

# 2020 Annual Report

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# About Terramin

Terramin Australia Limited (the Company or Terramin) engages in the exploration, evaluation and development of base and precious metal projects.

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 Australia and Algeria.

## Terramin's major projects are:

### Bird in Hand Gold Project (100% Terramin)

A high grade mineral Resource of 265,000 gold ounces at 12.6 g/t gold with the ore body open at depth and exploration upside in near proximity. A recently completed feasibility study indicates a Post-Tax Nominal NPV8 of \$141m<sup>1</sup> and IRR of 80.5%. The pre-production capital is a modest \$54 million due to utilisation of Terramin's nearby Angas processing facility to produce a gold concentrate. Government approval processes are well advanced.

### Tala Hamza Zinc Project (65% Terramin)

A large mineral Resource of 53.0 million tonnes @ 5.3% zinc and 1.3% lead on which a definitive feasibility study was completed in 2018. Mining lease and associated environmental impact study have been lodged for approval. Extensive established infrastructure in place with attractive low power and fuel costs. Strong government support has been recently provided to the project.

### Regional Prospects - South Australia

Additional interests held include the Kapunda Copper Joint Venture and two exploration earn-in agreements with a major international mining company relating to the South Gawler Ranges and Wild Horse tenements in South Australia.

1. NPV8: NPV has been discounted using a discount rate of 8%. NPV and IRR are discounted from ramp up of start-up capital.

## Registered and Business Office

### Terramin Australia Limited

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Fullarton, South Australia, 5063

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

#### Lulu Shi

Non-Executive Director

## Executive Officer

### Martin Janes

## Company Secretary

André van Driel

## Chairman's Review

Dear Fellow Shareholders,

It is my pleasure to present Terramin Australia Limited's 2020 Annual Report.

In 2020, Terramin made significant progress in moving its major assets, Bird in Hand in South Australia and Tala Hamza in Algeria, closer to development and production.

The development of the high grade Bird in Hand Gold Project is advancing and with the Australian dollar gold price trading at historical highs, we are very excited about the prospect of moving the project into the construction phase in the coming year.

In 2019, Terramin lodged the Mining Lease Application (MLA) for the Bird in Hand Gold Project and a Miscellaneous Purposes Licence (MPL) in respect of the processing of ore at the Angas Zinc Mine site. The lodgement of these applications was followed by an extensive period of public consultation that closed in late 2019. During 2020, Terramin has achieved several key milestones in respect to the project, including:

- Completion of a Feasibility Study confirming a low capital, high margin project with a short 1 year pay-back period post completion of construction and robust financial returns;
- Confirmation by the South Australian Treasurer that it is entitled to the concessional new mine royalty rate of 2%;
- Ongoing responses to queries and information requests by the South Australian Department for Energy and Mines (DEM) in respect of its MLA and MPL applications with approvals anticipated in the near term;
- Preparation of the Program for Environment Protection and Rehabilitation (PEPR) in line with the MLA and MPL together with project implementation plans; and
- Engagement with a number of parties which are interested in concentrate offtake and funding or investing in the project.


Terramin has continued engagement with its Tala Hamza Project joint venture partners and the Algerian government regarding the development of this project. Importantly in 2020, Algeria established a new government which has seen a focus on development of the local mining industry and the appointment of a Minister of Mines.

An optimisation study was completed during the period and it was agreed for the project to be submitted to the Algerian mining regulator for approval. Importantly there have been very strong indications of support for the project by local high ranking officials, including a specific order for the development of Tala Hamza being recently issued.

Discussions have also commenced on the future structure of the joint venture for the development of the project and access to local infrastructure, which are all very positive indications of progress.

In summary, I believe that 2021 is going to be a very exciting year for the Company with positive news on both of our core projects and a planned increased focus on our exciting exploration activities.

Finally, I would like to thank both our management team, who have continued to work diligently on all our projects whilst minimising costs, and all shareholders for your ongoing support and wish you good health in these difficult times.

A handwritten signature in black ink, appearing to be "Feng (Bruce) Sheng". The signature is stylized and somewhat abstract, with a prominent horizontal line at the top and several loops below.

**Feng (Bruce) Sheng**  
Executive Chairman



## Financial Report



# Directors' Report

*for the Year Ended 31 December 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 Year Ended 31 December 2020 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).

### 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 a member of the Audit, Risk and Compliance Committee and the Nominations and Remuneration Committee.

### Ms Lulu Shi

**Non-Executive Director**

*Appointed 28 May 2020*

Ms Shi is Vice President of China Non-Ferrous Metals Industry's Foreign Engineering and Construction and has considerable project management experience through the acquisition and development of base metals projects in Southern-Central Africa and South-East Asia, notably the Launshya Copper Mine in Zambia and the Tagaung Taung Nickel Project in Myanmar.

### 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 and the Nominations and Remuneration Committee.

### 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 18 years has owned and managed an accounting practice predominantly focusing 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.

## Company Secretary

### Mr André van Driel

BCom, CPA, CertGovPrac

**Finance Manager**

*Appointed 6 March 2020*

Mr van Driel has more than 17 years' experience in accounting and tax roles within the resources sector, including having worked for Newmont Australia Limited, BHP Billiton Limited (now known as BHP Group Limited) and Ramelius Resources Limited. André is a graduate of the CPA Australia Certified Practising Accountants (CPA) program, and has completed the Certificate in Governance Practice with the Governance Institute of Australia Limited.

# Directors' Report (continued)

## 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 2020, 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	12	12	-	-	-	-
M Kennedy	12	12	4	4	1	1
K McGuinness	12	12	4	4	1	1
A Siciliano	12	12	4	4	1	1
X Wang	4	2	-	-	-	-
L Shi	7	6	-	-	-	-

*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 \$5.4 million for the year ended 31 December 2020 (2019: \$5.6 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 2020 was \$41.9 million, decreased from \$50.5 million as at 31 December 2019. The decrease is represented by the consolidated Group loss of \$5.4 million and the movement in foreign currency translation reserve of \$3.2 million as a result of the Australia dollar strengthening against the Algerian Dinar during the period.

## 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 Recherché 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.

In late 2019 and early 2020, Algeria established a new government under President Abdelmadjid Tebboune. Prior to the new government being established the government was in essentially caretaker mode with it not making any decisions in respect of major projects, including Tala Hamza. The new Algerian government spurred on by the negative impacts of Covid-19 and lower oil prices on the Algerian economy have focused on the establishment of new mines as a key plank in rebuilding the Algerian economy. A reflection of this commitment, the government has appointed Minister of Mines who has no other responsibilities.

During the year, Terramin has completed an optimisation study with a particular focus on reviewing production levels, cut-off grades and specific cost areas. The results of this study has been presented to our partners. Following extensive discussions and review, it has been agreed for the project to be submitted to the Algerian mining regulator for approval. Terramin and its partners presented its submission on the 29<sup>th</sup> July.

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

Discussions have commenced on the future structure of the joint venture for the development of the project.

The local government authority (Wilaya) has approved the Environmental Impact Study (and associated environmental management plans) and is now undertaking a process of consultation with the community.

Terramin has also commenced engagement including site meetings with various government agencies and authorities in regard to critical infrastructure of the project such as land acquisition, electricity, water and access to public road

# 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 at 12.6g/t, which is amenable to underground mining.

Subject to required regulatory approvals, the Bird in Hand material will be processed utilising the facilities at the Angas Zinc Mine, which can be modified to process gold-bearing material. The existing tailings dam 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.

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 including pre-production and final backfilling).

In June 2019, Terramin lodged the Mining Lease Application (MLA) for the Bird in Hand Gold Project and a Miscellaneous Purpose Lease (MPL) in respect of the processing of ore at the Angas Zinc Mine site. The lodgement of these applications was followed by an extensive period of public consultation that closed in late September 2019.

In 2020, Terramin has continued to make progress in respect of its MLA and MPL applications. Terramin continues to respond to queries and information requests 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 and has commenced putting together project implementation plans.

Terramin has been advised by the South Australian Treasurer that it is entitled to the concessional new mine royalty rate of 2% on all metal sales revenue for the earlier of the expiry of the first 5 years of the project or up to 30 June 2026.

Terramin continues to engage with a number of parties with

strong interest, including offtake parties, streaming and royalty companies, financial institutions and other mining companies.

### **Adelaide Hills Project**

*(Terramin / Terramin Exploration Pty Ltd 100%)*

The Adelaide Hills Project consists of eleven exploration tenements that cover 2,649km<sup>2</sup> largely over the southern Adelaide Fold Belt. This project area is considered prospective for gold, copper, lead and zinc.

In June 2019, Terramin entered into an earn in agreement with Freeport-McMoRan Exploration Pty Ltd (Freeport) in respect of the Wild Horse Copper Gold prospect near Murray Bridge. Freeport have agreed to spend \$3.0 million over a maximum of 4 years to earn 51% and a further \$20.0 million over a maximum of 6 years to earn a further 24%. Preliminary exploration had commenced early in the year but was suspended due to Covid 19 and while Freeport reevaluate their international exploration priorities.

### **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 is investigating the potential to extract through ISR the copper from shallow oxide ores in and around the historic Kapunda Mine workings.

During the year, ECR earned a 50% interest in the project after spending \$2.0 million and has elected to earn a further 25% by 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 securing \$2.6 million in government funding to pursue the ISR test work.

Over the quarter, ECR continued with its technical assessment of the Kapunda ISR Project completing a successful Hydrogeological testing program, identified a range of suitable lixiviants and preformed metal recovery tests to produce saleable copper products. ECR are now working on advancing government approvals and obtaining appropriate land access for it to commence the on-site testing of the in situ recovery. This work is almost complete and on-site work is expected to start in the coming months.



## Directors' Report (continued)

### South Gawler Ranges Project

*(Menninnie Metals Pty Ltd (MMPL) 100%)*

The South Gawler Ranges Project is located in the Gawler Craton of South Australia, an area that is becoming increasingly recognised as an under-explored region with high discovery potential. The project comprises a group of eighteen Exploration Licenses totaling 4,524km<sup>2</sup>. 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.

In July 2019, Terramin entered into an earn-in agreement with Freeport in respect of the South Gawler Ranges Project. Freeport have agreed to spend \$3.0 million over a maximum of 4 years to earn 70% and a further \$5.0 million over a maximum of 6 years to earn a further 10%. Preliminary exploration had commenced early in the year but was suspended due to Covid 19 and while Freeport reevaluate their international exploration priorities.

### Corporate

The Company agreed with its major shareholder Asipac to increase the Standby Term Facility from \$21.51 million to \$23.34 million.

5,000,000 options lapsed during the reporting period. There were no options exercised and no options issued.

### 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

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.

### Future Developments

Terramin's focus will continue to be the approval, funding and development of the Bird in Hand Gold Project and the Tala Hamza Zinc Project.

### 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 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.

### Corporate Governance Statement

Terramin has adopted fit for purpose systems of control and accountability as the basis for the administration and compliance of effective and practical corporate governance. These systems are reviewed regularly and revised if appropriate.

The Board is committed to administering the Company's policies and procedures with transparency and integrity, pursuing the genuine spirit of good corporate governance practice. To the extent they are applicable, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition. As the Group's activities transform in size, nature and scope, additional corporate governance structures will be considered by the Board and assessed as to their relevance.

In accordance with the ASX Listing Rules, the Corporate Governance Statement and Appendix 4G checklist are released to the ASX on the same day the Annual Report is released. The Corporate Governance policies and charters can be found on the [Company's website](#).

**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 internal control and risk management system's effectiveness.

## Directors' Report (continued)

**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.

This Corporate Governance Statement is current as at 31 March 2021 and has been approved by the Board.

### Share Capital

#### (a) Ordinary Shares

As at 31 December 2020, there were 2,116,562,720 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, 5,000,000 unlisted options over fully paid ordinary shares in the capital of Terramin 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
<b>Total</b>		<b>5,000,000</b>

*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/lapsed during the year

During the year, 5,000,000 unlisted options over fully paid ordinary shares in the capital of the Company had not vested, and lapsed due to the CEO stepping down as CEO prior to their vesting date.

Expiry Date	Exercise Price \$	Number of Options Lapsed
2 August 2023	0.32	2,500,000
2 August 2023	0.40	2,500,000
<b>Total</b>		<b>5,000,000</b>

#### (d) Unlisted options exercised/cancelled since 31 December 2020

No unlisted options over fully paid shares in the Company have been exercised or cancelled since 31 December 2020.

### Remuneration Report – Audited

This remuneration report for the year ended 31 December 2020 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 Personnel

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

##### Executive and Non-Executive Directors

Mr F Sheng (Chairman - Non-Independent)  
 Mr MH Kennedy (Deputy Chairman - Independent)  
 Mr A Siciliano (Non-Independent)  
 Mr K McGuinness (Independent)  
 Mr L Shi (Independent)

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

##### Other Key Management Personnel

Mr R Taylor (Chief Executive Officer)<sup>1</sup>  
 Mr M Janes (Executive Officer)<sup>2</sup>  
 Mr A van Driel (Finance Manager and Company Secretary)<sup>3</sup>

1. Mr R Taylor concluded his employment on 10 July 2020
2. Mr M Janes commenced as Executive Officer on 20 January 2020
3. Mr A van Driel commenced as Company Secretary on 6 March 2020

#### (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 KMP so as to enhance performance by the Company;
- assess 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.

The Group's KMP compensation 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)

## Directors' Report (continued)

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 year.

### (e) Remuneration Report Approval

At the last Annual General Meeting held on 21 May 2020, the Remuneration Report for the financial year ending 31 December 2019 was approved by shareholders (52.95% voted for the resolution).

### (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. 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 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.

### I. Employment Contracts

Mr Martin Janes, the Company's Executive Officer, entered into a consulting contract in January 2020 on an on-going basis, which either the Company or Mr Janes may terminate with 30 days written notice. Under this contract, Mr Janes receives a weekly retainer of \$3,750 for 2.5 days of service per week.

Mr Richard Taylor stepped down as CEO during the year. His employment contract was concluded on 31 January 2020. Mr Taylor's employment contract had no fixed term, received a salary of \$325,000 per annum (including superannuation), and the Company or CEO may terminate the agreement by providing 3 months' notice. The Company may elect, at its discretion, to make a payment in lieu but this was not done on termination. Mr Taylor entered into a consulting contract in February 2020 initially on a 3 month fixed term to 30 April 2020 and then extended by a further 2 months until 30 June 2020. He received a monthly retainer of \$10,000 per month for his services.

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 payable to Directors during 2020 was \$275,000 (with \$337,500 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

## Directors' Report (continued)

undertaken at the request of the Board, for instance extensive travel 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 2020 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 <sup>1</sup>	1,000/day	1,000/day	1,000/day
<b>Audit, Risk and Compliance</b>			
K McGuinness (Chair), MH Kennedy, A Siciliano	7,500	-	5,000
<b>Nominations and Remuneration</b>			
K McGuinness (Chair), MH Kennedy, A Siciliano	7,500	-	5,000
<b>Due Diligence</b>			
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 Annual and Long Service Leave <sup>7</sup>	Post-Employment		Share-based Payments		Total
		Salary & Fees	Contract Payments		Super-annuation Benefits	Termination Benefits	Share Options	% of Total	
<b>Directors<sup>1</sup></b>									
MH Kennedy	2020	63,927	-	-	6,073	-	-	0.0%	70,000
	2019	63,927	-	-	6,073	-	-	0.0%	70,000
A Siciliano	2020	-	50,000	-	-	-	-	0.0%	50,000
	2019	-	50,000	-	-	-	-	0.0%	50,000
K McGuinness	2020	-	55,000	-	-	-	-	0.0%	55,000
	2019	-	55,000	-	-	-	-	0.0%	55,000
F Sheng	2020	-	100,000	-	-	-	-	0.0%	100,000
	2019	-	100,000	-	-	-	-	0.0%	100,000
W Xinyu <sup>1</sup>	2020	-	-	-	-	-	-	0.0%	-
	2019	-	40,000	-	-	-	-	0.0%	40,000
L Shi	2020	-	-	-	-	-	-	0.0%	-
	2019	-	-	-	-	-	-	0.0%	-
<b>Key Management Personnel</b>									
R Taylor <sup>3</sup>	2020	48,050	50,000	(26,329)	2,350	-	(103,489)	0.0%	(29,418)
	2019	296,804	-	10,102	28,196	-	187,533	35.9%	522,635
MS Janes <sup>4</sup>	2020	-	180,000	-	17,100	-	-	0.0%	197,100
	2019	-	-	-	-	-	-	0.0%	-
A van Driel <sup>5</sup>	2020	126,146	-	6,738	11,984	-	-	0.0%	144,868
	2019	-	-	-	-	-	-	0.0%	-
S Iacopetta <sup>6</sup>	2020	-	-	-	-	-	-	0.0%	-
	2019	38,957	-	(12,014)	4,535	-	-	0.0%	31,478
<b>TOTAL</b>	<b>2020</b>	<b>238,123</b>	<b>435,000</b>	<b>(19,591)</b>	<b>37,507</b>	<b>-</b>	<b>(103,489)</b>	<b>-</b>	<b>587,550</b>
	<b>2019</b>	<b>399,688</b>	<b>245,000</b>	<b>(1,912)</b>	<b>38,804</b>	<b>-</b>	<b>187,533</b>	<b>-</b>	<b>869,113</b>

1. Refer to page 13 of the Directors' Report for details of Non-Executive Directors' fees allocated by role

2. During the period, Mr Wang agreed to waive the director fees accrued during the period that he held the position of director of Terramin.

3. Mr R Taylor concluded his employment on 10 July 2020

4. Mr M Janes commenced as Executive Officer on 20 January 2020

5. Mr A van Driel commenced as Company Secretary on 6 March 2020

6. Mr S Iacopetta concluded his employment on 1 March 2019

7. Represents 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:

#### Shares

Key Management Personnel	Shares Balance 1 Jan 20	Shares held prior to commencing as KMP	Shares Acquired during Year	Shares Issued as Remuneration	Cessation as KMP	Shares Balance 31 Dec 20
<b>Parent Entity Directors</b>						
MH Kennedy	5,246,107	-	-	-	-	5,246,107
A Siciliano	10,000,000	-	-	-	-	10,000,000
K McGuinness	2,698,108	-	-	-	-	2,698,108
F Sheng	827,469,670	-	-	-	-	827,469,670
W Xinyu	-	-	-	-	-	-
L Shi	-	-	-	-	-	-
<b>Other Key Management Personnel</b>						
R Taylor <sup>1</sup>	-	-	-	-	-	-
M Janes <sup>2</sup>	-	125,974	-	-	-	125,974
A van Driel <sup>3</sup>	-	-	-	-	-	-
<b>Total</b>	<b>845,413,885</b>	<b>125,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>845,539,859</b>

1. Mr R Taylor concluded his employment on 10 July 2020
2. Mr M Janes commenced as Executive Officer on 20 January 2020
3. Mr A van Driel commenced on Company Secretary on 6 March 2020

#### Options

Key Management Personnel	Options Balance 1 Jan 20	Options Granted as Incentive <sup>1</sup>	Options Exercised	Cessation as KMP	Balance Options 31 Dec 20
<b>Parent Entity Directors</b>					
MH Kennedy	-	-	-	-	-
A Siciliano	-	-	-	-	-
K McGuinness	-	-	-	-	-
F Sheng	-	-	-	-	-
W Xinyu	-	-	-	-	-
L Shi	-	-	-	-	-
<b>Other Key Management Personnel</b>					
R Taylor <sup>2</sup>	10,000,000	-	-	(5,000,000)	5,000,000
M Janes <sup>3</sup>	-	-	-	-	-
A van Driel <sup>4</sup>	-	-	-	-	-
S Iacopetta <sup>5</sup>	-	-	-	-	-
<b>Total</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>(5,000,000)</b>	<b>5,000,000</b>

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 concluded his employment on 10 July 2020
3. Mr M Janes commenced as Executive Officer on 20 January 2020
4. Mr A van Driel commenced as Company Secretary on 6 March 2020

## 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. No shares lapsed, however 5 million options lapsed during the year.

### (k) 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 2020, Asipac owned 39.07% of the ordinary shares in Terramin (2019: 39.07%) and is controlled by Mr Sheng who is Executive Chairman of the Company. Mr Siciliano is the Chief Financial Officer of Asipac.

Directors' fees outstanding as at 31 December 2020

Directors	2020	2019
M Kennedy <sup>1</sup>	70,000	-
A Siciliano <sup>1</sup>	62,500	12,500
K McGuinness <sup>1</sup>	55,000	-
F Sheng	150,000	50,000
W Xinyu <sup>2</sup>	-	113,115
L Shi <sup>1</sup>	-	-
<b>Total</b>	<b>337,500</b>	<b>175,615</b>

1. Mr Kennedy, Mr Siciliano, Mr McGuinness and Ms Shi are Non-Executive Directors of the Company,
2. During the period, Mr Xinyu agreed to waive the director fees accrued during the period that he held the position of director of Terramin.

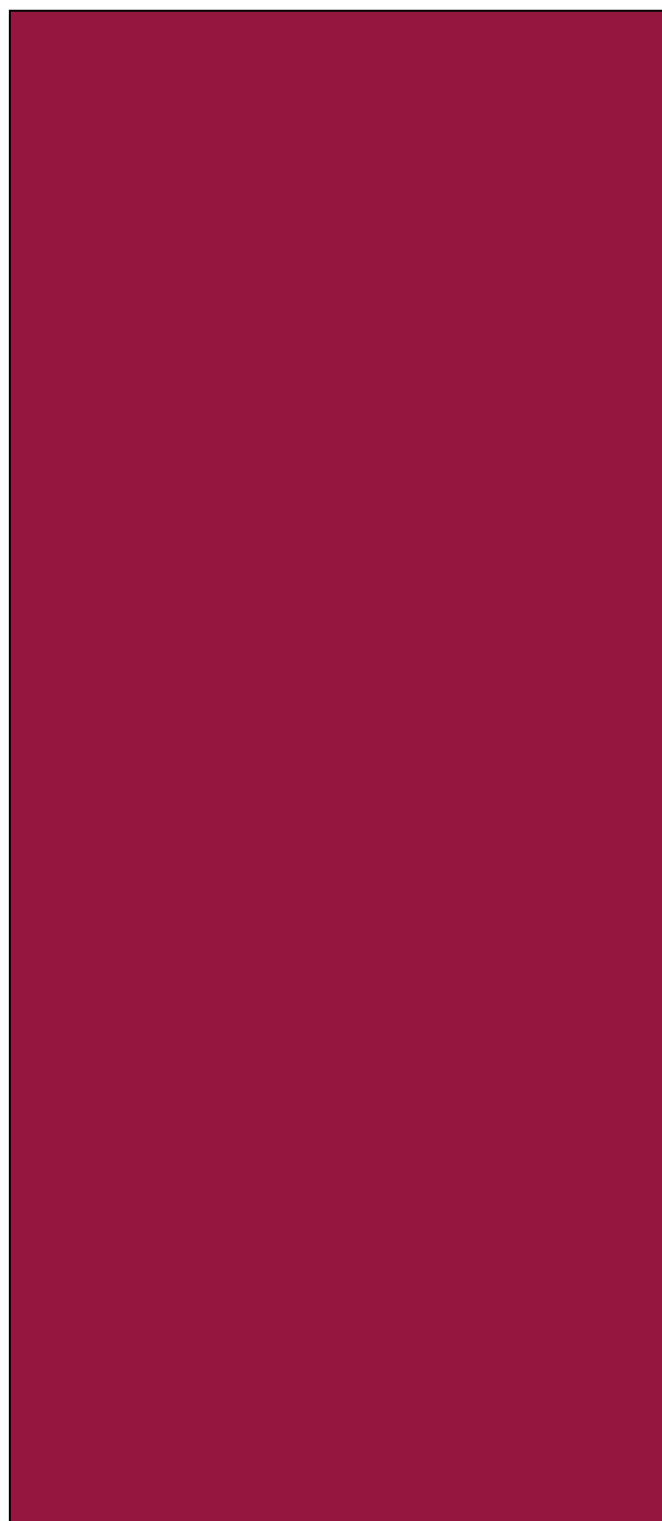
Other related party transactions are disclosed at note 20.

### (l) 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



# 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:

	2020 \$'000	2019 \$'000
<b>Non-assurance services</b>		
Tax advice and compliance services	25	34
<b>Total</b>	<b>25</b>	<b>34</b>

## Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 31 December 2020 can be found on page 18 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 31<sup>st</sup> day of March 2021 in accordance with a resolution of the Board of Directors.



**Feng (Bruce) Sheng**  
Executive Chairman



**Kevin McGuinness**  
Non-Executive Director

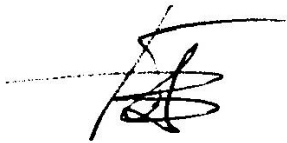


## Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 23-43, and the remuneration disclosures contained in pages 10-15 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 2020 and of the performance for the year ended on that date of the consolidated entity;
2. the Executive Officer and Finance Manager 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.

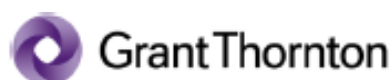
A handwritten signature in black ink, appearing to be "Feng (Bruce) Sheng".

**Feng (Bruce) Sheng**  
*Executive Chairman*  
31 March 2021

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

**Kevin McGuinness**  
*Non-Executive Director*  
31 March 2021

# Auditor's Independence Declaration



Level 3, 170 Frome Street  
Adelaide SA 5000

Correspondence to:  
GPO Box 1270  
Adelaide SA 5001

T +61 8 8372 6666

## Auditor's Independence Declaration

To the Directors of Terramin Australia Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Terramin Australia Ltd for the year ended 31 December 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J.L. Humphrey  
Partner – Audit & Assurance

Adelaide, 31 March 2021

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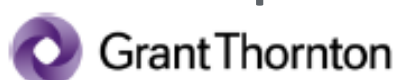
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# Auditor's Independent Report



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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 2020, 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 2020 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 (including Independence Standards)* (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 Group incurred a net loss of \$5,391,000 during the year ended 31 December 2020, and as of that date, the Group's current liabilities exceeded its current assets by \$23,580,000. 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.

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### 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
<b>Exploration and evaluation assets – Notes 3(i) &amp; 11</b>	
<p>At 31 December 2020 the carrying value of exploration and evaluation assets was \$63,252,000.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, 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.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li> <li>reviewing management's area of interest considerations against AASB 6;</li> <li>conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> <li>tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;</li> <li>enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;</li> <li>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;</li> </ul> </li> <li>evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and</li> <li>assessing the appropriateness of the related financial statement disclosures.</li> </ul>
<b>Property, Plant and Equipment (Note 3(e) and 10)</b>	
<p>At 31 December 2020, the carrying value of Property, Plant and Equipment was \$7,389,000, with the majority of this value being attributed to land associated with Bird-in-Hand and Angas Zinc Mine sites, and plant and equipment.</p> <p>The evaluation of the recoverable amount of the assets requires significant judgement in determining key assumptions supporting the expected future cash flows and / or fair value less costs to sell.</p> <p>This area is a key audit matter due to the level of judgement and estimation used in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>obtain management's reconciliation of property, plant and equipment and agreeing to the general ledger;</li> <li>reviewing management's impairment consideration over the carrying value of property plant and equipment and comparing this to other externally available data; and</li> <li>reviewing the appropriateness of the related disclosures within the financial statements.</li> </ul>

### 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 2020, 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\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.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 10 to 15 of the Directors' report for the year ended 31 December 2020.

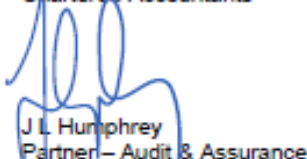
In our opinion, the Remuneration Report of Terramin Australia Limited, for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

#### 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 AUDIT PTY LTD  
Chartered Accountants



J. L. Humphrey  
Partner – Audit & Assurance

Adelaide, 31 March 2021

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Revenue	4	67	187
Other Income	4	418	684
Raw materials, consumables and other direct costs		(361)	(420)
Employee benefits expense		(326)	(1,038)
Depreciation and amortization	10	(481)	(110)
Exploration and evaluation expensed (Tala Hamza Project)		(250)	(590)
Exploration and evaluation impairment	11	-	(198)
Assets held for sale impairment	10	(121)	
Mine rehabilitation obligation expense		(555)	(70)
Share based payments expense		-	(187)
Other expenses	4	(990)	(838)
<b>Loss before net financing costs and income tax</b>		<b>(2,599)</b>	<b>(2,580)</b>
Finance income	6	20	26
Finance costs	6	(2,812)	(3,057)
<b>Net finance costs</b>		<b>(2,792)</b>	<b>(3,031)</b>
<b>Loss before income tax</b>		<b>(5,391)</b>	<b>(5,611)</b>
Income tax benefit	18	-	-
<b>Loss for the year</b>		<b>(5,391)</b>	<b>(5,611)</b>
Attributable to:			
Owners of the Company		(5,291)	(5,399)
Non-controlling interest	17	(100)	(212)
<b>Loss for the year</b>		<b>(5,391)</b>	<b>(5,611)</b>
<b>Other comprehensive (loss)/income</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(3,074)	(38)
<b>Other comprehensive (loss)/income for the year, net of income tax</b>		<b>(3,074)</b>	<b>(38)</b>
<b>Total comprehensive loss for the year attributable to equity holders of the Company</b>		<b>(8,465)</b>	<b>(5,649)</b>
Attributable to:			
Owners of the Company		(8,365)	(5,437)
Non-controlling interest		(100)	(212)
<b>Total comprehensive loss for the year</b>		<b>(8,465)</b>	<b>(5,649)</b>
<b>Earnings per share attributable to the ordinary equity holders of the Company:</b>			
	Note	2020	2019
Basic earnings/(loss) per share – (cents per share)	27(a)	(0.25)	(0.29)
Diluted earnings/(loss) per share – (cents per share)	27(b)	(0.25)	(0.29)

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 2020

	Notes	2020 \$'000	2019 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	105	960
Restricted cash on deposit	7	5,340	5,340
Trade and other receivables	9	50	178
Non-current assets held for sale	10	690	-
Other assets		84	105
<b>Total current assets</b>		<b>6,269</b>	<b>6,583</b>
<b>Non-current assets</b>			
Inventories	8	353	495
Property, plant and equipment	10	7,369	8,601
Exploration and evaluation	11	63,252	64,987
<b>Total non-current assets</b>		<b>70,974</b>	<b>74,083</b>
<b>TOTAL ASSETS</b>		<b>77,243</b>	<b>80,666</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	6,375	3,356
Short term borrowings	13	23,385	181
Provisions	14	89	136
<b>Total current liabilities</b>		<b>29,849</b>	<b>3,673</b>
<b>Non-current liabilities</b>			
Long term borrowings	13	14	21,625
Provisions	14	5,509	4,910
<b>Total non-current liabilities</b>		<b>5,523</b>	<b>26,535</b>
<b>TOTAL LIABILITIES</b>		<b>35,372</b>	<b>30,208</b>
<b>NET ASSETS</b>		<b>41,871</b>	<b>50,458</b>
<b>Equity</b>			
Share capital	15	223,931	223,950
Reserves	16	(9,116)	(5,939)
Accumulated losses		(186,209)	(180,918)
<b>Total equity attributable to equity holders of the Company</b>		<b>28,606</b>	<b>37,093</b>
Non-controlling interest	17	13,265	13,365
<b>TOTAL EQUITY</b>		<b>41,871</b>	<b>50,458</b>

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 2020

	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
<b>2020</b>							
<b>Balance at 1 January 2020</b>	<b>223,950</b>	<b>298</b>	<b>(6,237)</b>	<b>(180,918)</b>	<b>37,093</b>	<b>13,365</b>	<b>50,458</b>
<b>Total comprehensive income for the period</b>							
Loss for the year	-	-	-	(5,291)	(5,291)	(100)	(5,391)
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	(3,074)	-	(3,074)	-	(3,074)
Total other comprehensive income	-	-	(3,074)	-	(3,074)	-	(3,074)
Total comprehensive income for the year	-	-	(3,074)	(5,291)	(8,365)	(100)	(8,465)
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Share issue costs	(19)	-	-	-	(19)	-	(19)
Transfer lapsed options to expense	-	(103)	-	-	(103)	-	(103)
Total contributions by and distributions to owners	(19)	(103)	-	-	(122)	-	(122)
<b>Balance at 31 December 2020</b>	<b>223,931</b>	<b>195</b>	<b>(9,311)</b>	<b>(186,209)</b>	<b>28,606</b>	<b>13,265</b>	<b>41,871</b>
<b>2019</b>							
<b>Balance at 1 January 2019</b>	<b>215,383</b>	<b>136</b>	<b>(6,199)</b>	<b>(175,544)</b>	<b>33,776</b>	<b>13,577</b>	<b>47,353</b>
<b>Total comprehensive income for the period</b>							
Loss for the year	-	-	-	(5,399)	(5,399)	(212)	(5,611)
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	(38)	-	(38)	-	(38)
Total other comprehensive income	-	-	(38)	-	(38)	-	(38)
Total comprehensive income for the year	-	-	(38)	(5,399)	(5,437)	(212)	(5,649)
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contributions by and distributions to</b>							
Issue of ordinary shares	8,642	-	-	-	8,642	-	8,642
Share issue costs	(75)	-	-	-	(75)	-	(75)
Options Granted	-	187	-	-	187	-	187
Transfer lapsed options to retained earnings	-	(25)	-	25	-	-	-
Total contributions by and distributions to owners	8,567	162	-	25	8,754	-	8,754
<b>Balance at 31 December 2019</b>	<b>223,950</b>	<b>298</b>	<b>(6,237)</b>	<b>(180,918)</b>	<b>37,093</b>	<b>13,365</b>	<b>50,458</b>

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 2020

	Note	2020 \$'000	2019 \$'000
<b>Cash from operating activities:</b>			
Receipts from customers		72	264
Government Grant Income (including Research and development tax incentive received)		226	605
Interest received		27	20
Payments to suppliers and employees		(1,836)	(3,049)
Financing costs and interest paid		(72)	(339)
<b>Total cash (used in) operating activities</b>	19	<b>(1,583)</b>	<b>(2,499)</b>
<b>Cash flows from investing activities:</b>			
Insurance claim proceeds		249	-
Proceeds from sale of property, plant and equipment		201	-
Exploration and evaluation expenditure		(1,422)	(1,984)
<b>Net cash (used in) investing activities</b>		<b>(972)</b>	<b>(1,984)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from the issue of share capital		-	8,642
Payment of transaction costs on equity		(19)	(75)
Proceeds from borrowings		1,830	9,300
Repayment of borrowings		(110)	(7,319)
<b>Net cash from financing activities</b>		<b>1,701</b>	<b>10,548</b>
<b>Other activities:</b>			
Net increase /(decrease) in cash and cash equivalents		(854)	6,065
Net foreign exchange differences		(1)	(17)
Cash and cash equivalents at beginning of the year (including restricted cash on deposit)		6,300	252
<b>Cash and cash equivalents at end of the year (including restricted cash on deposit)</b>	7	<b>5,445</b>	<b>6,300</b>

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 2020, the Group incurred a loss of \$5.4 million, and this brought accumulated losses to \$186.2 million. As at 31 December 2020 the Group's current liabilities exceeded its current assets by \$23.58 million, however the Group had negative cash operating and investing cashflows of \$2.56 million. The Group had net assets of \$41.9 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 a 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(e) – Property, Plant and Equipment: assessment of the valuation method*
- *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

During the year, there are no new and/or revised Standards and Interpretations adopted in these Financial Statements that affect presentation or disclosure and the financial position.

## 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 2020. 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 less depreciation and 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 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%

Effective 1 July 2020, the Group recommenced depreciation of the plant and equipment located at the Angas Zinc Mine. The Directors have considered it prudent to recommence depreciation due to the length of time since the last independent valuation was undertaken to determine scrap value (2013), and the age of remaining plant prior to reconditioning works being undertaken.

### (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 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(2)).

#### **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 revenue from the sale of the output by the joint operation and its expenses (including its share of 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) have been 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 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 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, timing & 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 are valued at grant date and are expensed to reflect amounts owing. Upon issue of the share rights an increase in equity is recognised.

#### **(m) 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.

#### **(n) Revenue**

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer,
2. Identifying the performance obligations,
3. Determining the transaction price,
4. Allocating the transaction price to the performance obligations, and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

#### **(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 statement of financial position presented are translated at the closing rate at the reporting date,
- 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 Laws.

#### **(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 profit or loss attributable to ordinary shareholders and 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) Government Grants**

Government grants relating to costs are deferred and recognised in profit and loss over the period necessary to match them with the costs that they are intended to compensate.

##### **(x) 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.

##### **(y) Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated

useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

#### (z) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### 4. Revenue, Other Income and Expenses

Revenue and other income	2020 \$000's	2019 \$000's
Revenue from contracts	67	187
Government grant income <sup>1</sup>	150	607
Other income <sup>2</sup>	268	77
<b>Total revenue and other income</b>	<b>485</b>	<b>871</b>

1. Represents Cashflow Boost and refundable R&D tax incentive income.

2. Includes insurance proceeds of \$248,636.

Revenue from contracts	31 December 2020		
	Service Income \$000's	Data Fee \$000's	Total \$'000's
Revenue recognised over time	67	-	67
<b>Total revenue</b>	<b>67</b>	<b>-</b>	<b>67</b>

Revenue from contracts	31 December 2019		
	Service Income \$000's	Data Fee \$000's	Total \$'000's
Revenue recognised over time	96	-	96
Revenue recognised at a point in time	-	91	91
<b>Total revenue</b>	<b>96</b>	<b>91</b>	<b>187</b>

Other expenses	2020 \$000's	2019 \$000's
Corporate Administration and Marketing Costs	580	464
Legal, Accounting, Community Relations and Other Consultants	320	281
ASX fees and Share Registry Costs	75	92
Other	15	1
<b>Total other expenses</b>	<b>990</b>	<b>838</b>

### 5. Auditor's Remuneration

Grant Thornton Audit Pty Ltd	2020 \$	2019 \$
Audit and review of financial reports	91,000	74,000
Non-audit services	25,000	34,000
<b>Total auditor's remuneration</b>	<b>116,000</b>	<b>129,000</b>

### 6. Finance Income and Costs

Finance income	2020 \$'000	2019 \$'000
Interest income	20	26
<b>Total finance income</b>	<b>20</b>	<b>26</b>

Finance costs	2020 \$'000	2019 \$'000
Interest on borrowings	2,665	2,102
Interest on lease liabilities	4	4
Unwind of discount on mine rehabilitation provision	41	117
Amortisation of borrowing costs	15	825
Facility fees	78	-
Other borrowing costs	9	9
<b>Total finance costs</b>	<b>2,812</b>	<b>3,057</b>

### 7. Cash and Cash Equivalents

	2020 \$'000	2019 \$'000
Cash on hand	2	2
Bank balances	103	958
<b>Total cash and cash equivalents</b>	<b>105</b>	<b>960</b>
Short-term deposits <sup>1</sup>	5,340	5,340
<b>Restricted cash on deposit</b>	<b>5,340</b>	<b>5,340</b>

1. Represents restricted cash to support an environmental rehabilitation bonds, office lease and minor credit card facilities.

### 8. Inventories

	2020 \$'000	2019 \$'000
<b>Non-current</b>		
Raw materials and consumables	353	495
<b>Total inventories at the lower of cost and net realisable value</b>	<b>353</b>	<b>495</b>

### 9. Trade and Other Receivables

	2020 \$'000	2019 \$'000
Trade receivables	17	-
Accrued interest receivable	1	6
Research and development tax benefit	-	74
Other receivables (including GST refund)	32	98
<b>Total trade and other receivables</b>	<b>50</b>	<b>178</b>



## 10. Property, Plant and Equipment

Assets held for sale - current	2020 \$'000	2019 \$'000
At cost	811	-
Less impairment	(121)	-
<b>Total assets held for sale</b>	<b>690</b>	<b>-</b>
Property, plant and equipment - non-current	2020 \$'000	2019 \$'000
<b>Freehold land</b>		
At cost	3,460	4,271
<b>Total freehold land<sup>1</sup></b>	<b>3,460</b>	<b>4,271</b>
<b>Buildings and other infrastructure</b>		
At cost	126	126
Less accumulated depreciation	(124)	(122)
<b>Total buildings and other infrastructure<sup>1</sup></b>	<b>2</b>	<b>4</b>
<b>Right-of-use Assets</b>		
At cost	288	298
Less accumulated depreciation	(222)	(77)
<b>Total Right-of-use Assets</b>	<b>66</b>	<b>221</b>
<b>Plant and Equipment</b>		
At cost	57,470	57,803
Less accumulated impairment	(14,219)	(14,219)
Less accumulated depreciation	(39,410)	(39,479)
<b>Total plant and equipment<sup>1</sup></b>	<b>3,841</b>	<b>4,105</b>
<b>Total property plant and equipment</b>	<b>7,369</b>	<b>8,601</b>

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

### Movements in carrying amounts

Property, plant and equipment - non-current	Freehold land \$'000	Buildings & other infrastructure \$'000	Plant and equipment \$'000	Rights-of-use Assets \$'000	Total \$'000
Opening carrying amount 1 Jan 2020	4,271	4	4,105	221	8,601
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation (Adelaide Office Lease)	-	-	-	(55)	(55)
Transfers	(811)	-	-	-	(811)
Reclassification of Critical Spares	-	-	136	-	136
Depreciation and amortization	-	(2)	(389)	(90)	(481)
Foreign currency movement	-	-	(11)	(10)	(21)
<b>Carrying amount at 31 Dec 2020</b>	<b>3,460</b>	<b>2</b>	<b>3,841</b>	<b>66</b>	<b>7,369</b>

Property, plant and equipment - non-current	Freehold land \$'000	Buildings & other infrastructure \$'000	Plant and equipment \$'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	-	-	-	-	-
Transfers	-	-	-	-	-
Depreciation and amortization	-	(1)	(32)	(77)	(110)
Foreign currency movement	-	-	(7)	1	(6)
<b>Carrying amount at 31 Dec 2019</b>	<b>4,271</b>	<b>4</b>	<b>4,105</b>	<b>221</b>	<b>8,601</b>

## 11. Exploration and Evaluation Assets

	2020 \$'000	2019 \$'000
<b>Exploration and evaluation</b>		
At cost	64,987	63,121
Additions	1,312	2,077
Impairment <sup>1</sup>	-	(198)
Foreign currency movement	(3,047)	(13)
<b>Total exploration and evaluation</b>	<b>63,252</b>	<b>64,987</b>

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	2020 \$'000	2019 \$'000
Tala Hamza Zinc Project (Terramin 65%)	41,043	44,089
Adelaide Hills (Terramin 100%) <sup>1,2</sup>	2,020	1,934
Bird in Hand Gold (Terramin Exploration 100%)	14,509	13,291
South Gawler Ranges (Menninnie Metals 100%) <sup>3</sup>	5,680	5,673
<b>Total exploration and evaluation</b>	<b>63,252</b>	<b>64,987</b>

1. The Company has entered into an agreement with respect to the Kapunda Project, over which the Company has a current Exploration Licence. In December 2019, Environment Copper Recovery Pty Ltd (ECR) can earn, in two stages, up to 75% of the rights over metals which may be recovered via in-situ recovery (ISR) contained in the Kapunda deposit (ASX Announcement: (ASX: THR): Kapunda Copper and Gold). During the period, ECR completed \$2.0 million expenditure to earn 50% interest and has elected to spend a further \$4.0 million to earn an additional 25%. The expenditure by ECR on the project is not reflected in the accounts of the Company, however will contribute to the minimum expenditure obligations under the terms of the Exploration License.

2. The Company entered into an earn-in arrangement with Freeport Exploration Australia Pty Ltd in respect of the Wild Horse project.

3. The Company entered into an earn-in arrangement with Freeport Exploration Australia Pty Ltd in respect of the South Gawler Ranges projects.

## 12. Trade and Other Payables

	2020 \$'000	2019 \$'000
Trade payables	676	261
Other payables and accrued expenses	445	532
Payables and accrued interest on borrowings	5,254	2,563
<b>Total trade and other payables</b>	<b>6,375</b>	<b>3,356</b>

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

## 13. Loans and Borrowings

	2020 \$'000	2019 \$'000
<b>Current liabilities</b>		
Lease liabilities (note 28(d)) <sup>1</sup>	53	113
Loans - secured <sup>2</sup>	23,332	-
Loans - unsecured	-	68
<b>Total current borrowings</b>	<b>23,385</b>	<b>181</b>
<b>Non-current liabilities</b>		
Lease liabilities (note 28(d)) <sup>1</sup>	14	110
Loans - secured <sup>2</sup>	-	21,515
<b>Total non-current borrowings</b>	<b>14</b>	<b>21,625</b>

	2020 \$'000	2019 \$'000
<b>Financing facilities</b>		
Loan facilities - available	23,344	21,515
<b>Loan facilities - drawn</b>	<b>23,344</b>	<b>21,515</b>
Less: unamortised transaction costs	(12)	-
<b>Carrying amount at 31 December</b>	<b>23,332</b>	<b>21,515</b>

	2020 \$'000	2019 \$'000
<b>Guarantee facility</b>		
Guarantee facility - available <sup>3</sup>	5,315	5,315
Guarantee facility - undrawn	-	-
<b>Guarantee facility - drawn</b>	<b>5,315</b>	<b>5,315</b>

- Under AASB 16 lease liabilities represent finance and operating leases, and unwind as lease payments are made.
- At reporting date, the Group had fully drawn down \$23.34 million of two loan facilities provided by Asipac. Interest is fixed at a base rate of 12%, payable upon termination date. The facilities have a term expiring 30 April 2021.
- The \$5.3 million environmental rehabilitation bond required by the South Australian Government over Mining Lease 6229 continued to be supported by a cash backed Commonwealth Bank of Australia (CBA) guarantee.

The carrying value of plant and equipment and mining property subject to finance loans and hire purchase contracts at 31 December 2020 was \$0 (2019: \$2,425). Assets under hire purchase contracts are pledged as security for related finance loans & hire purchase liabilities.

Under the terms of the \$6.0 million BIH facility (**BIH Facility**) and \$13.34 million Standby facility (**Standby Facility**) provided to Terramin Exploration Pty Ltd, 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 and 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

	2020 \$'000	2019 \$'000
<b>Current</b>		
Employee benefits	89	136
<b>Total current provisions</b>	<b>89</b>	<b>136</b>
<b>Non-current:</b>		
Employee benefits	33	30
Mine rehabilitation	5,476	4,880
<b>Total non-current provisions</b>	<b>5,509</b>	<b>4,910</b>

	Employee Benefits \$'000	Mine rehabilitation \$'000	Total \$'000
<b>At 1 January 2020</b>	166	4,880	5,046
Increases in provisions	19	596	615
Paid during the period	(63)	-	(63)
<b>At 31 December 2020</b>	<b>122</b>	<b>5,476</b>	<b>5,598</b>

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 on 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 0.37% risk-free discount rate (2019: 1.23%).

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

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

	2020 \$'000	2019 \$'000
<b>2,116,562,720 (2019: 2,116,562,720)</b>		
Ordinary shares	229,676	229,676
Share issue costs	(5,745)	(5,726)
<b>Total issued capital</b>	<b>223,931</b>	<b>223,950</b>

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price \$	Share Capital \$'000
<b>At 1 Jan 2020</b>		<b>2,116,562,720</b>		<b>223,950</b>
<b>At 31 Dec 2020</b>		<b>2,116,562,720</b>		<b>223,950</b>
Share issue costs				(19)
<b>Issued Capital</b>				<b>223,931</b>

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

## 16. Reserves

### (a) Foreign currency translation reserve

Foreign currency translation reserve	2020 \$'000	2019 \$'000
Balance at the beginning of the year	(6,237)	(6,199)
Adjustment arising on translation into presentation currency	(3,074)	(38)
<b>Balance at the end of the year</b>	<b>(9,311)</b>	<b>(6,237)</b>

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	2020 \$'000	2019 \$'000
Balance at the beginning of the year	298	136
Options value lapsed during the year	(103)	(25)
Options value vested during the year	-	187
<b>Balance at the end of the year</b>	<b>195</b>	<b>298</b>
<b>Total reserves</b>	<b>(9,116)</b>	<b>(5,939)</b>

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 2020 reporting period the CEO received no options (2019: NIL). The 10,000,000 options granted to the CEO in 2018 were valued in accordance with the Black Scholes valuation methodology for which \$0 was recognised as a share based payment expense during the 2019 reporting period (2018: \$187,533).

Mr Richard Taylor stepped down as CEO of the Company in July 2020 prior to tranches 3 and 4 (representing 5,000,000 options) of Mr Taylor's 10,000,000 options vesting, which therefore lapsed.

There were no share rights granted to employees including KMP's during the reporting period.

## 17. Non-controlling Interest

	2020 \$'000	2019 \$'000
Balance at the beginning of the year	13,365	13,577
Share of movement in net assets	(100)	(212)
<b>Balance at the end of the year</b>	<b>13,265</b>	<b>13,365</b>

Movement in non-controlling interest in 2020 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 2020, the Group funded approximately \$0.3 million (2019: \$0.6 million) of exploration and evaluation costs in WMZ, of which ENOF and ORGM are entitled to \$0.1 million (2019: \$0.2 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

	2020 \$'000	2019 \$'000
Prima facie tax benefit on loss before income tax at 30% (2019: 30%)	(1,617)	(1,865)
Decrease in income tax benefit due to:		
(Deductible)/non-deductible items	65	258
Deferred tax asset not brought to account	(1,552)	(1,607)
Research and development tax concession received <sup>1</sup>	-	-
Adjustment to prior year tax losses	-	(7,376)
Unused tax losses for which no deferred tax asset has been recognised	176,734	171,261
Potential tax benefit	53,020	51,378
The applicable weighted average effective tax rates for the reporting period are:	<b>29%</b>	<b>26%</b>

1. Refundable Research and Development Tax Incentive is recognised in Other Income (reported at Government Grant income (Note 4)).

The Company is part of an Australian Tax Consolidated Group.

The Australian Tax Consolidated Group has potential deferred tax assets of \$53.0 million (2019: \$51.4 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:

- the Australian Tax Consolidated Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be realised;*
- the Australian Tax Consolidated Group can comply with the conditions for deductibility imposed by tax legislation; and*
- 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:

	2020 \$'000	2019 \$'000
Loss for the period	(5,391)	(5,611)
<b>Adjustment for:</b>		
Depreciation and amortisation	481	110
Non-cash inventory movements	-	-
Share-based payment transactions (other)	(103)	187
Amortisation of borrowing costs	15	826
Impairment of non-current assets	121	198
Mine rehabilitation provision - change in assumptions (including discount unwind and cost revision)	596	187
<b>Change in operating assets and liabilities: As</b>		
Decrease/(increase) in trade and other receivables	(342)	(11)
Decrease/(increase) in prepayments	309	(1)
(Decrease)/increase in payables and accruals	2,775	1,662
(Decrease)/increase in provisions	(44)	(46)
<b>Cashflow (used in) operating activities</b>	<b>(1,583)</b>	<b>(2,499)</b>

## 20. Related Parties

### (a) Key management personnel compensation

Summary of Key Management Personnel (KMP) compensation:

	2020 \$	2019 \$
Short-term employee benefits	673,123	644,688
Long-term employee benefits	(19,591)	(1,912)
Post-employment benefits	37,507	38,804
Termination benefits	-	-
Share-based payments	(103,489)	187,533
<b>Total KMP compensation</b>	<b>587,550</b>	<b>869,113</b>

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 2020, Asipac owned 39.07% of the ordinary shares in Terramin (2019: 39.07%) 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	2020 \$'000	2019 \$'000
Borrowings as at 1 January	21,515	17,250
Loans advanced during the year	1,830	9,300
Loan repayments in the year	-	(5,036)
<b>Borrowings as at 31 December</b>	<b>23,344</b>	<b>21,515</b>

### Related Party Transactions

Loan facility fees paid	-	(1,230)
Loan facility fees incurred	28	1,230
Interest paid	-	(970)
Interest incurred	5,205	3,513

### Related Party Balance

Amounts owed at year end	5,233	2,543
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### 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.

During the previous reporting period, the Company and its subsidiary Terramin Exploration Pty Ltd entered into an agreement with major shareholder Asipac Group Pty Ltd to restructure its Facility Agreements. Under this agreement refinancing and marketing fees were waived, along with the waiver of the right to negotiate an offtake agreement for BiH, in return for a 3% NSR royalty on gold production from BiH. In the event that BiH production is less than 500koz the royalty shall extend to Terramin's wholly owned South Australian gold tenements until a total of 500koz is reached. The term of the facilities were also extended to 30 April 2021.

## 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	2020 \$'000	2019 \$'000
<b>Current</b>			
Cash and cash equivalents	7	5,445	6,300
Trade and other receivables	9	50	178
Trade and other payables	12	(6,375)	(3,356)
Financial liabilities at amortised cost	13	(23,344)	(21,515)
<b>Total current financial instruments</b>		<b>(24,224)</b>	<b>(18,393)</b>

### 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, Euros (EUR) 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 (2019: \$nil).

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

In AUD thousand equivalent	31 December 2020			31 December 2019		
	USD	EUR	DZD	USD	EUR	DZD
Cash at bank	-	-	-	-	-	1
Trade receivables	-	-	-	-	-	6
Trade payables	(40)	(29)	-	-	-	(74)
Gross exposure	(40)	(29)	-	-	-	(67)

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

Currency Exchange Rates	Currency	2020	2019
Year-end rates used for the consolidated statement of financial position, to translate the currencies into AUD, are:	USD	0.77	0.70
	EUR	0.62	0.62
	DZD	100.91	83.10

#### Sensitivity Analysis

Sensitivity to fluctuations in foreign currency rates is based on outstanding monetary items at 31 December 2020 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) 2020	Effective interest rate	Total \$'000	Floating Int rate \$'000	Fixed interest rate
Cash <sup>1</sup>	0.00%	105	105	-
Restricted cash	0.00%	5	5	-
Short-term deposits <sup>1</sup>	0.14%	5,335	5,335	-
Finance lease liabilities	14.50%	-	-	-
Loans <sup>1</sup>	12.00%	(23,344)	-	(23,344)
<b>Total (Net)</b>		<b>(17,899)</b>	<b>5,445</b>	<b>(23,344)</b>

Net Financial Assets (Liabilities) 2019	Effective interest rate	Total \$'000	Floating Int rate \$'000	Fixed interest rate
Cash <sup>1</sup>	1.20%	960	960	-
Restricted cash	0.00%	5	5	-
Short-term deposits <sup>1</sup>	1.20%	5,335	5,335	-
Finance lease liabilities	14.50%	(2)	-	(2)
Loans <sup>2</sup>	12.00%	(21,515)	-	(21,515)
<b>Total (Net)</b>		<b>(15,217)</b>	<b>6,300</b>	<b>(21,517)</b>

- Includes AUD and USD denominated balances.
- The facilities currently have an expiry date of 30 April 2021. The interest rate is 12%.

#### 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% (2019: +/- 1%):

	\$'000	\$'000
Interest Rate Sensitivity	+1%	-1%
Loans - 31 December 2020	(233)	233
Loans - 31 December 2019	(215)	215

## 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	2020 \$'000	2019 \$'000
Trade and other receivables	9	50	178
Cash assets	7	5,445	6,300
<b>Total financial assets</b>		<b>5,495</b>	<b>6,478</b>

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	2020 \$'000	2019 \$'000
Australia		50	172
USA		-	-
Other		-	6
<b>Total trade and other receivables</b>	<b>9</b>	<b>50</b>	<b>178</b>

## 3. Liquidity risk

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

2020	Note	Carrying amount <sup>1</sup> \$'000	Contractual cash flows <sup>2</sup> \$'000	6 months or less <sup>3</sup> \$'000	6-12 Months <sup>3</sup> \$'000	1-2 years <sup>3</sup> \$'000	2-5 years <sup>3</sup> \$'000	More than 5 years <sup>3</sup> \$'000
<b>Non-derivative financial liabilities</b>								
Trade and other payables	12	6,375	(6,375)	(6,375)	-	-	-	-
Loans - secured	13	23,344	(28,577)	(28,577)	-	-	-	-
Finance lease liabilities	28(b)	-	-	-	-	-	-	-
<b>Total non-derivative financial liabilities</b>		<b>29,719</b>	<b>(34,952)</b>	<b>(34,952)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2019	Note	Carrying amount <sup>1</sup> \$'000	Contractual cash flows <sup>2</sup> \$'000	6 months or less <sup>3</sup> \$'000	6-12 Months <sup>3</sup> \$'000	1-2 years <sup>3</sup> \$'000	2-5 years <sup>3</sup> \$'000	More than 5 years <sup>3</sup> \$'000
<b>Non-derivative financial liabilities</b>								
Trade and other payables	12	3,356	(3,356)	(3,356)	-	-	-	-
Loans - secured	13	21,515	(24,129)	-	-	(24,129)	-	-
Loans - unsecured	13	-	-	-	-	-	-	-
Finance lease liabilities	28(b)	2	(2)	(1)	(1)	-	-	-
<b>Total non-derivative financial liabilities</b>		<b>24,873</b>	<b>(27,487)</b>	<b>(3,357)</b>	<b>(1)</b>	<b>(24,129)</b>	<b>-</b>	<b>-</b>

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.

3. 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	2020	2019
<b>Parent Entity</b>			
Terramin Australia Limited	Australia		
<b>Subsidiaries of parent entity</b>			
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-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Western Mediterranean Zinc Spa	35%	35%	(100)	(212)	13,265	13,365

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

	2020 \$'000	2019 \$'000
Current assets	10	9
Non-current assets	41,104	44,207
<b>Total assets</b>	<b>41,114</b>	<b>44,216</b>
Current liabilities	88	108
Non-current liabilities	10	45
<b>Total liabilities</b>	<b>98</b>	<b>153</b>
	2020 \$'000	2019 \$'000
Revenue	-	-
Loss for the year	(280)	(608)
Other comprehensive income for the year (all attributable to owners of the parent)	-	-
<b>Total comprehensive loss for the year</b>	<b>(280)</b>	<b>(608)</b>
Net cash (used in) operating activities	(226)	(433)
Net cash used in investing activities	201	-
Net cash from financing activities	-	403
<b>Net cash (outflow)</b>	<b>(25)</b>	<b>(30)</b>
<b>Cash Balance as at 31 December</b>	<b>3</b>	<b>1</b>

## 24. 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Other Income						
External customers	485	871	-	-	485	871
<b>Total Other Income</b>	<b>485</b>	<b>871</b>	<b>-</b>	<b>-</b>	<b>485</b>	<b>871</b>
<b>Results</b>						
Raw materials, consumables and other direct costs	(361)	(420)	-	-	(361)	(420)
Employee benefits & share based payments expense	(326)	(1,225)	-	-	(326)	(1,225)
Depreciation and amortisation	(451)	(92)	(30)	(18)	(481)	(110)
Exploration and evaluation expensed	-	(198)	(250)	(590)	(250)	(788)
Assets held for sale impairment	(121)	-	-	-	(121)	-
Mine rehabilitation obligation expense	(555)	(70)	-	-	(555)	(70)
Other expenses	(990)	(838)	-	-	(990)	(838)
Net finance costs	(2,792)	(3,031)	-	-	(2,792)	(3,031)
<b>(Loss) before income tax</b>	<b>(5,111)</b>	<b>(5,003)</b>	<b>(280)</b>	<b>(608)</b>	<b>(5,391)</b>	<b>(5,611)</b>
Income tax expense	-	-	-	-	-	-
(Loss) for the year for the operating segment	(5,111)	(5,003)	(280)	(608)	(5,391)	(5,611)
(Loss) for the year attributable to non-controlling interest	-	-	(100)	(212)	(100)	(212)
<b>(Loss) for the year attributable to equity holders of the Company</b>	<b>(5,111)</b>	<b>(5,003)</b>	<b>(180)</b>	<b>(396)</b>	<b>(5,291)</b>	<b>(5,399)</b>
<b>Operating assets</b>	<b>36,129</b>	<b>36,450</b>	<b>41,114</b>	<b>44,216</b>	<b>77,243</b>	<b>80,666</b>
<b>Operating liabilities</b>	<b>35,274</b>	<b>30,055</b>	<b>98</b>	<b>153</b>	<b>35,372</b>	<b>30,208</b>
<b>Other disclosures</b>						
Capital expenditure <sup>1</sup>	1,311	2,077	-	-	1,311	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.

## 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.

During the calendar year 2018, 10,000,000 options were granted to the Group's CEO. Details of the options granted to the CEO are summarised in the notes that follow. No options were granted to KMP's during the calendar year 2019. Mr Richard Taylor stepped down as CEO of the Company during the year prior to tranches 3 and 4 (representing 5,000,000 options) of Mr Taylor's 10,000,000 options vesting, and therefore lapsed. The options outstanding at 31 December 2019 have a weighted average contractual life of 3.0 years (2019: 3.4 years). A balance of 5,000,000 options were outstanding for the Group at 31 December 2020.

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

	Weighted average exercise price 2020	Number of options 2020	Weighted average exercise price 2019	Number of options 2019
Outstanding at 1 January	\$0.293	10,000,000	\$0.293	10,000,000
Granted during the period	\$0.00	-	\$0.00	-
Exercised during the period	\$0.00	-	\$0.00	-
Lapsed during the year	\$0.360	(5,000,000)	\$0.00	-
Outstanding at 31 December	\$0.225	5,000,000	\$0.293	10,000,000
Exercisable at 31 December	\$0.225	5,000,000	\$0.225	5,000,000

### (b) Options exercised during the year

There were not options exercised during the reporting period (2019: Nil).

### (c) Table of share options movement for the Group at 31 December 2020

Expiry Date	Number of options	Options expense this year \$'000	Total option value \$'000
<b>Opening balance 1 January 2020</b>	10,000,000	298	371
Granted during the period	-	-	-
Lapsed during the period	(5,000,000)	(103)	(176)
<b>Closing balance 31 December 2020</b>	<b>5,000,000</b>	<b>195</b>	<b>195</b>

### (d) Table of share options movement for the Group at 31 December 2019

Expiry Date	Number of options	Options expense this year \$'000	Total option value \$'000
<b>Opening balance 1 January 2019</b>	10,000,000	111	371
Granted during the period	-	187	-
Lapsed during the period	-	-	-
<b>Closing balance 31 December 2019</b>	<b>10,000,000</b>	<b>298</b>	<b>371</b>



## 26. Employee Option Plan

### (a) Current Options

No options were granted, no options were exercised and 5,000,000 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 2020	10,000,000	\$0.293 <sup>2</sup>	370,750
Granted during the financial year <sup>1</sup>	-	\$0.00	-
<b>Balance as at 31 December 2020</b>	<b>10,000,000</b>	<b>\$0.293</b>	<b>370,750</b>
Lapsed during the financial year	(5,000,000)	\$0.360	(175,750)
<b>Balance as at 31 December 2020</b>	<b>5,000,000</b>	<b>\$0.225<sup>2</sup></b>	<b>195,000</b>

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 Vested Dec-20	Tranche B Vested Dec-20	Tranche C Lapsed Dec-20	Tranche D Lapsed Dec-20
Total fair value at grant date <sup>1</sup>	\$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. The lapsed options represent \$175,750 of the 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 2020 was based on the net loss attributable to owners of the Company of \$5.3m (2019: \$5.4m) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2020 of 2,116,562,720 (2019: 1,889,222,958), calculated as follows:

	2020 \$'000	2019 \$'000
Net loss for the year attributable to the owners of the Company	(5,291)	(5,399)
Ordinary shares on issue	2,116,562,720	2,116,562,720
Weighted average number of shares	2,116,562,720	1,889,222,958
<b>Basic earnings per share (cents)</b>	<b>(0.25)</b>	<b>(0.29)</b>

### (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) 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.

Adelaide Hills fold belt tenements have an amalgamated minimum expenditure of \$2.32 million over 1 year expiring on 30 June 2021 and represents a portion of the total minimum expenditure. The 12 month Covid-19 Exploration Expenditure Waiver announced by the Minister for Energy and Mining on 2 April 2020 reduces this commitment to \$0.58 million, on a pro-rata basis (\$2.32 million x 25%). The Wild Horse and Ulooloo tenements are excluded from the Adelaide Hills fold belt amalgamated minimum expenditure arrangement.

The minimum expenditure for the Wild Horse tenement is \$75,000 over 1 year expiring on 8 September 2021.

The minimum expenditure for the Ulooloo tenement is \$100,000 over 2 years expiring on 18 December 2020. A renewal application was submitted on 18 November 2020 and remains outstanding at the reporting date.

South Gawler project tenements have an amalgamated minimum expenditure of \$1.5 million over 2 years expiring on 3 July 2021 and represents a portion of the total minimum expenditure.

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

### (b) Lease commitments

	2020 \$'000	2019 \$'000
Within 1 year	-	2
Longer than 1 year and not longer than 5	-	-
Minimum lease payments	-	2
Less: future finance charges	-	-
Total lease liabilities	-	2
<b>Representing</b>		
Current	-	2
Non-current	-	-
Total lease liabilities	-	2

All finance leases were fully repaid during the reporting period. The interest rate implicit in the lease was 14.5%.

### (c) Other commitments and contingencies

#### 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.

#### Asipac Royalty

On 28 October 2019, the Company and its subsidiary Terramin Exploration Pty Ltd entered into an agreement with major shareholder Asipac Group Pty Ltd to restructure its Facility Agreements. Under this agreement refinancing and marketing fees are waived, along with the waiver of the right to negotiate an offtake agreement for BiH, in return for a 3% NSR royalty on gold production from BiH. In the event that BiH production is less than 500koz the royalty shall extend to Terramin's wholly owned South Australian gold tenements until a total of 500koz is reached.

#### Properties held for sale in Strathalbyn, South Australia

At the reporting date, the Company had entered into contracts for the sale of two properties adjacent to the Angas Zinc Mine that are outside the Mine Area. Since the reporting date, one property has settled whilst a new contract has been signed for the sale of the other property.

#### Bank Guarantees - Angas Zinc Mine

As at 31 December 2020, the Company had bank guarantees with a face value of \$5.3 million lodged with the South Australian (SA) Government. During the year, the SA Department for Energy and Mining formally reviewed AZM's rehabilitation obligations and applied a \$360,000 CPI increase. This increase to the bank guarantees is due in 2021.

#### Litigation

During the reporting period, the Company concluded its pursuit of litigation in South Australia regarding a non-complying planning approval of a neighbouring property and two cases related to land access under the Mining Act 1971.

### 29. Events After the Reporting Date

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.

### 30. Parent Entity Disclosures

As at, and throughout, the financial year ending 31 December 2020 the parent Company of the Group was Terramin Australia Limited.

	2020 \$'000	2019 \$'000
<b>Result of the parent entity</b>		
Loss for the period	(8,465)	(5,649)
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>(8,465)</b>	<b>(5,649)</b>
<b>Financial position of parent entity</b>		
Current assets	6,234	6,533
<b>Total assets</b>	<b>68,947</b>	<b>73,022</b>
Current liabilities	21,564	2,073
<b>Total liabilities</b>	<b>27,076</b>	<b>22,564</b>
<b>Total equity of the parent entity comprising of:</b>		
Share capital	223,931	223,950
Reserves	195	298
Accumulated losses	(182,255)	(173,790)
<b>Total equity</b>	<b>41,871</b>	<b>50,458</b>

#### 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 2020.

#### 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

<b>Tenement listing</b>							
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 <sup>1</sup>	EL 5924	348km <sup>2</sup>	26/10/2021	100%	\$1,680,000 over 3 years		
Cambrai - South Australia <sup>1</sup>	EL 6540	89km <sup>2</sup>	20/07/2022	100%	\$120,000 over 3 years		
Pfeiffer - South Australia <sup>1</sup>	EL 6228	154km <sup>2</sup>	21/11/2022	100%	\$270,000 over 3 years		
Tepko - South Australia <sup>1</sup>	EL 6267	778km <sup>2</sup>	7/10/2023	100%	\$630,000 over 3 years		
Wild Horse - South Australia <sup>3</sup>	EL 5846	462km <sup>2</sup>	8/09/2021	100%	\$75,000 over 1 year		

## Terramin Exploration Pty Ltd (100% Terramin)

<b>Tenement listing</b>							
Title name and locations	Licence number	Licence area	Expiry date	Interest	Minimum expenditure		Application for renewal of licence lodged
Bird in Hand Mineral Claim	MC 4473	194.78ha	-	100%	Not applicable		
Kapunda - South Australia <sup>1</sup>	EL 6198	547km <sup>2</sup>	27/04/2023	100%	\$1,080,000 over 3 years		
Lobethal - South Australia <sup>1</sup>	EL 6447	221km <sup>2</sup>	31/08/2021	100%	\$800,000 over 2 years		
Mount Barker - South Australia <sup>1</sup>	EL 6154	118km <sup>2</sup>	24/02/2023	100%	\$480,000 over 3 years		
Mount Pleasant - South Australia <sup>1</sup>	EL 5805	301km <sup>2</sup>	29/03/2021	100%	\$900,000 over 3 years		22/12/2020
Mount Torrens - South Australia <sup>1</sup>	EL 6319	93km <sup>2</sup>	24/02/2021	100%	\$640,000 over 2 years		15/01/2021
Ulooloo – South Australia	EL 6293	103km <sup>2</sup>	18/12/2020	100%	\$100,000 over 2 years		18/11/2020

## Western Mediterranean Zinc Spa (65% Terramin)

<b>Tenement listing</b>							
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)

<b>Tenement listing</b>							
Title name and locations	Licence number	Licence area	Expiry date	MMPL Interest	Minimum expenditure		Application for renewal of licence lodged
Kolendo - South Australia <sup>2,3</sup>	EL 6413	208km <sup>2</sup>	26/07/2021	100%	\$400,000 over 2 years		
Menninnie - South Australia <sup>2,3</sup>	EL 5949	101km <sup>2</sup>	26/10/2021	100%	\$960,000 over 3 years		
Mt Ive - South Australia <sup>2,3</sup>	EL 6200	214km <sup>2</sup>	20/06/2023	100%	\$300,000 over 3 years		
Mt Ive South - South Australia <sup>3</sup>	EL 6412	394km <sup>2</sup>	19/06/2021	100%	\$280,000 over 2 years		
Mulleroo - South Australia <sup>2,3</sup>	EL 5855	210km <sup>2</sup>	19/09/2021	100%	\$150,000 over 3 years		
Nonning - South Australia <sup>2,3</sup>	EL 5925	312km <sup>2</sup>	30/11/2021	100%	\$720,000 over 3 years		
Peltabinna – South Australia <sup>3</sup>	EL 6290	637km <sup>2</sup>	11/12/2020	100%	\$180,000 over 2 years		6/11/2020
Tanner - South Australia <sup>3</sup>	EL 6414	354km <sup>2</sup>	31/07/2021	100%	\$260,000 over 2 years		
Taringa - South Australia <sup>2,3</sup>	EL 5816	988km <sup>2</sup>	20/02/2021	100%	\$750,000 over 3 years		2/09/2020
Thurlga - South Australia <sup>3</sup>	EL 6479	951km <sup>2</sup>	27/11/2021	100%	\$480,000 over 2 years		
Unalla - South Australia <sup>2,3</sup>	EL 6179	155km <sup>2</sup>	6/06/2023	100%	\$270,000 over 3 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.
3. The Wild Horse and Menninnie Metals (South Gawler Ranges) tenements are subject to an earn-in agreement with Freeport Exploration Australia Pty Ltd

## Reserves and Resources

Terramin's Mineral Resource and Ore Reserve estimates as at 31 December 2019 and 31 December 2020 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 2020 estimates are included on pages 9 and 46 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

	Terramin Interest (%)	Measured Resource			Indicated Resource			Inferred Resource			Total Resources		
		Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)
<b>2019</b>													
Tala Hamza	65				44.2	5.54	1.44	8.9	4.0	0.7	53.0	5.3	1.3
Angas	100				0.66	4.68	1.81	0.25	2.8	1.3	0.91	4.2	1.7
Sunter	100				0.13	5.70	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
<b>Total (100%)</b>					<b>44.99</b>	<b>5.53</b>	<b>1.45</b>	<b>17.09</b>	<b>2.16</b>	<b>1.57</b>	<b>61.99</b>	<b>4.62</b>	<b>1.47</b>
<b>Total (Terramin share 2018)</b>					<b>29.53</b>	<b>5.20</b>	<b>1.45</b>	<b>13.98</b>	<b>3.46</b>	<b>1.77</b>	<b>43.44</b>	<b>4.87</b>	<b>1.54</b>
<b>2020</b>													
Tala Hamza <sup>1,2</sup>	65				44.2	5.54	1.44	8.9	4.0	0.7	53.0	5.3	1.3
Angas <sup>4,5</sup>	100				0.66	4.68	1.81	0.25	2.8	1.3	0.91	4.2	1.7
Sunter <sup>4,6</sup>	100				0.13	5.70	2.31	0.24	2.9	1.2	0.38	3.8	1.6
Menninnie Dam <sup>7,8</sup>	100							7.7	3.1	2.6	7.7	3.1	2.6
<b>Total (100%)</b>					<b>44.99</b>	<b>5.53</b>	<b>1.45</b>	<b>17.09</b>	<b>2.16</b>	<b>1.57</b>	<b>61.99</b>	<b>4.62</b>	<b>1.47</b>
<b>Total (Terramin share)</b>					<b>29.53</b>	<b>5.20</b>	<b>1.45</b>	<b>13.98</b>	<b>3.46</b>	<b>1.77</b>	<b>43.44</b>	<b>4.87</b>	<b>1.54</b>

### Table of Resources – Gold

	Terramin Interest (%)	Indicated Resource			Inferred Resource			Total Resources					
		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)	
<b>2019</b>													
Bird in Hand	100	432	14.4	7.56	220	9.2	2.4	650	12.6	265	5.8	122	
<b>Total (100%)</b>	-	<b>432</b>	<b>14.4</b>	<b>7.56</b>	<b>220</b>	<b>9.2</b>	<b>2.4</b>	<b>650</b>	<b>12.6</b>	<b>265</b>	<b>5.8</b>	<b>122</b>	
<b>Total (Terramin share 2018)</b>	-	<b>432</b>	<b>14.4</b>	<b>7.56</b>	<b>220</b>	<b>9.2</b>	<b>2.4</b>	<b>650</b>	<b>12.6</b>	<b>265</b>	<b>5.8</b>	<b>122</b>	
<b>2020</b>													
Bird in Hand <sup>9,10</sup>	100	432	14.4	7.56	220	9.2	2.4	650	12.6	265	5.8	122	
<b>Total (100%)</b>	-	<b>432</b>	<b>14.4</b>	<b>7.56</b>	<b>220</b>	<b>9.2</b>	<b>2.4</b>	<b>650</b>	<b>12.6</b>	<b>265</b>	<b>5.8</b>	<b>122</b>	
<b>Total (Terramin share)</b>	-	<b>432</b>	<b>14.4</b>	<b>7.56</b>	<b>220</b>	<b>9.2</b>	<b>2.4</b>	<b>650</b>	<b>12.6</b>	<b>265</b>	<b>5.8</b>	<b>122</b>	

## Reserves and Resources (continued)

### Table of Resources – Copper

	Terramin Interest (%)	Indicated Resource		Inferred Resource		Total Resources	
		Tonnes (Mt)	Cu (%)	Tonnes (Mt)	Cu (%)	Tonnes (Mt)	Cu (%)
<b>2019</b>							
Kapunda	100			47.4	0.25	47.4	0.25
<b>Total (100%)</b>	-			<b>47.4</b>	<b>0.25</b>	<b>47.4</b>	<b>0.25</b>
<b>Total (Terramin share)</b>	-			<b>47.4</b>	<b>0.25</b>	<b>47.4</b>	<b>0.25</b>
<b>2020</b>							
Kapunda <sup>11, 12, 13</sup>	100			47.4	0.25	47.4	0.25
<b>Total (100%)</b>	-			<b>47.4</b>	<b>0.25</b>	<b>47.4</b>	<b>0.25</b>
<b>Total (Terramin share)</b>	-			<b>47.4</b>	<b>0.25</b>	<b>47.4</b>	<b>0.25</b>

### Table of Reserves – Lead Zinc

	Terramin Interest (%)	Probable Reserve			Total Reserve		
		Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)
<b>2019</b>							
Tala Hamza	65	25.9	6.3	1.8	25.9	6.3	1.8
<b>Total (100%)</b>	-	<b>25.9</b>	<b>6.3</b>	<b>1.8</b>	<b>25.9</b>	<b>6.3</b>	<b>1.8</b>
<b>Total (Terramin share 2018)</b>	-	<b>16.8</b>	<b>6.3</b>	<b>1.8</b>	<b>16.8</b>	<b>6.3</b>	<b>1.8</b>
<b>2020</b>							
Tala Hamza <sup>2, 3</sup>	65	25.9	6.3	1.8	25.9	6.3	1.8
<b>Total (100%)</b>	-	<b>25.9</b>	<b>6.3</b>	<b>1.8</b>	<b>25.9</b>	<b>6.3</b>	<b>1.8</b>
<b>Total (Terramin share)</b>	-	<b>16.8</b>	<b>6.3</b>	<b>1.8</b>	<b>16.8</b>	<b>6.3</b>	<b>1.8</b>

- 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%.
- 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.
- Reserve cut off grade at Tala Hamza is 4.5% ZnEq (JORC 2012).
- Resources for Angas and Sunter (JORC 2004) are estimated at a cut off of 2% Pb+Zn.
- Angas Resources as at 1 Jan 2013. Resources exclude oxide and transitional material.
- Sunter Resources as at 29 November 2011. Resources exclude oxide and transitional material.
- Resources for Menninnie Dam (JORC 2004) are estimated at a cut off of 2.5% Pb+Zn.
- Menninnie Dam Resources as at 15 February 2011. Resources exclude oxide and transitional material.
- Resources for Bird in Hand (JORC 2012) are estimated at a cut off of 1g/t Au.
- Bird in Hand Resources as at 30 October 2018.
- Resource for Kapunda (JORC 2012) estimated at a cut off of 0.05% Cu. Resource excludes primary sulphide material.
- Kapunda Resource as at 12 February 2018.
- 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 was 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 26 February 2021, there were 2,436 holders of a total of 2,116,562,720 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 26 February 2021, there was 1 holder of a total of 5,000,000 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 26 February 2021

Number of securities	Fully paid ordinary shares	Unlisted options
1 – 1,000	478	0
1,001 – 5,000	658	0
5,001 – 10,000	298	0
10,001 – 100,000	711	0
100,001 – and over	291	1
<b>Total</b>	<b>2,436</b>	<b>1</b>

As at 26 February 2021, there were 1,461 shareholdings of less than a marketable parcel.

## Substantial Shareholders

As at 26 February 2021, the following shareholders were substantial shareholders, as disclosed in substantial shareholder notices given to the Company:

Shareholder		
Asipac Group Pty Ltd	827,023,014	39.07
Citycorp Nominees Pty Limited	289,242,843	13.67
BNP Paribas Noms Pty Ltd <DRP>	208,605,725	9.86
HSBC Custody Nominees (Australia) Limited	147,276,993	6.96

# 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 26 February 2021 are:

Shareholder	Number of shares	% Issued capital
Asipac Group Pty Ltd	827,023,014	39.07
Citycorp Nominees Pty Limited	289,242,843	13.67
BNP Paribas Noms Pty Ltd <DRP>	208,605,725	9.86
HSBC Custody Nominees (Australia) Limited	147,276,993	6.96
J P Morgan Nominees Australia Pty Limited	77,402,953	3.66
China Non-Ferrous Metals Industry's Foreign Engineering and Construction	67,800,000	3.20
New Asia Wealth Investment Holding (SG) Pte Ltd	57,185,513	2.70
Fly Wealth Investment Pty Ltd <Fly Wealth Investment A/C>	35,800,000	1.69
Mr Jing Wang	35,399,949	1.67
BYMG Capital Pty Ltd<BYMG Australia IPO T2 A/C>	18,747,243	0.89
Mr Julian Paul Leach	18,685,187	0.88
Auway Finance Group Pty Ltd	17,857,143	0.84
Ms Er Xu	17,511,817	0.83
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	16,028,910	0.76
Silver Springs Investment Pty Ltd <Wendy Li Family A/C>	15,580,967	0.74
HSBC Custody Nominees (Australia) Limited	11,382,954	0.54
Enterprise Flourishing Pty Ltd <Li Jun Family A/C>	10,000,000	0.47
Huge Field Investment Ltd	10,000,000	0.47
BYMG Capital Pty Ltd <BYMG Australia IPO T3 A/C>	8,919,047	0.42
Mr Peter Joseph McGuire	8,000,000	0.38
<b>Total</b>	<b>1,898,450,258</b>	<b>89.69</b>

## 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 26 February 2021:

Class of unquoted securities	Number of securities held	% of securities in class
<b>Unlisted options</b>		
Richard Taylor	5,000,000	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 can be found on the [Company's website](#).



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