2022 Interim Financial Report

TERRAMIN

Contents

Registered and Business Office

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Auditors

Grant Thornton Audit Pty Ltd

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Share Registry

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Australian Securities Exchange

ASX ticker code: **TZN**

Corporate Information

Directors

Feng Sheng

Executive Chairman

Michael Kennedy

Non-Executive Deputy-Chairman

Angelo Siciliano

Non-Executive Director

Kevin McGuinness

Non-Executive Director

Lulu Shi

Non-Executive Director

Executive Officer

Martin Janes

Financial Manager and Company Secretary

André van Driel

Directors' Report

for the Half-year Ended 30 June 2022

Your Directors submit their report on the consolidated entity Terramin Australia Limited (the Company or Terramin) and its controlled entities (the Group), for the half-year ended 30 June 2022 and Auditor's Review Report.

Directors

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

Feng Sheng	**Executive Chairman**
Michael H Kennedy[1]	**Non-Executive Deputy-Chairman**
Angelo Siciliano[1]	**Non-Executive Director**
Kevin McGuinness[2]	**Non-Executive Director**
Lulu Shi	**Non-Executive Director**

1. Mr Kennedy and Mr Siciliano are members of the Audit and Risk Committee and the Nominations and Remuneration Committee.
2. Mr. McGuinness is Chair of the Audit and Risk Committee and the Nominations and Remuneration Committee.

Principal Activities

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

Operating Results

During the period, the Company completed the transfer of its 16% shareholding in Western Mediterranean Zinc Spa (WMZ) to its Algerian partners for no consideration. WMZ owns 100% of the strategic Tala Hamza Zinc Project (Tala Hamza). The transfer resulted in the Company's loss of control of WMZ in accordance with AASB 10. Consequently, WMZ has been deconsolidated and reported as an Investment in Associate in the 30 June 2022 Interim Financial Report as the Company retains a 'significant influence' (49%) shareholding in WMZ (in accordance with AASB 128). As required by the Accounting Standards, upon the loss of control the remaining 49% equity interest was fair valued. With the assistance of independent valuation experts, the fair value was determined to be $45 million. The resulting net gain on the deconsolidation resulting from this transaction is presented in the Consolidated Statement of Profit or Loss or Other Comprehensive Income, below, as a 'Profit for the period from discontinued operations'.

The Company acknowledges that the term 'discontinued operations' is merely used to present the accounting associated with deconsolidating WMZ. It does not accurately reflect that WMZ (and Tala Hamza) will continue to represent a significant, strategic asset of the Company. The importance of this asset to the Company is highlighted by the results of a Feasibility Study announced by Terramin in August 2018, which indicated that Tala Hamza has a robust financial outcome, including a base case post-tax NPV_8 $399 million (100% interest).

The consolidated loss of the Group from continuing operations after providing for income tax was $2.78 million for the half-year ended 30 June 2022 (2021: $2.95 million). The major contributors to the result were interest and administration expenditure relating to Australian operations.

The consolidated profit of the Group from discontinued operations after providing for income tax was $10.92 million for the half-year ended 30 June 2022 (2021: nil).

The consolidated net asset position as at 30 June 2022 was $36.6 million, an increase from $35.6 million as at 31 December 2021. The increase is primarily attributable to the deconsolidation of WMZ.

Review of Operations

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

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

The Bird in Hand Gold Project (BIHGP) is located approximately 30km north of Terramin's existing mining and processing facilities at the Angas Zinc Mine (AZM). The project has a high-grade Resource of 265,000 ounces of gold 12.6g/t, which is amenable to underground mining. In June 2020, Terramin announced the results of a Feasibility Study which indicated that BIHGP has a robust financial outcome, including a post-tax NPV_8 $141 million and IRR of 80.5% over approximately 4 years of production.

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

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

During the period, Terramin has continued to progress its Mining License Application for the BIHGP and the Miscellaneous Purpose Lease Application to allow the AZM site to treat the Bird in Hand ore and is awaiting final approval of these applications.

The Program for Environment Protection and Rehabilitation (PEPR) has been largely finalised and is ready for submission on granting of the mining lease.

Directors' Report (continued)

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

Tala Hamza Zinc Project
(*Terramin 49%)*

Tala Hamza is 100% owned by WMZ. Following changes discussed below, Terramin now has a 49% shareholding in WMZ. The remaining 51% is held by two Algerian Government owned companies: Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (48.5%) and Office National de Recherche Géologique et Minière (ORGM) (2.5%) (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

During the reporting period, the joint venture partners unanimously agreed to endorse 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 by the Algerian mining regulator. Terramin understands that this process is well advanced.

Following commercial discussions with our Algerian joint venture partners, Terramin has agreed to and completed the transfer of 16% of its interest to its joint venture partners for no consideration to ensure that the partnership conforms to Algerian government regulations regarding 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 retains a 49% interest in Tala Hamza and has management rights over the project.

The Tala Hamza exploration license expired on 1 February 2018. Its renewal is not required as WMZ has lodged a mining permit application.

Kapunda Copper Joint Venture
(Terramin 50%, 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 90km north of Adelaide. The joint venture will be investigating the potential to extract through ISR the copper from shallow oxide ores in and around the historic Kapunda Mine workings. In the September 2020 quarter, ECR earned a 50% interest in the project after spending $2.0 million and has committed to spend an additional $4.0 million to earn a further 25% interest. 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.

During the reporting period, ECR has been working on progressing various test work to support development of an ISR copper project. ECR also announced a collaboration agreement with OZ Minerals Limited in respect of a $2.5 million in respect of this project.

Adelaide Hills Exploration
(Terramin100%)

The Adelaide Hills Project consists of eleven exploration tenements that cover 3,481km² largely over the southern Adelaide Fold Belt. This project area is considered prospective for gold, copper, lead and zinc. In addition to the BIHGP and the Kapunda Copper Joint Venture current active project areas include Wild Horse.

In June 2021, Newmont Exploration Holdings Pty Ltd (Newmont), a wholly owned subsidiary of Newmont Corporation, acquired the rights for exploration of the Wild Horse tenement from Freeport-McMoRan Exploration Australia Pty Ltd (Freeport), which covers approximately 462 km² and is located 15 kms east of Murray Bridge.

During the reporting period, Terramin and Newmont completed drilling of a single drill hole of the large Wild Horse magnetic anomaly. Results from that drilling are pending.

South Gawler Project Joint Venture
(Terramin 100%, subject to farm-out)

The Southern Gawler Ranges Project is located in the Gawler Craton of South Australia, an area that is becoming increasingly recognised as an under-explored region with high discovery potential. The project comprises a group of eleven Exploration Licenses totaling 4,524km^2 and are located 100 kms west of Port Augusta. The project area is prospective for a range of deposit styles that host combinations of gold, silver, copper, lead and zinc. The project hosts the Menninnie Dam deposit, the largest undeveloped lead-zinc deposit in South Australia. The lodes at Menninnie Central and Viper have been combined to estimate a JORC 2004 compliant Inferred Resource totaling: 7.7Mt @ 3.1% Zn, 2.6% Pb and 27g/t Ag, at a 2.5% Pb+Zn cut-off. In July 2019, Terramin entered into an earn-in agreement with Freeport for exploration of the South Gawler Ranges tenements.

During the reporting period, Terramin entered into a $10.5 exploration agreement with the Japanese Oil, Gas and Metals Corporation (JOGMEC). Following Foreign Investment Review Board approval in June, the activities under the agreement have commenced with field work commencing subsequent to the end of the reporting period.

Corporate

During the period, the Company and its major shareholder Asipac (Asipac Group Pty Ltd), agreed to restructure and increase the existing Standby Term Facility from $19.59 million to $20.84 million. The $6 million Bird in Hand Facility and the $20.84 million Standby Short-term Facility continue on terms that expire on 31 October 2022.

During the period, the Company reached agreement with its Algerian joint venture partners to complete the transfer of 16% of its interest for no consideration. Under the new ownership structure of the joint venture Terramin retains a 49% (minority interest) in Tala Hamza and continues to have management rights over the project. Under AASB 10, the Company has lost control of WMZ for accounting purposes but it retains significant influence with its 49% shareholding. Accordingly, the Company's investment in WMZ has been deconsolidated and will be recognised as an Investment in Associate at the reporting date.

Business Development Activities

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

Significant Changes in State of Affairs

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

Following commercial discussions with Terramin's Algerian joint venture partners, the Company has agreed to and completed the transfer of 16% of its interest to its joint venture partners for no consideration to ensure that the partnership conforms to Algerian government regulations regarding the ownership of strategic assets. Under the new ownership structure, Terramin retains a 49% interest in Tala Hamza and has management rights over the project.

Subsequent Events

Apart from the matters below, there are no other matters or circumstances that have arisen since 30 June 2022 that have significantly affected or may significantly affect either the entities operations or state of affairs in future years or the results of those operations in future years.

Subsequent to the end of the reporting period, the Company entered into an agreement with Asipac to increase its Standby Short-term Facility to $21.18 million on similar terms to enable the Company to execute its corporate strategy while the Company reviews its long-term financing. The term of the $6 million Bird in Hand Facility and the $21.18 million Standby Short-term Facility were extended to expire on 31 October 2022.

The Company also received notice from Newmont Australia Pty Ltd (Newmont) advising termination of the Wild Horse Earn-in Agreement (Agreement). Newmont's decision follows completion of the drill programme at Wild Horse earlier this year. Under the terms of the Agreement, Terramin retains 100% of the Wild Horse exploration lease (EL 5846).

Competent Person Statement

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

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

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

Directors' Report (continued)

Auditor's independence declaration

The Auditor's Independence Declaration for the half-year ended 30 June 2022 can be found on page 8 and forms part of the Directors' Report.

Rounding

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

Signed in Adelaide this 13th day of October 2022 in accordance with a resolution of the Board of Directors.

Feng Sheng	**Kevin McGuinness**
Executive Chairman	*Non-Executive Director*

Auditor's Independence Declaration

Grant Thornton

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Auditor's Independence Declaration

To the Directors of Terramin Australia Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Terramin Australia Limited for the half year ended 30 June 2022, 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 review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 13 October 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Half-year Ended 30 June 2022

	Notes	30 Jun 2022 $'000	30 Jun 2021 $'000
Other Income	4	-	40
Raw materials, consumables and other direct costs		**(204)**	(208)
Employee benefits expense		**(369)**	(335)
Depreciation and amortisation expense	9	**(363)**	(408)
Mine rehabilitation obligation expense		**343**	(6)
Profit on disposal of property, plant and equipment		**-**	14
Exploration and evaluation expenditure expensed (Tala Hamza Project)		**-**	(159)
Share of profit/(loss) of WMZ		**(60)**	-
Other expenses	4	**(324)**	(377)
Loss before net financing costs and income tax		**(977)**	(1,439)
Finance income	5	**7**	4
Finance costs	5	**(1,806)**	(1,518)
Net finance costs		**(1,799)**	(1,514)
Loss before income tax from continuing operations		**(2,776)**	(2,953)
Income tax benefit	17	-	-
Loss for the period from continuing operations		**(2,776)**	(2,953)
Profit for the period from discontinued operations	22	**13,695**	
Profit/(loss) for the period		**10,919**	(2,953)
Loss for the period attributable to:			
Owners of the Company		**10,919**	(2,893)
Non-controlling interest		-	(60)
Loss for the period		**10,919**	(2,953)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		-	22
Other comprehensive (loss)/income for the year, net of income tax (tax: nil)		-	22
Total comprehensive (loss)/income for the year attributable to equity holders of the Company		**10,919**	(2,931)
Total comprehensive loss attributable to:			
Owners of the Company		**10,919**	(2,871)
Non-controlling interest		-	(60)
Total comprehensive loss for the period		**10,919**	(2,931)

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

	Note	30 Jun 2022	30 Jun 2021
Basic earnings/(loss) per share – (cents per share)	21(a)	**(0.13)**	(0.14)
Diluted earnings/(loss) per share – (cents per share)	21(b)	**(0.13)**	(0.14)

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

	Note	30 Jun 2022	30 Jun 2021
Basic earnings/(loss) per share – (cents per share)	21(a)	**0.52**	(0.14)
Diluted earnings/(loss) per share – (cents per share)	21(b)	**0.52**	(0.14)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Financial Position

for the Half-year Ended 30 June 2022

	Notes	30 Jun 2022 $'000	31 Dec 2021 $'000
Assets			
Current Assets			
Cash and cash equivalents	6	**5,716**	5,721
Trade and other receivables	7	**51**	38
Non-current assets held for sale		**3**	6
Other assets		**278**	122
Total current assets		**6,048**	5,887
Non-current assets			
Inventories	8	**251**	284
Property, plant and equipment	9	**6,104**	6,490
Exploration and evaluation	10	**23,022**	63,813
Investment in Associate – Western Mediterranean Zinc Spa	11	**45,041**	-
Total non-current assets		**74,418**	70,587
TOTAL ASSETS		**80,466**	76,474
Liabilities			
Current liabilities			
Trade and other payables	12	**11,390**	9,475
Short term borrowings	13	**26,843**	25,609
Provisions	14	**120**	165
Total current liabilities		**38,353**	35,249
Non-current liabilities			
Provisions	14	**5,489**	5,629
Total non-current liabilities		**5,489**	5,629
TOTAL LIABILITIES		**43,842**	40,878
NET ASSETS		**36,624**	35,596
Equity			
Share capital	16	**223,931**	223,931
Reserves	17	**183**	(9,084)
Accumulated losses		**(187,490)**	(192,385)
Total equity attributable to equity holders of the Company		**36,624**	22,462
Non-controlling interest		**-**	13,134
TOTAL EQUITY		**36,624**	35,596

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

Consolidated Statement of Changes in Equity

for the Half-year Ended 30 June 2022

2022	Share capital $'000	Share based payments reserve $'000	Translation reserve $'000	Accumulated losses $'000	**Total attributable to owners $'000**	Non-controlling interest $'000	**Total equity $'000**
Balance at 1 January 2022	**223,931**	**195**	**(9,279)**	**(192,385)**	**22,462**	**13,134**	**35,596**
Total comprehensive income for the period							
Profit for the period	-	-	6,024	4,895	10,919	-	10,919
Other comprehensive income							
Foreign currency translation differences	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	6,024	4,895	14,162	(13,134)	1,028
Other equity movements							
Deconsolidation of foreign currency translation reserve	-	-	3,243	-	3,243	-	3,243
Deconsolidation of non-controlling interest	-	-	-	-	-	(13,134)	(13,134)
Balance at 30 June 2022	**223,931**	**195**	**(12)**	**(187,490)**	**36,624**	**-**	**36,624**

2021	Share capital $'000	Share based payments reserve $'000	Translation reserve $'000	Accumulated losses $'000	**Total attributable to owners $'000**	Non-controlling interest $'000	**Total equity $'000**
Balance at 1 January 2021	**223,931**	**195**	**(9,311)**	**(186,209)**	**28,606**	**13,265**	**41,871**
Total comprehensive income for the period							
Loss for the period	-	-	-	(2,893)	(2,893)	(60)	(2,953)
Other comprehensive income							
Foreign currency translation differences	-	-	22	-	22	-	22
Total other comprehensive income	-	-	22	-	22	-	22
Total comprehensive income for the period	-	-	22	(2,893)	(2,871)	(60)	(2,931)
Total contributions by and distributions to owners	-	-	-	-	-	-	-
Balance at 30 June 2021	**223,931**	**195**	**(9,289)**	**(189,102)**	**25,735**	**13,205**	**38,940**

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

Consolidated Statement of Cash Flows

for the Half-year Ended 30 June 2022

	Note	Jun 2022 $'000	Jun 2021 $'000
Cash from operating activities:			
Receipts from customers		**-**	-
Payments to suppliers and employees		**(986)**	(1,106)
Financing costs and interest paid		**(53)**	(47)
Interest received		**8**	3
Total cash (used in) operating activities		**(1,031)**	(1,150)
Cash flows from investing activities:			
Receipts for property, plant and equipment		**-**	750
Deemed disposal of cash		**(3)**	-
Exploration and evaluation expenditure		**(219)**	(321)
Net cash (used in) investing activities		**(222)**	429
Cash flows from financing activities:			
Proceeds from borrowings		**1,250**	1,115
Repayment of borrowings		**-**	-
Net cash from financing activities		**1,250**	1,115
Other activities:			
Net (decrease)/increase in cash and cash equivalents		**(3)**	394
Net foreign exchange differences		**(2)**	-
Cash and cash equivalents at beginning of the year (including restricted cash on deposit)		**5,721**	5,445
Cash and cash equivalents at end of the half-year (including restricted cash on deposit)	6	**5,716**	5,839

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

Notes to the Consolidated Financial Statements

1. Reporting entity

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

2. Basis of preparation

(a) Statement of Compliance

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

The consolidated interim financial report was authorised for issue by the Directors on the 13th day of October 2022.

(b) Reporting Basis

The consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report, and therefore it is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2021, and any public announcements made by the Company during the interim reporting period in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001 (Cth).

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

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

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

(c) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the period to 30 June 2022, the Group incurred a loss of $2.78 million from continuing operations.

As at 30 June 2022 the Group's current liabilities exceeded its current assets by $32.3 million.

The financial report has been prepared on a going concern basis on the expectation that the Group can raise additional debt or equity as required. The Directors are aware that additional debt or equity will be required within 12 months, in order to continue as a going concern. The Group's ability to raise equity will rely on investor confidence in the development or sale of the Bird in Hand Gold Project or investment in the Tala Hamza Zinc Project or other assets and/or deferral of existing debt facilities, noting that amounts owing to Asipac in respect of the facilities will not be called upon to the financial detriment of the Company.

The Directors note that the matters outlined above indicate material uncertainty, which may cast significant doubt on the ability of the Group to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. At the date of this report, the Directors believe that the Group has adequate resources to continue to explore, evaluate and develop the Group's areas of interest and support to date from Asipac will ensure the Company has sufficient funds to meet its obligations. Subject to market conditions the Directors believe there are reasonable grounds to conclude that the Company will be able to raise funds by way of debt and/or equity to fund anticipated activities and meet financial obligations. For the reasons outlined above, the Board has prepared the Financial Report on a going concern basis.

(d) Use of Estimates and Judgements

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

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ending 31 December 2021, except for the accounting of WMZ which required:

- a new estimate or judgement due to the Company having significant influence rather than control of WMZ at the reporting date. As Terramin holds a 49% interest in the underlying equity and 2 of 5 board seats it has been determined that loss of control has occurred but significant influence is maintained; and
- determination of the fair value of the equity instruments held in WMZ as at the date when control was deemed to have been lost. Refer to notes 11 and 22.

3. Significant accounting policies

The accounting policies applied by the Company in this interim financial report are the same as those applied to the Company's consolidated financial statements as at and for the year ending 31 December 2021, except for:

(a) Principles of consolidation and equity accounting relating to changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the subsidiary.

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investment in associates are accounted for using the equity method. Under the equity method, the share of profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment. When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. The consolidated entity discontinues the use of the equity method upon loss of significant influence over the associate and recognizes any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

(c) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

4. Other Income and Expenses

Other Income	Jun 2022 $000's	Jun 2021 $000's
Revenue from contracts[1]	-	40
Other income	-	-
Total other income	-	40

Revenue from Contracts	30 June 2021 Service Income $'000's	Exit fee $000's	Total $000's
Revenue recognised over time	-	-	-
Revenue recognised at a point in time	-	-	40
Total revenue		-	**40**

1. *Hydrostor Inc Australia Pty Ltd (Hydrostor) and the Company signed an agreement in August 2018 to construct an Advanced Compressed Air Energy Storage Facility at the AZM. Hydrostor withdrew from the project during the period ending 30 June 2021 resulting in payment of outstanding rental fees relating to the prior period, and Terramin releasing Hydrostor of its rental and environmental obligations under the agreement by transferring ownership of equipment Hydrostor acquired for the project (valued at $40,000 excluding GST).*

Other Expenses	Jun 2022 $000's	Jun 2021 $000's
Corporate Administration and Marketing Costs	**60**	69
Legal, Accounting, Community Relations and Other Consultants	**227**	269
ASX fees and Share Registry Costs	**35**	37
Other	**2**	2
Total other expenses	**324**	377

5. Finance Income and Costs

Finance Income	Jun 2022 $000's	Jun 2021 $000's
Interest income	**7**	4
Total finance income	**7**	4

Finance Costs	Jun 2022 $000's	Jun 2021 $000's
Interest on borrowings	**1,604**	1,451
Unwinding of discount on mine rehabilitation provision	**191**	49
Amortisation of borrowing costs	**4**	13
Other borrowing costs	**7**	5
Total finance costs	**1,806**	1,518

6. Cash and Cash- Equivalents

	Jun 2022 $000's	Dec 2021 $'000's
Cash on hand	**1**	1
Bank balances	**25**	30
Short-term deposits[1]	**5,690**	5,690
Total cash and cash equivalents	**5,716**	5,721

1. *Represents cash on deposit to support environmental rehabilitation bonds and minor credit card facilities. $5.67 million supports the environmental rehabilitation bond over Mining Lease 6229 required by the South Australian Government. The company may opt to refinance its cash backed bank guarantee facility with the Commonwealth Bank of Australia (CBA) to a debt arrangement. The company reinvests the funds held in this term deposit for no more than 3 months at a time with the short-term potential of this refinancing option.*

7. Trade and Other Receivables

	Jun 2022 $000's	Dec 2021 $'000's
Trade receivables	**44**	24
Accrued interest receivable	**1**	1
Other receivables (including GST refund)	**6**	13
Total trade and other receivables	**51**	38

8. Inventories

	Jun 2022 $000's	Dec 2021 $'000's
Non-current		
Raw materials and consumables	**251**	284
Total inventories at the lower of cost and net realisable value	**251**	284

9. Property Plant and Equipment

Assets held for sale	Jun 2022 $000's	Dec 2021 $'000's
At cost	**3**	6
Less impairment	**-**	-
Total assets held for sale	**3**	6

Property, plant and equipment	Jun 2022 $000's	Dec 2021 $'000's
Freehold land		
At cost	**3,460**	3,460
Total freehold land[1]	**3,460**	3,460
Buildings and other infrastructure		
At cost	**126**	126
Less accumulated depreciation	**(125)**	(125)
Total buildings and other infrastructure[1]	**1**	1
Right-of-use Assets		
At cost	**200**	288
Less accumulated depreciation	**(200)**	(272)
Total Right-of-Use Assets	-	16
Plant and Equipment		
At cost	**56,519**	56,919
Less accumulated impairment	**(14,219)**	(14,219)
Less accumulated depreciation	**(39,657)**	(39,687)
Total plant and equipment[1,2]	**2,643**	3,013
Total property plant and equipment	**6,104**	6,490

Movements in carrying amounts	**Freehold land $'000**	**Buildings and other infrastructure**	**Plant and equipment $'000**	**Right-of-Use Assets $'000**	**Construction in progress $'000**	**Total $'000**
Opening carrying amount 1 Jan 2022	**3,460**	**1**	**3,013**	**16**	**-**	**6,490**
Additions	**-**	**-**	**-**	**-**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
Deemed disposal - deconsolidation of WMZ	**-**	**-**	**(10)**	**(6)**	**-**	**(16)**
Depreciation and amortisation	**-**	**-**	**(360)**	**(10)**	**-**	**(370)**
Foreign currency movement	**-**	**-**	**-**	**-**	**-**	**-**
Carrying amount at 30 Jun 2022	**3,460**	**1**	**2,643**	**-**	**-**	**6,104**

Movements in carrying amounts	Freehold land $'000	Buildings and other infrastructure $'000	Plant and equipment $'000	Right-of-Use assets $'000	Construction in progress $'000	Total $'000
Opening carrying amount 1 Jan 2021	3,460	2	3,841	66	-	7,369
Additions	-	-	14	-	-	14
Disposals	-	-	(10)	-	-	(10)
Assets impaired	-	-	(79)	-	-	(79)
Depreciation and amortisation	-	(1)	(747)	(50)	-	(798)
Foreign currency movement	-	-	(6)	-	-	(6)
Carrying amount at 30 Jun 2021	3,460	1	3,013	16	-	6,490

1. *The Directors have considered the recoverable amount of property, plant and equipment based on available market information for comparable assets and the expected future use of these assets as the Company moves towards approval of a mining licence for the Bird in Hand Gold Project.*
2. *WMZ right-of-use and plant and equipment assets (including cost and accumulated depreciation) balances no longer reported at 30 June 2022 as the subsidiary has been deconsolidated from the Company's Financial Report due to the transfer of Terramin's 16% shareholding in WMZ to ENOF during the period, which resulted in Terramin holding a minority interest at the reporting date.*

10. Exploration and Evaluation Assets

Exploration and evaluation	Jun 2022 $000's	Dec 2021 $'000's
At cost	**63,813**	63,252
Additions	**300**	512
Deemed disposal - deconsolidation of WMZ	**(41,120)**	-
Foreign currency movement	**29**	49
Total exploration and evaluation	**23,022**	63,813

Exploration and evaluation projects by location	Jun 2022 $000's	Dec 2021 $'000's
Tala Hamza Zinc (Terramin 49%)[4]	**-**	41,092
Adelaide Hills (Terramin Exploration 100%)[1,2]	**2,126**	2,087
Bird in Hand Gold (Terramin Exploration 100%)	**14,994**	14,860
South Gawler (Menninnie Metals 100%)[3]	**5,902**	5,774
Total exploration and evaluation	**23,022**	63,813

1. *The Company entered into an agreement with respect to the Kapunda Project, over which the Company has a current Exploration Licence. Environment Copper Recovery Pty Ltd (ECR) earned a 50% interest in the project after spending $2m on field trials and associated studies. ECR elected to earn an additional 25% interest in the project by spending a further $4m. The Company agreed to amend the minimum expenditure terms of the joint arrangement such that at each anniversary date ECR's spend is assessed on a cumulative basis to consider fluctuations in the timing of project activity. Subject to the completion of the expenditure by ECR, the Company will retain a minimum 25% contributing interest and a 1.5% net smelter royalty in respect of all metals extracted from the joint venture area. 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 McMoRan Exploration Australia Pty Ltd in 2019 in respect of the Wild Horse project. In 2021, Newmont Australia Pty Ltd (Newmont), a wholly-owned subsidiary of Newmont Corporation, completed the acquisition of Freeport's Australian operations, including Wild Horse, which received FIRB approval in June 2021. In March this year, Newmont funded drilling of an initial one-hole program to target the Wild Horse aerial magnetic anomaly on the western edge of the magnetic granite pluton. Following receipt of the results of testing the assays produced from the drilling activity and subsequent to the reporting date, the Company received notice from Newmont advising of its decision to terminate the Wild Horse Earn-in Agreement. Under the terms of the Agreement, Terramin retains 100% of the Wild Horse exploration lease (EL 5846).*
3. *During the period, the Company executed a A$10.5 million exploration agreement with JOGMEC relating to the South Gawler Ranges tenements. In June 2022, the transaction received FIRB approval.*
4. *During the period, the Company transferred 16% of its ownership interest in WMZ to ENOF for no consideration which resulted in Terramin holding a minority interest. Consequently, the subsidiary WMZ has been deconsolidated from the Company's Financial Report and a deemed disposal of exploration assets has been recognized.*

11. Investment in WMZ

Investment in WMZ	Jun 2022 $000's	Dec 2021 $'000's
Fair value at deemed date of loss of control	**45,101**	-
Share of WMZ profit/(loss) during the period	**(60)**	-
Total investment in WMZ	**45,041**	-

Statement of Financial Position of WMZ	Jun 2022 $'000	Dec 2021 $'000
Current assets	**84**	-
Non-current assets	**41,133**	-
Current liabilities	**(115)**	-
Non-current liabilities	**-**	-
Net assets	**41,102**	-

1. *During the period, the Company transferred 16% of its ownership interest in WMZ to ENOF which resulted in Terramin holding a minority interest at the reporting date. Consequently, the subsidiary WMZ has been deconsolidated from the Company's Financial Report with Terramin's 49% investment in WMZ recognised as a non-current asset in accordance with AASB 10 and AASB 128.*
2. *The fair value at the deemed date of loss of control was determined with the assistance of a valuation expert having regard to three valuation methods including:*
   - *Discounted cash flows associated with the Tala Hamza Zinc Project;*
   - *Market Multiples with the following criteria:*
     - *Zinc Focus*
     - *Company listed on a securities exchange (wherever located) and known privately owned projects*
     - *Large mineral resource (zinc equivalent tonnes)*
     - *Feasibility study completed*
   - *Transaction Multiples for Zinc asset transactions from 1 January 2018*
3. *Western Mediterranean Zinc Spa (WMZ) is an Algerian registered company. It is a joint venture vehicle to develop the Project between Terramin and Enterprise Nationale des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF). Terramin holds a 49% shareholding in WMZ, with the remaining 51% held by two Algerian government-owned companies: and Office National de Recherche Géologique et Minière (ORGM).*
4. *There are no separate commitments for expenditure at this time for WMZ.*

12. Trade and Other Payables

	Jun 2022 $'000	Dec 2021 $'000
Trade payables	**770**	708
Other payables and accrued expenses	**864**	576
Accrued interest on borrowings[1]	**9,756**	8,191
Total trade and other payables	**11,390**	9,475

1. *Primarily represents accrued interest on Asipac finance facilities at the reporting date.*

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

13. Loans and Borrowings

	Jun 2022 $'000	Dec 2021 $'000
Current liabilities		
Lease liabilities[1]	**-**	15
Loans - secured[2]	**26,843**	25,594
Total current borrowings	**26,843**	25,609
Financing facilities		
Loan facilities - available	**26,844**	25,894
Loan facilities - undrawn	**-**	(300)
Loan facilities - drawn	**26,844**	25,594
Less: unamortised transaction costs	**(1)**	(1)
Carrying amount	**26,843**	25,593
Guarantee facility		
Guarantee facility – available[3]	**5,665**	5,665
Guarantee facility - drawn	**5,665**	5,665

1. *Under AASB 16 lease liabilities represent finance and operating leases, and unwind as lease payments are made.*
2. *At reporting date, the Group had fully drawn down $26.84 million available to the Company in respect 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 31 October 2022.*
3. *The $5.7 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) bank guarantee.*

Under the terms of the $6.0 million BIH loan facility (**BIH Facility**) and $20.8 million Standby facility (**Standby Faciilty**) (**Facilities**) provided to Terramin Exploration Pty Ltd (**TZNEx**), 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 assets of TZNEx and a specific security over the shares of TZNEx. All security interests will be discharged upon repayment of amounts due under the Facilities.

14. Provisions

	Jun 2022 $'000	Dec 2021 $'000
Current		
Employee benefits	**120**	105
Landholder compensation	**-**	60
Total current provisions	**120**	165
Non-current:		
Employee benefits	**24**	12
Mine rehabilitation	**5,465**	5,617
Total non-current provisions	**5,489**	5,629

	Employee benefits $'000	Mine rehabilitation $'000	Landholder settlement $'000[1]	Total $'000
At 1 January 2022	117	5,617	60	5,794
Increase(decrease)	36	(152)	(60)	(116)
Paid in the period	(9)	-	-	(9)
At 30 June 2022	**144**	**5,465**	**-**	**5,669**

1. *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 mine rehabilitation provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. The provision has been calculated using a risk-free discount rate of 3.41% (2021: 1.35%).

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

15. Financial Instruments

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

Financial Instruments	*Note*	Jun 2022 $'000	Dec 2021 $'000
Current			
Cash and cash equivalents	6	**5,716**	5,721
Trade and other receivables	7	**51**	38
Trade and other payables	12	**(11,390)**	(9,475)
Financial liabilities at amortised cost	13	**(26,844)**	(25,594)
Total current financial instruments		**(32,467)**	(29,310)

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.

16. Issued Capital

(a) Ordinary shares

	Jun 2022 $'000	Dec 2021 $'000
2,116,562,720 (2021: 2,116,562,720)		
Ordinary shares	**229,676**	229,676
Share issue costs	**(5,745)**	(5,745)
Total issued capital	**223,931**	223,931

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

(b) Detailed table of capital issued during the half year ended 30 June 2022

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Opening balance 1 Jan 2022		**2,116,562,720**		**223,929**
Closing balance 30 Jun 2022		**2,116,562,720**		**223,929**
Issued Capital				**223,929**

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Opening balance 1 Jan 2021		**2,116,562,720**		**223,929**
Closing balance 31 Dec 2021		**2,116,562,720**		**223,929**
Issued Capital				**223,929**

17. Reserves

(a) Foreign currency translation reserve

Foreign currency translation reserve	Jun 2022 $'000	Dec 2021 $'000
Balance at the beginning of the year	**(9,279)**	(9,311)
Translation into presentation currency	**-**	32
Movement on loss of control	**9,267**	-
Balance at the end of the year	**(12)**	(9,279)

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

(b) Share based payments reserve

Share based payments reserve	Jun 2022 $'000	Dec 2021 $'000
Balance at the beginning of the year	**195**	195
Balance at the end of the year	**195**	195

The share-based payment reserve is used to recognise the value of equity-settled share-based payment transactions, including employees and KMP, as part of their remuneration. During the reporting period no share-based payments were made, and no options lapsed or were forfeited.

Total reserves	Jun 2022 $'000	Dec 2021 $'000
Total reserves	**183**	(9,084)

18. Income Tax Expense

As at the date of this report, the Company has determined that no Research and Development claim will be made for the 2021/22 taxation year, recognised as a nil income tax benefit, and no value has been included in Trade and Other Receivables.

The Company is part of an Australian Tax Consolidated Group. The Australian Tax Consolidated Group has potential deferred tax assets of $56.02 million (Dec 2021: $55.02 million). These have not been brought to account because the Directors do not consider the realisation of the deferred tax asset as probable.

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

19. Segment Reporting

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

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

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

	Australia		Northern Africa		Consolidated	
	Jun 2022 $'000	Jun 2021 $'000	**Jun 2022 $'000**	Jun 2021 $'000	**Jun 2022 $'000**	Jun 2021 $'000
Other Income - External customers	-	40	-	-	-	40
Total Other Income	-	40	-	-	-	40
Results						
Raw materials, consumables and other direct costs	**(204)**	(194)	-	-	**(204)**	(194)
Employee benefits expense	**(369)**	(335)	-	-	**(369)**	(335)
Depreciation and amortisation	**(363)**	(395)	-	(13)	**(363)**	(408)
Exploration and evaluation expensed (Tala Hamza Project)	-	-	-	(159)	-	(159)
Mine rehabilitation obligation expense	**343**	(6)	-	-	**343**	(6)
Share of profit/(loss) of WMZ	-	-	**(60)**	-	**(60)**	
Other expenses	**(324)**	(377)	-	-	**(324)**	(377)
Net finance costs	**(1,799)**	(1,514)	-	-	**(1,799)**	(1,514)
Profit(Loss) before income tax from continuing operations	**(2,716)**	(2,781)	**(60)**	(172)	**(2,776)**	(2,953)
Profit(Loss) before income tax from discontinued operations	-	-	**13,695**	-	**13,695**	-
Profit(Loss) before income tax	**(2,716)**	(2,781)	**13,635**	(172)	**10,919**	(2,953)
Income tax expense	-	-	-	-	-	-
Profit(Loss) for the year for the operating segment	**(2,716)**	(2,781)	**13,635**	(172)	**10,919**	(2,953)
Profit(Loss) for the year attributable to non-controlling interest	-	-	-	(60)	-	(60)
Profit(Loss) for the half-year attributable to equity holders	**(2,716)**	(2,781)	**13,635**	(112)	**10,919**	(2,893)

	Jun 2022 $'000	Dec 2021 $'000	**Jun 2022 $'000**	Dec 2021 $'000	**Jun 2022 $'000**	Dec 2021 $'000
Operating assets	**35,425**	35,343	**45,041**	41,131	**80,466**	76,474
Operating liabilities	**43,842**	40,743	-	135	**43,842**	40,878
Other disclosures:						
Capital expenditure[1]	**300**	526	-	-	**300**	526

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.

20. Share Based Entitlements and Payments

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

During the half year ending 30 June 2022, no options were granted to KMP. Details of the options granted to the former Chief Executive Officer, which remain outstanding at the reporting date, are summarised in the table that follows.

Number & weighted average exercise price of share options

2022	Weighted average exercise price Jun 2022	Number of options Jun 2022	Weighted average exercise Price Dec 2021	Number of Options Dec 2021
Outstanding at 1 Jan	**$0.225**	**5,000,000**	$0.225	5,000,000
Outstanding at 30 Jun	**$0.225**	**5,000,000**	$0.225	5,000,000
Exercisable at 30 Jun	**$0.225**	**5,000,000**	$0.225	5,000,000

The options outstanding at 30 June 2022 have a weighted average contractual life of 3.0 years (2021: 3.0 years).

21. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share from continuing operations at 30 June 2022 was based on the net loss attributable to owners of the Company of $2.8m (June 2021: $2.9m) and a weighted average number of ordinary shares outstanding during the half-year ended 30 June 2022 of 2,116,562,720 (June 2021: 2,116,562,720), calculated as follows:

Earnings per share from continuing operations	Jun 2022 $'000	Jun 2021 $'000
Net loss for the year attributable to the owners of the Company	**(2,776)**	(2,893)
Ordinary shares on issue	**2,116,562,720**	2,116,562,720
Weighted average number of shares	**2,116,562,720**	2,116,562,720
Basic earnings per share (cents)	**(0.13)**	(0.14)

The calculation of basic earnings per share from discontinued operations at 30 June 2022 was based on the net loss attributable to owners of the Company of $8.06m (June 2021: nil) and a weighted average number of ordinary shares outstanding during the half-year ended 30 June 2022 of 2,116,562,720 (June 2021: 2,116,562,720), calculated as follows:

Earnings per share from discontinued operations	Jun 2022 $'000	Jun 2021 $'000
Net loss for the year attributable to the owners of the Company	**10,919**	-
Ordinary shares on issue	**2,116,562,720**	2,116,562,720
Weighted average number of shares	**2,116,562,720**	2,116,562,720
Basic earnings per share (cents)	**0.52**	-

(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.

22. Discontinued Operations

In March 2022, the Company completed the transfer of 16% of its shareholding in WMZ to ENOF for no consideration, which resulted in the Company's loss of control of WMZ under AASB 10. Accordingly, WMZ has been deconsolidated and reported as an Investment in Associate in the 30 June 2022 Interim Financial Report as the Company retains a 'significant influence' (49%) shareholding in WMZ in accordance with AASB 128.

The fair value of the 49% interest in WMZ as at the date of loss of control was $45 million. Refer to note 11 for further information.

Financial information relating to WMZ for the period to the date of disposal is set out below.

Financial performance information	Jun 2022 $000's
Revenue	-
Depreciation and amortisation expense	**(7)**
Exploration and evaluation expenditure expensed	**(62)**
Profit/(loss) before income tax	**(69)**
Income tax benefit	-
Profit/(loss) after income tax	**(69)**
Gain on recycled foreign currency translation reserve	**6,024**
Gain/(loss) on deemed disposal of WMZ	**7,740**
Fair value gain on initial recognition as an associate	**13,695**
Fair value gain	
Fair value of consideration	-
Fair value of retained investment	45,000
Derecognition of foreign currency reserve attributed to Non-controlling interest	(3,243)
Derecognition of non-controlling interest	13,134
	54,891
Less: Net asset value of WMZ	(41,196)
Gain on interest sold	**13,695**

23. Events After the Reporting Date

Apart from the matters below, there are no other matters or circumstances that have arisen since 30 June 2022 that have significantly affected or may significantly affect either the entities operations or state of affairs in future years or the results of those operations in future years.

Subsequent to the end of the reporting period, the Company entered into an agreement with Asipac to increase its Standby Short-term Facility to $21.18 million on similar terms to enable the Company to execute its corporate strategy while the Company reviews its long-term financing. The term of the $6 million Bird in Hand Facility and the $21.18 million Standby Short-term Facility were extended to expire on 31 October 2022.

The Company also received notice from Newmont Australia Pty Ltd (Newmont) advising termination of the Wild Horse Earn-in Agreement (Agreement). Newmont's decision follows completion of the drill programme at Wild Horse earlier this year. Under the terms of the Agreement, Terramin retains 100% of the Wild Horse exploration lease (EL 5846).

Directors’ Declaration

The Directors of the Company declare that:

The financial statements and notes, as set out on pages 9-21:

(a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
(b) give a true and fair view of the consolidated entity’s financial position as at 30 June 2022 and of its performance for the half-year ended on that date.

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

Signed in Adelaide on the 13th day of October 2022 in accordance with a resolution of the Board of Directors.

Feng Sheng
Executive Chairman
13th October 2022

Kevin McGuinness
Non-Executive Director
13th October 2022

Auditor's Independent Report

Grant Thornton

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Independent Auditor's Review Report

To the Members of Terramin Australia Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Terramin Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Terramin Australia Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Terramin Australia Limited's financial position as at 30 June 2022 and of its performance for the half year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial report, which indicates that the Group incurred a net loss from continuing operations of $2.78 million during the half year ended 30 June 2022 and, as of that date, the Group's current liabilities exceeded its current assets by $32.3 million. As stated in Note 2(c), these events or conditions, along with other matters as set forth in Note 2(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 13 October 2022

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