



29 Oct 2020

## September 2020 quarterly activities report

### Q3 HIGHLIGHTS

#### Bird in Hand Gold Project

- Terramin has continued to make progress in respect of its Mining Lease Application (MLA) for its BIHGP and the Miscellaneous Purpose Lease (MPL) to allow the Angas site to treat the Bird in Hand ore.
- Discussions with potential financiers for the Bird in Hand Gold Project continue with a strong level of interest in the project.
- Draft of the Program for Environmental Protection and Rehabilitation continued to advance.

#### Tala Hamza Zinc Project

- The Algerian Minister of Mines has continued to maintain his strong support for the project.
- Documentation in respect of the approval of the project is substantially completed and has been lodged with the appropriate Algerian government authorities.

#### Kapunda In Situ Copper Recovery Project

- JV has completed \$2.0 million of expenditure to earn 50% and has elected to spend a further \$4.0 million to earn a further 25%.

#### Corporate

- The Company's cash balance was \$5.5 million at the end of the quarter.

**BIRD IN HAND GOLD PROJECT & ANGAS PROCESSING PLANT**

100% owned by Terramin and its subsidiary Terramin Exploration Pty Ltd

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 (Angas). The project has a high grade Resource of 650,000 tonnes at 12.6g/t for 265,000 ounces of gold. A recently completed feasibility study showed that the BIHGP expected to generate a post-tax NPV<sub>8</sub> of \$141 million with an IRR of 80.5% over approximately 4 years of production. The project's base case projection is to produce an average of 44,700 ounces of gold per annum at a low C1 cash cost of \$737 per ounce and an all in sustaining cost of \$959 per ounce. It is anticipated that, subject to required regulatory approvals, the Bird in Hand ore 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 Bird in Hand tailings.

Terramin has continued to make progress in respect of its Mining Lease Application (MLA) for its BIHGP and the Miscellaneous Purpose Lease (MPL) to allow the Angas site to treat the Bird in Hand ore. Terramin is in the process of responding to queries raised by the South Australian Department for Energy and Mines (DEM) in respect of these applications.

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

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

The Angas site continued to be maintained in accordance with the DEM approved Mine Care and Maintenance Plan and is operating in compliance with its lease conditions. The Strathalbyn Community Consultation Committee and the Company met during the quarter, with the Company providing updates on the plan to use the Angas facility for the processing of Bird in Hand gold ore.

Expenditure on the BIHGP and Angas Zinc Mine site was \$0.3 million.

**TALA HAMZA ZINC PROJECT**

100% owned by Western Mediterranean Zinc Spa (WMZ)

*Terramin holds a 65% shareholding in WMZ. The remaining 35% is held by two Algerian government-owned companies: Enterprise Nationale des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (32.5%) and Office National de Recherche Géologique et Minière (ORGM) (2.5%).*

The Tala Hamza Zinc Project has continued to advance to approval and development with the strong support of the recently appointed Minister of Mines, Mr Mohamed Arkab.

During the quarter, Terramin has continued to provide information to its joint venture partner, ENOF and the Algerian mining regulator (ANAM). Terramin has also presented a revised Environmental Impact Study (and associated environmental management plans) to local government authorities. Terramin believes that it has now substantially completed all necessary documents to facilitate the approval of the Tala Hamza Zinc Project.

Expenditure on the Tala Hamza project during the quarter was \$0.1 million.

## KAPUNDA IN SITU COPPER RECOVERY PROJECT

### 25% free carried interest until completion of project thresholds

*The Kapunda In Situ Copper Recovery Project is located near the township of Kapunda which is approximately 90km north of Adelaide. The project is focused on the recovery of copper and gold from a historical mining area through the use of in situ recovery. The project has a resource of 47.4 million tonnes at 0.25% copper containing 119,000 tonnes of copper. The project is been partially funded by a government grant of \$2.85 million from the Co-operative Research Centre.*

During the quarter, Terramin's joint venture partner Environmental Copper Recovery Pty Ltd (ECR) advised that it had completed \$2.0 million of expenditure on the Kapunda In Situ Recovery Project and has therefore earned a 50% interest in the project. ECR has elected to spend another \$4.0 million to earn a further 25% interest in the project.

ECR have continued with its technical assessment of the Kapunda In Situ Recovery Project however there has been some delays due to Covid-19 restricting access to CSIRO laboratories and field staff being held up in quarantine. Due to these issues, the Federal Government has granted ECR a further 6 months to finalise its work and extend the period for the payment of grant money.

ECR has successfully worked with the South Australian Department of Energy and Mines to develop a ministerial determination for in-situ exploration. This should enable ECR to advance quickly to on site testing of the in situ recovery.

## EXPLORATION PROJECTS

100% owned by Terramin and Terramin subsidiaries Terramin Exploration Pty Ltd or Menninnie Metals Pty Ltd unless otherwise previously disclosed as part of a joint venture arrangement

*The Adelaide Hills Project consists of eleven contiguous exploration tenements that cover 3,481km<sup>2</sup> and stretch from Lake Alexandrina to Kapunda. This project area is considered highly prospective for gold, copper, lead, zinc and rare earth elements. Terramin's South Gawler Project is located along the southern margin of the Gawler Ranges, northern Eyre Peninsula, South Australia. The Project comprises a group of eleven Exploration Licenses totaling 4,524km<sup>2</sup>.*

### Exploration Update

Activities have been deferred due to the demands of major development projects. All approvals remain in good standing.

Terramin's expenditure on the Adelaide Hills and Gawler Ranges tenements was \$0.1 million.

## **CORPORATE AND ENVIROMENTAL PERFORMANCE**

Terramin continued to pursue its safety and environmental goals during the quarter. There were no recordable injuries and no instances of non-compliance with relevant safety or environmental regulation or lease conditions.

During the quarter, no equity was issued and no unlisted options were exercised.

The Asipac Group increased its debt facilities to \$22.7 million.

As at 30 September 2020, the Company's cash balance was \$5.5 million.

This ASX release was approved by the Terramin Board.

For further information, please contact:

### **Investor Relations**

**Martin Janes**  
Executive Officer  
Terramin Australia Limited  
+61 8 8213 1415  
[info@terramin.com.au](mailto:info@terramin.com.au)

### **Media Enquiries**

**Mike O'Reilly**  
Media and Government Consulting  
O'Reilly Consulting  
+61 414 882 505

## CORPORATE INFORMATION

**Terramin Australia Limited** (ABN 67 062 576 238)

Unit 7, 202-208 Glen Osmond Road  
Fullarton, South Australia 5063

**T** +61 8 8213 1415

**E** [info@terramin.com.au](mailto:info@terramin.com.au)

**F** +61 8 8213 1416

**W** [www.terramin.com.au](http://www.terramin.com.au)

## DIRECTORS AND MANAGEMENT

**Feng (Bruce) Sheng**

**Michael H Kennedy**

**Kevin McGuinness**

**Angelo Siciliano**

**Lulu Shi**

**Martin Janes**

**Andre van Driel**

Executive Chairman

Non-Executive Deputy Chairman

Non-Executive Director

Non-Executive Director

Non-Executive Director

Executive Officer

Company Secretary

## CAPITAL STRUCTURE - 30 SEPTEMBER 2020

Shares on issue

2,116,562,720

Unlisted options

5,000,000

## Forward Looking Statements

This announcement includes certain 'forward looking statements'. All statements, other than statements of historical fact, are forward looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements. Such information contained herein represents management's best judgement as of the date hereof based on information currently available. Except for statutory liability which cannot be excluded, each of Terramin, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this document and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. The Company does not assume any obligation to update any forward-looking statement. Accordingly no person or entity should place undue reliance on any forward looking statement.

## Competent Persons 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 and Exploration) and Mr Dan Brost (Bird-in-Hand), both being Competent Persons who are Member(s) of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whittaker is employed as the Principal Resource Geologist 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 his 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.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Terramin Australia Limited

ABN

67 062 576 238

Quarter ended ("current quarter")

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	20	72
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(154)	(323)
(b) development	-	-
(c) production	-	-
(d) staff costs	(125)	(420)
(e) administration and corporate costs	(450)	(721)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	25
1.5 Interest and other costs of finance paid	(24)	(68)
1.6 Income taxes paid	-	-
1.7 Government grants, subsidies and tax incentives	100	187
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(630)</b>	<b>(1,248)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(252)	(1,160)
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	10	201
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material):		
	- Proceeds from insurance claim	-	249
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(242)</b>	<b>(710)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(21)
3.5	Proceeds from borrowings	530	1,180
3.6	Repayment of borrowings and lease liabilities	-	(32)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>530</b>	<b>1,127</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>(340)</b>	<b>(827)</b>
4.1	Cash and cash equivalents at beginning of period <sup>1</sup>	471	960
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(630)	(1,248)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(242)	(710)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	530	1,127
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>129</b>	<b>129</b>
<b>4.7</b>	<b>Restricted cash on deposit at end of period</b>	<b>5,340</b>	<b>5,340</b>
<b>4.8</b>	<b>Total cash balance at end of period</b>	<b>5,469</b>	<b>5,469</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	129	471
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details):	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>129</b>	<b>471</b>
<b>4.7</b>	<b>Restricted cash on deposit at end of period</b>	<b>5,340</b>	<b>5,340</b>
<b>4.8</b>	<b>Total cash balance at end of period</b>	<b>5,469</b>	<b>5,811</b>

**6. Payments to related parties of the entity and their associates**

6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter  
\$A'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	22,694	22,694
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	22,694	22,694
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(330)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(252)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(582)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	129
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	129
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>0.22</b>

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company continues to seek support in the short-term from major shareholder Asipac Group Pty Ltd, a long-standing supporter of the Company, to progress its mining lease applications in South Australia and Algeria. Concurrently, discussions are progressing with a number of parties strongly interested in long-term project financing, including offtake parties, financial institutions, streaming, royalty and other mining companies.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, refer to item 8.8.2 above.

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2020.....

Authorised by: By the Board.....  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.