



Appendix 4D Statement

TERRAMIN AUSTRALIA LIMITED

Current reporting period: 6 months ended 30 June 2020

Previous corresponding period: 6 months ended 30 June 2019

The entities controlled by the Terramin Australia Limited during the period has not changed since the last reporting period.

Results for Announcement to the Market	Movement %	30 June 2020 A\$'000	30 June 2019 A\$'000
Revenue from ordinary activities	NIL	-	-
Net loss before tax from ordinary activities	DOWN 47%	(1,712)	(3,252)
Net loss before tax from ordinary activities attributable to members	DOWN 45%	(1,716)	(3,104)
Net loss after tax from ordinary activities	DOWN 38%	(1,674)	(2,720)
Net loss after tax from ordinary activities attributable to members	DOWN 35%	(1,678)	(2,572)

Operating and Financial Review

There was no revenue from ordinary activities for the half year ended 30 June 2020.

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 4D disclosure requirements can be found in the 30 June 2020 Interim Financial Report and accompanying notes.

Dividends Information

There were no dividends paid in, or proposed for, the half-year ended 30 June 2020.

Net Tangible Assets per Security	30 June 2020	30 June 2019
Net tangible assets per security	0.023	0.024

Independent Auditors Report

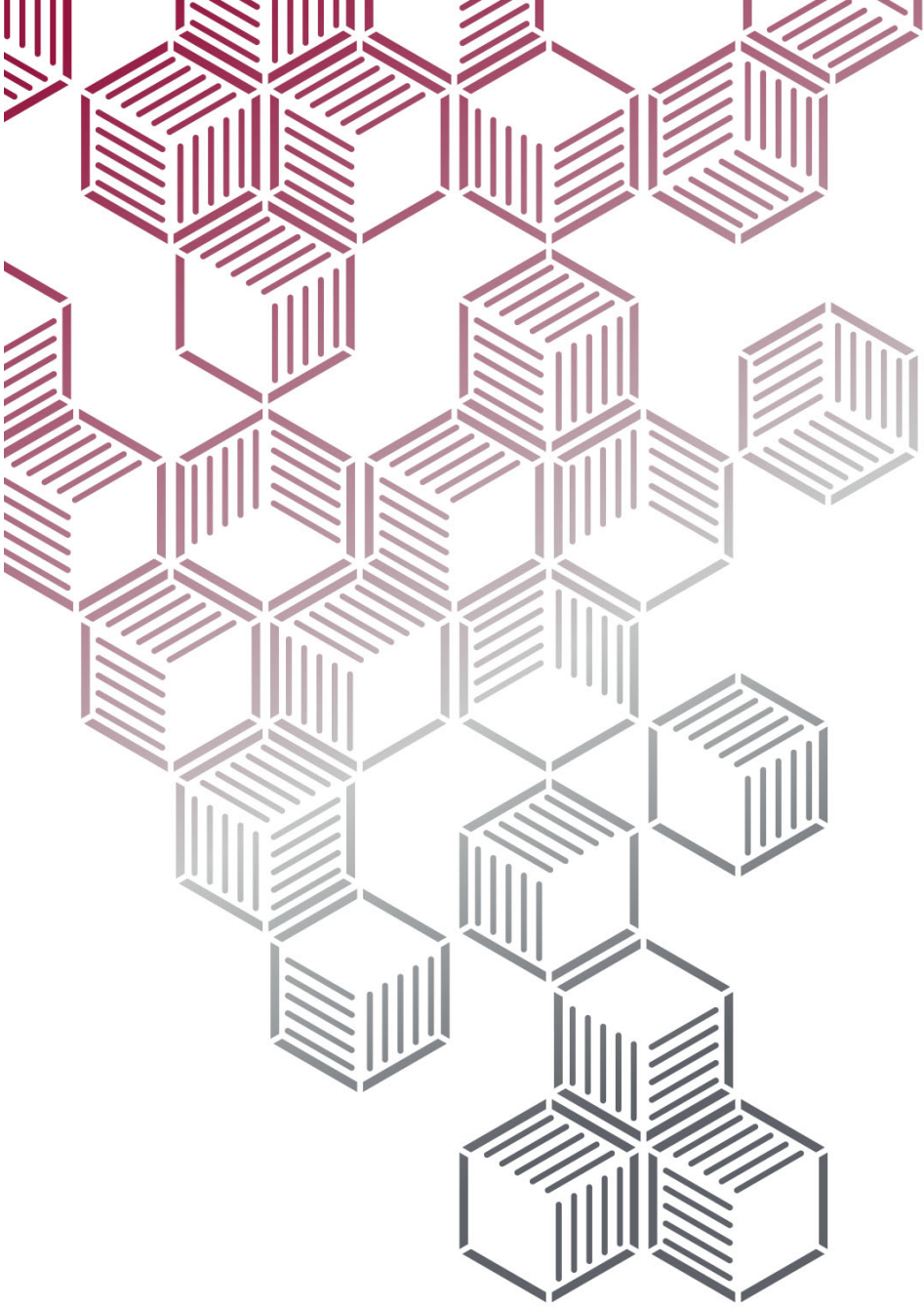
The consolidated financial statements upon which this Appendix 4D is based have been reviewed and the Independent Auditors Report to the members of Terramin Australia Limited is included in the attached Interim Financial Report.

Further Information

It is recommended that the 2020 half-year report is read in conjunction with the 31 December 2019 Annual Financial Report of Terramin Australia Limited and its controlled entities together with any public announcements made in the period by Terramin Australia Limited during the half-year ended 30 June 2020 in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth) and the Australian Securities Exchange Listing Rules.

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2020 Interim Financial Report



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Share Registry

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Australian Securities Exchange

ASX ticker code: **TZN**

Corporate Information

Directors

Feng Sheng

Executive Chairman

Michael Kennedy

Non-Executive Deputy-Chairman

Angelo Siciliano

Non-Executive Director

Kevin McGuinness

Non-Executive Director

Lulu Shi

Non-Executive Director

Executive Officer

Martin Janes

Financial Manager and Company Secretary

André van Driel

Directors' Report

for the Half-year Ended 30 June 2020

Your Directors submit their report on the consolidated entity Terramin Australia Limited (the Company or Terramin) and its controlled entities (the Group), for the half-year ended 30 June 2020 and auditor's report.

Directors

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

Feng Sheng	Executive Chairman
Michael H Kennedy	Non-Executive Deputy-Chairman
Angelo Siciliano	Non-Executive Director
Kevin McGuinness¹	Non-Executive Director
Wang Xinyu²	Executive Director
Lulu Shi³	Non-Executive Director

1. Mr. McGuinness is Chair of the Audit and Risk Committee and the Nominations and Remuneration Committee.
2. Mr. Xinyu resigned as a director of the Company on 28 May 2020.
3. Ms. Shi commenced as a director of the Company on 28 May 2020.

Principal Activities

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

Operating Results

The consolidated loss of the Group after providing for income tax was \$1.7 million for the half-year ended 30 June 2020 (2019: \$2.7 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 30 June 2020 was \$47.7 million, decreased from \$50.5 million as at 31 December 2019.

Review of Operations

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

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

The Bird in Hand Gold Project (BIHGP) is located approximately 30km north of Terramin's existing mining and processing facilities at the Angas Zinc Mine (AZM). The project has a high grade Resource of 265,000 ounces of gold 12.6g/t, which is amenable to underground mining. On the 23rd June, Terramin announced the results of a Feasibility Study which indicated that BIHGP has a robust financial outcome, including a post-tax NPV₈ A\$141 million and IRR 80.5% over

approximately 4 years of production. The study is based on a gold price of A\$2,300 per ounce, which is substantially below the current prevailing gold price. The BIHGP's base case projection is to produce an average of 44,700 ounces of gold per annum over four years at a low C1 cash cost of A\$737 per ounce and an all in sustaining cost of A\$959 per ounce. The pre-production capital is estimated to be A\$54 million with potential for reductions in capital as we refine our studies. Payback of pre-production is less than 1 year. The BIHGP has significant upside potential with the Bird in Hand ore body remaining open at depth and the nearby historical high grade gold mines Bird in Hand Extended Mine and Ridge Mine yet to be explored.

Subject to required regulatory approvals, the Bird in Hand material will be processed utilising the facilities at AZM, which can treat the gold-bearing ore. The existing tailings dam at AZM has the capacity to hold all the Bird in Hand tailings.

During the period, Terramin received a request for response from the South Australian Department for Energy and Mines (DEM) in respect of its Mining License Application (MLA) to permit mining operations at Bird in Hand and the Miscellaneous Purposes License (MPL) to allow the Angas site to treat the Bird in Hand ore.

The request for response document included a series of questions seeking clarification on aspects of the project and detailed the outcomes from the public consultations. Terramin has responded to these questions provided by DEM and remains in dialogue.

Terramin continued to update the Program for Environment Protection and Rehabilitation (PEPR) in line with the MLA and MPL.

In addition, the Company continues to engage with a number of parties which are interested in funding or investing in the project, with strong interest from offtake parties, streaming and royalty companies, financial institutions and other mining companies.

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.

During the reporting period, the Tala Hamza Zinc Project made significant steps towards approval and development. Terramin completed an optimisation study with a particular focus on reviewing production levels, cut-off grades and specific cost areas. Following extensive discussions and review, ENOF and Terramin have agreed for the Tala Hamza Zinc Project to be

Directors' Report *(continued)*

submitted to the Algerian mining regulator for approval with the submission being made on the 29th July 2020.

Terramin has also been encouraged by strong indications of support for the project by the President of Algeria, Mr Abdelmadjid Tebboune and the Minister of Mines, Mr Mohamed Arkab. Mr Tebboune recently issued a specific order for the development of Tala Hamza and Mr Arkab spoke on national television regarding its development stating that the Algerian government will be working towards project development with construction expected in early 2021.

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.

Kapunda Copper Joint Venture *(Terramin 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. 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 \$2.6million in government funding to pursue the ISR test work.

During the reporting period, ECR continued its technical assessment of the ISR Project. The hydrogeological testing program was successful, with the tracer test showing fluid movement from well to well in a relatively short time period, providing potential for cost saving through reducing the number of wells for optimum production. Laboratory assays confirmed previously reported portable XRF results along with some elevated gold levels. Groundwater is acidic (pH 3.8-4.0) with naturally elevated copper levels, indicating potentially lower expected pre-conditioning operating costs, and demonstrating that the copper is highly soluble. Laboratory testing to date shows several lixiviant systems suit the natural low pH environment, minimising likely impact on environment & microorganisms. Initial laboratory scale metal

recovery tests including Ion Exchange, Electro Winning and Cementation all produce copper.

Adelaide Hills Exploration *(Terramin100%)*

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 the BIHGP and the Kapunda Copper Joint Venture current active project areas include Kitticoola and Wild Horse.

In January 2019, Terramin acquired a 100 % holding of Private Mine 53, which covers the historic Kitticoola copper gold mine located 2.5km south of Palmer and approximately 62km by road from the Angas Zinc Mine. 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 plans to evaluate Kitticoola by drilling to test the modelled down plunge extension of the Mastermann Lode. Approved drilling at Kitticoola had to be deferred during the period due to interruption caused by Covid-19 restrictions.

In June 2019, Terramin entered into an earn-in agreement with Freeport-McMoRan Exploration Australia Pty Ltd (Freeport) for exploration of the Wild Horse tenement which covers approximately 462 km² and is located 15 kms east of Murray Bridge. Exploration will primarily target the distinct Wild Horse aerial magnetic anomaly located on the western edge of a magnetic granite pluton. The Wild Horse anomaly exhibits the classic Western Pacific porphyry deposit style of ringed magnetic zonation, a magnetic core surrounded by a demagnetized peripheral zone. The magnetic body is 1300m by 2000m and has been modelled from approximately 100m to a depth of 1400m.

The key terms of the agreement are that Freeport may earn a 51% interest in the project if it spends A\$3 million on exploration over four years. Freeport may elect to earn an additional 24% interest (total 75%) by spending a further A\$20 million over six years, after which Terramin and Freeport can proportionally contribute or dilute. If Terramin's interest dilutes to below 10%, this converts to a 1% NSR Royalty. Like Kitticoola, approved drilling at Wild Horse had to be deferred during the period due to interruption caused by Covid-19 restrictions.

Directors' Report (continued)

South Gawler Project Joint Venture (Terramin 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 eleven Exploration Licenses totaling 4,524km² and are located 100 kms west of Port Augusta. The project area is prospective for a range of deposit styles that host combinations of gold, silver, copper, lead and zinc. The project hosts the Menninnie Dam deposit, the largest undeveloped lead-zinc deposit in South Australia. The lodes at Menninnie Central and Viper have been combined to estimate a JORC 2004 compliant Inferred Resource totaling: 7.7Mt @ 3.1% Zn, 2.6% Pb and 27g/t Ag, at a 2.5% Pb+Zn cut-off.

In July 2019, Terramin entered into an earn-in agreement with Freeport for exploration of the South Gawler Ranges tenements. The key terms of the agreement are that Freeport may earn a 70% interest in the project if it spends A\$3 million on exploration over four years. Freeport may elect to earn an additional 10% interest (total 80%) by spending a further A\$5 million over six years, after which Terramin and Freeport can proportionally contribute or dilute. If Terramin's interest dilutes to below 10%, this converts to a 1% NSR Royalty.

Corporate

During the period the Company and its major shareholder Asipac (Asipac Group Pty Ltd), agreed to restructure and increase the existing Standby Term Facility from \$15.51 million to \$16.31 million. The \$6 million Bird in Hand Facility and the \$16.31 million Standby Term Facility continue on terms that expire on 30 April 2021.

During the period, Ms Lulu Shi was appointed as a non-executive director with Mr Wang Xinyu resigning as an executive director.

The impact of Covid 19 on the Company has been very minimal with only a deferment of exploration activities and Hydrostor lease and option fees during the period.

Business Development Activities

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

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group during the 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 30 June 2020 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.

Subsequent to the end of the reporting period, Mr Richard Taylor resigned as Chief Executive Officer, however he continues to consult in respect of the Bird in Hand Gold Project. Tranches 3 and 4 (representing 5,000,000 options) of Mr Taylor's 10,000,000 options offered as a long-term incentive on employment had not vested, and therefore lapsed. Mr Martin Janes has assumed executive oversight of the Company.

After the reporting period, the Company decided to sell two properties it owns in Strathalbyn, South Australia, and at the date of this report the properties are being marketed for sale.

Competent Person Statement

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

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

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

Directors' Report (continued)

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 period 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; and
- 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 period 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:

	Jun 2020 \$'000	Jun 2019 \$'000
Non-assurance services		
Tax advice and compliance services	10	16
Total	10	16

Auditor's independence declaration

The Auditor's Independence Declaration for the half-year ended 30 June 2020 can be found on page 8 and forms part of the Directors' Report.

Rounding

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

Signed in Adelaide this 31st day of August 2020 in accordance with a resolution of the Board of Directors.

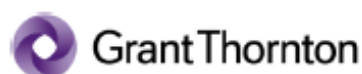


Feng Sheng
Executive Chairman



Kevin McGuinness
Non-Executive Director

Auditor's Independence Declaration



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Auditor's Independence Declaration

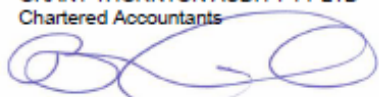
To the Directors of Terramin Australia Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for review of Terramin Australia Limited for the half year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 31 August 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Half-year Ended 30 June 2020

	Notes	30 Jun 2020 \$'000	30 Jun 2019 \$'000
Other Income	4	377	74
Raw materials, consumables and other direct costs		(167)	(191)
Employee benefits expense		(383)	(702)
Depreciation and amortisation	9	(58)	(47)
Exploration and evaluation expensed (Tala Hamza Project)		(173)	(274)
Mine rehabilitation obligation expense		160	(140)
Profit on disposal of property, plant and equipment		201	-
Share based payments expense		103	(133)
Other expenses	4	(425)	(515)
Loss before net financing costs and income tax		(365)	(1,928)
Finance income	5	17	-
Finance costs	5	(1,364)	(1,324)
Net finance costs		(1,347)	(1,324)
Loss before income tax		(1,712)	(3,252)
Income tax benefit	17	38	532
Loss for the period		(1,674)	(2,720)
Attributable to:			
Owners of the Company		(1,678)	(2,572)
Non-controlling interest		4	(148)
Loss for the period		(1,674)	(2,720)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(1,004)	25
Other comprehensive (loss)/income for the year, net of income tax (tax: nil)		(1,004)	25
Total comprehensive loss for the year attributable to equity holders of the Company		(2,678)	(2,695)
Attributable to:			
Owners of the Company		(2,682)	(2,547)
Non-controlling interest		4	(148)
Total comprehensive loss for the period		(2,678)	(2,695)
Earnings per share attributable to the ordinary equity holders of the Company:			
	Note	30 June 2020	30 June 2019
Basic earnings/(loss) per share – (cents per share)	20(a)	(0.08)	(0.14)
Diluted earnings/(loss) per share – (cents per share)	20(b)	(0.08)	(0.14)

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

for the Half-year Ended 30 June 2020

	Notes	30 Jun 2020 \$'000	31 Dec 2019 \$'000
Assets			
Current Assets			
Cash and cash equivalents	6	471	960
Restricted cash on deposit	6	5,340	5,340
Trade and other receivables	7	215	178
Other assets		219	105
Total current assets		6,245	6,583
Non-current assets			
Inventories	8	493	495
Property, plant and equipment	9	8,534	8,601
Exploration and evaluation	10	64,843	64,987
Total non-current assets		73,870	74,083
TOTAL ASSETS		80,115	80,666
Liabilities			
Current liabilities			
Trade and other payables	11	5,076	3,356
Short term borrowings	12	22,441	181
Provisions	13	95	136
Total current liabilities		27,612	3,673
Non-current liabilities			
Long term borrowings	12	72	21,625
Provisions	13	4,775	4,910
Total non-current liabilities		4,847	26,535
TOTAL LIABILITIES		32,459	30,208
NET ASSETS		47,656	50,458
Equity			
Share capital	15	223,929	223,950
Reserves	16	(7,046)	(5,939)
Accumulated losses		(182,596)	(180,918)
Total equity attributable to equity holders of the Company		34,287	37,093
Non-controlling interest		13,369	13,365
TOTAL EQUITY		47,656	50,458

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 Half-year Ended 30 June 2020

2020	Share capital \$'000	Share based payments reserve \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total attributable to owners \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 January 2020	223,950	298	(6,237)	(180,918)	37,093	13,365	50,458
Total comprehensive income for the period							
Loss for the period	-	-	-	(1,678)	(1,678)	4	(1,674)
Other comprehensive income							
Foreign currency translation differences	-	-	(1,004)	-	(1,004)	-	(1,004)
Total other comprehensive income	-	-	(1,004)	-	(1,004)	-	(1,004)
Total comprehensive income for the period	-	-	(1,004)	(1,678)	(2,682)	4	(2,678)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Options Lapsed	-	(103)	-	-	(103)	-	(103)
Share issue costs	(21)	-	-	-	(21)	-	(21)
Total contributions by and distributions to owners	(21)	(103)	-	-	(124)	-	(124)
Balance at 30 June 2020	223,929	195	(7,241)	(182,596)	34,287	13,369	47,656

2019	Share capital \$'000	Share based payments reserve \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total attributable to owners \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 January 2019	215,383	136	(6,199)	(175,544)	33,776	13,577	47,353
Total comprehensive income for the period							
Loss for the period	-	-	-	(2,572)	(2,572)	(148)	(2,720)
Other comprehensive income							
Foreign currency translation differences	-	-	25	-	25	-	25
Total other comprehensive income	-	-	25	-	25	-	25
Total comprehensive income for the period	-	-	25	(2,572)	(2,547)	(148)	(2,695)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Options Granted	-	133	-	-	133	-	133
Share Rights Converted into Shares	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	133	-	-	133	-	133
Balance at 30 June 2019	215,383	269	(6,174)	(178,116)	31,362	13,429	44,791

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 Half-year Ended 30 June 2020

	Note	Jun 2020 \$'000	Jun 2019 \$'000
Cash from operating activities:			
Receipts from customers		101	74
Payments to suppliers and employees		(679)	(1,698)
Financing costs and interest paid		(45)	(255)
Interest received		23	-
Research and development tax concession received		-	98
Total cash (used in) operating activities		(600)	(1,781)
Cash flows from investing activities:			
Insurance claim proceeds		249	-
Receipts for property, plant and equipment		201	-
Exploration and evaluation expenditure		(936)	(1,089)
Net cash (used in) investing activities		(486)	(1,089)
Cash flows from financing activities:			
Proceeds from borrowings		650	3,000
Repayment of borrowings		(53)	(6)
Net cash from financing activities		597	2,994
Other activities:			
Net (decrease)/increase in cash and cash equivalents		(489)	124
Net foreign exchange differences		-	16
Cash and cash equivalents at beginning of the period		960	252
Cash and cash equivalents at end of the period	6	471	392

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

Notes to the Consolidated Financial Statements

1. Reporting entity

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

2. Basis of preparation

(a) Statement of Compliance

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

The consolidated interim financial report was authorised for issue by the Directors on the 31st day of August 2020.

(b) Reporting Basis

The consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report, and therefore it is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2019, and any public announcements made by the Company during the interim reporting period in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001 (Cth).

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

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

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

(c) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the period to 30 June 2020, the Group incurred a loss of \$1.7 million, which brought accumulated losses to \$182.6 million.

As at 30 June 2020 the Group's current liabilities exceeded its current assets by \$21.4 million. The Group had net assets of \$47.7 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 and / or deferral of existing debt facilities.

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 along with the Company's decision after the reporting date to sell two properties it owns in Strathalbyn, South Australia will ensure the Company has sufficient funds to meet its obligations. Subject to market conditions the Directors believe there are reasonable grounds to conclude that the Company will be able to raise funds by way of debt and/or equity to fund anticipated activities and meet financial obligations. For the reasons outlined above, the Board has prepared the Financial Report on a going concern basis.

(d) Use of Estimates and Judgements

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

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ending 31 December 2019.

3. Significant accounting policies

The accounting policies applied by the Company in this interim financial report are the same as those applied to the Company's consolidated financial statements as at and for the year ending 31 December 2019.

4. Other Income and Expenses

Other Income	Jun 2020 \$000's	Jun 2019 \$000's
Mine Area Lease income ¹	30	30
Service fee income	36	44
Government grant (Cashflow Boost) income	62	-
Proceeds from insurance claim	249	-
Total other income	377	74

Other Expenses	Jun 2020 \$000's	Jun 2019 \$000's
Corporate Administration and Marketing Costs	161	228
Legal, Accounting, Community Relations and Other Consultants	220	224
ASX fees and Share Registry Costs	42	59
Other	2	4
Total other expenses	425	515

1. Hydrostor Inc Australia Pty Ltd (Hydrostor) and the Company signed an agreement in August 2018 to construct an Advanced Compressed Air Energy Storage Facility at the AZM. Lease income represents the right to access (lease) surface and sub-surface areas.

5. Finance Income and Costs

Finance Income	Jun 2020 \$000's	Jun 2019 \$000's
Interest income	17	-
Total finance income	17	-

Finance Costs	Jun 2020 \$000's	Jun 2019 \$000's
Interest on borrowings	1,293	743
Unwinding of discount on mine rehabilitation provision	24	57
Amortisation of borrowing costs	2	369
Other borrowing costs	45	155
Foreign exchange losses	-	-
Total finance costs	1,364	1,324

6. Cash and Cash Equivalents

	Jun 2020 \$000's	Dec 2019 \$'000's
Cash on hand	2	2
Bank balances	469	958
Total cash and cash equivalents	471	960
Short-term deposits ¹	5,340	5,340
Total restricted cash on deposit	5,340	5,340

1. Represents restricted cash to support a bank guarantee issued in respect of rehabilitation obligations at AZM, office lease and minor credit card facilities.

7. Trade and Other Receivables

	Jun 2020 \$000's	Dec 2019 \$'000's
Trade receivables	16	-
Accrued interest receivable	-	6
Research and development tax benefit	112	74
Other receivables (including GST refund and annual payroll tax refund)	87	98
Total trade and other receivables	215	178

8. Inventories

	Jun 2020 \$000's	Dec 2019 \$'000's
Non-current		
Raw materials and consumables	493	495
Total inventories at the lower of cost and net realisable value	493	495

9. Property Plant and Equipment

	Jun 2020 \$000's	Dec 2019 \$'000's
Freehold land		
At cost	4,271	4,271
Total freehold land¹	4,271	4,271
Buildings and other infrastructure		
At cost	126	126
Less accumulated depreciation	(123)	(122)
Total buildings and other infrastructure¹	3	4
Right-of-use Assets		
At cost	295	298
Less accumulated depreciation	(123)	(77)
Total Right-of-Use Assets	172	221
Plant and Equipment		
At cost	58,536	58,536
Less accumulated impairment	(14,219)	(14,219)
Less accumulated depreciation	(40,229)	(40,212)
Total plant and equipment¹	4,088	4,105
Total property plant and equipment	8,534	8,601

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

9. Property Plant and Equipment (continued)

Movements in carrying amounts

	Freehold land \$'000	Buildings and other infrastructure \$'000	Plant and equipment \$'000	Right-of-Use Assets \$'000	Construction in progress \$'000	Total \$'000
Opening carrying amount 1 Jan 2020	4,271	4	4,105	221	-	8,601
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation and amortisation	-	(1)	(12)	(45)	-	(58)
Foreign currency movement	-	-	(5)	(4)	-	(9)
Carrying amount at 30 Jun 2020	4,271	3	4,088	172	-	8,534

	Freehold land \$'000	Buildings and other infrastructure \$'000	Plant and equipment \$'000	Right-of-Use Assets \$'000	Construction in progress \$'000	Total \$'000
Opening carrying amount 1 Jan 2019	4,271	5	4,144	-	-	8,420
Recognition upon first time adoption of AASB 16	-	-	-	90	-	90
Additions	-	-	-	207	-	207
Disposals	-	-	-	-	-	-
Depreciation and amortisation	-	(1)	(32)	(77)	-	(110)
Foreign currency movement	-	-	(7)	1	-	(6)
Carrying amount at 31 Dec 2019	4,271	4	4,105	221	-	8,601

10. Exploration and Evaluation Assets

Exploration and evaluation	Jun 2020 \$'000's	Dec 2019 \$'000's
At cost	64,987	63,121
Additions	873	2,077
Impairment ¹	-	(198)
Foreign currency movement	(1,017)	(13)
Total exploration and evaluation	64,843	64,987

1. Impairment of capitalised exploration represents the value of damages sustained at the Goldwyn property as a result of the Cudlee Creek Bushfire in December 2019.

Exploration and evaluation projects by location	Jun 2020 \$'000's	Dec 2019 \$'000's
Tala Hamza Zinc (Terramin 65%)	43,075	44,089
Adelaide Hills (Terramin 100%) ¹	1,973	1,934
Bird in Hand Gold (Terramin Exploration 100%)	14,119	13,291
South Gawler (Menninnie Metals 100%)	5,676	5,673
Total exploration and evaluation	64,843	64,987

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 each 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.

11. Trade and Other Payables

	Jun 2020 \$'000	Dec 2019 \$'000
Trade payables	758	261
Other payables and accrued expenses	446	532
Accrued interest on borrowings	3,872	2,563
Total trade and other payables	5,076	3,356

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

12. Loans and Borrowings

	Jun 2020 \$'000	Dec 2019 \$'000
Current liabilities		
Lease liabilities ¹	93	113
Loans - secured ²	22,148	-
Loans - unsecured	200	68
Total current borrowings	22,441	181
Non-current liabilities		
Lease liabilities ¹	72	110
Loans - secured ²	-	21,515
Total non-current borrowings	72	21,625
Financing facilities		
Loan facilities - available	22,314	21,515
Loan facilities - undrawn	(150)	-
Loan facilities - drawn	22,164	21,515
Less: unamortised transaction costs	(16)	-
Carrying amount	22,148	21,515
Guarantee facility		
Guarantee facility - available ³	5,315	5,315
Guarantee facility - undrawn	-	-
Guarantee facility - drawn	5,315	5,315

- Lease liabilities are effectively secured as rights to the leased assets revert to the lessor in the event of default. For June 2020, this includes lease liabilities under AASB 16.
- At reporting date, the Group had drawn down \$22.2 million of two loan facilities provided by Asipac. Interest is fixed at a base rate of 12%, payable upon termination date. Interest can be paid in cash or shares at the election of the Group. The facility has a term expiring 30 April 2021.
- The \$5.3 million guarantee facility relates to the environmental rehabilitation bank guarantee required by South Australian Government over Mining Lease 6229, and is fully cash-backed.

The carrying value of plant and equipment and mining property subject to finance loans and hire purchase contracts at 30 June 2020 was \$440 (31 December 2019: \$2,425). Assets under hire purchase contracts are pledged as security for related finance loans and hire purchase liabilities.

Under the terms of the \$6.0 million BIH loan facility (**BIH Facility**) and \$16.3 million Standby facility (**Standby Facility**) provided to Terramin Exploration Pty Ltd (**Facilities**), 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 Facilities.

13. Provisions

	Jun 2020 \$'000	Dec 2019 \$'000
Current		
Employee benefits	95	136
Total current provisions	95	136
Non-current:		
Employee benefits	32	30
Mine rehabilitation	4,743	4,880
Total non-current provisions	4,775	4,910

	Employee Benefits \$'000	Mine rehabilitation \$'000	Total \$'000
At 1 January 2020	167	4,879	5,046
Increase(decrease) in provision ¹	22	(136)	(114)
Paid during the period	(62)	-	(62)
At 30 June 2020	127	4,743	4,870

1. The net decrease in the Mine Rehabilitation provision of \$136,169.33 represents a \$159,835.19 reduction in the discounted value of future rehabilitation expenditure adjusted for inflation, offset in part by an unwinding of the interest component to the value of \$23,665.86.

The mine rehabilitation provision is recognised for the 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 0.49% (2020: 1.23%).

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

14. Financial Instruments

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

Financial Instruments	Note	Jun 2020 \$'000	Dec 2019 \$'000
Current			
Cash and cash equivalents	6	471	960
Restricted cash on deposit	6	5,340	5,340
Trade and other receivables	7	215	178
Trade and other payables	11	(5,076)	(3,356)
Financial liabilities at amortised cost	12	(22,148)	(21,515)
Total current financial instruments		(21,198)	(18,393)

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.

15. Issued capital

(a) Ordinary shares

	Jun 2020 \$'000	Dec 2019 \$'000
2,116,562,720 (2019: 2,116,562,720)		
Ordinary shares	229,676	229,676
Share issue costs	(5,747)	(5,726)
Total issued capital	223,929	223,950

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

(b) Detailed table of capital issued during the half year ended 30 June 2020

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price \$	Share Capital \$'000
Opening balance 1 Jan 2020		2,116,562,720		223,950
Closing balance 30 Jun 2020		2,116,562,720		223,950
Share issue costs				(21)
Issued Capital				223,929

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price \$	Share Capital \$'000
Opening balance 1 Jan 2019		1,869,601,371		215,383
Non-renounceable rights issue	2 Dec 2019	246,961,349	0.035	8,642
Closing balance 31 Dec 2019		2,116,562,720		224,025
Share issue costs				(75)
Issued Capital				223,950

16. Reserves

(a) Foreign currency translation reserve

Foreign currency translation reserve	Jun 2020 \$'000	Dec 2019 \$'000
Balance at the beginning of the year	(6,237)	(6,199)
Translation into presentation currency	(1,004)	(38)
Balance at the end of the year	(7,241)	(6,237)

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

(b) Share based payments reserve

Share based payments reserve	Jun 2020 \$'000	Dec 2019 \$'000
Balance at the beginning of the year	298	136
Transfer of forfeited options to share based payments expense	(103)	-
Transfer of lapsed options to retained earnings	-	(25)
Options value vested during the year	-	187
Balance at the end of the year	195	298
Total reserves	(7,046)	(5,939)

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 reporting period no share-based payments were undertaken. After the reporting date, Terramin announced that Mr Richard Taylor had stepped down as Chief Executive Officer. Tranches 3 and 4 (representing 5,000,000 options) of the 10,000,000 options offered as a long-term incentive on commencement of his employment had not vested, and were forfeited.

Consequently, \$103,489 of forfeited options were transferred to share based payment expense (2019: \$187,533), and \$0 transferred to retained earnings during the reporting period (2019: \$23,695).

18. Segment Reporting

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

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

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

	Australia		Northern Africa		Consolidated	
	Jun 2020 \$'000	Jun 2019 \$'000	Jun 2020 \$'000	Jun 2019 \$'000	Jun 2020 \$'000	Jun 2019 \$'000
Other Income - External customers	377	74	-	-	377	74
Total Other Income	377	74	-	-	377	74
Results						
Raw materials, consumables and other direct costs	(167)	(191)	-	-	(167)	(191)
Employee benefits expense	(383)	(469)	-	-	(383)	(469)
Depreciation and amortisation	(41)	(47)	(17)	-	(58)	(47)
Exploration and evaluation expensed (Tala Hamza Project)	-	-	(173)	(422)	(173)	(422)
Mine rehabilitation obligation expense	160	(140)	-	-	160	(140)
Profit on disposal of property, plant and equipment	-	-	201	-	201	-
Share based payments expense	103	(133)	-	-	103	(133)
Other expenses	(425)	(600)	-	-	(425)	(600)
Net finance costs	(1,347)	(1,324)	-	-	(1,347)	(1,324)
(Loss) before income tax	(1,723)	(2,830)	11	(422)	(1,712)	(3,252)
Income tax expense	38	532	-	-	38	532
(Loss) for the year for the operating segment	(1,685)	(2,298)	11	(422)	(1,674)	(2,720)
(Loss) for the year attributable to non-controlling interest	-	-	4	(148)	4	(148)
(Loss) for the year attributable to equity holders of the Company	(1,685)	(2,298)	7	(274)	(1,678)	(2,572)

17. Income Tax Expense

As at the date of this report, an estimate of the Research and Development claim has been calculated for the 2019/20 financial year, recognised as an income tax benefit, and 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 \$52.2 million (Jun 2019: \$50.6 million). These have not been brought to account because the Directors do not consider the realisation of the deferred tax asset as probable.

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

18. Segment Reporting (continued)

	Jun 2020 \$'000	Dec 2019 \$'000	Jun 2020 \$'000	Dec 2019 \$'000	Jun 2020 \$'000	Dec 2019 \$'000
Operating assets	36,779	36,450	43,336	44,216	80,115	80,666
Operating liabilities	32,350	30,055	109	153	32,459	30,208
Other disclosures:						
Capital expenditure ¹	873	2,077	-	-	873	2,077

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.

19. Share Based Entitlements and Payments

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

During the half year ending 30 June 2020 no options were granted to KMP. 10,000,000 options were granted to the Chief Executive Officer in 2018. Details of the options granted to the Chief Executive Officer, and the options that have since lapsed are summarised in the notes that follow.

Number and weighted average exercise price of share options

	Weighted average exercise price Jun 2020	Number of options Jun 2020	Weighted average exercise Price Dec 2019	Number of Options Dec 2019
Outstanding at 1 January	\$0.293	10,000,000	\$0.293	10,000,000
Granted during the period	\$0.000	-	\$0.000	-
Lapsed during the period	\$0.000	-	\$0.000	-
Forfeited after the period	\$0.360	(5,000,000)	\$0.000	-
Outstanding at reporting date	\$0.225	5,000,000	\$0.293	10,000,000
Exercisable at reporting date	\$0.225	5,000,000	\$0.000	-

The options outstanding at 30 June 2020 have a weighted average contractual life of 3.0 years (2019: 3.4 years).

20. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2020 was based on the net loss attributable to owners of the Company of \$1.8m (June 2019: \$2.6m) and a weighted average number of ordinary shares outstanding during the half-year ended 30 June 2020 of 2,116,562,720 (June 2019: 1,869,601,371), calculated as follows:

Earnings per share	Jun 2020 \$'000	Jun 2019 \$'000
Net loss for the year attributable to the owners of the Company	(1,678)	(2,572)
Ordinary shares on issue	2,116,562,720	1,869,601,371
Weighted average number of shares	2,116,562,720	1,869,601,371
Basic earnings per share (cents)	(0.08)	(0.14)

(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.

21. Events After the Reporting Date

Apart from the matters below, there are no other matters or circumstances that have arisen since 30 June 2020 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.

Subsequent to the end of the reporting period, Mr Richard Taylor resigned as Chief Executive Officer, however he continues to consult in respect of the Bird in Hand Gold Project. Tranches 3 and 4 (each representing 5,000,000 options) of Mr Taylor's 10,000,000 options offered as a long-term incentive on employment had not vested, and therefore lapsed. Mr Martin Janes has assumed executive oversight of Terramin.

After the reporting period, the Company decided to sell two properties it owns in Strathalbyn, South Australia, and at the date of this report the properties are being marketed for sale.

Directors' Declaration

The Directors of the Company declare that:

The financial statements and notes, as set out on pages 9-18:

- (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in Adelaide on the 31st day of August 2020 in accordance with a resolution of the Board of Directors.

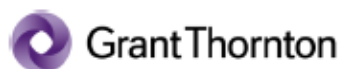
A handwritten signature in black ink, appearing to be "Feng Sheng".

Feng Sheng
Executive Chairman
31st August 2020

A handwritten signature in blue ink, appearing to be "Kevin McGuinness".

Kevin McGuinness
Non-Executive Director
31st August 2020

Auditor's Independent Report



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Independent Auditor's Report

To the Members of Terramin Australia Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Terramin Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Terramin Australia Limited does not give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110.

Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty related to going concern

We draw attention to Note 2c in the financial report, which indicates that the Group incurred a net loss of \$1.7M during the half year ended 30 June 2020 and, as of that date, the Group's current liabilities exceeded its current assets by \$21.4M. As stated in Note 2c, these events or conditions, along with other matters as set forth in Note 2c, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Directors' responsibility for the half year financial report

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

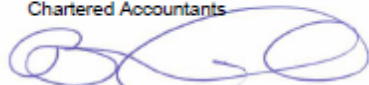
Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Terramin Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 31 August 2020



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