



28 Apr 2022

March 2022 quarterly activities report

QUARTER 1 HIGHLIGHTS

Bird in Hand Gold Project

- Terramin has continued to progress the Mining Lease Application for its Bird in Hand Gold Project. The South Australian mining regulator continues to progress its final assessment of this application.

Tala Hamza Zinc Project

- Final regulatory approval of the Tala Hamza Zinc Project is proceeding following the formal endorsement of Tala Hamza by the Algerian joint venture partners.
- Terramin has agreed to transfer 16% of its interest to its joint venture partners to ensure that the partnership conforms to Algerian government regulations and will enable the project to receive significant commercial concessions.

Kapunda In Situ Copper Recovery Project

- Terramin's joint venture partner, has successfully completed its first phase of its in ground test.

South Gawler Ranges Project

- Terramin has entered into a \$10.5 million Exploration Agreement with Japan Oil, Gas and Metals National Corporation.

Wild Horse Exploration

- A drill hole targeting the Wild Horse anomaly has been successfully completed.

Corporate

- The Company's total cash balance¹ was \$5.72 million at the end of the quarter.

1. Please refer to Footnote 1 on page 7 of this report.

BIRD IN HAND GOLD PROJECT & ANGAS ZINC MINE SITE

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

The Bird in Hand Gold Project (BIHGP) is located approximately 30km north of Terramin's existing mining and processing facilities at the Angas Zinc Mine (Angas). The project has a high-grade Resource of 650,000 tonnes at 12.6g/t for 265,000 ounces of gold. A feasibility study showed that the BIHGP expected to generate a post-tax NPV₈ of \$141 million with an IRR of 80.5% over approximately 4 years of production. The project's base case projection is to produce an average of 44,700 ounces of gold per annum at a low C1 cash cost of \$737 per ounce and an all-in sustaining cost of \$959 per ounce. It is anticipated that, subject to required regulatory approvals, the Bird in Hand ore will be processed utilising the facilities at Angas which can be modified to process gold-bearing material. The existing tailings dam at Angas has the capacity to hold Bird in Hand tailings.

Terramin has continued to progress the Mining Lease Application for its BIHGP and the Miscellaneous Purpose Licence to allow the Angas site to treat the Bird in Hand ore. The South Australian Department for Energy and Mining (DEM) has continued to progress its assessment and is in the final phase of its assessment and approval process.

The Program for Environment Protection and Rehabilitation (PEPR) has been largely finalised and is ready for submission.

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

The Angas site continued to be maintained in accordance with the DEM approved Mine Care and Maintenance Plan and is operating in compliance with its lease conditions.

Expenditure on the BIHGP and Angas site during the quarter was \$0.3 million (noting that this number includes care and maintenance costs at Angas).

TALA HAMZA ZINC PROJECT

100% owned by Western Mediterranean Zinc Spa (WMZ)

Terramin holds a 49% shareholding in WMZ. The remaining 51% is held by two Algerian government-owned companies: Entreprise Nationale des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (48.5%) and Office National de Recherche Géologique et Minière (ORGM) (2.5%).

Terramin is pleased to advise that the final regulatory approval of the Tala Hamza Zinc Project (Tala Hamza) is now proceeding following the formal endorsement of Tala Hamza by Terramin's Algerian joint venture partners.

In 2020, Terramin completed an optimisation study in respect of Tala Hamza and presented this study to our Algerian joint venture partners, ENOF and ORGM. At a joint venture meeting held in March, the joint venture partners endorsed this study and agreed to advance the project towards development ('Decision to Mine').

The 'Decision to Mine' clears the path for the issue of the mining permit which will be issued by the Algerian mining regulator (ANAM). WMZ has subsequently lodged all required documentation with ANAM and has received the requisite environmental clearance from the local government authority.

During the quarter, in commercial discussions with our joint venture partners, Terramin has agreed to transfer 16% of its interest to its joint venture partners to ensure that the partnership conforms to Algerian government regulations in regard to the ownership of strategic assets. The new ownership structure of the joint venture will enable the project to receive significant commercial concessions, including provision of land access and substantial corporate taxation exemptions. Terramin will retain a 49% interest in Tala Hamza and will have management rights over the project.

Consultation with the local community is ongoing with the Algerian project team focused on land access and the provision of water extraction licenses.

Expenditure on Tala Hamza during the quarter was \$0.07 million.

KAPUNDA IN SITU COPPER RECOVERY PROJECT

25% free carried interest until completion of project thresholds

The Kapunda In Situ Copper Recovery Project is located near the township of Kapunda which is approximately 90km north of Adelaide. The project is focused on the recovery of copper and gold from a historical mining area through the use of in situ recovery. The project has a resource of 47.4 million tonnes at 0.25% copper containing 119,000 tonnes of copper.

During the quarter, our joint venture partner, Environmental Copper Recovery Pty Ltd (ECR) successfully completed its tracer test with results matching modelled predictions. ECR are currently reviewing baseline environmental data before starting lixiviant trials with biodegradable Methane Sulphonic Acid to test the extraction of copper. As part of this work, surface geophysical techniques will be trialed to monitor groundwater movement.

Laboratory scale testing on Kapunda groundwater samples using Ion exchange technology is underway to test resin loading and stripping with initial results looking promising.

ECR were recognized in CORE Innovation Hub's Hot 30 awards for the top 30 most Innovative companies in Australia.

To further the successful work at Kapunda, ECR are currently in due diligence discussions with a number of interested equity parties to undertake a mining lease application and build a small pilot plant for copper extraction.

EXPLORATION PROJECTS

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

The Adelaide Hills Project consists of eleven contiguous exploration tenements that cover 3,481km² and stretch from Lake Alexandrina to Kapunda. This project area is considered highly prospective for gold, copper, lead, zinc and rare earth elements.

Terramin's South Gawler Ranges Project is located along the southern margin of the Gawler Ranges, northern Eyre Peninsula, South Australia. The project comprises a group of eleven Exploration Licenses totaling 4,524km².

Wild Horse (Earn -in Agreement with Newmont Exploration Holdings Pty Ltd)

A drill hole which targets the distinct Wild Horse aerial magnetic anomaly has been successfully completed. The magnetic body is 1,300 metres by 2,000 metres and has been modelled from a depth of approximately 100 metres to 1,400 metres.

The drill core is currently being prepared for assaying.

South Gawler Ranges Project (SGRP) (Exploration Agreement with JOGMEC)

In March, Terramin entered into an agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC) for exploration of the SGRP. JOGMEC is a Japanese Government Independent Administration Institution tasked to ensure a stable supply of mineral resources for Japan. JOGMEC has a demonstrated track record of participating in the Australian mineral exploration industry.

The SGRP is an underexplored, highly prospective multi-commodity asset with potential to host significant Iron Oxide Copper Gold (IOCG) mineralisation alongside epithermal Ag-Pb-Zn deposits, tin-tungsten and copper gold skarns along with potential porphyry systems. The project includes the Menninnie Dam and Viper Deposits which hosts a JORC 2004 compliant inferred resources totaling 7.7Mt at 5.7% Zn+Pb and 27g/t Ag at a 2.5% Zn-Pb cut-off and remains open at depth and along strike (ASX announcement 1st March 2011). Hematite-rich hydrothermal breccias comparable to those in the Olympic Dam IOCG deposit crop out at several localities in the SGRP and are yet to be drill tested.

JOGMEC have agreed to fund A\$7.5 million in exploration expenditure across a three stage earn-in with JOGMEC sole funding A\$0.5 million exploration expenditure by 31 March 2023. Within 365 calendar days of JOGMEC completing Stage 3, JOGMEC can elect to purchase an additional 6% interest in the Project (total 76% interest), by paying A\$3.0 million and granting a 0.5% net smelter royalty (NSR) to Terramin (Purchase Option). JOGMEC can elect to buyback the 0.5% NSR by paying Terramin A\$1.5 million within 365 calendar days of JOGMEC exercising the Purchase Option. The agreement is subject to FIRB approval.

Terramin's expenditure on the Adelaide Hills and South Gawler Ranges tenements was \$0.06 million.

TENEMENT SCHEDULE (ASX LR 5.3.3)**Terramin Australia Limited****Tenement listing**

Title name and locations	Licence number	Interest
Angas - South Australia	ML 6229	100%
Bremer - South Australia ¹	EL 5924	100%
Cambrai - South Australia ¹	EL 6540	100%
Pfeiffer - South Australia ¹	EL 6228	100%
Tepko - South Australia ¹	EL 6267	100%
Wild Horse - South Australia ³	EL 5846	100%

Terramin Exploration Pty Ltd (100% Terramin)**Tenement listing**

Title name and locations	Licence number	Interest
Bird-in-Hand Mineral Claim	MC 4473	100%
Kapunda - South Australia ¹	EL 6198	100%
Lobethal - South Australia ¹	EL 6447	100%
Mount Barker - South Australia ¹	EL 6154	100%
Mount Pleasant - South Australia ¹	EL 6696	100%
Mount Torrens - South Australia ¹	EL 6319	100%
Ulooloo – South Australia	EL 6293	100%

Western Mediterranean Zinc Spa (49% Terramin)**Tenement listing**

Title name and locations	Licence number	Interest
Oued Amizour - Algeria	6911 PEM	100%

Menninnie Metals Pty Ltd (100% Terramin)**Tenement listing**

Title name and locations	Licence number	Interest
Kolendo - South Australia ²	EL 6413	100%
Menninnie - South Australia ²	EL 5949	100%
Mt Ive - South Australia ²	EL 6200	100%
Mt Ive South - South Australia ²	EL 6412	100%
Mulleroo - South Australia ²	EL 5855	100%
Nonning - South Australia ²	EL 5925	100%
Peltabinna – South Australia ²	EL 6290	100%
Tanner - South Australia ²	EL 6414	100%
Taringa - South Australia ²	EL 6673	100%
Thurlga - South Australia ²	EL 6479	100%
Unalla - South Australia ²	EL 6179	100%

1. Subject to an amalgamated expenditure arrangement with the Department for Energy and Mining (DEM) encompassing the Adelaide Hills tenements.
2. These tenements are subject to an exploration agreement with JOGMEC. Subject to an amalgamated expenditure arrangement with the DEM encompassing the Menninnie Metals (South Gawler Ranges) tenements.
3. The Wild Horse tenement is subject to an earn-in agreement with Newmont Exploration Holdings Pty Ltd.

CORPORATE AND ENVIRONMENTAL PERFORMANCE

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

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

The Asipac Group debt facility limit is \$26.5 million, of which \$26.2 million has been drawn as at 31 March 2022.

At 31 March 2022, the Company's total cash balance¹ was \$5.72 million.

This ASX release was approved by the Terramin Board.

For further information, please contact:

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1. The total cash balance includes a short term deposit which primarily supports the environmental rehabilitation bond over Mining Lease 6229 as required by the South Australian Government (explained in more detail at Footnote 1 of Note 7 on page 31 of the 2021 Annual Report released to the ASX on 23 March 2022).

CORPORATE INFORMATION

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DIRECTORS AND MANAGEMENT

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André van Driel

Executive Chairman

Non-Executive Deputy Chairman

Non-Executive Director

Non-Executive Director

Non-Executive Director

Executive Officer

Company Secretary

CAPITAL STRUCTURE – 31 March 2022

Shares on issue

2,116,562,720

Unlisted options

5,000,000

Forward Looking Statements

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

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Eric Whittaker (Tala Hamza and Exploration) and Mr Dan Brost (Bird-in-Hand), both being Competent Persons who are Member(s) of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whittaker is employed as the Principal Resource Geologist of Terramin Australia Limited and Mr Brost is a geologist consulting to Terramin. Mr Whittaker and Mr Brost have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person(s) as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Whittaker and Mr Brost consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

Appendix 5B

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

Name of entity

Terramin Australia Limited

ABN

67 062 576 238

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(77)	(77)
(b) development	-	-
(c) production	-	-
(d) staff costs	(198)	(198)
(e) administration and corporate costs	(180)	(180)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(24)	(24)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(477)	(477)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(149)	(149)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(149)	(149)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	625	625
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material):	-	-
3.10	Net cash from / (used in) financing activities	625	625

4.	Net increase / (decrease) in cash and cash equivalents for the period	-	-
4.1	Cash and cash equivalents at beginning of period	5,721	5,721
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(477)	(477)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(149)	(149)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	625	625

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
4.6	Cash and cash equivalents at end of period	27	27
4.7	Short-term deposit held at end of period	5,690	5,690
4.8	Total cash and cash equivalents at end of period	5,717	5,717

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	26	30
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Cash on hand	- 1	- 1
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27	31
5.6 Short-term deposit held at end of period	5,690	5,690
5.7 Total cash and cash equivalents at end of period	5,717	5,721

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	-
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	26,544	26,219
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	26,544	26,219
7.5 Unused financing facilities available at quarter end		325
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	Terramin and its subsidiary, Terramin Exploration Pty Ltd (TZNEX) have secured Facility Agreements with major shareholder Asipac Group Pty Ltd (Asipac) totalling \$26.54m, incorporating the Short-term Facility \$20.54m and the Bird in Hand Facility \$6m. On 24 February 2022, Terramin announced (ASX Announcement: <i>Finance Facility Update</i>) an extension to the total facility limit from \$25.89m to 26.54m. On 9 March 2022, the Company confirmed that it had received an ASX Waiver from Listing Rule 10.1 to the extent necessary to permit the Company to grant security to Asipac over its TZNEX assets (ASX Announcement: <i>Grant of ASX Waiver</i>). On 11 April 2022, Terramin announced (ASX Announcement: <i>Finance Facility Update</i>) an extension to the term of the term of the facility from 30 April 2022 until 31 July 2022.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(477)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(149)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(626)
8.4 Cash and cash equivalents at quarter end (item 4.6)	27
8.5 Unused finance facilities available at quarter end (item 7.5)	325
8.6 Total available funding (item 8.4 + item 8.5)	352
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.56
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: Yes

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

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

Answer: The Company continues to seek support in the short-term from major shareholder Asipac Group Pty Ltd, a long-standing supporter of the Company, to progress its mining lease applications in South Australia and Algeria. Concurrently, discussions with potential financiers / investors continue with a number of financing options currently being considered.

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

Answer: Yes, refer to item 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 28 April 2022.....

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

Notes

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