responsibilities of the Company Secretary are set out in the Board Charter located at:

https://www.terramin.com.au/corporate/charters-policies/

Recommendation 1.5 – Recommendation not followed

A listed entity should:

(a) *have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
(b) *disclose that policy or a summary of it; and*
(c) *disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set*

by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Company seeks to treat everyone with fairness and respect which includes valuing diversity and difference and acting without prejudice. The Company believes that decision-making is enhanced through diversity and supports and encourages diversity at all levels of the organisation in accordance with the Company's Diversity & Equal Employment Opportunity Policy. A copy of the Diversity & Equal Employment Opportunity Policy is located at:

https://www.terramin.com.au/corporate/charters-policies/

The Nomination & Remuneration Committee is responsible for recommending to the Board any measurable objectives for achieving gender diversity and reviewing regularly any such objectives and the Company's progress towards achieving them. The Committee reviews and reports to the Board at least annually on the relative proportion of women and men appointed or employed within the Company group. A copy of the Committee Charter is located at:

https://www.terramin.com.au/corporate/charters-policies/

Given the size of the Company and status of the Company's exploration and development projects, the directors believe that it is not appropriate at this stage to set measurable objectives in relation to diversity beyond those included in the Diversity & Equal Employment Opportunity Policy. Notwithstanding this, the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholder value and which reflects the values, principles and spirit of the Diversity & Equal Employment Opportunity Policy. The directors also believe that diversity is a relevant consideration for constitution of an effective Board, as discussed at Recommendation 2.2.

For the reporting year ended 31 December 2018, the Company had a total of:

- 4 female employees out of a total of 13 employees in Australia (not including overseas employees);
- no female employee out of a total of 6 employees in executive positions; and
- no female director out of a total of 5 directors on the Board.

Recommendation 1.6 – Recommendation not followed

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Board recognises that as a result of the Company's size and its position as a publicly listed exploration and development company, the assessment of the Board's overall performance and its own succession plan is conducted on an ad hoc basis. Whilst

Recommendation 1.6 is not strictly followed the Directors consider that at the date of this report the evaluation process of company directors is appropriate and effective. A more formal process of Board assessment will be considered in the future as the Company develops.

The informal review undertaken by the Board takes into account various matters including those set out in the Board Charter located at:

https://www.terramin.com.au/corporate/charters-policies/

The Nomination & Remuneration Committee assists the Board as required with the evaluation of performance of directors.

Recommendation 1.7 – Recommendation followed

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of its senior executives; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Chief Executive Officer reviews the performance of the senior executives annually with the assistance of the Nomination & Remuneration Committee. These evaluations take into account criteria such as the achievement and performance towards the Company's objectives and (where appropriate) performance benchmarks and the achievement of individual performance objectives.

During the reporting period, senior executives had performance agreements and annual review processes were in place.

Principle 2 – Structure the board to add value

Recommendation 2.1 – Recommendation followed

The board of a listed entity should: (a) have a nomination committee which: (i)has at least three members, a majority of whom are independent directors; and (ii)is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv)the members of the committee; and (v)as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Company has established a Nomination & Remuneration Committee which comprises 3 non-executive directors, the majority of whom are independent directors (Mr McGuinness and Mr Kennedy) and which is chaired by an independent director (Mr McGuinness).

The Remuneration & Nomination Committee's Charter is located at:

https://www.terramin.com.au/corporate/charters-policies/

The Committee's members, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings are set out on page 15 of the 2018 Annual Report.

https://www.terramin.com.au/category/annual-reports/

Recommendation 2.2 – Recommendation followed

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders. The mix of skills comprised in the current Board, and that the Board would look to maintain, and to build on, includes:

- mining industry expertise;
- metallurgy and metals marketing expertise;
- metal processing;
- experience in dealing with joint ventures and high levels of government and regulators;
- high level of business acumen;
- technical expertise (including finance);
- ability to think strategically;
- project management;
- governance experience and expertise.

The Board aspires to have a Board comprised of individuals' diverse experience and expertise and will be mindful of this when making appointments which will also be based on merit.

Recommendation 2.3 – Recommendation followed

A listed entity should disclose:(a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c)the length of service of each director.

In the opinion of the board, to qualify as being "independent", a director must be independent of management and free of any business or other relationship which could materially interfere or could reasonably be perceived to interfere materially with the Director's independent exercise of their judgement.

Mr Angelo Siciliano and Mr Feng Sheng were appointed to the Board in January and April 2013, respectively and represent Asipac Group Pty Ltd (**Asipac**) and associated entities. Asipac is a substantial shareholder and financier of the Company. Mr Feng is director and substantial shareholder of Asipac. Mr Siciliano is also the Chief Financial Officer of Asipac. As such, Mr Sheng and Mr Siciliano are not considered by the Board to be independent directors for the purpose of ASX Recommendation 2.3. Mr Sheng was appointed as Executive Chairman in January 2018.

Since 2 March 2017, Mr Wang Xinyu represents NFC to the board of Terramin. Mr Wang is not considered by the Board to be an independent director for the purpose of ASX Recommendation 2.3. Mr Wang was appointed as Executive Director in January 2018.

Mr Kennedy and Mr McGuinness are both considered by the Board to be independent directors, having regard to the factors set out above.

Recommendation 2.4 – Recommendation not followed

A majority of the board of a listed entity should be independent directors.

The Company currently does not follow the recommendation of principle 2.4 as the Board does not have a majority of independent directors (2 out of the 5 directors are independent).

In accordance with the ASX Recommendations, the independence of a director is assessed by determining whether the director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the director. Materiality thresholds are considered by the Board from time to time.

As stated above, Mr Sheng, Mr Siciliano and Mr Wang are not deemed to be independent for the purpose of the ASX Recommendations.

Mr Kennedy and Mr McGuinness are both regarded as independent as they are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

As the business develops, changes to and/or further appointments to the Board may be warranted and the Board will consider the need to appoint independent directors.

Recommendation 2.5 – Recommendation not followed

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Mr Sheng was appointed as Executive Chairman of Terramin in January 2018 assuming executive functions. In particular in the immediate term Mr Sheng has been focussing on finalising project approvals from the Algerian regulatory authorities, and the grant of the formal mining lease for the Tala Hamza project.

Recommendation 2.6 – Recommendation followed

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

All new directors are provided with an induction including comprehensive meetings with the Executive Management, and provision of information on the Company including Company and Board policies and other material documents.

All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education and, if this involves industry seminars and approved education courses, where appropriate, this is paid for by the Company. The Company Secretary under the guidance of the Nomination & Remuneration Committee oversees the induction program for new directors.

Principle 3 – Act ethically and responsibly

Recommendation 3.1 – Recommendation followed

A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.

The Company has a Code of Conduct that sets out the standards of behaviour expected of all its employees, directors, officers, contractors and consultants. The Code of Conduct is located at:

https://www.terramin.com.au/corporate/charters-policies/

Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1 – Recommendation followed

The board of a listed entity should:(a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company has established an Audit & Risk Committee which comprises 3 non-executive directors, the majority of whom are independent directors, and is chaired by an independent director, Mr McGuinness who is not the chair of the Board.

The Audit & Risk Committee's Charter is located at:

https://www.terramin.com.au/corporate/charters-policies/

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out on pages 14-15 of the 2018 Annual Report.

A copy of the 2018 Annual Report is located at:

https://www.terramin.com.au/category/annual-reports/

Recommendation 4.2 – Recommendation followed

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board has received a declaration in the form set out in Recommendation 4.2 from its CEO and CFO in relation to the financial statements for the financial periods ended 31 December 2018.

Recommendation 4.3 – Recommendation followed

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Company's external auditor attends each AGM of the Company and is available to answer questions from security holders relevant to the audit.

Principle 5 – Make timely and balanced disclosure

Recommendation 5.1 – Recommendation followed

A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.

The Company has a Continuous Disclosure Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the market. The Continuous Disclosure Policy can be viewed at:

https://www.terramin.com.au/corporate/charters-policies/

Principle 6 – Respect the rights of security holders

Recommendation 6.1 – Recommendation followed

A listed entity should provide information about itself and its governance to investors via its website.

Information about the Company and its operations is located at:

www.terramin.com.au

Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) is located at:

www.terramin.com.au/Corporate/Corporate-Governance-Statement/

Recommendation 6.2 – Recommendation followed

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company has a Shareholders Communications Policy that outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. The Shareholders Communications Policy is located at:

https://www.terramin.com.au/corporate/charters-policies/

The Company's Continuous Disclosure Policy also outlines policies and requirements for communications with analysts and investors to ensure that the communications are effective and comply with the Company's continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

https://www.terramin.com.au/corporate/charters-policies/

Recommendation 6.3 – Recommendation followed

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Shareholders Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to cast their proxies prior to a General Meeting if they are unable to attend the meeting.

Recommendation 6.4 – Recommendation followed

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically, as provided for in the Company's Shareholder Communications Policy.

Principle 7 – Recognise and manage risk

Recommendation 7.1 – Recommendation followed

The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board is responsible for ensuring that management has developed and implemented a sound system of risk management and internal control. The Company has established an Audit & Risk Committee which is responsible for ensuring that there are adequate policies in relation to risk management, compliance and internal control system. The Audit & Risk Committee comprises 3 non-executive directors, the majority of whom are independent directors, and is chaired by an independent director, Mr McGuinness, who is not the chair of the Board.

The Audit & Risk Committee's Charter is located at:

https://www.terramin.com.au/corporate/charters-policies/

The Committee's members and their relevant qualifications and experience, the number of times the Committee met throughout the reporting period and the attendance of the Committee's members at those meetings is set out on pages 14-15 of the 2018 Annual Report.
A copy of the 2018 Annual Report is located at:

https://www.terramin.com.au/category/annual-reports/

Recommendation 7.2 – Recommendation followed

The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.

The Audit, Risk and Compliance Committee monitors the Company's risk management by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risk. For this purpose, the Committee:

- reviews group wide objectives in the context of management of corporate risk;
- reviews and, where necessary approves guidelines and policies governing the identification, assessment and management of the company's exposure to risk; and
- reviews and approves the delegations of financial authorities to management and ensures that such authorities are updated on a regular basis.

Under the Company's Risk Management Policy, the Audit & Risk Committee and management undertake a structured consideration and review of the risk management framework and the material risks faced by, and the risk attitude of the Company. The Risk Management Policy is located at:

https://www.terramin.com.au/corporate/charters-policies/

In the reporting period the Board has undertaken a specific review of the Company's risk management framework. The Board has satisfied itself that the company has a sound system of risk management and internal control.

Management regularly reports to the Board in relation to risk management on the basis of the Risk Management Policy. The Board considers that the major business risks are being understood and managed effectively.

The adequacy of risk management policies and measures are continually monitored by the Board at directors' meetings and in communication with management. The Company believes this to be appropriate given the size and nature of the Company at this time.

The Board will review its risk management framework as its projects receive approval and preparation for mining development starts.

Recommendation 7.3 – Recommendation followed

A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Terramin is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes.

The Audit & Risk Committee meets regularly to receive and consider reports on, and monitor and discuss, known and emerging risk and compliance issues, including non-financial operational and other business risks.

The ongoing mitigation and management of key business risks is a standing item of business on the agenda of the Audit & Risk Committee. Management reports regularly to the Committee on the Company's risk register.

Management, is responsible for implementing the risk management framework to ensure the Company's material business risks are managed and for reporting to the Committee on whether those risks are being managed effectively.

In support of the functions of the Audit & Risk Committee, the Company's managers are directly responsible for risk management in their respective areas of accountability, in accordance with the Company's Risk Management Framework.

Operational, financial, legal, compliance, strategic and reputational risks continue to be managed primarily by the Chief Executive Officer as a part of the day-to-day management of the Company's affairs. Where appropriate, these risks are managed with the support of relevant external professional advisers.

The Company has an established Risk Management Framework based on the Australian Standard for Risk Management AS/NZ 31000:2018, which is aimed at the systematic identification, assessment, treatment, communication and monitoring of risk within all areas of the Company.

The Chief Executive Officer and the Chairman of the Audit & Risk Committee are primarily responsible for reporting to the Board on a regular basis in relation to whether the Company's material business risks are being managed effectively by way of the Company's risk management and internal control systems.

As set out in the Company's Risk Management Policy (under the heading "Risk Management Framework"), given the Company's current size and nature of its operations, the Board may engage external advisors (independent of the external auditor) as appropriate from time to time to perform the internal audit function. These external advisers report to either the Audit & Risk Committee or the Board. The Risk Management Policy is located at: ***https://www.terramin.com.au/corporate/charters-policies/***

The Audit & Risk Committee is responsible for monitoring and reviewing the effectiveness and objectivity of the internal audit function.

Recommendation 7.4 – Recommendation followed

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company undertakes minerals exploration and mining development and, as such, faces risks inherent to its business, including economic, environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term.

One of the Company's core values is safety; it prioritises safety and health to people, the environment and community. The Company views sustainable and responsible business practices as an important long term driver of performance and shareholder value and is committed to transparency, fair dealing, responsible treatment of employees and partners and positive interaction with the community.

The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which is developed and updated to help manage these risks. Copies of some of these policies regarding the management of specific risks are located at:

https://www.terramin.com.au/corporate/charters-policies/

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1 – Recommendation followed

The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that remuneration is appropriate and not excessive.

The Company has an established Nomination & Remuneration Committee which has 3 non-executive directors, the majority of whom are independent directors and which is chaired by an independent director. Recommendation 2.1 sets out, or provides the location of, the information referred to in paragraph (a)(iii) – (v) in Recommendation 8.1.

Recommendation 8.2 – Recommendation followed

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives is set out in the Nomination & Remuneration Committee Charter and in the Remuneration Report contained in the 2018 Annual Report. The Remuneration & Nomination Committee Charter can be viewed at:

https://www.terramin.com.au/corporate/charters-policies/

A copy of the 2018 Annual Report is located at:

https://www.terramin.com.au/category/annual-reports/

Recommendation 8.3 – Recommendation followed

A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.

The Company has an equity-based remuneration scheme. The Company's Securities Trading Policy provides that participants in the scheme must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. The Securities Trading Policy is located at:

https://www.terramin.com.au/corporate/charters-policies/

Global Reporting Initiative Index

G4 indicator	*Disclosure title*	*Report section*	*Page reference*
Strategy and analysis			
G4-1	Provide a statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Chairman's Review	Page 4
Organisational profile			
G4-2	Provide a description of key impacts, risks and opportunities.		
G4-3	Report the name of the organisation.	Company details	Page 3
G4-4	Report the primary brands, products and services.	Review of Operations: Each project is described in detail in this section. All projects are in the development stages.	Pages 15-17
G4-5	Report the location of the organisation's headquarters.	Company details	Page 3
G4-6	Report the number of countries where the organisation operates.	About Terramin	Page 5
G4-7	Report the nature of ownership and legal form.	Share Registry, ASX and Additional Securities Information sections	Page 3 and 66
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Review of Operations: Each project is described in detail in this section. All projects are in the development stages	Pages 15-17
G4-9	Report the scale of the organisation, including: total number of employees, total number of operations, net revenues, quantity of products or services provided.	To be reported in 2019	
G4-10	Report the total number of employees by: • employment contract and gender; • permanent employees by employment • type and gender; total workforce by • employees and supervised workers and • by gender; total workforce by region • and gender; self-employed, any significant • variations in employment numbers due to • season etc.	Corporate Governance Principles and Recommendations: Recommendation 1.5	Page 69
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	To be reported in 2019	
G4-12	Describe the organisation's supply chain.	To be reported in 2019	
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	Directors' Report	Pages 18-19
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	Corporate Governance Principles and Recommendations: Recommendation 7.1-7.4 Risk - Applied through the Risk Management Policy and Environment Policy.	Pages 73-74
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Sustainability: Social	Page 8

G4 indicator	Disclosure title	Report section	Page reference
G4-16	List memberships of associations.	Sustainability: Social - Memberships	Page 11
G4-17	List all entities included in the organisation's consolidated financial statements.	Review of Operations	Pages 15-17
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	To be reported in 2019	
G4-19	List all the material Aspects identified in the process for defining report content.	To be reported in 2019	
G4-20	For each material Aspect, report the Aspect Boundary within the organisation.	To be reported in 2019	
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation.	To be reported in 2019	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatement.	First report	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	First report	
Stakeholder engagement			
G4-24	Provide a list of stakeholder groups engaged by the organisation.	Sustainability: - Website includes stakeholder information	Pages 8-11
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Sustainability: Social - Description of Community Engagement Plans	Page 10
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Sustainability: Social - Website includes stakeholder engagement information	Page 11
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns.	Sustainability: Social – Description of Community Engagement Plans outlines identification of stakeholder concerns and topics. CCC specific websites outline how the organisation is addressing concerns	Pages 10-11
Report profile			
G4-28	Reporting period for information provided.	Appendix 4E Statement	Refer Appendix 4E
G4-29	Date of most recent previous report.	Appendix 4E Statement	Refer Appendix 4E
G4-30	Reporting cycle.	Appendix 4E Statement	Refer Appendix 4E
G4-31	Provide the contact point for questions regarding the report or its contents.	Company details	Page 3
G4-32	Report the 'in accordance' option the organisation has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report.	Sustainability: Environment - Terramin have opted to align this report with the Global Reporting Initiatives Index as a step towards GRI compliance in future years.	Page 8
G4-33	Report the organisation's policy and current practice with regard to seeking external assurance for the report.	No assurance	

G4 indicator	Disclosure title	Report section	Page reference
Governance			
G4-34	Report the governance structure of the organisation, including committees of the highest governance body.	Governance	Page 12
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Corporate Governance Principles and Recommendations: The Company's Board Charter and Audit and Risk Committee Charter outlines how topics are delegated through to senior executives	Page 68
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	CEO is responsible for economic, environmental and social topics.	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Sustainability: Social - Description of Community Engagement Plans outlines identification of and response to issues raised by stakeholders	Page 10
G4-38	Report the composition of the highest governance body and its committees by: • Executive or non-executive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of under-represented social groups • Competences relating to economic, environmental and social impacts • Stakeholder representation	Governance: Includes information on board composition	Page 12
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Corporate Governance Principles and Recommendations: Recommendation 2.5	Page 71
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: • Whether and how diversity is considered • Whether and how independence is considered • Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved	Corporate Governance Principles and Recommendations: Recommendation 1.1 Board Charter - Board is selected based on the Board Charter for their respective Recommendation 1.5 Diversity Recommendation 2.1 Independence	Refer to page 68 and https://www.terramin.com.au/corporate/charters-policies/ Pages 68-69 Page 70

G4 indicator	*Disclosure title*	*Report section*	*Page reference*
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures	Corporate Governance: Recommendation 1.2 Conflicts of interest are investigated prior to the appointment of new directors. Notes to the Consolidated Financial Statements: 20. Related Parties - Transactions with related parties are reported on as part of the Consolidated Financial Statements	Page 68 Page 52
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Corporate Governance: Recommendation 1.1 Board Charter - Board Charter outlines the Board's key responsibilities including determining Terramin's Strategic Objectives.	Page 68
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	To be reported in 2019	
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice	Corporate Governance: Recommendation 1.6 Board Performance - Board Charter outlines the process regarding Board Performance Review	Page 69
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	Corporate Governance: Recommendation 7.1-7.4 Risk - Board Charter, Audit and Risk Committee Charter and Risk Management Policy outline Terramin processes regarding risk management.	Pages 73-74
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Corporate Governance: Recommendation 7.4 Risk - Outline Terramin's processes regarding risk management and associated policies regarding economic, social and environmental risks.	Page 74

G4 indicator	Disclosure title	Report section	Page reference
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Corporate Governance: Recommendation 7.1-7.4 Risk - Risk Management Policy and Audit and Risk Committee Charter outlines the frequency of Board risk review	Pages 73-74
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Not included	
G4-49	Report the process for communicating critical concerns to the highest governance body	Corporate Governance: Recommendation 7.1-7.4 Risk - Risk Management Policy outlines the process for risk reporting up to the Board	Pages 73-74
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	To be reported in 2019	
G4-51	Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: • Fixed pay and variable pay: – Performance based pay – Equity-based pay – Bonuses – Deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	Remuneration Report – Audited - Includes remuneration and incentives of both Directors and Senior Executives	Pages 19-25
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	Corporate Governance: Recommendation 1.7 - The Nomination and Remuneration Committee is subject to a charter which outlines evaluations of senior executive positions and receives external advice as required	Page 69

G4 indicator	Disclosure title	Report section	Page reference
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Corporate Governance: Recommendation 1.7 - The Nomination and Remuneration Committee is responsible for ensuring director and executive remuneration is appropriate and is subject to a charter which outlines responsibilities regarding executive remuneration.	Page 69
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	To be reported in 2019	
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	To be reported in 2019	
Ethics and integrity			
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Vision and Values Sustainability	Page 6 Pages 8 to 11
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity, such as helplines or advice lines.	To be reported in 2019	
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Sustainability: Social - Terramin maintain a Grievance Policy, as well as a dedicated Community hotline and email address	Page 10

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