Appendix 4E

Preliminary Final Report

Terramin Australia Limited (ASX: TZN) is pleased to provide the Company's Preliminary Final Report (unaudited) for the year ended 31 December 2015.

This report is based on a draft financial report for the year ended 31 December 2015 which is in the process of being audited. The Preliminary Final Report will be released in the coming days following completion of the audit.

The Board notes the progress of the Company's main projects during and after the reporting period:

- Regarding the Tala Hamza Zinc Project, following a formal review by Terramin's joint venture partner, ENOF, the partners have agreed that the revised definitive feasibility study (**DFS**) based on a new mining method (underhand drift and fill) meets the objectives and expectations of the joint venture partners and provides a strong basis to move towards a decision to mine.

- The partners have also agreed, as emphasised in the revised DFS, that a work programme be completed before a decision to mine can be taken by the joint venture company, Western Mediterranean Zinc (**WMZ**). The work programme includes desktop work and a geotechnical and hydrological drilling programme.

- This work programme formed the basis for the re-issue of the exploration licence for the Tala Hamza project on 1 February 2016 by the Algerian regulator. The work programme is on-going and preparation for drilling is under way.

- In parallel with the work programme, Terramin hosted a successful visit of a delegation from ENOF and the Algerian Ministry of Mines to China. The delegation visited a number of operations relevant to the Tala Hamza Zinc Project including the underground mine site No3 in Jinchuan (Northern China) which utilises an underhand drift cut and fill mining method. The visit provided additional confidence to the partners' choice in the mining method and represents a significant step towards a decision to mine.

- Regarding the Bird-in-Hand Gold Project, the Company focused on completing the water and environmental base line studies in preparation for the lodgement of a mining lease application.

- The Company has commenced a significant drilling program to provide geotechnical and hydrogeological information for mine design including the layout of underground capital infrastructure and location of the portal. This drilling programme started at the end of February 2016 and will be completed in the first half of 2016.

- In July 2015, Terramin completed the acquisition of a strategic land holding in close proximity to the Bird-in-Hand deposit which the Company expects to use to build the mine portal and surface infrastructure required to operate the mine. This acquisition significantly enhances the Company's ability to develop the project.

During the year, the Company also finalised the restructure of its balance sheet:

- a total of approximately A$30 million worth of convertible notes were converted into shares;
- in October, the Company and Asipac Group Pty Ltd (**Asipac**) agreed to extend and increase the debt facilities provided by Asipac to a total of $10 million for a two-year term;
- as a result the overall Group debt has reduced from approximately $34 million (as at 31 December 2014) to $8.3 million (as at 29 February 2015);
- in addition, at the end of the reporting year, Terramin raised $3 million by way of a share placement to two new local investors at market price.

In 2016, the focus for the Company is to:

- complete the agreed work programme, proceed with a decision to mine and lodge a mining lease application to develop the Tala Hamza deposit;
- complete the drilling programme and proceed with a mining lease application for the Bird-in-Hand project;
- continue to assess opportunities within the Group's assets and reviewing market opportunities.

Commenting on these positive developments, Terramin CEO, Mr Martin Janes, said: "It is pleasing to see that the Company has made significant progress with regards to the Tala Hamza Zinc Project and the Bird-in-Hand Gold Project and has been able to shore up its finances despite challenging market conditions. This is an exciting time for Terramin as it has the potential to develop its most significant projects and create value for shareholders. In this context, we are also pleased with the ongoing support of our existing and new shareholders".

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Appendix 4E Statement

PRELIMINARY FINAL REPORT

For the year ended 31 December 2015 (previous corresponding period is the year ended 31 December 2014)

Results for Announcement to the market

(All comparisons to year ended 31 December 2014)	**$'000**	Up/down	Movement %
Revenues from ordinary activities	**-**	down	(100.0)
Revenues from ordinary activities excluding interest income	**-**	down	(100.0)
Loss after tax from ordinary activities	**(6,446)**	down	20.4

Explanation of Revenue

There was no revenue from ordinary activities for the financial year ended 31 December 2015 as a result of the closure of the Angas Zinc Mine in September 2013.

Please refer to the Annual Financial Report for the year ended 31 December 2015 for further information.

Dividends Information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Interim 2015 dividend per share	Nil	Nil	Nil
Final 2015 dividend per share	Nil	Nil	Nil

No interim dividend was paid for the year ending 31 December 2015 and no final dividend has been proposed for the year ending 31 December 2015.

Net Tangible Assets per Security

	31 December 2015	31 December 2014
Net tangible assets per security	**0.03**	0.02

Audit Report

The financial informaiton included in this Appendix 4E is unaudited and has been derived from the draft financial report of Terramin Australia Limited for the year ended 31 December 2015, which is in the process of being audited.

TERRAMIN AUSTRALIA LIMITED

2015 PRELIMINARY FINAL REPORT

CONTENT

OPERATING RESULTS

The consolidated loss of the Group after providing for income tax was $6.5 million for the year ended 31 December 2015 (2014 restated: $8.1 million).

The major contributors to the result were interest costs, write-down of consumables and inventories and expenditure written off in relation to the Oued Amizour Zinc Project.

The consolidated net asset position as at 31 December 2015 was $49.6 million, increased from $23.9 million as at 31 December 2014.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared during the year and no recommendation was made to pay a dividend.

REVIEW OF OPERATIONS

During the year, the Company continued to focus on the exploration and evaluation of base and precious metal projects in Australia and Algeria. In 2015, the Company continued the work to complete a revised Definitive Feasibility Study (**DFS**) for the development of the Tala Hamza zinc deposit in the Oued Amizour Zinc Project in Algeria in collaboration with its Algerian joint venture partner. The Company also continued the hydrogeology and other environmental studies as part of the Preliminary Feasibility Study for the Bird-in-Hand Gold Project in South Australia.

Highlights for each of the Company's major projects are reported below.

Oued Amizour Zinc Project

(Terramin 65%)

The Oued Amizour Zinc Project includes the Tala Hamza zinc deposit and is 100% owned by Western Mediterranean Zinc (**WMZ**). Terramin has a 65% shareholding in WMZ, the remaining 35% is held by two Algerian government owned companies: *Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa* (**ENOF**) (32.5%) and *Office National de Recherche Géologique et Minière* (**ORGM**) (2.5%). WMZ was formed following a resolution of the State Participation Council (**CPE**) to create a joint venture between ENOF and Terramin for the development and mining of the Tala Hamza zinc-lead deposit.

During the year, Terramin prepared a work programme to complete the revised DFS. The revised DFS and associated environmental studies are based on a new mining method approved by the joint venture partners, the underhand drift and fill method. During the year the partners agreed on the work programme, which include desktop work and a geotechnical and hydrological drilling programme, forming the basis for the renewal of the Tala Hamza exploration licence. This exploration licence is necessary to undertake the drilling component of the programme in accordance with Algerian legislation. The licence was renewed by the Algerian mining regulator, *Agence Nationale des Activités Minières* (**ANAM**) on 1 February 2016. The work programme is on-going and preparation for drilling is under way.

In the last quarter of the year, Terramin hosted a successful visit of a delegation from ENOF and the Algerian Ministry of Mines to China. The Algerian delegation was accompanied by Terramin senior management and board members and visited a number of operations relevant to the Tala Hamza Zinc Project including the underground mine site No3 in Jinchuan (Northern China) which utilises an underhand drift cut and fill mining method. The visit provided additional confidence to the partners' choice in the mining method and represents a significant step towards a decision to mine.

Terramin's plans for the year ahead are to complete the revised feasibility study in collaboration with its Algerian partners, proceed with a decision to mine by the WMZ board and lodge the application for a mining lease to mine the Tala Hamza zinc deposit.

Bird-in-Hand Gold Project

(Terramin Exploration Pty Ltd 100%)

The Bird-in-Hand Gold Project is located approximately 30km north of Terramin's existing mining and processing facilities at the Angas Zinc Mine (**Angas**). The project has a high grade Resource of 233,000 ounces of gold which is amenable to underground mining.

It is anticipated that, subject to required regulatory approvals, the Bird-in-Hand material 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 all the Bird-in-Hand tailings.

Terramin expects additional mineralisation exists down plunge of the defined Resource (the mineralisation is open at depth) and possibly as separate lodes along strike based on structural and lithological interpretations, grade distribution and the distribution of historic gold mines close to the project.

During the year, the Company focused on completing the water and environmental base line studies in preparation for the lodgement of a mining lease application. The most comprehensive aquifer investigation in the Western Mount Lofty Ranges catchment area was conducted to determine the aquifer properties (permeability, flow rates and groundwater interaction to feed into a hydrological model) which will be utilised to identify water management techniques. For this groundwater investigation a number of investigation bores, pump tests and a regional groundwater surveys were undertaken. In addition to the hydrological studies the Company undertook additional studies to establish baseline data such as meteorological and weather conditions, dust and noise monitoring, surface water flows, traffic monitoring as well as flora and fauna surveys. Community consultation commenced during the year with a number of meetings with local residents and interested parties.

These meetings are an opportunity for the Company to address community concerns about water and the general impact of the mine.

In the second half of the year the Terramin completed the acquisition of a 36 hectare parcel of land in close proximity to the Bird-in-Hand deposit. The Company plans to use the land to build the mine portal and surface infrastructure required to operate the mine.

The Company has also undertaken a large revegetation programme to reduce the visibility of the surface mine infrastructure and provide additional native habitat to local species.

During the year, the Company prepared a revised geological drilling programme to target critical drilling required for engineering design. The drilling programme takes into account geotechnical and hydrogeological requirements for mine design, specifically the layout of underground capital infrastructure and location of the portal. This drilling programme started at the end of February 2016 and will be completed in the first half of 2016.

Angas Zinc Mine

(Terramin 100%)

The Angas Zinc Mine is located 2km outside the town of Strathalbyn, 60km from Adelaide. The mine is currently in care and maintenance pending the resumption of exploration at depth and near mine in addition to evaluation of the development of the Bird-in-Hand Gold Project. The site remains in compliance with the lease conditions on all levels.

During the year the Company progressed the elaboration of the Angas Zinc Mine closure plan (**Closure Plan**). Various iterations of the Closure Plan were discussed with the Department of State Development (**DSD**) in order to review and satisfy DSD's requirements. The key aspects of the Closure Plan discussed with DSD relate to the mine entrance and the tailings dam. An engineered soil cover (known as Phytocap) proposed in the Closure Plan was chosen to cover the tailings dam which, after analysis, was considered the best solution to achieve successful closure.

Adelaide Hills Project

(Terramin / Terramin Exploration Pty Ltd 100%)

The Adelaide Hills Project consists of twelve contiguous exploration tenements that cover 3,493km² stretching 120km between Victor Harbor and Kapunda. This project area is considered prospective for gold, copper, lead, zinc and rare earth elements. Three project areas have so far been identified for further work: Wheal Barton, Kapunda and Golden Slope.

During the year, Terramin was awarded a drilling grant of $45,000 by the SA Government PACE programme to explore the Wheal Barton copper project.

Work was undertaken around several old mines in the Adelaide Hills (EL 5469) and at Kapunda (EL 5262) and North Rhine (EL 4712) copper mines. Data collected included ground magnetics, ground EM and soil geochemistry.

During the reporting period Terramin was granted tenement EL5662 (previously ELA2015/00027), located 70km NE of Adelaide. The large, post-orogenic mafic intrusions in the northern part of the Padthaway Ridge, particularly the Cambrai pluton located in EL5662, are considered prospective for Nova Bollinger style nickel and copper mineralisation.

Gawler Ranges Project

(Terramin 100% through its wholly owned subsidiary Menninnie Metals Pty Ltd)

During the year, Menninnie Metals terminated the Farm-in and Joint Venture Agreement with Musgrave Minerals Ltd (**Musgrave**) for the Menninnie Dam Project. Menninnie Metals retains 100% of the Menninnie Dam Project with Musgrave relinquishing its farm-in rights. In consideration, Menninnie Metals has agreed to pay Musgrave a net smelter royalty (**NSR**) of 1.0% in respect of tenements EL 5039 and EL 4813. Menninnie Metals will have the right (but not the obligation) to buy back 50% of the NSR (being 0.5%) for $1,250,000 within 60 days of receiving product sale proceeds from these tenements.

The former Menninnie and Mt Ive projects have been combined into a single project called the Gawler Ranges Project. The project is located in the southern Gawler Ranges, a part of the Gawler Craton of South Australia that is becoming increasingly recognised as an under-explored region with high discovery potential.

The project comprises a group of ten Exploration Licences totalling 4539km² and one Exploration Licence Application covering 214km². The project area is prospective for a range of deposit styles that host combinations of gold, silver, copper, molybdenum, lead, zinc, rare earth elements, graphite, and tin ± tungsten. 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 totalling: 7.7Mt @ 3.1% Zn, 2.6% Pb and 27g/t Ag, at a 2.5% Pb+Zn cut-off (ASX: TZN 1st March 2011).

Since resuming control of the entire Project the Company has conducted field mapping and sampling focusing on epithermal quartz (± hematite) vein systems, which are considered features to be near-surface expressions of IOCG hydrothermal systems.

Corporate

During the year, the Company finalised the financial restructure which had been on-going for the past years.

In February 2015, a US$ convertible note holder converted its US$11,000,000 convertible notes having a face value of US$0.10 each (**US$ Notes**) into shares. In accordance with the terms of a convertible notes deed poll, the US$ Notes were converted in 110,000,000 fully paid ordinary shares. In addition, the Company issued 1,083,558 fully paid ordinary shares in satisfaction of interest payable on the Notes as at the conversion date.

In May 2015 the Board resolved to restructure the Chairman's role and responsibilities. The Board resolved to appoint Mr Feng (Bruce) Sheng as non-executive Chairman and Mr Michael Kennedy as non-executive Deputy Chairman. Mr Kennedy assists Mr Sheng as Deputy Chairman and continues to act as independent director on the Board of Terramin.

Asipac Group Pty Ltd (**Asipac**) converted its 249,825,703 convertible notes (**A$ Notes**) into shares. The A$ Notes, which were approved by shareholders on 17 September 2014, had a face value of A$0.065 each or $16,238,670.70 in total. In accordance with the terms of the convertible notes deed poll the A$ Notes were converted in 249,825,703 fully paid ordinary shares. In addition, the Company issued 2,706,551 fully paid ordinary shares in satisfaction of interest payable on the A$ Notes as at the conversion date.

At the end of the year, Terramin raised $3 million by way of a share placement to two new local investors. A total of 16,638,935 shares were issued at a 5-day volume weighted average price of Terramin shares prior to issue.

In October, the Company and Asipac agreed to extend and increase the debt facilities provided by Asipac. The $4.0 million Corporate debt facility entered into by Terramin (**Corporate Facility**) and the $4.3 million Bird-in-Hand debt facility entered into by Terramin Exploration (**BIH Facility**) have been increased to $5.0 million each for a two-year term. The terms of these new facilities are at commercial arm's length and are broadly the same as the maturing Corporate and BIH Facilities. The security structure for each Facility is unchanged, however, under the terms of the Bird-in-Hand Facility, Terramin Exploration has granted a mortgage over recently acquired land for the Bird-in-Hand Gold project to Asipac.

In addition, Terramin Exploration Pty Ltd selected Asipac Capital Pty Ltd, a related party of Asipac, as its marketing agent for the sale of gold products into Asian markets and China in particular. Under the Agreement, Asipac Capital will market gold products to be produced from the Bird-in-Hand Gold Project.

During the year, the Company received a Research and Development Tax Refund for an amount of approximately $1.1 million.

There were 1,000,000 unlisted options over fully paid ordinary shares in the capital of the Company cancelled during the period. During the same period, no options were exercised and no options were granted.

Also during the year the Board of the Company created the Independent Review Committee (**IRC**). This committee is composed of independent directors, Mr McGuinness (chairman) and Mr Kennedy. The role of the IRC is to ensure that highest corporate governance standards are adhered to. In particular the IRC may review, assess and if appropriate, recommend transactions to the Board for which related party transaction issues may arise. This IRC meets as required. No additional directors fees are paid to Mr Kennedy and Mr McGuinness for their work within the IRC.

Business Development Activities

Throughout 2015, the Company continued to identify, assess and, where appropriate, pursue the acquisition of interests in advanced mining projects.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant change in the state of affairs of the Group occurred during the financial year, other than as already referred to in this report.

SUBSEQUENT EVENTS

On 1 February 2016, the Exploration Licence for the Oued Amizour project was re-issued for a term of one and a half years. It follows the general agreement between Terramin and its Algerian joint venture partners that the revised feasibility study in respect of Tala Hamza is positive and meets the objectives and expectations of the partners and, in its current form, provides a strong basis to progress towards a decision to mine.

In the Directors' opinion, no other events or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company or the Group, the results of those operations, or the state of affairs of the Group in future years that have not been otherwise disclosed in this report.

FUTURE DEVELOPMENTS

The Group will continue to work with its Algerian partners to complete the revised definitive feasibility study to reach a decision to mine and proceed with the development of the Tala Hamza Zinc Project. The Group also intends to continue to progress the Bird-in-Hand Gold Project through a Preliminary Feasibility Study and a geotechnical drilling programme. The Group intends to continue to undertake appropriate exploration and evaluation expenditure, thereby enabling it to maintain good title to all its prospective mineral properties until decisions can be made to successfully develop and exploit, sell or abandon such properties. New projects will continue to be sought and evaluated.

ENVIRONMENTAL MANAGEMENT

The Group (in particular the Company's Angas Zinc Mine) is subject to significant environmental regulation under both Commonwealth and South Australian legislation in relation to its exploration, development and mining activities. Exploration Licences and Mining Leases are issued subject to various obligations as to environmental monitoring and rehabilitation, and ongoing compliance with all relevant legislative obligations. The Group's Directors, employees and consultants are committed to achieving a high standard of environmental performance, which is monitored by the Audit, Risk and Compliance Committee.

Environmental monitoring at Angas is continuing whilst in the care and maintenance phase. Terramin remains compliant with the terms of the Angas Mining Lease.

To the best of the Directors' knowledge there have been no material breaches or other material instances of non-compliance, nor any recorded known areas of outstanding non-compliance, with any applicable environmental legislation or other regulations.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled and reviewed by Mr Eric Whittaker. The information that relates to Ore Reserves is based on information reviewed by Mr Joe Ranford. Mr Whittaker and Mr Ranford are Members of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whittaker is the Principal Resource Geologist and Mr Ranford is Chief Technical Officer and Operations Manager and both are full time employees of Terramin Australia Limited. Both have sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the relevant 2004 or 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whittaker and Mr Ranford consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 31 December 2015

	Note	**2015 $'000**	2014 $'000
Revenue	4	**-**	17
Raw materials, consumables and other direct costs		**(571)**	(1,000)
Employee expenses		**(1,132)**	(998)
Depreciation and amortisation	10	**(37)**	(59)
Exploration and evaluation expensed (Oued Amizour Zinc Project)		**(987)**	(1,838)
Loss on disposal of plant and equipment		**-**	(1,087)
Write down of consumable and spare part inventories		**(563)**	(427)
Mine rehabilitation obligation expense	13	**219**	(283)
Share option expense	24(d)	**-**	(4)
Other expenses		**(530)**	(713)
Loss before net financing costs and income tax		**(3,601)**	(6,392)
Finance income	6	**13**	82
Finance costs	6	**(3,978)**	(3,231)
Net finance costs		**(3,965)**	(3,149)
Loss before income tax		**(7,566)**	(9,541)
Income tax benefit	17	**1,120**	1,441
Loss for the year		**(6,446)**	(8,100)
Attributable to:			
Owners of the Company		**(6,091)**	(7,472)
Non-controlling interest	22	**(355)**	(628)
Loss for the year		**(6,446)**	(8,100)
Other comprehensive (loss)/income Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**(1,397)**	(623)
Other comprehensive (loss) for the year, net of income tax		**(1,397)**	(623)
Total comprehensive loss for the year attributable to equity holders of the Company		**(7,843)**	(8,723)
Attributable to:			
Owners of the Company		**(7,467)**	(8,103)
Non-controlling interest		**(376)**	(620)
Total comprehensive loss for the year		**(7,843)**	(8,723)

Loss per share attributable to the ordinary equity holders of the Company:

	Note	**2015**	2014
Basic (loss) per share - (cents per share)	26(a)	**(0.37)**	(0.59)
Diluted (loss) per share - (cents per share)	26(b)	**(0.37)**	(0.59)

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 Year Ended 31 December 2015

	Note	2015 $'000	2014 $'000
Assets			
Cash and cash equivalents	*7*	**2,601**	943
Trade and other receivables	*9*	**38**	128
Other assets		**78**	71
Total current assets		**2,717**	1,142
Non-current assets			
Inventories	*8*	**664**	1,233
Property, plant and equipment	*10(a)*	**8,556**	7,153
Exploration and evaluation	*10(b)*	**53,521**	53,382
Total non-current assets		**62,741**	61,768
TOTAL ASSETS		**65,458**	62,910
Liabilities			
Current liabilities			
Trade and other payables	*11*	**2,092**	1,615
Short term borrowings	*12*	**31**	3,629
Provisions	*13*	**258**	358
Total current liabilities		**2,381**	5,602
Non-current liabilities			
Long term borrowings	*12*	**7,917**	27,749
Provisions	*13*	**5,610**	5,658
Total non-current liabilities		**13,527**	33,407
TOTAL LIABILITIES		**15,908**	39,009
NET ASSETS		**49,550**	23,901
Equity			
Share capital	*14*	**203,913**	168,828
Reserves	*15*	**3,617**	6,586
Accumulated losses		**(172,272)**	(166,181)
Total equity attributable to equity holders of the Company		**35,258**	9,233
Non-controlling interest	*16*	**14,292**	14,668
TOTAL EQUITY		**49,550**	23,901

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 December 2015

2015	Share capital $'000	Share option reserve $'000	Translation reserve $'000	Other components of equity $'000	Accumulated losses $'000	**Total $'000**	Non-controlling interest $'000	**Total equity $'000**
Balance at 1 January 2015	**168,828**	**8,970**	**(3,977)**	**1,593**	**(166,181)**	**9,233**	**14,668**	**23,901**
Total comprehensive income for the period								
Loss for the year	-	-	-	-	(6,091)	**(6,091)**	(355)	**(6,446)**
Other comprehensive income								
Foreign currency translation differences	-	-	(1,376)	-	-	**(1,376)**	(21)	**(1,397)**
Total other comprehensive income	-	-	(1,376)	-	-	**(1,376)**	(21)	**(1,397)**
Total comprehensive income for the year	-	-	(1,376)	-	(6,091)	**(7,467)**	(376)	**(7,843)**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	33,492	-	-	-	-	**33,492**	-	**33,492**
Conversion of convertible notes	1,593	-	-	(1,593)	-	**-**	-	**-**
Total contributions by and distributions to owners	35,085	-	-	(1,593)	-	**33,492**	-	**33,492**
Balance at 31 December 2015	**203,913**	**8,970**	**(5,353)**	**-**	**(172,272)**	**35,258**	**14,292**	**49,550**

2014	Share capital $'000	Share option reserve $'000	Translation reserve $'000	Other components of equity $'000	Accumulated losses $'000	**Total $'000**	Non-controlling interest $'000	**Total equity $'000**
Balance at 1 January 2014	**159,796**	**8,966**	**(3,346)**	**-**	**(158,709)**	**6,707**	**15,288**	**21,995**
Total comprehensive income for the period								
Loss for the year	-	-	-	-	(7,472)	**(7,472)**	(628)	**(8,100)**
Other comprehensive income								
Foreign currency translation differences	-	-	(631)	-	-	**(631)**	8	**(623)**
Total other comprehensive income	-	-	(631)	-	-	**(631)**	8	**(623)**
Total comprehensive income for the year	-	-	(631)	-	(7,472)	**(8,103)**	(620)	**(8,723)**
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Equity component of debt facilities[1]	-	-	-	1,593	-	**1,593**	-	**1,593**
Issue of ordinary shares	9,074	-	-	-	-	**9,074**	-	**9,074**
Share issue costs	(42)	-	-	-	-	**(42)**	-	**(42)**
Share options issued	-	4	-	-	-	**4**	-	**4**
Total contributions by and distributions to owners	9,032	4	-	1,593	-	**10,629**	-	**10,629**
Balance at 31 December 2015	**168,828**	**8,970**	**(3,977)**	**1,593**	**(166,181)**	**9,233**	**14,668**	**23,901**

1. Refer to note 12 - Borrowings.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2015

	Note	2015 $'000	2014 $'000
Cash from operating activities:			
Receipts from customers		**-**	1,010
Payments to suppliers and employees		**(1,791)**	(4,825)
Financing costs and interest paid		**(281)**	(961)
Interest received		**11**	40
Research and development tax concession received		**-**	1,441
Total cash (used in) operating activities	*18*	**(2,061)**	(3,295)
Cash flows from investing activities:			
Proceeds from the sale of fixed assets		**-**	582
Acquisition of property, plant and equipment		**(29)**	49
Exploration and evaluation expenditure		**(2,912)**	(2,659)
Net cash (used in) investing activities		**(2,941)**	(2,028)
Cash flows from financing activities:			
Proceeds from the issue of share capital		**3,000**	1,000
Payment of transaction costs on debt and/or equity		**(450)**	(378)
Proceeds from borrowings		**4,272**	18,514
Repayment of borrowings		**(164)**	(17,513)
Net cash from financing activities		**6,658**	1,623
Other activities:			
Net increase/(decrease) in cash and cash equivalents		**1,656**	(3,700)
Net foreign exchange differences		**2**	(156)
Cash and cash equivalents at beginning of year		**943**	4,799
Cash and cash equivalents at end of year	*7*	**2,601**	943

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

1. REPORTING ENTITY

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

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian interpretations) issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB). Terramin Australia Limited is a for-profit entity for the purpose of preparing the financial statements.

Terramin Australia Limited is a public company incorporated and domiciled in Australia. The address of its registered office is Level 3, 70 Hindmarsh Square, SA, 5000.

(b) Basis of Measurement

The financial statements are presented in Australian dollars (AUD), have been prepared on an accruals basis and are based on historical costs, except for 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.

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998. In accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(c) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During 2015, the Group incurred a loss of $6.5 million, bringing accumulated losses to $172.3 million. As at 31 December 2015 the Group's current assets exceeded its current liabilities by $0.5 million. The Group had net assets of $49.6 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 of the Bird-in-Hand Gold Project or that the $41.4 million investment in the Tala Hamza Zinc Project can be realised through mining or sale.

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 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 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 conformity to IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- *Note 3(g) – Ore reserves: estimates of the amount of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions.*
- *Note 3(i) - Exploration and Evaluation Expenditure: recoverable amount and ore reserve estimates.*
- *Note 3(k) - Provisions: estimated cost of rehabilitation, decommissioning and restoration.*
- *Note 3(l) - Share Based Entitlements and Payments: assumptions are required to be made in respect to measuring share price volatility, dividend yield, future option holding period and other inputs to the Black-Scholes option pricing model fair value calculations.*

2. BASIS OF PREPARATION *(continued)*

- *Note 3(r) - Recognition of tax losses: assessment of the point in time at which it is deemed probable that future taxable income will be derived.*

(e) New and Amended Standards Adopted by the Group

I. Changes in accounting policies

The accounting policies adopted in the preparation of this Annual Report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

II. Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended that potentially impact the Group but are not yet effective and have not been adopted by the Group for the annual reporting period ended 31 December 2015 are outlined below:

AASB 9 Financial Instruments

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a. Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.

b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c. Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

d. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

e. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI')
- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.

AASB 15 Revenue from Contracts with Customers

Replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:

- establishes a new revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.

2. BASIS OF PREPARATION *(continued)*

IFRS 16 – Leases

IFRS 16 will replace IAS 17 Leases for financial reporting periods beginning on or after 1 January 2019. Early adoption is permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers.

The key features of the new standard are:

- elimination of classification of leases as either operating leases or finance leases for a lessee
- the recognition of lease assets and liabilities on the balance sheet, initially measured at present value of unavoidable future lease payments
- recognise depreciation of lease assets and interest on lease liabilities on the statement of profit or loss and other comprehensive income over the lease term
- separation of the total amount of cash paid into a principal portion and interest in the statement of cashflows
- short-term leases (less than twelve months) and leases of low-value assets (such as personal computers) are exempt from the requirements

As the standard was only issued post the end of the year end, management have not yet had an opportunity to fully consider the impact on the financial statements, however do not expect any material impact.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 December 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of four months or less.

(c) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. The cost of mining stocks include direct material, direct labour, transportation costs and a proportion of variable and fixed overhead costs relating to mining activities. Net realisable value is the amount to be obtained from the sale of the item of inventory in the normal course of business less the estimated costs of completion and any anticipated selling costs to be incurred prior to its sale. Non-current inventories represent inventories of spare parts and consumables which are not expected to be used within 12 months.

(d) Trade and Other Receivables

Trade and other receivables are recognised at cost and carried at original invoice amount less allowances for impairment losses.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment.

(e) Property, Plant and Equipment

Property

Freehold land is measured at cost and buildings are measured at amortised cost.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses recognised.

The depreciable amount of all property, plant and equipment, excluding freehold land, is depreciated on either a diminishing value, straight line or units of use basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset is the lesser of the rate determined by the life of the mining operation and:

Class of Asset	Depreciation rates
Motor vehicles	22.5 - 25%
Computer and office equipment	15 - 40%
Plant and equipment	5 - 33%
Leasehold improvements	20%
Buildings and other infrastructure	5 - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Mining property and development

Mining property and development expenditure for the establishment of access to mineral reserves, together with expenditure transferred from exploration and evaluation and expenditure incurred in the commissioning of a mine are capitalised to the extent that the expenditure results in future benefits. These amounts are amortised, upon commencement of production, over the estimated economic reserve of the mine on a units of use basis.

Construction in progress

During the construction phase, self-constructed assets are classified as construction in progress within property, plant and equipment. Once commissioned these assets are reclassified to property, plant and equipment at which time they will commence being depreciated. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

(f) Impairment of Assets

Non-financial Assets

At each reporting date, the Group reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset is determined and compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised as an expense in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised, with the exception that any previously impaired goodwill should not be re-recognised.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

Recoverable Amount

In assessing whether the carrying amount of an asset is impaired, the asset's carrying value is compared with its recoverable amount. The recoverable amount of non-financial assets or cash-generating units (CGU) is the greater of their fair value or realisable value less costs to sell and value in use. In assessing fair value, or value in use, estimates and assumptions including the appropriate rate at which to discount cash flows, the timing of the cash flows, expected life of the relevant area of interest, exchange rates, commodity prices, ore reserves, future capital requirements and future operating performance are used. The recoverable amount of an asset or CGU will be impacted by changes in these estimates and assumptions which could result in an adjustment to the carrying amount of that asset or CGU.

(g) Ore Reserves

Economically recoverable ore reserves represent the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions. The Group historically determined and reported ore reserves under the standards incorporated in the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2004 edition (the JORC code). Going forward the Group will determine and report ore reserves under the standards incorporated in the 2012 edition of the JORC code. The determination of ore reserves includes estimates

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

and assumptions about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Changes in a project's ore reserve impacts the assessment of recoverability of exploration and evaluation assets, property, plant and equipment and intangible assets, the carrying amounts of assets depreciated on a units of production basis, provisions for site restoration and the recognition of deferred tax assets, including tax losses.

(h) Investments in Associates and Joint Arrangements

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(i) Exploration and Evaluation Expenditure

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets (E&E assets) on an area of interest basis pending determination of the technical feasibility and commercial viability of the project. When a licence expires and is not expected to be renewed, is relinquished or a project is abandoned, the related costs are recognised in the profit or loss immediately. With respect to the Oued Amizour Zinc Project, all exploration and evaluation costs have been expensed for the year. As the exploration licence was renewed in 2016, the Company will resume carrying the value of E&E costs from that date.

Tangible and intangible E&E assets that are available for use are depreciated (amortised) over their estimated useful lives. Upon commencement of production, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the reserves.

E&E assets are assessed for impairment if (1) sufficient data exists to determine technical feasibility and commercial viability, and (2) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment note 3(f)). E&E assets are assessed for impairment when any of the following facts and circumstances exist:

- The term of the exploration license in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

E&E assets are transferred to development assets once the technical feasibility and commercial viability of an area of interest can be demonstrated. E&E assets are assessed for impairment, and any impairment loss is recognised prior to being reclassified.

Pre-licence expenditure and expenditure deemed to be unsuccessful is recognised in the profit or loss immediately.

(j) Trade and Other Payables

Trade payables and other payables are stated at cost.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Site restoration liability

A provision is recognised for the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during operation of the Angas Zinc Mine up to reporting date but not yet rehabilitated. The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. As the provision represents the discounted value of the present obligation, using a pre-tax rate that reflects current market assessments and the risks specific to the liability, the increase in value of the provision due to the passage of time will be recognised as a borrowing cost in the profit or loss in future periods. The provision is recognised as a non-current liability (in line with the expected timescales for the work to be performed), with a corresponding asset taken to account and amortised over the life of the mine. At each reporting date the rehabilitation liability is reviewed and re-measured in line with changes in discount rates and timing and the amounts of the costs to be incurred based on area of disturbance at reporting date. Changes in the liability relating to the re-assessment of rehabilitation estimates are recognised directly within the profit or loss.

(l) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share Based Payments

The Group uses share options to provide incentives to Directors, employees and consultants. During 2015, no options were issued to KMPs of the Group under the Terramin Australia Limited Employee Option Plan. The Board, upon the recommendation of the Nominations and Remuneration Committee, has discretion to determine the number of options to be offered to Eligible Employees (as that term is defined by the EOP) and the terms upon which they are offered, including exercise price and vesting conditions. The fair value of options at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised as an expense over the period during which the Directors, employees or consultants become unconditionally entitled to the options (vesting period).

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital.

(m) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases (refer notes 12 and 27). Finance leases are capitalised at lease inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included as loans and borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the lesser of the asset's useful life and the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

An onerous lease contract arises when the unavoidable costs exceed the benefits expected to be generated by the contract. Where onerous leases are identified a provision for the present value of future payments is recognised.

(n) Loans and Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs.

Subsequent to initial recognition, loans and borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis. Loans and borrowings with a determinable payment due less than twelve months from reporting date

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

are classified as current liabilities.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the notes. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity when the conversion option meets the equity definition at inception.

(o) Financing Costs

Financing costs include interest payable on borrowings calculated using the effective interest method, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges, mark-to-market of USD denominated monetary assets and liabilities, and the impact of the unwind of discount on long-term provisions for site restoration.

Financing costs incurred in relation to the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other financing costs are expensed as incurred.

(p) Foreign Currency Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. The consolidated financial statements are presented in AUD, which is the Group's functional and presentation currency. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Foreign currency differences are recognised in the profit or loss.

The assets and liabilities of foreign operations are translated to AUD at exchange rates at the reporting date. The income and expenses of foreign operations are translated to AUD at exchange rates at the dates of the transactions. These foreign currency differences at the reporting date are recognised directly in equity.

(q) Share Capital

Ordinary shares are classified as equity. Qualifying transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(r) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability settled. Deferred tax is credited in the profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Determination of future tax profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgements about commodity prices, ore reserves (note 3(g)), exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows.

Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

The Group is part of an income tax consolidated group under the Australian Tax Consolidation Regime.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) Revenue

Revenue from commodity sales is recognised when the risks and rewards of ownership have been transferred to the buyer, the quantity of the goods has been reasonably accurately determined, the price is determinable and recovery of consideration is probable. This is generally when title to the goods transfers to the buyer.

Commodity sales are recognised net of all discounts and pricing adjustments, refining and distribution costs as applicable based on either fixed or provisional pricing and assays. Commodity sale contracts allow for provisional prices and assays to be estimated where metal prices or final assays are not able to be established until future periods. Revenue on provisional commodity sales is adjusted in future periods as final pricing and assays are confirmed.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(u) Derivatives

Commodity and foreign exchange hedging in fixed forward contracts are utilised to reduce short term exposure to commodity and foreign exchange.

These derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured to fair value. The method of recognising the changes in fair value subsequent to initial recognition is dependent on whether the derivative is designated as a hedging instrument, the nature of the underlying item being hedged and whether the arrangement qualifies for hedge accounting.

The Group has not designated the derivative contracts entered into during the period as hedges for accounting purposes. As such, changes in fair value of hedges are recognised immediately in the statement of profit or loss and other comprehensive income and are included in finance income or costs.

(v) Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprises convertible notes and share options granted to employees, Directors, consultants and other third parties.

(w) Segments

The consolidated entity has identified its operating segments to be its Australian interests and its International Northern African interests, based on the different geographical regions and the similarity of assets within those regions. This is the basis on which internal reports are provided to management for assessing performance and determining the allocation of resources within the consolidated entity.

A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those segments operating in other economic environments.

Segment information is presented only in respect of the Group's geographical segments, being Australia and Northern Africa, which is the basis of the Group's internal reporting.

(x) Compound Financial Instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder where the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not include an equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the debt component and recognised as a separate component of equity. Subsequent to recognition, the liability component is measured on the amortised cost basis until extinguished on conversion or redemption. The equity component is not re-measured.

(y) Financial Risk Management

The Group's activities expose it to the following risks from the use of financial instruments:

Credit Risk

The risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from the Group's product sales, short term cash investments and derivatives.

Liquidity Risk

The risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages this exposure by targeting to have sufficient cash financing facilities available on demand to meet planned expenditure for a minimum period of 45 days (refer note 12 for detail on available financing facilities).

Market Risk

The risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the Group's income or value of its holdings of financial instruments. The Group may enter into commodity derivatives, foreign exchange derivatives and may also incur financial liabilities (debt), in order to manage market risks. All such transactions are carried out within Board approved limits.

The Group's financial risks are managed primarily by the Chief Executive Officer, including external consultation advice as required, as a part of the day-to-day management of the Group's affairs.

Finance and risk reporting is a standard item in the report presented at each Board meeting.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital Management

The Board seeks to maintain a strong capital base sufficient to maintain the future development of the Group's business. The Board closely monitors the Group's level of capital so as to ensure it is appropriate for the Group's planned level of activities. There were no changes to the Group's approach to capital management during the year.

4. REVENUE AND OTHER INCOME

	2015 $'000	2014 $'000
Revenue		
Sale of concentrate	**-**	17
	-	17

5. AUDITOR'S REMUNERATION

	2015 $'000	2014 $'000
Grant Thornton		
Audit and review of financial reports	**68**	85
	68	85

6. FINANCE INCOME AND COSTS

	2015 $'000	2014 $'000
Finance income		
Interest income	**11**	32
Foreign exchange and commodity hedging gains	**2**	50
	13	82
Finance costs		
Interest on convertible notes	**749**	1,272
Interest on borrowings	**469**	283
Unwinding of discount on mine rehabilitation provision	**147**	-
Other borrowing costs	**1,657**	1,110
Foreign exchange and commodity hedging losses	**956**	566
	3,978	3,231

7. CASH AND CASH EQUIVALENTS

	2015 $'000	2014 $'000
Cash on hand	**2**	3
Bank balances	**2,576**	791
Short-term deposits	**23**	149
	2,601	943

8. INVENTORIES

	2015 $'000	2014 $'000
Non-current		
Raw materials and consumables	**664**	**1,233**
Total inventories at the lower of cost and net realisable value	**664**	**1,233**

At 31 December 2015, the write-down of inventories to net realisable value amounted to $1,411,588 (2014: $848,303).

9. TRADE AND OTHER RECEIVABLES

	2015 $'000	2014 $'000
Other receivables	**38**	128
	38	128

At 31 December 2015, there are no receivables which are past their trading terms.

10. (a) PROPERTY PLANT AND EQUIPMENT

	2015 $'000	2014 $'000
Freehold land		
At cost	**4,271**	2,844
Total freehold land[1]	**4,271**	2,844
Buildings and other infrastructure		
At cost	**126**	126
Less accumulated depreciation	**(117)**	(116)
Total buildings and other infrastructure	**9**	10
Plant and Equipment		
At cost	**59,145**	59,194
Less accumulated impairment	**(14,219)**	(14,219)
Less accumulated depreciation	**(40,648)**	(40,685)
Total plant and equipment	**4,278**	4,290
Construction in progress		
At cost	**-**	9
Total construction in progress	**-**	9
Total property plant and equipment	**8,557**	7,154

1. *The Directors have considered the recoverable amount of land based on a value in use calculation taking into account the future use of the land as the processing site for the Bird-in-Hand Gold Project.*

10. (b) EXPLORATION AND EVALUATION ASSETS

	2015 $'000	2014 $'000
Exploration and evaluation		
At cost	**57,735**	57,596
Less impairment	**(4,214)**	(4,214)
Total exploration and evaluation	**53,521**	53,382

	2015 $'000	2014 $'000
Exploration and evaluation assets by location		
Oued Amizour Zinc Project (Terramin 65%)	**41,431**	42,746
Adelaide Hills Project (Terramin 100%)	**1,617**	1,444
Bird-in-Hand Gold Project (Terramin Exploration Pty Ltd 100%)	**5,441**	4,447
Menninnie Zinc Project (Menninnie Metals Pty Ltd 100%)[1]	**5,032**	4,745
Total exploration and evaluation	**53,521**	53,382

1. In 2014, The Menninnie Zinc Project was held under a farm-out joint venture, which was terminated during the year, resulting in Menninnie Metals Pty Ltd retaining 100% of the project.

The Oued Amizour Zinc Project is held by WMZ, an entity controlled by the Group.

Recoverability of the carrying amount of the exploration and evaluation asset is dependent on the successful development and commercial exploitation, or alternatively sale of the respective area of interest, and continuity of the joint venture agreement with its Algerian partner.

Movement year on year of the carrying value of the Oued Amizour Zinc Project exploration and evaluation asset is due to the changes in foreign currency exchange rates.

10. (a) AND (b) *(continued)*

Movements in carrying amounts

	Freehold land $'000	Buildings and other infrastructure $'000	Plant and equipment[1] $'000	Construction in progress $'000	Exploration and evaluation $'000	Total $'000
Opening carrying amount 1 Jan 2015	2,844	10	4,290	9	53,382	60,535
Additions	1,427	-	-	29	2,436	3,892
Disposals	-	-	-	-	-	-
Transfers	-	-	38	(38)	-	-
Exploration expensed	-	-	-	-	(987)	(987)
Depreciation and amortisation	-	(1)	(36)	-	-	(37)
Impairment	-	-	-	-	-	-
Foreign currency movement	-	-	(15)	-	(1,310)	(1,325)
Carrying amount at 31 Dec 2015	**4,271**	**9**	**4,277**	**-**	**53,521**	**62,078**

10. (a) AND (b) *(continued)*

	Freehold land $'000	Buildings and other infrastructure $'000	Plant and equipment[1] $'000	Construction in progress $'000	Exploration and evaluation $'000	Total $'000
Opening carrying amount 1 Jan 2014	2,819	14	6,000	-	51,448	60,281
Additions	25	-	-	54	4,219	4,298
Disposals	-	-	(1,668)	-	-	(1,668)
Transfers	-	-	45	(45)	-	-
Exploration expensed	-	-	-	-	(1,685)	(1,685)
Depreciation and amortisation	-	(4)	(55)	-	-	(59)
Impairment	-	-	-	-	-	-
Foreign currency movement	-	-	(32)	-	(600)	(632)
Carrying amount at 31 Dec 2014	**2,844**	**10**	**4,290**	**9**	**53,382**	**60,535**

1. *Plant and equipment includes assets located at the Menninnie Zinc Project, subject to a farm-out joint venture arrangement with Musgrave.*

11. TRADE AND OTHER PAYABLES

	2015 $'000	2014 $'000
Trade payables	**859**	302
Other payables and accrued expenses	**1,232**	1,313
	2,091	1,615

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

12. BORROWINGS

	2015 $'000	2014 $'000
Current		
Lease liabilities (note 27)[1]	**-**	5
Loans - secured[2/5]	**31**	3,624
Convertible notes[3]	**-**	-
	31	3,629
Non-current		
Loans - secured [2/5]	**7,917**	-
Convertible notes[3]	**-**	27,749
	7,917	27,749
Financing facilities[2/5]		
Loan facilities - available	**10,000**	6,800
Loan facilities - undrawn	**(1,700)**	(2,580)
Loan facilities - drawn	**8,300**	4,220
Less: unamortised transaction costs	**(213)**	(596)
Carrying amount at 31 December	**7,948**	3,624
Guarantee facility - available[4/5]	**5,315**	5,315
Guarantee facility - undrawn	**-**	-
Guarantee facility - drawn	**5,315**	5,315

1. Under lease facilities the possession of leased assets revert to the lessor following an event of default.
2. At reporting date, the Group had drawn down $8.3 million of two $5 million loan facilities provided by Asipac. Interest is payable half yearly on the facilities and is fixed at a base rate of 7%. Interest is payable in cash.
3. Asipac converted into shares its $16.24 million worth of unlisted convertible notes in July 2015. Accordingly, 249,825,703 shares were issued to Asipac to satisfy the notes. Until the conversion date, interest was payable semi-annually based on a fixed interest rate of 7.5% per annum and could be paid in cash or shares at the election of the Group. A total of 2,706,551 shares were issued during the year to Asipac in lieu of a cash interest payment of $0.33 million.

   In February 2015, Rainbow Dream elected to convert its US$11 million convertible notes into shares. As a consequence, the Company issued 110,000,000 shares to Rainbow Dream to satisfy the notes and 1,083,558 shares in lieu of a cash interest payment of $0.2 million.
4. A $5.3 million guarantee facility has been provided by Investec Bank PLC (**Investec**) in relation to rehabilitation bonds required by Department of State Development (**DSD**) over the Angas Mining Lease (ML6229).
5. The carrying value of plant and equipment and mining property subject to finance loans and hire purchase contracts at 31 December 2015 was $nil (2014: $5,000).

   The Guarantee Facility and the $5.0 million loan facility provided by Asipac to the Company (**Corporate Facility**) are secured under the terms of a security trust deed for which Investec acts as trustee (**Security Trust Deed**). The first ranking security interests created under the Security Trust Deed relates to all the assets of the Company.

   Under the terms of the $5.0 million loan facility provided to Terramin Exploration Pty Ltd (**BIH Facility**), the following first ranking securities have been granted to Asipac: a real property mortgage over land acquired at Bird-in-Hand, a general security interest over all the assets of Terramin Exploration Pty Ltd and a specific security over the shares of Terramin Exploration Pty Ltd. All security interests will be discharged upon repayment of all amounts due under the BIH Facility.

13. PROVISIONS

	2015 $'000	2014 $'000
Current		
Employee benefits	**259**	216
Onerous lease	**-**	142
	259	358
Non-current		
Employee benefits	**70**	46
Mine rehabilitation	**5,540**	5,612
Onerous lease	**-**	-
	5,610	5,658

	Employee benefits $'000	Mine rehabili-tation $'000	Onerous leases $'000	Total $'000
At 1 January 2015	**262**	**5,612**	**142**	**6,016**
Increases in provisions	222	-	-	222
Change in assumptions	-	(219)	-	(219)
Unused amounts reversed	-	-	-	-
Unwind of discount	-	147	-	147
Paid during the period	(155)	-	(142)	(297)
At 31 December 2015	**329**	**5,540**	**-**	**5,869**

The mine rehabilitation provision is recognised for the estimated cost of rehabilitation, decommissioning, restoration and long term monitoring of areas disturbed during operation of the Angas Zinc Mine up to reporting date but not yet rehabilitated. The provision is based 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 2.75% (2014: 3.2%). The rehabilitation is expected to occur following the processing of ore from the Bird-in-Hand gold mine (subject to regulatory approvals).

A provision for an onerous lease was recognised to reflect the present value of future contract costs which were required to be made. The benefits expected to be generated by the lease contract were outweighed by the future costs. These contracts were settled in full during the year.

14. ISSUED CAPITAL

(a) Ordinary shares

	2015 $'000	2014 $'000
1,795,043,184 (2014: 1,404,009,037)		
Ordinary shares	**208,762**	173,677
Share issue costs	**(4,849)**	(4,849)
	203,913	168,828

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.

14. ISSUED CAPITAL *(continued)*

(b) Detailed table of capital issued during the year

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Opening balance 1 January 2015		**1,404,009,037**		**168,828**
Conversion of convertible notes (Rainbow Dream)	4/02/2015	110,000,000	0.13	14,368
Shares issued in lieu of interest (Rainbow Dream)	4/02/2015	1,083,558	0.15	158
Shares issued in lieu of interest (Asipac)	3/06/2015	1,143,984	0.06	69
Shares issued in lieu of interest (Asipac)	3/06/2015	536,786	0.13	69
Shares issued in lieu of interest (Asipac)	3/06/2015	901,796	0.08	72
Shares issued in lieu of interest (Asipac)	3/06/2015	1,002,982	0.04	81
Shares issued in lieu of interest (Asipac)	3/06/2015	1,040,608	0.07	71
Shares issued in lieu of interest (Asipac)	3/06/2015	5,053,244	0.13	632
Conversion of convertible notes (Asipac)[1]	14/07/2015	249,825,703	0.07	16,238
Shares issued in lieu of interest (Asipac)	14/07/2015	2,706,551	0.12	327
Share placement	02/11/2015	16,638,935	0.18	3,000
Closing balance 31 December 2015		**1,793,943,184**		**203,913**
Share issue costs				-
Issued Capital				**203,913**

1. *Includes the release of the other components of equity of $1,593.*

Type of Share Issue	Date of Issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Opening balance 1 January 2014		**1,245,051,770**		**159,796**
Shares issued in lieu of interest (Asipac)	4/06/2014	5,327,462	0.04	189
Shares issued in lieu of interest (Asipac)	4/06/2014	4,904,417	0.04	188
Shares issued in lieu of interest (Asipac)	4/06/2014	1,988,999	0.03	69
Shares issued in lieu of interest (Asipac)	4/06/2014	1,609,449	0.04	62
Shares issued to Directors	4/06/2014	3,581,480	0.04	140
Shares issued in lieu of restructure fee (Asipac)	19/09/2014	13,711,152	0.05	750
Share placement to Asipac	19/09/2014	23,529,412	0.04	1,000
Shares issued to NFC	19/09/2014	18,000,000	0.06	1,008
Conversion of convertible note (New Asia)	18/12/2014	84,615,384	0.07	5,500
Shares issued in lieu of interest (New Asia)	18/12/2014	1,689,512	0.10	168
Closing balance 31 December 2014		**1,404,009,037**		**168,870**
Share issue costs				(42)
Issued Capital				**168,828**

15. RESERVES

	2015 $'000	2014 $'000
Foreign currency translation reserve[1]		
Balance at the beginning of the year	**(3,977)**	(3,346)
Adjustment arising on translation into presentation currency	**(1,376)**	(631)
Balance at the end of the year	**(5,353)**	(3,977)
Other components of equity[2]		
Balance at the beginning of the year	**1,593**	-
Equity component of debt facilities	-	1,593
Conversion of convertible notes	(1,593)	-
Balance at the end of the year	**-**	1,593
Share option reserve[3]		
Balance at the beginning of the year	**8,970**	8,966
Options issued during the year	**-**	4
Options expense capitalised as transaction cost	**-**	-
Options excercised during the period	**-**	-
Balance at the end of the year	**8,970**	8,970
Total reserves	**3,617**	6,586

1. *Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.*
2. *Other components of equity reserve is used to record the equity component of compound financial instruments issued by the Group.*
3. *Share option reserve is used to recognise the value of equity-settled share-based payment transactions, including employees and KMP, as part of their remuneration.*

16. NON-CONTROLLING INTEREST

	2015 $'000	2014 $'000
Balance at the beginning of the year	**14,668**	15,288
Share of movement in net assets	**(376)**	(620)
Balance at the end of the year	**14,292**	14,668

Movement in non-controlling interest in 2015 relates to the 35% minority interest (ENOF 32.5% and ORGM 2.5%) in exploration and evaluation costs for the Oued Amizour Zinc Project funded directly by the Group through its 65% shareholding in WMZ. During 2015, the Group funded approximately $1.0 million of exploration and evaluation costs in WMZ, of which ENOF and ORGM are entitled to $0.35 million (35%). The remainder of the movement is in relation to foreign exchange changes.

35% of all assets contributed to WMZ by the Group effectively accrue to ENOF and ORGM for nil consideration (other than forming part of the Group's 65% earn-in) and has therefore been included in movement in net assets attributable to the non-controlling interest.

Refer to note 22 for further disclosures with respect to material non-controlling interests.

17. INCOME TAX EXPENSE

	2015 $'000	2014 $'000
Prima facie tax benefit on loss before income tax at 30% (2014: 30%)	**(2,270)**	(2,862)
Decrease in income tax benefit due to:		
(Deductible)/non-deductible items	**5**	(150)
Deferred tax asset not brought to account	**(2,265)**	(3,012)
Research and development tax concession received	**1,120**	1,441
Unused tax losses for which no deferred tax asset has been recognised	**149,981**	140,668
Potential tax benefit	**44,994**	42,200
The applicable weighted average effective tax rates are as follows:	**30%**	30%

The Company is part of an Australian Tax Consolidated Group. The Australian Tax Consolidated Group has potential deferred tax assets of $45.2 million. These have not been brought to account because the Directors do not consider the realisation of the deferred tax asset as probable. The benefit of these tax losses will be obtained if:

a. the Australian Tax Consolidated Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be realised;
b. the Australian Tax Consolidated Group can comply with the conditions for deductibility imposed by tax legislation; and
c. no changes in the income tax legislation adversely affect the Australian Tax Consolidated Group in realising the benefit from the deduction of the loss.

18. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss from ordinary activities after income tax:

	2015 $'000	2014 $'000
Loss for the period	**(6,446)**	(8,100)
Adjustment for:		
Depreciation and amortisation	**37**	59
Unrealised (gain)/loss on foreign exchange	**955**	410
Non-cash inventory movements	**573**	427
Share options expense	**-**	4
Shares issued in lieu of interest	**1,479**	676
Share-based payment transactions (other)	**-**	1,008
Employee/Director share scheme	**-**	140
(Profit)/loss on sale of fixed assets	**-**	1,087
Realised foreign exchange (gain)/loss	**(2)**	156
Net financing costs	**1,041**	868
Change in assumptions of rehabilitation provision	**(219)**	282
Other	**38**	121
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	**87**	923
Decrease/(increase) in inventory	**1**	-
Decrease/(increase) in prepayments	**(5)**	-
(Decrease)/increase in trade payables and accruals	**475**	(384)
(Decrease)/increase in provisions	**(75)**	(972)
Cashflow (used in) operating activities	**(2,061)**	(3,295)

19. RELATED PARTIES

(a) Key management personnel compensation

Summary of Key Management Personnel (KMP) compensation:

	2015 $'000	2014 $'000
Short-term employee benefits	**1,149**	1,187
Post-employment benefits	**85**	90
Termination benefits	**-**	-
Share-based payments	**-**	144
	1,234	1,421

The amounts disclosed in the table are the amounts recognised as an expense during the reporting year related to KMP. Amounts paid to KMP from prior years have been excluded from this table.

(b) Other transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Entities with significant influence over the Group

At 31 December 2015, Asipac owned 34.55% of the ordinary shares in Terramin (2014: 42.53%) and is controlled by Mr Sheng who is the Non-Executive Chairman of the Company. Mr Siciliano is the Chief Financial Officer of Asipac. Asipac has had the following transactions in the year:

	Asipac Group	
	2015 $'000	2014 $'000
Borrowings as at 1 January	**20,458**	20,619
Convertible notes acquired during the year	**-**	-
Foreign exchange movement on convertible notes	**-**	(581)
Convertible notes converted during the year	**(16,238)**	-
Loans advanced during the year	**4,380**	1,420
Loan repayments in the year	**(300)**	(1,000)
Borrowings as at 31 December	**8,300**	20,458
Fees in relation to provision of underwriting services	**459**	1,462
Loan facility fees paid	**412**	28
Interest paid/payable	**1,766**	1,147
Amounts owed at year end	**1,309**	660
Interest and fees paid in shares during the year	**1,321**	1,260

During the reporting period, Wanshe Holdings Pty Ltd completed a transfer of its 480,321,177 shares in Terramin (31.70% of Terramin's issued capital as at 17 February 2015) to its existing shareholders, split equally between Ms Wang and Mr Sheng.

In July 2015, Asipac elected to convert all of its $16.24 million worth of unlisted convertible notes. As a result, 249,825,703 shares were issued to Asipac to satisfy the notes. Mr Sheng's relevant interest is wholly held through Asipac Group Pty Ltd.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

There are no other related party transactions.

20. 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:

	Note	**2015 $'000**	2014 $'000
Current			
Cash and cash equivalents	7	**2,601**	943
Trade and other receivables	9	**38**	128
Trade and other payables	11	**(2,092)**	(1,615)
Financial liabilities at amortised cost	12	**(7,948)**	(31,378)
		(7,401)	(31,922)

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.

21. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and trade and other payables. The main purpose of these financial instruments is to finance the Group's operations. The Group has various financial assets such as accounts receivable and cash and short-term deposits, which arise directly from operations.

The Group manages its exposure to key financial risks in accordance with the Group's risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are market risks, comprising commodity price risk, currency risk, interest rate risk, credit risk and liquidity risk.

The Group's senior management oversees the management of financial risks. The Group's senior management is supported by the Audit, Risk and Compliance Committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The Audit, Risk and Compliance Committee provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and the Group's risk appetite.

All derivative activities for risk management purposes are carried out by management that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. At this stage, the Group does not currently apply any form of hedge accounting.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: commodity price risk, interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, accounts receivable, accounts payable, accrued liabilities and derivative financial instruments.

(a) Commodity price risk

The Group was previously exposed to commodity price and exchange rate volatility in respect to future sales of commodities derived from the Angas Zinc Mine. This exposure was partially mitigated by fixed forward commodity hedging contracts.

No amount was recognised in the statement of profit or loss and other comprehensive income during the current year (2014:$nil).

(b) Currency risk

The Group is exposed to foreign currency risk on purchases and cash at bank which are denominated in a currency other than AUD. The currencies giving rise to this are primarily USD and Algerian Dinar (DZD). The Group does not enter into derivative financial instruments to hedge such transactions denominated in a foreign currency.

No amount was recognised in the statement of profit or loss and other comprehensive income during the current year (2014:$nil).

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

	31 December 2015		31 December 2014	
In AUD thousand equivalent	**USD**	**DZD**	USD	DZD
Cash at bank	**1**	**36**	49	37
Trade receivables	**-**	**12**	-	15
Trade payables	**-**	**(67)**	-	(44)
Convertible notes	**-**	**-**	(13,411)	-
Gross exposure	**1**	**(19)**	(13,262)	8

21. FINANCIAL RISK MANAGEMENT
(continued)

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

	Currency	**2015**	2014
Year end rates used for the consolidated statement of financial position, to translate the following currencies into AUD, are:	USD	**0.73**	0.82
	DZD	**77.84**	72.03

Sensitivity Analysis

Sensitivity to fluctuations in foreign currency rates is based on outstanding monetary items at 31 December 2015 which are denominated in a foreign currency. A 10% strengthening of the AUD against the following currencies at the end of the reporting period would have decreased losses by the amounts shown below. This analysis assumes that all other variables remain constant, in particular interest rates.

Effect in AUD thousands - 10% increase of the AUD against the following currencies

31 December 2015	Equity	Profit or (loss)
USD	-	-
Total	**-**	**-**

Effect in AUD thousands - 10% decrease of the AUD against the following currencies

31 December 2015	Equity	Profit or (loss)
USD	-	-
Total	**-**	**-**

Effect in AUD thousands - 10% increase of the AUD against the following currencies

31 December 2014	Equity	Profit or (loss)
USD	(1,485)	(1,485)
Total	(1,485)	(1,485)

Effect in AUD thousands - 10% decrease of the AUD against the following currencies

31 December 2014	Equity	Profit or (loss)
USD	1,215	1,215
Total	1,215	1,215

(c) Interest rate risk

The Group has an exposure to future interest rates on investments in variable-rate securities and variable-rate borrowings. The Group does not use derivatives to mitigate these exposures.

The Group's exposure to interest rate risk and effective weighted average interest rates are as follows:

2015	Effective interest rate	Total $'000	Floating interest rate $'000	Fixed interest rate $'000
Cash [1]	2.42%	2,579	2,579	-
Short-term deposits [1]	2.24%	23	23	-
Loans - secured	7.00%	(8,300)	-	(8,300)
NET FINANCIAL ASSETS/ (LIABILITIES)		**(5,699)**	**2,601**	**(8,300)**

2014	Effective interest rate	Total $'000	Floating interest rate $'000	Fixed interest rate $'000
Cash [1]	2.21%	794	794	-
Short-term deposits [1]	2.90%	149	149	-
Finance lease liabilities	8.82%	(5)	-	(5)
Bank loans - secured	7.00%	(4,220)	-	(4,220)
Convertible notes [2]	0.06%	(27,749)	-	(27,749)
NET FINANCIAL ASSETS/ (LIABILITIES)		**(31,031)**	**943**	**(31,974)**

1. *Includes AUD and USD denominated balances.*
2. *$27.75 million in convertible notes have been converted to equity during the period.*

Sensitivity analysis

As the Group does not use interest rate derivatives, a change in interest rates at reporting date would have no effect on profit or loss or equity.

For the 2015 financial year, a 100 basis points increase in the effective interest rate would have resulted in an increase in losses of $nil (2014: $nil).

2. Credit risk

Derivative counterparties and cash term deposits are limited to high credit quality financial institutions.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	**2015 $'000**	2014 $'000
Trade and other receivables	*9*	**38**	128
Cash assets	*7*	**2,601**	943
		2,639	1,071

The Group's maximum exposure to credit risk for loans and receivables at the reporting date by geographic region was:

	2015 $'000	2014 $'000
Australia	**26**	113
Other	**12**	15
	38	128

21. FINANCIAL RISK MANAGEMENT *(continued)*

3. Liquidity risk

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

2015	Note	Carrying amount $'000	Contractual cash flows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Non-derivative financial liabilities								
Trade and other payables	11	2,092	(2,092)	(2,092)	-	-	-	-
Bank loans - secured	12	7,917	(9,365)	(290)	(290)	(8,784)	-	-
		10,009	**(11,457)**	**(2,382)**	**(290)**	**(8,784)**	**-**	**-**

2014	Note	Carrying amount $'000	Contractual cash flows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Non-derivative financial liabilities								
Trade and other payables	11	1,615	(1,615)	(1,615)	-	-	-	-
Loans - secured	12	3,624	-	(2,220)	(2,000)	-	-	-
Convertible notes	12	27,749	-	(9)	(9)	(29,665)	-	-
Finance lease liabilities	12	5	(5)	(5)	-	-	-	-
		32,993	**(1,620)**	**(3,849)**	**(2,009)**	**(29,665)**	**-**	**-**

22. CONTROLLED ENTITIES

Name	Country of incorporation	Percentage **2015**	2014
Parent Entity			
Terramin Australia Limited	Australia		
Subsidiaries of parent entity			
Menninnie Metals Pty Ltd	Australia	**100%**	100%
Western Mediterranean Zinc Spa	Algeria	**65%**	65%
Terramin Spain S.L.	Spain	**100%**	100%
Terramin Exploration Pty Ltd	Australia	**100%**	100%

Subsidiary with material non-controlling interests

The Group includes one subsidiary, Western Mediterranean Zinc Spa, with material Non-Controlling Interests ('NCI'):

	Proportion of Ownership Interests & Voting Rights held by the NCI		Profit/(Loss) Allocated to NCI		Accumulated NCI	
Name	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Western Mediterranean Zinc Spa	**35%**	35%	**(355)**	(628)	**14,292**	14,668

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

	2015 $'000	2014 $'000
Current assets	**142**	152
Non-current assets	**41,448**	42,780
Total assets	**41,590**	42,932
Current liabilities	**66**	44
Non-current liabilities	**-**	-
Total liabilities	**66**	44

	2015 $'000	2014 $'000
Revenue	-	-
Loss for the year	(987)	(1,838)
Other comprehensive income for the year (all attributable to owners of the parent)	-	-
Total comprehensive loss for the year	(987)	(1,838)
Net cash (used in) operating activities	(1,025)	(794)
Net cash used in investing activities	-	-
Net cash from financing activities	1021	789
Net cash (outflow)	(4)	(5)

23. 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	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
Revenue						
External customers	**-**	17	**-**	-	**-**	17
Total Revenue	**-**	17	**-**	-	**-**	17
Results						
Depreciation and amortisation	**(37)**	(59)	**-**	-	**(37)**	(59)
Exploration and evaluation write down	**-**	-	**(987)**	(1,838)	**(987)**	(1,838)
Impairment of non-current assets	**-**	-	**-**	-	**-**	-
Interest income	**11**	32	**-**	-	**11**	32
Interest expense	**(1,218)**	(1,555)	**-**	-	**(1,218)**	(1,555)
(Loss) before income tax	**(6,579)**	(7,703)	**(987)**	(1,838)	**(7,566)**	(9,541)
Income tax benefit	**1,120**	1,441	**-**	-	**1,120**	1,441
(Loss) for the year attributable to equity holders of the Company	**(6,091)**	(7,472)	**-**	-	**(6,091)**	(7,472)
Operating assets	**23,868**	19,978	**41,590**	42,932	**65,458**	62,910
Operating liabilities	**15,842**	38,965	**66**	44	**15,908**	39,009
Other disclosures						
Capital expenditure[1]	**2,905**	2,613	**-**	-	**2,905**	2,613

1. *Capital expenditure consists of additions of property, plant and equipment, mine properties and development 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.

24. SHARE BASED ENTITLEMENTS AND PAYMENTS

The Group uses share options 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.

No options were issued to KMPs in 2015 (2014: 3,500,000).

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

	Weighted average exercise price 2015	**Number of options 2015**	Weighted average exercise price 2014	Number of options 2014
Outstanding at 1 January	**$0.94**	**4,800,000**	$1.02	1,300,000
Granted during the period	**$0.00**	**3,500,000**	$0.14	3,500,000
Exercised during the period	**$0.00**	**-**	-	-
Lapsed during the year	**$1.17**	**(1,000,000)**	$0.00	-
Outstanding at 31 December	**$0.38**	**3,800,000**	$0.94	4,800,000
Exercisable at 31 December	**$0.20**	**2,050,000**	$1.02	1,300,000

The options outstanding at 31 December 2015 have a weighted average contractual life of 2.3 years (2014: 2.6 years).

A balance of 2,050,000 options outstanding for the Group at 31 December 2015 were fully vested and exercisable. 1,000,000 options lapsed during the period.

24. SHARE BASED ENTITLEMENTS AND PAYMENTS *(continued)*

(b) Options exercised during the year

During the year ended 31 December 2015 there were no options exercised (2014: Nil).

(c) Table of share options movement for the Group at 31 December 2015

Expiry Date	Number of options	Options expense this year $'000	Total option value $'000
Opening balance 1 January 2015	**4,800,0000**		
Lapsed during the period	(1,000,000)	-	-
Closing balance 31 December 2015	**3,800,000**	**-**	**-**

(d) Table of share options movement for the Group at 31 December 2014

Expiry Date	Number of options	Options expense this year $'000	Total option value $'000
Opening balance 1 January 2014	**1,300,000**		
Options issued during the year	3,500,000	4	137
Closing balance 31 December 2014	**4,800,000**	**4**	**137**

During the year, no options were issued to employees and Executives of the Group.

(e) Shares issued in lieu of cash payments

Type of Share Issue 2015	Date of issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Shares issued in lieu of interest (Rainbow Dream)	04/02/2015	1,083,558	0.15	158
Shares issued in lieu of interest (Asipac)	03/06/2015	1,243,984	0.06	69
Shares issued in lieu of interest (Asipac)	03/06/2015	536,786	0.13	69
Shares issued in lieu of interest (Asipac)	03/06/2015	901,796	0.08	72
Shares issued in lieu of interest (Asipac)	03/06/2015	2,002,982	0.04	81
Shares issued in lieu of interest (Asipac)	03/06/2015	1,040,608	0.07	71
Shares issued in lieu of interest (Asipac)	03/06/2015	5,053,244	0.13	632
Total shares issued in lieu of cash payments				1,153

Type of Share Issue 2014	Date of issue	Number of Ordinary Shares on issue	Issue Price $	Share Capital $'000
Shares issued in lieu of interest (Asipac)	4/06/2014	5,327,462	0.04	189
Shares issued in lieu of interest (Asipac)	4/06/2014	4,904,417	0.04	188
Shares issued in lieu of interest (Asipac)	4/06/2014	1,988,999	0.03	69
Shares issued in lieu of interest (Asipac)	4/06/2014	1,609,449	0.04	62
Shares issued to Directors	4/06/2014	3,581,480	0.04	140
Shares issued in lieu of restructure fee (Asipac)	19/09/2014	13,711,152	0.05	750
Shares issued to NFC	19/09/2014	18,000,000	0.06	1,008
Shares issued in lieu of interest (New Asia)	18/12/2014	1,689,512	0.10	168
Total shares issued in lieu of cash payments				2,574

25. EMPLOYEE OPTION PLAN

(a) Current Options

No options were exercised and 1,000,000 options lapsed in 2015 as detailed in the Remuneration Report.

(b) Employee Incentive Plan

Terramin has established an Employee Incentive Plan. Shares are allotted to employees under this Plan at the Board's discretion.

The following options are currently on issue:

	No. of Options on issue	Issue Price	Fair Value $'000
Balance as at 1 January 2014	1,300,000	-	-
Issued during the financial year	3,500,000	0.14	137
Balance as at 31 December 2014	**4,800,000**	**-**	**-**
Lapsed during the financial year	(1,000,000)	-	-
Balance as at 31 December 2015	**3,800,000**	**-**	**-**

The fair value of options issued is calculated using the Black-Scholes Option Pricing Model.

26. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share at 31 December 2015 was based on the net loss attributable to equity holders of the Company of $6.1m (2014: $7.5m) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2015 of 1,632,050,796 (2014: 1,274,167,327), calculated as follows:

	2015 $'000	2014 $'000
Net loss for the year attributable to the equity holders of the Company	**(6,091)**	(7,472)
Ordinary shares on issue	**1,765,043,184**	1,404,009,037
Weighted average number of ordinary shares	**1,632,050,796**	1,274,167,327
Basic earnings per share (cents)	**(0.37)**	(0.59)

(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.

	2015 $'000	2014 $'000
Diluted earnings per share (cents)	**(0.37)**	(0.59)

27. COMMITMENTS AND CONTINGENCIES

There are contractual commitments at the reporting date as follows:

(a) Operating lease

Non-cancellable operating leases contracted but not capitalised in the financial statements payable:

	2015 $'000	2014 $'000
Within 1 year	**28**	295
One to five years	**13**	60
Total	**41**	355

(b) Minimum expenditure on exploration tenements of which the Group has title

As at 31 December 2015, there were minimum exploration commitments on exploration tenements as follows: Bremer, Currency Creek, Hartley, Kinchina, Langhorne Creek, Tepko and Pfeiffer, Kapunda, Lobethal, Mount Barker, Mount Pleasant and Mount Torrens have amalgamated minimum expenditure of $2.9 million over the 2 year period ending 30 June 2016. The minimum exploration commitments for Menninnie Dam, Nonning, Kolendo, Taringa and Wipipippee are currently under review. Mount Ive, Unalla, Mount Ive South, Tanner and Thurlga have a requirement of $150,000, $90,000, $180,000, $210,000 and $300,000 over two years respectively.

As at 31 December 2014, there were minimum exploration commitments on tenements w as follows: Bremer, Currency Creek, Hartley, Kinchina, Langhorne Creek, Tepko and Pfeiffer have amalgamated minimum expenditure of $2.9 million; Kapunda, Lobethal, Mount Barker, Mount Pleasant and Mount Torrens have amalgamated minimum expenditure of $2.7 million per annum. Menninnie Dam, Nonning, Kolendo, Taringa and Wipipippee have amalgamated minimum expenditure of $0.75m. Mount Ive, Unalla, Mount Ive South, Tanner and Thurlga have a requirement of $150,000, $90,000, $180,000, $210,000 and $300,000 over two years respectively.

(c) Capital expenditure commitments

	2015 $'000	2014 $'000
Within 1 year	**-**	1,375,000
Total	**-**	1,375,000

(d) Finance leases

There are no commitments in relation to finance leases at the end of the year.

	2015 $'000	2014 $'000
Within 1 year	**-**	5
Longer than 1 year and not longer than 5 years	**-**	-
Minimum lease payments	**-**	5
Less: future finance charges	**-**	-
Total lease liabilities	**-**	5
Representing		
Current	**-**	5
Non-current	**-**	-
	-	5

(e) Other commitments

Oued Amizour Zinc Project

In February 2006, the Group signed a joint venture agreement in respect of the Oued Amizour Zinc Project with ENOF, an Algerian Government company involved in exploration and mining activities. The Company agreed to manage and finance the joint venture until a decision to mine is made.

Bird-in-Hand acquisition

Terramin Exploration Pty Limited agreed to purchase the Bird-in-Hand Gold Project from Maximus Resources Limited. Pursuant to a tenement sale and purchase agreement two further payments of $1 million each may become payable following approval of the Programme for Environmental Protection and Rehabilitation in respect of the Bird-in- Hand deposit and following the first shipment of mined gold respectively. A net smelter royalty will also become payable following the first shipment of mined gold.

Consultancy fee

Under the Technical Cooperation Agreement entered into with NFC up to an additional 8 million ordinary shares will be issued upon completion of particular milestones.

Finder's Fee

A second tranche of a finder's fee is payable to a non-related party and linked to the commencement of commercial production from the first producing mine established on the Oued Amizour tenement covered by the Algerian joint venture agreement with ENOF. The amount payable will be US$62,500 which will be converted into the Australian Dollar equivalent at the time of the contingent payment in the future, as well as 100,000 unlisted options exercisable at 25 cents each within 3 years of date of issue.

Bank Guarantees – Angas Zinc Mine

As at 31 December 2015, the Company had lodged bank guarantees having a face value of $5.3 million with the Department of State Development (DSD).

Litigation

As at the date of this report, the Company is not involved in any litigation.

28. EVENTS AFTER THE REPORTING DATE

During February 2016, the Oued Amizour Exploration Licence, which incorporates the Tala Hamza Zinc Project, was reissued by the Algerian mining regulator, Agence Nationale des Activites Minieres. The renewal will facilitate additional works relating to the hydrology, geotechnical data, mining infrastructure and taillings to complete the revised Definitive Feasibility Study.

In the Directors' opinion, no other events or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company or the Group, the results of those operations or the state of affairs of the Group in future years that have not been otherwise disclosed in this report.

29. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ending 31 December 2015 the parent Company of the Group was Terramin Australia Limited.

	2015 $'000	2014 $'000
Result of the parent entity		
Loss for the period	**(5,803)**	(14,536)
Other comprehensive income	**-**	-
Total comprehensive income for the period	**(5,803)**	(14,536)
Financial position of parent entity		
Current assets	**2,659**	1,080
Total assets	**60,759**	58,543
Current liabilities	**1,688**	3,279
Total liabilities	**11,214**	36,686
Total equity of the parent entity comprising of:		
Share capital	**203,913**	168,828
Share option reserve	**8,970**	8,970
Other components of equity	**-**	1,593
Accumulated losses	**(163,337)**	(157,534)
Total equity	**49,545**	21,857

Parent entity capital commitments for acquisition of property plant and equipment

	2015 $'000	2014 $'000
Capital expenditure commitments contracted for:		
Within 1 year	**-**	-
Total	**-**	-

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has not entered into a deed of Cross Guarantee with respect to its subsidiaries.