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2023 Annual Report

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About Terramin

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

Terramin has a clear focus on growing a production pipeline of base and precious metal projects close to infrastructure and with low capital and operating costs. Consistent with this focus, the Group holds several highly prospective mineral deposits and exploration tenements across Algeria and South Australia.

Terramin's major projects are:

Tala Hamza Zinc Project (49% Terramin)

A large mineral Resource of 53.0 million tonnes @ 5.3% zinc and 1.3% lead which supports a 20+ year mining project on which a definitive feasibility study was completed in 2018. The project has the potential to be in the top ten largest zinc mines in the world. Mining Permit has been granted with all environmental approvals in place and a process of land acquisition is underway. Extensive established infrastructure in place with attractive low power and fuel costs. Terramin is currently in discussion with various parties regarding the construction and funding of this project with the objective of starting construction in 2024.

Bird in Hand Gold Project (100% Terramin)

The Bird in Hand Gold Project is a high-grade mineral Resource of 265,000 gold ounces at 12.6 g/t gold with the ore body open at depth and exploration upside in near proximity. A completed feasibility study (*ASX Announcement issued on 23 June 2020, "Bird in Hand Gold Project Feasibility Study Completed"*) indicates a Post-Tax NPV₈ of \$141m¹ and IRR of 80.5% based on a modest gold price of \$2,300/oz (US\$1,500/oz). The pre-production capital is a low A\$54 million due to utilisation of Terramin's nearby Angas processing facility to produce a gold concentrate. Terramin is currently seeking a Mining Lease for the project following an initial rejection by the South Australian Government.

Regional Prospects - South Australia

Additional interests include a joint venture interest in the Kapunda Copper Project and an exploration program with JOGMEC in relation to the South Gawler Ranges Project.

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

Registered and Business Office

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Auditors

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Adelaide, South Australia, 5000

Share Registry

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Level 5, 115 Grenfell Street
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Australian Securities Exchange

ASX ticker code: **TZN**

Corporate Information

Directors

Feng Sheng

Executive Chair

Michael Kennedy

Non-Executive Deputy-Chair

Angelo Siciliano

Non-Executive Director

Kevin McGuinness

Non-Executive Director

Junming Zhang

Non-Executive Director

Executive Officer

Martin Janes

Company Secretary

André van Driel

Chair's Review

Dear Fellow Shareholders

On behalf of the Directors of Terramin Australia Limited, I present our 2023 Annual Report.

2023 has been a year of significant achievement for Terramin at the world-class Tala Hamza Zinc Project. The grant of the Mining Permit for Tala Hamza by the Algerian mining regulator has paved the way for the development of one of the largest zinc and lead deposits in the world containing 3.5 million tonnes of zinc and lead, of which Terramin will retain a 49% interest.

A 2018 Definitive Feasibility Study indicated that Tala Hamza will produce an average of 129,300 tpa of zinc concentrate and 36,000 tpa of lead concentrate over a 21-year mine life. Terramin has completed an optimisation study that increases the throughput of the project by 50% which could further increase returns.

In addition, late in 2023, the Algerian government signalled its further support by issuing a decree to purchase the land required for the development of the project. We expect this process to be completed by early 2024.

On behalf of Terramin, I would like to thank the Algerian government for its unwavering support and cooperation in respect of the Tala Hamza Zinc Project.

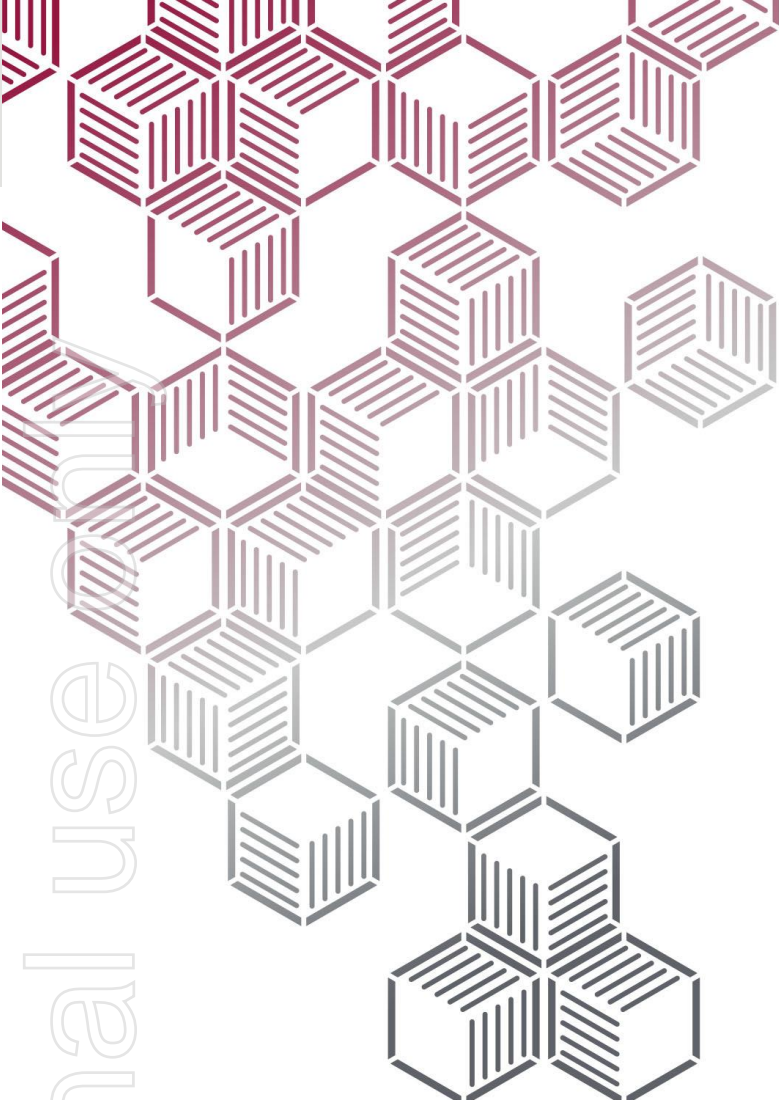
In contrast, the refusal of the South Australian Minister for Energy and Mining to approve the Bird in Hand Gold Project was unexpected and disappointing. Terramin understands that at the time of deciding to refuse the application, the Minister had received advice from the mining regulator that the project had met all requirements to be approved. Unfortunately, this decision has left Terramin with little choice but to undertake legal action for judicial review of this decision in the Supreme Court of South Australia. The Directors can assure Terramin's shareholders that Terramin remains committed to obtaining approvals for this project.

Terramin has continued to advance its other projects in South Australia including a \$10.5 million exploration agreement with Japan Organization for Metal and Energy Security (JOGMEC) in respect to the South Gawler Ranges Project and the Kapunda Copper Project with our joint venture partner, Environmental Copper Recovery Pty Ltd.

I wish to thank our shareholders for your ongoing support.

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

Feng (Bruce) Sheng
Executive Chair



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Financial Report



Directors' Report

for the Year Ended 31 December 2023

Your Directors submit their report on the consolidated entity Terramin Australia Limited (the Company or Terramin) and its controlled entities (the Group), for the year ended 31 December 2023.

Directors

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

Mr Feng (Bruce) Sheng

Executive Chair

*Appointed Director 17 April 2013 and
Executive Chair 11 January 2018*

Mr Sheng is Chair of Melbourne based Asipac Group Pty Ltd (**Asipac**). Mr Sheng has been involved in the investment sector for approximately 25 years, mainly in the areas of property and resources. Mr Sheng was formerly the Vice Chair of the Australia China Business Council (Victoria).

Mr Michael H Kennedy

B.Com (Economics)

Non-Executive Deputy Chair

Appointed 15 June 2005

Mr Kennedy has enjoyed a 40-year career in the non-ferrous mining and smelting industry and has held a number of senior marketing and logistics roles with the CRA/RTZ Group, managing raw material sales from the Bougainville, Broken Hill, Cobar and Woodlawn mines, managed raw material purchases and supply into the Port Pirie lead smelter, Budel zinc smelter (Netherlands), and the Avonmouth (UK) and Cockle Creek (Newcastle) zinc-lead smelters. He was the resident Director of the Korea Zinc group of companies in Australia from 1991 until 2005, which encompassed the construction and commissioning of the Sun Metals zinc refinery in Townsville. Mr Kennedy is a member of the Audit, Risk and Compliance Committee and the Nominations and Remuneration Committee.

Mr Kevin McGuinness

BAA, ACA

Non-Executive Director

Appointed 17 April 2013

Mr McGuinness is a finance executive with more than 25 years of experience as a Director and in executive management with ASX listed and private companies in the mining, medical equipment industries and not-for-profit organisations. Mr McGuinness was previously the Chief Financial Officer of Exact Mining Services. He is former Chair of Green Industries SA, a former Director and Chair of the Royal Zoological Society of SA and a former Director of ASX listed, Ellex Medical Lasers Limited. Mr McGuinness is Chair of the Audit, Risk and Compliance Committee and the Nominations and Remuneration Committee.

Mr Angelo Siciliano

FIPA, Registered Tax Agent, BBus

Non-Executive Director

Appointed 2 January 2013

Mr Siciliano has 30 years' experience as an accountant in the property sector and financial accounting. Mr Siciliano is an accountant for the Asipac Group and for the last 26 years has owned and managed an accounting practice predominantly focusing on taxation and business consulting. Mr Siciliano is a fellow of the Institute of Public Accountants and is a member of the Company's Audit & Risk Committee, and of the Nominations & Remuneration Committee.

Mr Junming Zhang

Non-Executive Director

Appointed 6 July 2023

Mr Zhang is a Mining Engineer with considerable mining experience spanning over 30 years, including extensive project experience in Africa and Asia. Mr Zhang is currently the Senior Expert of China Non-Ferrous Metals Industry's Foreign Engineering & Construction Co Ltd's (NFC) Science Technology and Information Department.

Ms Lulu Shi

Non-Executive Director

Ceased on 6 July 2023

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

Company Secretary

Mr André van Driel

BCom, CPA, CertGovPrac

Finance Manager

Appointed 6 March 2020

Mr van Driel has over 20 years of experience in accounting and tax roles within the resources sector, including having worked for Newmont Australia Limited, BHP Billiton Limited (now known as BHP Group Limited) and Ramelius Resources Limited. Mr van Driel is a graduate of the CPA Australia Certified Practising Accountants (CPA) program and has completed the Certificate in Governance Practice with the Governance Institute of Australia Limited.

Directors' Report (continued)

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 31 December 2023, and the number of meetings attended by each Director were:

Directors	Directors' Meetings		Audit, Risk & Compliance Committee		Nominations & Remuneration Committee ¹	
	E	A	E	A	E	A
F Sheng	6	6	-	-	-	-
M Kennedy	6	6	3	2	-	-
K McGuinness	6	6	3	3	-	-
A Siciliano	6	6	3	3	-	-
L Shi	5	-	-	-	-	-
J Zhang	1	1	-	-	-	-

E – Number of meetings eligible to attend.

A – Number of meetings attended.

¹ – the Nominations & Remunerations Committee did not hold a meeting during the year but did conduct a review of employee remuneration, confirmed by a resolution of directors, via email.

Principal Activities

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

Operating Results

The consolidated loss of the Group after providing for income tax was \$6.4 million for the year to 31 December 2023 (2022: consolidated loss of \$7.4 million). The major contributors to the result were interest expense associated with the loan facilities and administration expenditure relating to Australian operations.

The consolidated net asset position as at 31 December 2023 was \$11.9 million, a decrease from \$18.3 million as at 31 December 2022. The decrease is primarily attributable to the increase in current borrowings and accrued interest payable on loan facilities.

Dividends Paid or Recommended

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

Review of Operations

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

North African Projects

Tala Hamza Zinc Project

(Terramin 49%)

The Tala Hamza Zinc Project (Tala Hamza) is 100% owned by Western Mediterranean Zinc Spa (Western Mediterranean Zinc or WMZ). Terramin has a 49% shareholding in WMZ. The remaining 51% is held by two Algerian Government owned companies: Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (48.5%) and Office National de Recherche Géologique et Minière (ORGM) (2.5%). WMZ was formed following a resolution of the State Participation Council (CPE) to create a legal entity between ENOF and Terramin for the development and mining of the Tala Hamza zinc-lead deposit. Terramin retains management rights over Tala Hamza.

In 2020, Terramin completed an optimisation study in respect of Tala Hamza and presented this study to our joint venture partners. In March 2022, the joint venture partners unanimously agreed to endorse the study and agreed to advance the project towards development ("Decision to Mine").

During the reporting period, Tala Hamza achieved two major milestones. In May 2023, Terramin was pleased to announce that the Algerian mining regulator had issued the Mining Permit for the project. The issue of the Mining Permit means that Tala Hamza has satisfied all Algerian regulatory, financial and environmental requirements and that it can now proceed towards development. In collaboration with our Algerian partners, this Mining Permit will allow for the mining and processing of 2.0mtpa of ore instead of the 1.3mtpa anticipated in the 2018 Tala Hamza Definitive Feasibility Study, indicating that project returns will be enhanced over the anticipated 20+ year mine life. The Mining Permit encompasses all the area of land required for operation of the mine including mining, processing, haul roads, ore stockpiles, tailings dams, concentrate handling and maintenance and administration.

Subsequently, in October 2023, the Algerian Government issued an Executive Decree of Public Utility (Decree) in respect of Tala Hamza. The Decree was signed by the Prime Minister of Algeria, Mr Benabderrahmane. The issue of the Decree triggered the process for the acquisition of the land by the Algerian Government which covers the footprint of the Tala Hamza Mining Permit. This land of an area of approximately 234 hectares will then be made available to the project to undertake its operations. The land will support all the project mining and processing operations as well as direct ramp access to a highway (which is currently under construction) that leads directly to the Port of Bejaia (approximately 15km to the north) and important electricity and gas infrastructure.

Following the issue of the Decree, the Algerian Government has progressed the acquisition of the land and Terramin expects the process to be completed early in 2024 with the land being available to the project soon after.

Directors' Report (continued)

Terramin has continued to progress its discussions with major construction groups regarding the funding and construction of the project. These groups have undertaken a number of visits to the project site as part of their assessment.

Australian Projects

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

(Terramin / Terramin Exploration Pty Ltd 100%)

The Bird in Hand Gold Project (BIHGP) is located approximately 30km north of Terramin's existing mining and processing facilities at the Angas Zinc Mine (AZM) in Strathalbyn. The project has a high-grade Resource of 265,000 ounces of gold at 12.6g/t, which is amenable to underground mining.

In June 2020, Terramin announced the results of a Feasibility Study which indicated that BIHGP has a robust financial outcome, including a post-tax NPV₈ \$141 million and IRR of 80.5% over approximately 4 years of production.

The study is based on a gold price of \$2,300 per ounce, which is below the current prevailing gold price of \$3,100 per ounce. The BIHGP's base case projection is to produce an average of 44,700 ounces of gold per annum over four years at a low C1 cash cost of \$737 per ounce and an all-in sustaining cost of \$959 per ounce. The pre-production capital is estimated to be \$54 million.

In June 2019, Terramin submitted applications for a mining lease and a miscellaneous purposes licence (Applications) pursuant to sections 36 and 49 of the *Mining Act 1971* (SA) (Act) in respect of the BIHGP.

In February 2023, the Honourable Tom Koutsantonis, South Australian Minister for Energy and Mining (Minister) decided to refuse the Applications.

The decision was made notwithstanding an extensive review of Terramin's Applications by the South Australian Department for Energy and Mining (DEM). DEM made a positive assessment of the Applications and found that appropriate environmental outcomes could be achieved should the mining lease and miscellaneous purposes licence be granted. The conclusion by DEM is not a surprise as Terramin's Applications were supported by comprehensive studies based on science, which demonstrated that there would be no adverse environmental or socio-economic outcomes arising from Terramin's mining proposal. These studies were peer reviewed by independent and Government experts over many years. Terramin has not been made aware of any issues with the methodology or conclusions of these studies.

Subsequently, Terramin was informed of a proposal by the Minister to recommend to her Excellency the Governor of South Australia that an area corresponding with mining lease application and mineral claim 4473 be reserved pursuant to section 8 of the Act (meaning that those areas be excluded from the possibility of future applications under the Act). Following that recommendation, on 27 April 2023 her Excellency made

the Mining (Reservation from Act) Proclamation 2023 (SA) reserving the land from the operation of parts 4, 5, 6, 6A, 8 and 8A of the Act.

In August 2023, Terramin filed legal proceedings in the Supreme Court of South Australia (Supreme Court) seeking judicial review of the refusal of the Applications and the making of the recommendation to the Governor. Terramin contends, amongst other things, that each decision should be set aside on the basis that the decisions misapprehended the statutory power in the Mining Act 1971 (SA), were legally unreasonable, did not take into account relevant considerations, took into account an irrelevant consideration, and that Terramin was not accorded procedural fairness.

The legal proceedings are continuing to progress with the matter expected to be heard in the Supreme Court in the first half of 2024.

Adelaide Hills Project

(Terramin / Terramin Exploration Pty Ltd 100%)

The Adelaide Hills Project consists of eight exploration tenements that cover 2,179km² largely over the southern Adelaide Fold Belt. This project area is considered prospective for gold, copper, lead and zinc.

During the reporting period, activities were confined to the BIHGP and the Kapunda Copper Joint Venture.

Kapunda Copper Joint Venture

(Terramin Exploration Pty Ltd 50%, subject to farm-out)

In August 2017, Terramin entered into an agreement with Environmental Copper Recovery Pty Ltd (ECR) in respect of the potential development of a low cost in situ recovery (ISR) copper project near Kapunda, South Australia, approximately 90 km north of Adelaide. The joint venture is investigating the potential to extract through ISR the copper from shallow oxide ores in and around the historic Kapunda Mine workings.

During 2020, ECR earned a 50% interest in the project after spending \$2.0 million and has elected to earn a further 25% by spending an additional \$4.0 million. Subject to the completion of this expenditure, Terramin will retain 25% and receive a 1.5% royalty in respect of all metals extracted by the joint venture.

Terramin and ECR have estimated a combined Resource of 47.4 million tonnes at 0.25% copper containing 119,000 tonnes of copper using a 0.05% copper cut off. This Resource estimate is only in respect of that part of the Kapunda mineralisation that is considered amendable to ISR (copper oxides and secondary copper sulphides) and only reports mineralisation that is within 100 metres of the surface.

Following the grant of key approvals, the project commenced the first stage of its Site Environmental Lixiviant Test (SELT) trial at Kapunda with a push/pull test carried out introducing a biodegradable lixiviant into the mineralised zone to assess both chemical and hydrogeological parameters. The test was successful with dissolved copper grades increasing markedly and samples of the copper enriched lixiviant now being sent off site for further test work.

Directors' Report (continued)

In addition, approval has been obtained from DEM for the drilling of the wells for the second phase of work (funded by BHP Limited following its takeover of OZ Minerals Limited (OZL) in the first half of 2023. During 2022, OZL agreed to provide \$2.5 million to ECR to fund the completion of its feasibility study). This second phase of work will entail drilling a 5-spot pattern to carry out a circulation trial to further assess copper recoveries. This drilling is expected to occur early in 2024.

South Gawler Ranges Project

(Menninnie Metals Pty Ltd (MMPL) 100%)

The Southern Gawler Ranges Project (SGRP) is in the Gawler Craton of South Australia, an area that is becoming increasingly recognised as an under-explored region with high discovery potential. The project comprises a group of eleven Exploration Licenses totaling 4,524km² and are located 100 kms west of Port Augusta. The project area is prospective for a range of deposit styles that host combinations of gold, silver, copper, lead and zinc. The project hosts the Menninnie Dam deposit, the largest undeveloped lead-zinc deposit in South Australia. The lodes at Menninnie Central and Viper have been combined to estimate a JORC 2004 compliant Inferred Resource totaling: 7.7Mt @ 3.1% Zn, 2.6% Pb and 27g/t Ag, at a 2.5% Pb+Zn cut-off.

In March 2022, Terramin entered into a \$10.5 exploration agreement with the Japan Organization for Metal and Energy Security (JOGMEC). JOGMEC has committed to funding A\$7.5 million in exploration expenditure on the SGRP up to 31 March 2028 over 3 stages for which it will be entitled to acquire 70% of the interest in the SGRP. It has an option to purchase 6.0% interest in the SGRP (within 365 days post-Stage 3) by paying A\$3,000,000 cash and granting a 0.5% net smelter royalty to Terramin. Within 365 days of the exercise of the option to purchase, it has the right to buy back the 0.5% NSR royalty by paying A\$1,500,000 cash to Terramin.

Following the extensive gravity survey undertaken in late 2022, the parties followed up with a series of TEM (Transient Electromagnetic) surveys over five target areas and priority drilling targets have been identified. As at the end of the year, the parties are awaiting heritage clearance for these areas.

In addition, JOGMEC and Terramin obtained approval from DEM for the drilling of two other target areas with one being near Menninnie Dam and the other near Nonning Station Homestead. Drilling commenced in January and results are pending.

A further drilling program focussing on the additional targets is expected to be undertaken later in 2024 once heritage clearances and subsequent approval from DEM have been obtained.

During the reporting period, Menninnie Metals Pty Ltd entered into a Native Title Mining Agreement for exploration activities with the Gawler Ranges Aboriginal Corporation. This agreement applies to the entire SGRP area and replaces all existing agreements.

Corporate

During the period, the Company agreed with its major shareholder Asipac to restructure and increase the existing unsecured Standby Term (No.2) Facility from \$1.28 million to \$4.08 million (which was fully drawn at the reporting date). The \$6 million Bird in Hand Facility, the \$21.18 million Standby Short-term Facility and the \$4.08 million unsecured Standby Term (No.2) Facility continue on terms that expire on 31 January 2024.

Significant Changes in State of Affairs

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

Subsequent Events

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either the entities operations or state of affairs in future years or the results of those operations in future years, other than the Company:

- 1) securing an investment of US\$6.68 million (approximately A\$10 million) from a strategic investor through the issue of a Convertible Note (*ASX Announcement on 2 January 2024: Terramin secures US\$6.68 million investment*); and
- 2) reaching agreement with major shareholder, Asipac Group, to extend the term of the Finance Facilities from 31 January 2024 to 31 July 2024 (*ASX Announcement on 30 January 2024: Finance Facility Update*).

Future Developments

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

Competent Person Statement

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

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

Directors' Report (continued)

The information in this report that relates to Ore Reserves is based on information compiled or reviewed by Mr Luke Neesham, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM).

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

Corporate Governance Statement

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

The Board is committed to administering the Company's policies and procedures with transparency and integrity, pursuing the genuine spirit of good corporate governance practice. To the extent they are applicable, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition. As the Group's activities transform in size, nature and scope, additional corporate governance structures will be considered by the Board and assessed as to their relevance.

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

Audit and Risk Committee – assists the Board in the effective discharge of its responsibilities in relation to financial reporting and disclosure processes, internal financial controls, funding, financial risk management, including external audit functions, and oversight of internal control and risk management system's effectiveness.

Nomination and Remuneration Committee – assists the Board in discharging its responsibilities relating to the remuneration of directors, executives and employees, succession planning, and relevant policy establishment and monitoring.

This Corporate Governance Statement is current as at 19 March 2024 and has been approved by the Board.

Share Capital

(a) Ordinary Shares

As at 31 December 2023, there were 2,116,562,720 fully paid ordinary shares in the capital of the Company on issue.

(b) Unlisted Options outstanding at the date of this report

At the date of this report, no unlisted options over fully paid ordinary shares in the capital of Terramin were on issue.

(c) Unlisted options exercised / cancelled / lapsed / expired during the year

During the year, the following unlisted options over fully paid ordinary shares in the capital of the Company expired unexercised.

Expiry Date	Exercise Price \$	Number of Options on Issue
2 August 2023	0.20	2,500,000
2 August 2023	0.25	2,500,000
Total		5,000,000

Directors' Report (continued)

Remuneration Report – Audited

This remuneration report for the year ended 31 December 2023 outlines the remuneration arrangements of the Company in accordance with requirements of the Corporations Act 2001 (Act) the Corporations Regulations 2001.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP). Under the Accounting Standards, KMPs are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company including any Director (whether executive or otherwise). The information regarding remuneration and entitlements of the Company's Board and KMP required for the purposes of Section 300A of the Act is provided below.

(a) Directors and Other Key Management Personnel

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

Executive and Non-Executive Directors

Mr F Sheng (Chair - Non-Independent)
Mr M Kennedy (Deputy Chair - Independent)
Mr A Siciliano (Non-Independent)
Mr K McGuinness (Independent)
Ms L Shi (Independent)
Mr J Zhang (Independent)

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

Other Key Management Personnel

Mr M Janes (Executive Officer)
Mr A van Driel (Finance Manager and Company Secretary)

(b) Nominations and Remuneration Committee

The Nominations and Remuneration Committee is a committee of the Board. The current members of the committee are Mr K McGuinness (Chair), Mr M Kennedy and Mr A Siciliano.

The Committee is responsible to assist the Board to:

- ensure it is of an effective commitment, composition and size to adequately discharge its responsibilities and duties; and
- independently ensure that the Company adopts and complies with remuneration policies that:
 - attract, retain and motivate high calibre Directors and KMP so as to enhance performance by the Company;
 - assess the human resource needs of the Company; and
 - motivate Directors and management to pursue the long-term growth and success of the Company within an appropriate control framework and ensure that shareholder and employee interests are aligned.

(c) Remuneration Policy and Practices

This report outlines the remuneration arrangements for KMP of the Company. It is recognised that the performance of the

Company depends on the quality and skills of its Directors and Executives. The Board is mindful of the need to attract, motivate and retain highly skilled Directors and Executives.

The Group's KMP compensation is competitively set to attract and retain appropriately qualified and experienced Directors and Executives in accordance with the following principles:

- Provide competitive rewards in accordance with market standards to attract and retain high calibre Directors and other KMP; and
- Link rewards with the strategic goals and performance of the Group and the creation of shareholder value (by the granting of share options, where appropriate).

The policy for determining the nature and amount of remuneration of the KMP includes consideration of individual performance in addition to the overall performance of the Group. Historically, the Group's performance was measured by a range of financial and production indicators. Currently, the remuneration of KMPs is dependent upon achievement of progress towards a number of company objectives:

- company funding;
- progress towards the development of the Tala Hamza Zinc Project (including delivery of revised Definitive Feasibility Study, funding and transition towards development);
- progress towards the development of the Bird in Hand Gold Project (including progress of the Judicial Review of the Minister's decision to refuse the Applications); and
- growing the Company's assets.

(d) Use of Remuneration Consultants

From time-to-time the Nominations and Remuneration Committee may seek external remuneration advice as required. No such advice was obtained during the year.

(e) Remuneration Report Approval

At the last Annual General Meeting held on 31 May 2023, the Remuneration Report for the financial year ending 31 December 2022 was approved by shareholders (99.92% voted for the resolution).

(f) Executive Remuneration and Incentives

I. Fixed Remuneration

The fixed portion of Executive remuneration packages comprise a base salary, statutory superannuation payment and FBT charges related to employee benefits, such as car parking. Executive performance and remuneration packages are reviewed, where possible, annually by the Nominations and Remuneration Committee. The review process includes consideration of both individual performance and the overall performance of the Group.

II. Incentives

Performance based remuneration may include both short-term and long-term incentives and is designed to reward KMP for meeting or exceeding key performance indicators (KPI's). KPI's may include financial metrics and completion of key group objectives. The Board may from time-to-time approve the award of such incentives subject to satisfaction of KPI's.

Directors' Report (continued)

The short-term incentive (STI) is an "at risk" bonus which may be provided in the form of cash and/or equity securities. Long-term incentives may be provided under the Terramin Australia Employee Option Plan (EOP). The Directors may grant options to employees to acquire shares at an exercise price set by the Board. Each option converts into one ordinary share of the Company when exercised. The grant of options is linked to the achievement of the Company's objectives (refer item (c) of the remuneration report) and the creation of shareholder value.

III. Employment Contracts

Mr Martin Janes, the Company's Executive Officer, entered into a consulting contract in January 2020 on an on-going basis, which either the Company or Mr Janes may terminate with 30 days written notice. Under this contract, Mr Janes receives a weekly retainer of \$6,000 (including Superannuation Guarantee Contributions) for 3.5 days of service per week.

Mr André van Driel commenced his employment with the Company on 9 August 2018, and appointed as Company Secretary on 6 March 2020. His employment contract has no fixed term and receives an annual salary of \$160,000 (including superannuation). Mr van Driel may terminate the agreement by providing 4 weeks' notice, however, the Company may terminate the agreement by providing 5 weeks' notice or a payment in lieu.

Unless agreed otherwise by the Board, termination payments of any Executives or employees are not payable in the instance of resignation or dismissal for serious misconduct.

(g) Directors Remuneration

I. Remuneration

The maximum aggregate fees payable to Non-Executive Directors is subject to approval by shareholders at a general meeting. All securities issued to Directors and related parties must be approved by shareholders at a general meeting.

Non-Executive Directors are either paid a base fee plus superannuation or remunerated via contractual arrangements approved by the Board and negotiated in consultation with the Nominations and Remuneration Committee. The current Non-Executive base fees (other than fees for the Chair and Deputy Chair) are \$40,000 per annum. The Chair and Deputy Chair receive \$100,000 and \$60,000 per annum respectively. The non-executive directors' fees paid are consistent with fees paid to non-executive directors of comparable companies. Company policy supports the issue, where appropriate, of equity securities to Directors (whether Executive or Non- Executive) to help ensure Directors' interests are aligned with those of shareholders. The Board has not paid director's fees in shares during the reporting period.

The aggregate fees payable to Directors during 2023 was \$275,000 (with \$1,162,500 (2022: \$887,500) remaining unpaid at reporting date) compared to the maximum limit approved by shareholders at the 2010 Annual General Meeting of \$700,000.

The Board recognises that from time-to-time, Non-Executive Directors are called upon to provide services in addition to their usual Director's duties. Accordingly, Directors may be compensated for additional duties undertaken at the request of the Board, for instance extensive travel to Algeria or meetings with overseas investors. In accordance with Company policy additional compensation of up to \$1,000 per day may be provided to Directors for work additional to standard Board duties. This form of Non-Executive compensation is only provided in circumstances where Directors are required to commit time beyond that expected of a Non-Executive Director role and requires a continuous commitment of 2 or more days. Additional remuneration may be paid in shares in lieu of cash subject to shareholder approval.

During 2023, no additional fees were paid to Non-Executive Directors in relation to work outside of standard Board duties.

II. Director Options

There were no options or other equity securities issued to Directors during the year as remuneration.

III. Retirement or other Post-Employment Benefits

The Company has no policy to provide benefits to its Directors or Executives upon their retirement or otherwise upon cessation of employment, other than by making the statutory superannuation guarantee contributions as required by law.

IV. Board and Committees - Membership and Remuneration

The following table sets out the Chair and members of each committee and the annual fees allocated for each position.

Committee	Chair Fee \$	Deputy Chair Fee \$	Member Fee \$
Director fee by role	100,000	60,000	40,000
Non-standard Board duties ¹	1,000/day	1,000/day	1,000/day
Audit, Risk and Compliance			
K McGuinness (Chair), M Kennedy, A Siciliano	7,500	-	5,000
Nominations and Remuneration			
K McGuinness (Chair), M Kennedy, A Siciliano	7,500	-	5,000
Due Diligence			
K McGuinness (Chair), M Kennedy	-	-	-

1. Subject to Board approval to compensate for work undertaken in addition to standard Director's duties and requires a commitment of 2 or more days.

Directors' Report (continued)

(h) Parent Entity Directors' and Executives' Remuneration and Entitlements

During the year, the following cash and non-cash payments were made to the Key Management Personnel:

Key Management Personnel		Short Term Benefits		Long Term Benefits	Post-Employment		Share-based Payments		Total
		Salary and Fees	Contract Payments	Annual and Long Service ²	Superannuation Benefits	Termination Benefits	Share Options	% of Total	
		\$	\$	\$	\$	\$	\$	\$	\$
Directors¹									
M Kennedy	2023	-	70,000	-	-	-	-	0.0%	70,000
	2022	63,348	-	-	6,652	-	-	0.0%	70,000
A Siciliano	2023	-	50,000	-	-	-	-	0.0%	50,000
	2022	-	50,000	-	-	-	-	0.0%	50,000
K McGuinness	2023	-	55,000	-	-	-	-	0.0%	55,000
	2022	-	55,000	-	-	-	-	0.0%	55,000
F Sheng	2023	-	100,000	-	-	-	-	0.0%	100,000
	2022	-	100,000	-	-	-	-	0.0%	100,000
L Shi ³	2023	-	-	-	-	-	-	0.0%	-
	2022	-	-	-	-	-	-	0.0%	-
J Zhang ⁴	2023	-	-	-	-	-	-	0.0%	-
	2022	-	-	-	-	-	-	0.0%	-
Key Management Personnel									
M Janes	2023	-	258,991	-	23,009	-	-	0.0%	282,000
	2022	-	271,493	-	28,507	-	-	0.0%	300,000
A van Driel	2023	139,572	-	13,095	15,015	-	-	0.0%	167,682
	2022	122,727	-	9,386	12,580	-	-	0.0%	144,693
TOTAL	2023	139,572	533,991	13,095	38,024	-	-	-	724,682
	2022	186,076	476,493	9,386	47,738	-	-	-	719,693

1. Refer to table above (and subparagraph (g) on pages 11-12) for details of Directors' fees allocated by role.

2. Represents the movements in the associated provisions.

3. Ms L Shi ceased as Non-executive Director of the Company on 6 July 2023.

4. Mr J Zhang commenced as Non-executive Director of the Company on 6 July 2023.

(i) Key management personnel - shares and options over equity instruments

The movement during the reporting period in the number of ordinary shares or options over ordinary shares in the Company by each Key Management Personnel is as follows:

Shares

Key Management Personnel	Shares Balance 1 Jan 23	Shares held prior to commencing as KMP	Shares Acquired during Year	Shares Issued as Remuneration	Cessation as KMP	Shares Balance 31 Dec 23
Parent Entity Directors						
M Kennedy	5,246,107	-	-	-	-	5,246,107
A Siciliano	10,000,000	-	-	-	-	10,000,000
K McGuinness	2,698,108	-	-	-	-	2,698,108
F Sheng	827,469,670	-	-	-	-	827,469,670
L Shi	-	-	-	-	-	-
J Zhang	-	-	-	-	-	-
Other Key Management Personnel						
M Janes	125,974	-	-	-	-	125,974
A van Driel	-	-	-	-	-	-
Total	845,539,859	-	-	-	-	845,539,859

Directors' Report (continued)

(j) Shares and Options Issued or Lapsed during the Year

No shares or options were granted to Non-executive Directors or other KMPs as remuneration during the year. No shares or options lapsed during the year.

(k) Key Management Personnel transactions

Some KMP, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These entities transacted with the Group in the reporting period. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

At 31 December 2023, Asipac owned 39.07% of the ordinary shares in Terramin (2022: 39.07%) and is controlled by Mr Sheng who is Executive Chair of the Company. Mr Siciliano is the Chief Financial Officer of Asipac.

Director and other KMP fees outstanding as at 31 December 2022 include:

Key Management Personnel	2022	2022
M Kennedy ¹	280,000	210,000
A Siciliano ¹	212,500	162,500
K McGuinness ¹	220,000	165,000
F Sheng	450,000	350,000
J Zhang ¹	-	-
Total for Directors	1,162,500	887,500
M Janes ^{2,3}	124,757	180,000
Total	1,287,257	1,067,500

1. Mr Kennedy, Mr Siciliano, Mr McGuinness and Ms Shi are Non-Executive Directors of the Company.

2. Mr Janes is Executive Officer of the Company.

3. Mr Janes' outstanding fees includes superannuation.

Other related party transactions are disclosed at note 21.

(l) Share Trading Policies

All Company employees and contractors, Directors and Executives are subject to the Company's Share Trading Policy (available on the Company's website, www.terramin.com.au) with respect to limiting their exposure to risk in relation to the Company's securities, including securities issued as an element of Executive remuneration. The Company's Share Trading Policy requires all officers, employees and consultants to the Company to notify the Chair and Company Secretary of any intention to deal in the Company's securities, whether by sale or purchase of shares on market, or the exercise of options. The notified dealing is subject to the approval of the Chair. In addition, and in accordance with ASX Listing Rule 12, the Company's trading policy provides that all Directors, officers and consultants are prohibited from trading in the Company's securities during specific periods.

The Board considers that, in light of the size and structure of the Company and the absence of a secondary market for the Company's securities, this policy provides adequate protection against unauthorised dealings by Directors and specified Executives, in particular in relation to risk mitigation. The current Share trading policy was approved by the Board on 9 April 2015.

End of Audited Remuneration Report

Directors' Report (continued)

Indemnification of Directors and Officers

Directors' and Officers' Liability Insurance has been subscribed to. The Officers of the Company and the Group covered by the insurance policy includes any person acting in the course of duties for the Company or the Group who is or was a Director, Secretary or Senior Executive. The contract of insurance prohibits the disclosure of the nature of the liability covered and the amount of the premium. The Group has not otherwise, during or since the end of the period, indemnified or agreed to indemnify an officer or auditor of the Group or any related body corporate against a liability incurred as such by an officer or auditor.

Non-audit Services

The Company may decide to employ the auditor, Grant Thornton, on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important. Details of the amounts paid or payable to the auditor for non-audit services provided during the year are set out below.

The Board of Directors has considered the position, and in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2023 \$'000	2022 \$'000
Non-assurance services		
Tax advice and compliance services	14	3
Total	14	3

Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 31 December 2023 can be found on page 17 and forms part of the Directors' Report.

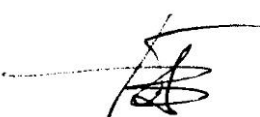
Litigation

As at the date of this report, no person has applied to the Court under section 237 of the Act for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company of all or any part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Act.

Rounding

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

Signed in Adelaide this 19th day of March 2024 in accordance with a resolution of the Board of Directors.



Feng (Bruce) Sheng
Executive Chair



Kevin McGuinness
Non-Executive Director

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 22-42, and the remuneration disclosures contained in pages 11-14 of the Directors' Report, are in accordance with the Corporations Act 2001, and:
 - a. comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the consolidated entity;
2. the Executive Officer and Finance Manager have each declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards;
 - c. the declaration is provided in accordance with section 295A of the Corporations Act 2001 and is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks; and
 - d. the financial statements and notes for the financial year give a true and fair view;
3. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
4. the consolidated financial statements comply with International Financial Reporting Standards as disclosed in note 2(a).

This declaration is made in accordance with a resolution of the Board of Directors.

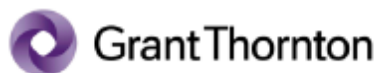


Feng (Bruce) Sheng
Executive Chair
19 March 2024



Kevin McGuinness
Non-Executive Director
19 March 2024

Auditor's Independence Declaration



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Auditor's Independence Declaration

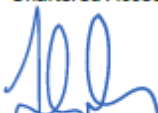
To the Directors of Terramin Australia Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Terramin Australia Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



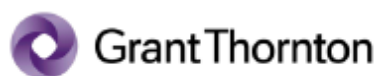
J L Humphrey
Partner – Audit & Assurance

Adelaide, 19 March 2024

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Auditor's Independent Report



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Independent Auditor's Report

To the Members of Terramin Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Terramin Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial statements, which indicates that the Group incurred a net loss of \$6.4M during the year ended 31 December 2023, and as of that date, the Group's current liabilities exceeded its current assets by \$47.7M. As stated in Note 2(c), these events or conditions, along with other matters as set forth in Note 2(c), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and evaluation assets - Notes 3(k) & 11</p> <p>At 31 December 2023 the carrying value of exploration and evaluation assets was \$8.127M.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; reviewing management's area of interest considerations against AASB 6; conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and assessing the appropriateness of the related financial statement disclosures.

Key audit matter	How our audit addressed the key audit matter
Investment in associate - Notes 3(i) & 12	
<p>As at 31 December 2023, the investment in Western Mediterranean Zinc Spa ("WMZ") has a carrying value is \$45.746M.</p> <p>In accordance with AASB 136 <i>Impairment of Assets</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> obtaining management's reconciliation of the movement in the investment in associate during the year and agreeing to the general ledger; assessing that the change in carrying value of the investment is in accordance with AASB 128 <i>Investments in Associates and Joint Ventures</i>; obtaining support for a sample of contributions made to WMZ during the year which has increased the carrying amount of the investment; conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 128 and AASB 136 including: <ul style="list-style-type: none"> enquiring of management regarding current and subsequent events in relation to the Tala Hamza project owned by WMZ; enquiring of management regarding the current status of the project, including review of management's budgeted expenditure; obtaining key supporting documents referenced in the impairment trigger analysis; understanding whether any data exists to suggest that the carrying value of the investment is unlikely to be recovered through development or sale; engaging a component auditor in Algeria to perform specified audit procedures to gain an understanding of the entity and its environment, including review of the Tala Hamza project status and progress to supporting documents; and assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 31 December 2023.

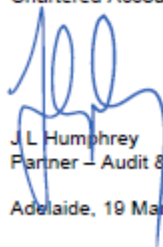
In our opinion, the Remuneration Report of Terramin Australia Limited, for the year ended 31 December 2023 complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 19 March 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
Revenue and other income	4	106	63
Raw materials, consumables and other direct costs		(173)	(170)
Employee benefits expense		(731)	(799)
Depreciation and amortisation	10	(715)	(731)
Exploration and evaluation expensed (Bird in Hand Gold Project)		(150)	-
Provision for impairment of exploration expenditure relating to the Bird in Hand Gold Project	11	-	(15,099)
Profit or loss on disposal of inventories		(151)	3
Profit on sale of non-current assets		300	8
Mine rehabilitation obligation expense	15	1,124	271
Share of loss of Associate – Western Mediterranean Zinc Spa		(119)	(60)
Other expenses	4	(1,976)	(967)
Loss before net financing costs and income tax		(2,485)	(17,481)
Finance income	6	207	74
Finance costs	6	(4,076)	(3,735)
Net finance costs		(3,869)	(3,661)
Loss before income tax from continuing operations		(6,354)	(21,142)
Profit for the period from discontinued operations		-	13,695
Loss for the period		(6,354)	(7,447)
Income tax benefit	19	-	-
Loss for the year		(6,354)	(7,447)
Attributable to:			
Owners of the Company		(6,354)	(7,447)
Non-controlling interest	18	-	-
Loss for the year		(6,354)	(7,447)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		-	-
Other comprehensive (loss)/income for the year, net of income tax		-	-
Total comprehensive loss for the year attributable to equity holders of the Company		(6,354)	(7,447)
Attributable to:			
Owners of the Company		(6,354)	(7,447)
Non-controlling interest		-	-
Total comprehensive loss for the year		(6,354)	(7,447)
Earnings per share attributable to the ordinary equity holders of the Company from continuing operations:			
	Note	2023	2022
Basic earnings/(loss) per share – (cents per share)	27(a)	(0.30)	(1.00)
Diluted earnings/(loss) per share – (cents per share)	27(b)	(0.30)	(1.00)
Earnings per share attributable to the ordinary equity holders of the Company:			
	Note	2023	2022
Basic earnings/(loss) per share – (cents per share)	27(a)	-	(0.35)
Diluted earnings/(loss) per share – (cents per share)	27(b)	-	(0.35)

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

Consolidated Statement of Financial Position

as at 31 December 2023

	Notes	2023 \$'000	2022 \$'000
Assets			
Current Assets			
Cash and cash equivalents	7	374	131
Trade and other receivables	9	69	127
Other assets		137	134
Total current assets		580	392
Non-current assets			
Restricted Cash	7	5,670	5,670
Inventories	8	51	251
Property, plant and equipment	10	5,075	5,746
Exploration and evaluation	11	8,127	8,038
Investment in Associate – Western Mediterranean Zinc Spa	12	45,746	45,235
Total non-current assets		64,669	64,940
TOTAL ASSETS		65,249	65,332
Liabilities			
Current liabilities			
Trade and other payables	13	1,921	1,483
Short term borrowings and accrued interest	14	46,248	39,690
Provisions	15	84	132
Total current liabilities		48,253	41,305
Non-current liabilities			
Provisions	15	5,092	5,769
Total non-current liabilities		5,092	5,769
TOTAL LIABILITIES		53,345	47,074
NET ASSETS		11,904	18,258
Equity			
Share capital	16	223,931	223,931
Reserves	17	(12)	183
Accumulated losses		(212,015)	(205,856)
TOTAL EQUITY		11,904	18,258

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 2023

2023	Share capital \$'000	Share based payments reserve \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total attributable to owners \$'000	Non-controlling interest \$'000 (note 18)	Total equity \$'000
Balance at 1 January 2023	223,931	195	(12)	(205,856)	18,258	-	18,258
Total comprehensive income for the period							
Profit for the year	-	-	-	(6,354)	(6,354)	-	(6,354)
Other comprehensive income							
Foreign currency translation differences	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(6,354)	(6,354)	-	(6,354)
Other equity movements							
Deconsolidation of foreign currency translation reserve	-	-	-	-	-	-	-
Deconsolidation of non-controlling interest	-	-	-	-	-	-	-
Transfer expired options to retained earnings	-	(195)	-	195	-	-	-
Total other equity movements	-	(195)	-	195	-	-	-
Balance at 31 December 2023	223,931	-	(12)	(212,015)	11,904	-	11,904

2022	Share capital \$'000	Share based payments reserve \$'000	Translation reserve \$'000	Accumulated losses \$'000	Total attributable to owners \$'000	Non-controlling interest \$'000 (note 18)	Total equity \$'000
Balance at 1 January 2022	223,931	195	(9,279)	(192,385)	22,462	13,134	35,596
Total comprehensive income for the period							
Profit for the year	-	-	6,024	(13,471)	(7,447)	-	(7,447)
Other comprehensive income							
Foreign currency translation differences	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	6,024	(13,471)	(7,447)	-	(7,447)
Other equity movements							
Deconsolidation of foreign currency translation reserve	-	-	3,243	-	3,243	-	3,243
Deconsolidation of non-controlling interest	-	-	-	-	-	(13,134)	(13,134)
Total contributions by and distributions to owners	-	-	3,243	-	3,243	(13,134)	(9,891)
Balance at 31 December 2022	223,931	195	(12)	(205,856)	18,258	-	18,258

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 2023

	Note	2023 \$'000	2022 \$'000
Cash from operating activities:			
Receipts from customers		119	6
Interest received		203	75
Payments to suppliers and employees		(3,228)	(2,109)
Financing costs and interest paid		(100)	(111)
Total cash (used in) operating activities	20	(3,006)	(2,139)
Cash flows from investing activities:			
Disposal of cash – Western Mediterranean Zinc Spa		-	(3)
Transfer to restricted cash	7	-	(5,670)
Proceeds from the sale of non-current assets		307	-
Exploration and evaluation expenditure		(58)	(441)
Net cash (used in) investing activities		249	(6,114)
Cash flows from financing activities:			
Proceeds from the issue of share capital		-	-
Payment of transaction costs on equity		-	-
Proceeds from borrowings		3,000	2,665
Repayment of borrowings		-	-
Net cash from financing activities		3,000	2,665
Other activities:			
Net increase /(decrease) in cash and cash equivalents		243	(5,588)
Net foreign exchange differences		-	(2)
Cash and cash equivalents at beginning of the year (including restricted cash on deposit)		131	5,721
Cash and cash equivalents at end of the year	7	374	131

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

Notes to the Consolidated Financial Statements

1. Reporting entity

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

2. Basis of preparation

(a) Statement of Compliance

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

Terramin Australia Limited is a for-profit entity for the purpose of preparing the financial statements.

Terramin Australia Limited is a public company incorporated and domiciled in Australia. The address of its registered office is 2115 Callington Road, Strathalbyn, SA, 5255.

(b) Basis of Measurement

The financial statements are presented in Australian dollars (AUD), have been prepared on an accruals basis and are based on historical costs, except for the provision for mine rehabilitation measured at the present value of future cash flows. The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with the Instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(c) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During 2023, the Group incurred a loss of \$6.4 million and at 31 December 2023 the Group's current liabilities exceeded its current assets by \$47.7 million.

The financial report has been prepared on a going concern basis on the expectation that the Group can raise additional debt or equity as required. The Directors are aware that additional debt or equity will be required within 12 months, in order to continue as a going concern. The Group's ability to raise equity will rely on investor confidence in the development or sale of

or investment in the Tala Hamza Zinc Project or other assets. Terramin continues to receive support from major shareholder, Asipac, in this regard. Subsequent to the reporting date, Terramin and Asipac reached agreement to extend the term of the Finance Facilities from 31 January 2024 to 31 July 2024 (ASX Announcement on 30 January 2024: Finance Facility Update).

Furthermore, the Group has been successful in securing an investment of US\$6.68 million (approximately A\$10 million) from a strategic investor through the issue of a Convertible Note subsequent to the Reporting Period. (ASX Announcement on 2 January 2024: Terramin secures US\$6.68 million investment);

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

(d) Use of Estimates and Judgements

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

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

- Note 3(f) – Property, Plant and Equipment: assessment of recoverable amount.
- Note 3(k) – Exploration and Evaluation Expenditure: recoverable amount and ore reserve estimates.
- Note 3(m) – Provisions: estimated cost of rehabilitation, decommissioning and restoration.
- Note 3(t) – Recognition of tax losses: assessment of the point in time at which it is deemed probable that future taxable income will be derived.

In preparing this financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ending 31 December 2023.

(e) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Material 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 2023. 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) Principles of consolidation and equity accounting relating to changes in ownership interest

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

When the Group ceases to consolidate or equity account for an investment because of loss of control, joint control or significant influence, any retained interest in the entity is

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

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

(c) 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 three months or less.

(d) Inventories

Non-current inventories represent spare parts and consumables which are not expected to be used within 12 months. Inventories are valued at lower of cost and net realisable value.

(e) Trade and Other Receivables

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

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

(f) Property, Plant and Equipment

Property

Freehold land is measured at cost and buildings are measured at cost less depreciation and any impairment losses recognised.

Plant and equipment

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

The depreciable amount of all property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use down to any residual value, as determined by the Group.

The depreciation rates used for each class of depreciable asset is the lesser of the rate determined by the life of the mining operation and the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Class of Asset	Depreciation rates
Motor vehicles	18 - 25%
Computer and office equipment	10 - 50%
Plant and equipment	10 - 33%
Buildings and other infrastructure	5 - 33%

(g) Impairment of Assets

Non-financial Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised, with the exception that any previously impaired goodwill should not be re-recognised.

Financial Assets

The Group's financial assets are subject to AASB 9's three-stage expected credit loss model. Each class of financial asset is considered for impairment based on their credit risk profile (as disclosed in note 23(2)).

Recoverable Amount

In assessing whether the carrying amount of an asset is impaired, the asset's carrying value is compared with its recoverable amount. The recoverable amount of a non-financial asset or CGU is the greater of their fair value or realisable value less costs of disposal 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.

(h) Ore Reserves

Economically recoverable ore reserves represent the estimated quantity of product in an area of interest that can be expected

to be profitably extracted, processed and sold under current and foreseeable economic conditions. The determination of ore reserves includes estimates and assumptions about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Changes in a project's ore reserve impacts the assessment of recoverability of exploration and evaluation assets, property, plant and equipment and intangible assets, the carrying amounts of assets depreciated on a units of production basis, provisions for site restoration and the recognition of deferred tax assets, including tax losses.

(i) 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. Under the equity method, the share of profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate.

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

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the carrying amount of the investment, and is neither amortised nor individually tested for impairment.

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.

Specifically, dividends received or receivable from associates reduce the carrying amount of the investment. When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. The consolidated entity discontinues the use of the equity method upon loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(j) Discontinued operations

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

(k) Exploration and Evaluation Expenditure

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets (E&E assets) on an area of interest basis pending determination of the technical feasibility and commercial viability of the project. When a license expires and is not expected to be renewed, is relinquished or a project is abandoned, the related costs are recognised in the profit or loss immediately. With respect to the Tala Hamza Zinc Project, all exploration and evaluation costs incurred from February 2018 (at which time the exploration license was not renewed) until May 2023 (at which time the Mining Permit was issued) have been expensed.

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

E&E assets are assessed for impairment when any of the following facts and circumstances exist:

- The term of the exploration license in the specific area of interest has expired during the reporting period or will expire in the near future, and not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or

- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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

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

(l) Trade and Other Payables

Trade payables and other payables are stated at amortised cost.

(m) Provisions

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

Site restoration liability

A provision is recognised for the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during operation of the Angas Zinc Mine up to reporting date but not yet rehabilitated.

The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology.

As the provision represents the discounted value of the present obligation, using a pre-tax rate that reflects current market assessments and the risks specific to the liability, the increase in value of the provision due to the passage of time will be recognised as a borrowing cost in the profit or loss in future periods. The provision is recognised as a non-current liability (in line with expected timescales for the work to be performed), with a corresponding asset taken to account and amortised over the life of the mine. At each reporting date the rehabilitation liability is reviewed and remeasured in line with changes in discount rates, timing and the amounts of the costs to be incurred based on area of disturbance at the reporting date. Changes in the liability relating to the reassessment of rehabilitation estimates are recognised directly within the profit or loss.

(n) Employee Benefits

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to

future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share Based Payments

The Group uses share options to provide incentives to directors, employees and consultants. The Board, upon the recommendation of the Nominations and Remuneration Committee, has discretion to determine the number of options to be offered to Eligible Employees (as that term is defined by the EOP) and the terms upon which they are offered, including exercise price and vesting conditions. The fair value of options at grant date is independently determined using an option pricing model that considers the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised as an expense over the period during which the directors, employees or consultants become unconditionally entitled to the options (vesting period). Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital.

The Group uses share rights to provide incentives to employees. Share rights are valued at grant date and are expensed over the vesting period. Upon issue of the share rights an increase in equity is recognised.

(o) Loans and Borrowings

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

(p) Revenue

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

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

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

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

(q) Financing Costs

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

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

(r) Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian Dollars (AUD), which is Terramin's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains / (losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(s) 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.

(t) 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(h)), exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows.

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

The Company and its Australian subsidiaries are part of an income tax consolidated group under the Australian Tax Laws.

(u) 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 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.

(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 profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprises convertible notes and share options granted to employees, directors, consultants and other third parties.

(w) Segments

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

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

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

(x) Financial Risk Management

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

Credit Risk

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

Liquidity Risk

The risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages this exposure by targeting to have sufficient cash financing facilities available on demand to meet planned expenditure for a minimum period of 45 days (refer note 14 for detail on available financing facilities).

Market Risk

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

The Group's financial risks are managed primarily by the 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 are standard items in the report presented at each Board meeting.

Capital Management

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

(y) Government Grants

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

(z) Right-of-use assets

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

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

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases

with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(aa) Lease liabilities

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

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index or a rate used;
- residual guarantee;
- lease term;
- certainty of a purchase option; and
- termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

4. Revenue, Other Income and Expenses

Revenue and other income	2023 \$'000's	2022 \$'000's
Revenue from contracts – recognised over time	56	63
Other income	50	-
Total revenue and other income	106	63

Other expenses	2023 \$'000's	2022 \$'000's
Corporate Administration and Marketing Costs	387	262
Insurance costs	343	323
Legal, Accounting and Other Consultants	1,038	297
ASX fees, Share Registry and AGM Costs	71	68
Domestic / International travel and accommodation	136	11
Other	1	6
Total other expenses	1,976	967

5. Auditor's Remuneration

Grant Thornton Audit Pty Ltd	2023 \$	2022 \$
Audit and review of financial reports	115,781	146,354
Non-audit services	14,274	2,900
Total auditor's remuneration	130,055	149,254

6. Finance Income and Costs

Finance income	2023 \$'000	2022 \$'000
Interest income	207	74
Total finance income	207	74

Finance costs	2023 \$'000	2022 \$'000
Interest on borrowings	3,546	3,230
Unwind of discount on mine rehabilitation provision	416	395
Amortisation of borrowing costs	14	11
Facility fees	85	85
Other borrowing costs	15	14
Total finance costs	4,076	3,735

7. Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
Cash on hand	1	1
Bank balances	343	100
Short-term restricted cash on deposit ¹	30	30
Total cash and cash equivalents	374	131
Restricted cash on deposit ^{1,2}	5,670	5,670
Total non-current restricted cash	5,670	5,670

1. Represents restricted cash on deposit to support environmental rehabilitation bonds and minor credit card facilities.
2. \$5.67 million (2022: \$5.67 million) supports the environmental rehabilitation bond over Mining Lease 6229 required by the South Australian Government. The company may opt to refinance its cash backed bank guarantee facility with the Commonwealth Bank of Australia (CBA) to a debt arrangement. Given the decision regarding the Bird in Hand mine refusal received subsequent to the reporting date, the restricted nature of the deposits has been reclassified to a non-current asset to match the expected timing of rehabilitation.

8. Inventories

	2023 \$'000	2022 \$'000
Non-current		
Raw materials and consumables	51	251
Total inventories at the lower of cost and net realisable value	51	251

9. Trade and Other Receivables

	2023 \$'000	2022 \$'000
Trade receivables	10	72
Accrued interest receivable	3	1
Other receivables (including GST refund)	56	54
Total trade and other receivables	69	127

10. Property, Plant and Equipment

Property, plant and equipment - non-current	2023 \$'000	2022 \$'000
Freehold land		
At cost	3,460	3,460
Total freehold land¹	3,460	3,460
Buildings and other infrastructure		
At cost	104	126
Less accumulated depreciation	(104)	(125)
Total buildings and other infrastructure¹	-	1
Right-of-use Assets		
At cost	288	288
Less accumulated depreciation	(288)	(288)
Total Right-of-use Assets	-	-
Plant and Equipment		
At cost	56,126	56,919
Less accumulated impairment	(14,219)	(14,219)
Less accumulated depreciation	(39,722)	(40,415)
Total plant and equipment¹	1,615	2,285
Total property plant and equipment	5,075	5,746

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

Movements in carrying amounts

Property, plant and equipment - non-current	Freehold land \$'000	Buildings & other infrastructure \$'000	Plant and equipment \$'000	Rights-of-use Assets \$'000	Total \$'000
Opening carrying amount 1 Jan 2023	3,460	1	2,285	-	5,746
Additions	-	-	52	-	52
Disposals	-	-	(8)	-	(8)
Depreciation and amortisation	-	(1)	(714)	-	(715)
Carrying amount at 31 Dec 2023	3,460	-	1,615	-	5,075

Property, plant and equipment - non-current	Freehold land \$'000	Buildings & other infrastructure \$'000	Plant and equipment \$'000	Rights-of-use Assets \$'000	Total \$'000
Opening carrying amount 1 Jan 2022	3,460	1	3,013	16	6,490
Additions	-	-	3	-	3
Disposals	-	-	-	-	-
Deconsolidation of Western Mediterranean Zinc Spa	-	-	(10)	(6)	(16)
Depreciation and amortisation	-	-	(721)	(10)	(731)
Carrying amount at 31 Dec 2022	3,460	1	2,285	-	5,746

11. Exploration and Evaluation Assets

	2023 \$'000	2022 \$'000
Exploration and evaluation		
At cost	8,038	63,813
Additions	89	415
Deconsolidation - Western Mediterranean Zinc Spa ⁴	-	(41,120)
Provision for impairment of Bird in Hand Gold ⁵	-	(15,099)
Foreign currency movement	-	29
Total exploration and evaluation	8,127	8,038
Exploration and evaluation projects by area of interest	2023 \$'000	2022 \$'000
Tala Hamza Zinc Project (Terramin 49%) ⁴	-	-
Adelaide Hills (Terramin 100%) ^{1, 2}	2,194	2,132
Bird in Hand Gold (Terramin Exploration 100%) ⁵	-	-
South Gawler Ranges (Menninnie Metals 100%) ³	5,933	5,906
Total exploration and evaluation	8,127	8,038

- The Company entered into an agreement with respect to the Kapunda Copper Project, over which the Company has a current Exploration Licence. Environment Copper Recovery Pty Ltd (ECR) earned a 50% interest in the project after spending \$2m on field trials and associated studies. ECR elected to earn an additional 25% interest in the project by spending a further \$4m. The Company agreed to amend the minimum expenditure terms of the joint arrangement such that at each anniversary date ECR's spend is assessed on a cumulative basis to consider fluctuations in the timing of project activity. Subject to the completion of the expenditure by ECR, the Company will retain a minimum 25% contributing interest and a 1.5% net smelter royalty in respect of all metals extracted from the joint venture area. The expenditure by ECR on the project is not reflected in the accounts of the Company, however will contribute to the minimum expenditure obligations under the terms of the Exploration License.
- The Company entered into an earn-in arrangement with Freeport McMoRan Exploration Australia Pty Ltd in 2019 in respect of the Wild Horse project. In 2021, Newmont Australia Pty Ltd (Newmont), a wholly-owned subsidiary of Newmont Corporation, completed the acquisition of Freeport's Australian operations, including Wild Horse, which received FIRB approval in June 2021. In March 2022, Newmont funded drilling of an initial one-hole program to target the Wild Horse aerial magnetic anomaly on the western edge of the magnetic granite pluton. Following receipt of the results of testing the assays produced from the drilling, the Company received notice from Newmont advising of its decision to terminate the Wild Horse Earn-in Agreement. Under the terms of the Agreement, Terramin retains 100% of the Wild Horse exploration lease (EL 5846).
- During 2022, the Company executed a A\$10.5 million exploration agreement with JOGMEC relating to the South Gawler Ranges tenements. In June 2022, the transaction received FIRB approval. Following an extensive gravity survey undertaken in late 2022, the parties followed up with a series of TEM (Transient Electromagnetic) surveys over five target areas and priority drilling targets have been identified. As at the end of the year, the parties are awaiting heritage clearance for these areas. In addition, JOGMEC and Terramin obtained approval from DEM for the drilling of two additional target areas with one being near Menninnie Dam and the other near Nonning Station Homestead. Drilling commenced in January and results are pending. A further drilling program focusing on the additional targets is expected to be undertaken later in 2024 once heritage clearances and subsequent approval from DEM has been obtained. During the reporting period, Menninnie Metals Pty Ltd entered into a Native Title Mining Agreement for exploration activities with the Gawler Ranges Aboriginal Corporation. This agreement applies to the entire SGRP area and replaces all existing agreements. The expenditure by JOGMEC on the tenements is not reflected in the accounts of the Company, however will contribute to the minimum expenditure obligations under the terms of the Exploration Licenses.
- During 2022, the Company gave up a 16% interest to its joint venture partners to ensure that the partnership conforms to government regulations regarding the ownership of the Algerian strategic assets which resulted in

Terramin holding a minority interest. Consequently, the subsidiary Western Mediterranean Zinc has been deconsolidated from the Company's Financial Report and a disposal of exploration assets has been recognised.

- In February 2023, the Company was informed by the South Australian Department for Energy and Mining ("DEM") of the Minister's decision to refuse to grant a Mining Lease and a Miscellaneous Purposes Licence in respect of the Bird in Hand Gold Project. Subsequently, the Minister recommended to her Excellency the Governor of South Australia that an area corresponding with mining lease application and mineral claim 4473 be reserved pursuant to section 8 of the Act (meaning that those areas be excluded from the possibility of future applications under the Act). Following that recommendation, on 27 April 2023, her Excellency made the Mining (Reservation from Act) Proclamation 2023 (SA) reserving the land from the operation of parts 4, 5, 6, 6A, 8 and 8A of the Act. In August 2023, the Company commenced legal proceedings in the Supreme Court of South Australia seeking judicial review of the South Australian Government decisions. This legal process continues to progress into 2024.

12. Investment in Western Mediterranean Zinc

Investment in WMZ	Dec 2023 \$'000's	Dec 2022 \$'000's
Fair value at loss of control	-	45,101
Fair value at beginning of the period	45,235	-
Share of WMZ profit/(loss) during the period	(119)	(60)
Working capital contributions to WMZ during the period	630	194
Total investment in WMZ	45,746	45,235

Statement of Financial Position of WMZ	Dec 2023 \$'000	Dec 2022 \$'000
Current assets	-	84
Non-current assets	41,573	41,133
Current liabilities	(230)	(115)
Non-current liabilities	-	-
Net assets	41,343	41,102

- During 2022, the Company gave up a 16% ownership interest in WMZ to ENOF in order to comply with Algerian Law which resulted in Terramin holding a minority interest at the reporting date. Consequently, the subsidiary WMZ was deconsolidated from the Company's Financial Report with Terramin's 49% investment in WMZ recognised as a non-current asset in accordance with AASB 10 and AASB 128.
- The fair value at the date of loss of control was determined with the assistance of a valuation expert having regard to multiple valuation methods including:
 - Discounted cash flows associated with the Tala Hamza Zinc Project; and
 - Transactions for Zinc assets from 1 January 2018.

The fair value measurement is classified as Level 3, with the key inputs used in the valuation being proved, probable and potential resources, cost of extraction and relative zinc prices.

- Western Mediterranean Zinc Spa (WMZ) is an Algerian registered company. It is a vehicle to develop the Project between Terramin and Enterprise Nationale des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF). Terramin holds a 49% shareholding in WMZ, with the remaining 51% held by two Algerian government-owned companies: ENOF and ORGM.
- There are no separate commitments for expenditure at this time for WMZ.

13. Trade and Other Payables

	2023 \$'000	2022 \$'000
Trade payables	962	741
Other payables and accrued expenses	959	742
Total trade and other payables	1,921	1,483

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

14. Loans and Borrowings

	2023 \$'000	2022 \$'000
Current liabilities		
Loans - secured ¹	27,183	27,183
Loans - unsecured ¹	4,073	1,075
Total short term borrowings	31,256	28,258
Accrued interest on borrowings	14,992	11,432
Total short term borrowings and accrued interest	46,248	39,690

	2023 \$'000	2022 \$'000
Finance Facilities		
Financing facilities		
Loan facilities - available	31,256	28,459
Loan facilities - drawn	31,258	28,259
Less: unamortised transaction costs	(2)	(1)
Accrued interest on borrowings	14,992	11,432
Carrying amount at 31 December	46,248	39,690
Guarantee facility		
Guarantee facility - available ²	5,665	5,665
Guarantee facility - undrawn	-	-
Guarantee facility - drawn	5,665	5,665

1. At the reporting date, the Group had fully drawn down \$31.26 million available to the Company in respect of three loan facilities provided by the Company's major shareholder, Asipac. Interest is fixed at a base rate of 12%, payable upon termination date. Subsequent to the reporting date, the Company reached agreement with Asipac, to extend the expiry term of the facilities to 31 July 2024.

2. The \$5.7 million environmental rehabilitation bond required by the South Australian Government over Mining Lease 6229 continued to be supported by a cash backed CBA bank guarantee.

Under the terms of the \$6.0 million Bird in Hand facility (**BIH Facility**) and the \$21.18 million Standby facility (**Standby Facility**) provided to Terramin Exploration Pty Ltd, the following first ranking securities have been granted to Asipac: a real property mortgage over land acquired at Bird in Hand, a general security interest over all the assets of Terramin Exploration Pty Ltd and a specific security over the shares of Terramin Exploration Pty Ltd. All security interests will be discharged upon repayment of all amounts due under the BIH Facility. The \$4.075 million Standby (No.2) Facility (**Standby (No.2) Facility**) provided by Asipac to Terramin Exploration Pty Ltd is unsecured.

15. Provisions

	2023 \$'000	2022 \$'000
Current		
Employee benefits	84	132
Total current provisions	84	132
Non-current:		
Employee benefits	58	27
Mine rehabilitation ²	5,034	5,742
Total non-current provisions	5,092	5,769

	Employee Benefits \$'000	Mine Rehabilitation \$'000	Total \$'000
At 1 January 2023	159	5,742	5,901
Change to provision	50	416	466
Remeasurement	-	(1,124)	(1,124)
Paid during the period	(67)	-	(67)
At 31 December 2023	142	5,034	5,176

1. The mine rehabilitation provision is recognised for the estimated cost of rehabilitation, decommissioning, restoration and long-term monitoring of areas disturbed during operation of the Angas Zinc Mine up to reporting date but not yet rehabilitated.

The mine rehabilitation provision is based on current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. The provision has been calculated using a 3.72% risk-free discount rate (2022: 3.73%).

Despite the last year's decision by the South Australian Government to refuse to grant the Mining Lease and Miscellaneous Purposes Licence in respect of the Bird in Hand Gold Project, the Company has no immediate plans to commence rehabilitation of the Angas Zinc Mine site as it continues to progress to Judicial Review of the decision.

16. Issued capital

(a) Ordinary shares

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

	2023 \$'000	2022 \$'000
Ordinary shares	229,676	229,676
Share issue costs	(5,745)	(5,745)
Total issued capital	223,931	223,931

(b) Detailed table of capital issued during the year

Type of share issue	Issue date	Number of Ordinary Shares on issue	Issue price \$	Share Capital \$'000
At 1 Jan 2023		2,116,562,720		223,931
At 31 Dec 2023		2,116,562,720		223,931
Issued Capital				223,931

Type of share issue	Issue date	Number of Ordinary Shares on issue	Issue price \$	Share Capital \$'000
At 1 Jan 2022		2,116,562,720		223,931
At 31 Dec 2022		2,116,562,720		223,931
Issued Capital				223,931

17. Reserves

(a) Foreign currency translation reserve

	2023 \$'000	2022 \$'000
Foreign currency translation reserve		
Balance at the beginning of the year	(12)	(9,279)
Adjustment on translation to presentation currency	-	-
Deconsolidation of WMZ	-	9,267
Balance at the end of the year	(12)	(12)

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

(b) Share based payments reserve

	2023 \$'000	2022 \$'000
Share based payments reserve		
Balance at the beginning of the year	195	195
Options value expired unexercised during the year	(195)	-
Balance at the end of the year	-	195
Total Reserves	(12)	183

The share based payment reserve is used to recognise the value of equity-settled share-based payment transactions, including employees and KMP, as part of their remuneration. During the 2023 reporting period no options or share rights were granted to employees, including KMP's (2022: Nil).

The 10,000,000 options granted to, Mr Richard Taylor, the former CEO, in 2018 were valued in accordance with the Black Scholes valuation methodology. Mr Richard Taylor stepped down as CEO of the Company in July 2020 prior to tranches 3 and 4 (representing 5,000,000 options) of Mr Taylor's 10,000,000 options vesting, which therefore forfeited. Tranches 1 and 2 (representing 5,000,000 options) expired, unexercised, in August 2023.

18. Non-controlling Interest

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	-	13,134
Deconsolidation of WMZ	-	(13,134)
Balance at the end of the year	-	-

Prior to 2022, the movement in non-controlling interest related to the 35% minority interest (ENOF 32.5% and ORGM 2.5%) in exploration and evaluation costs for the Tala Hamza Zinc Project funded directly by the Group through its 65% shareholding in WMZ. A total of 35% of all assets contributed to WMZ by the Group effectively accrued to ENOF and ORGM for nil consideration (other than forming part of the Group's 65% earn-in).

During 2022, the Company gave up a 16% interest to its joint venture partners to ensure that the partnership conforms to government regulations regarding the ownership of the Algerian strategic assets. This resulted in Terramin holding a minority interest and the subsidiary, WMZ, was deconsolidated from the Company's Financial Report. A disposal of exploration assets was recognised.

19. Income Tax Expense

	2023 \$'000	2022 \$'000
Prima facie tax benefit on loss before income tax at 30% (2022: 30%)	(1,871)	(6,324)
Decrease in income tax benefit due to:		
(Deductible)/non-deductible items	364	4,609
Deferred tax asset not brought to account	(1,507)	(1,715)
Unused tax losses for which no deferred tax asset has been recognised	193,781	189,286
Potential tax benefit	58,134	56,786
The applicable weighted average effective tax rates for the reporting period are:	24%	8%

The Company is part of an Australian Tax Consolidated Group. The Australian Tax Consolidated Group has potential deferred tax assets of \$58.1 million (2022: \$56.8 million). These have not been brought to account because the Directors do not consider the realisation of the deferred tax asset as probable.

The benefit of these tax losses will be obtained if:

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

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

20. Cash Flow Information

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

	2023 \$'000	2022 \$'000
Loss for the period	(6,354)	(13,470)
Adjustment for:		
Depreciation and amortisation	715	724
Inventory impairment	200	6
Amortisation of borrowing costs	-	11
Provision for impairment of non-current assets	-	15,099
Mine rehabilitation provision - change in assumptions (including discount unwind and cost revision)	(708)	124
(Gain)/Loss on disposal of 16% shareholding in WMZ	-	(7,760)
Change in operating assets and liabilities: As		
Decrease/(increase) in trade and other receivables	81	(84)
Decrease/(increase) in prepayments	387	368
(Decrease)/increase in payables and accruals	2,690	2,802
(Decrease)/increase in provisions	(16)	41
Cashflow (used in) operating activities	(3,005)	(2,139)

21. Related Parties

(a) Key management personnel compensation

Summary of Key Management Personnel (KMP) compensation:

	2023 \$	2022 \$
Short-term employee benefits	673,563	662,569
Long-term employee benefits	13,095	9,386
Post-employment benefits	38,024	47,738
Total KMP compensation	724,682	719,693

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 2023, Asipac owned 39.07% of the ordinary shares in Terramin (2022: 39.07%) and is controlled by Mr Sheng, who is the Executive Chair of the Company. Mr Siciliano is the Chief Financial Officer of Asipac.

Asipac has had the following transactions during the year:

Asipac Group	2023 \$'000	2022 \$'000
Borrowings as at 1 January	28,259	25,594
Loans advanced during the year	3,000	2,665
Loan repayments in the year	-	-
Borrowings as at 31 December	31,259	28,259
Related Party Transactions	2023 \$'000	2022 \$'000
Loan facility fees paid	-	-
Loan facility fees incurred	14	11
Interest paid	-	-
Interest incurred to date	14,906	11,359
Related Party Balance		
Amounts owed at year end	14,920	11,370

Terms and conditions of transactions with related parties

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

During 2023, the Company and its subsidiary Terramin Exploration Pty Ltd entered into an agreement with major shareholder Asipac Group Pty Ltd to amend and restate its Finance Facility Agreements, including the unsecured Short term Standby (No.2) Facility. After the reporting date, the Asipac Finance Facility term has been further extended until 31 July 2024. Based on a prior period agreement and continues under the terms of the current agreement, Asipac waived refinancing and marketing fees, along with the right to negotiate an offtake agreement for Bird in Hand Gold Project, in return for a 3% NSR royalty on gold production from Bird in Hand Gold Project. In the event that the Bird in Hand Gold Project production is less than 500koz the royalty shall extend to Terramin's wholly owned South Australian gold tenements until a total of 500koz is reached. This remains subject to the outcome of the Judicial review currently proceeding in the Supreme Court of South Australia.

22. Financial Instruments

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

Financial Instruments	Note	2023 \$'000	2022 \$'000
Current			
Cash and cash equivalents	7	374	131
Trade and other receivables	9	69	127
Trade and other payables	12	(16,913)	(12,915)
Financial liabilities at amortised cost	13	(31,256)	(28,258)
Total current financial instruments		(47,726)	(40,915)

Fair value

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual

maturities at the current market interest rate that is available for similar financial liabilities.

23. 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 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 and accrued liabilities. The Company currently has no commodity price risk.

(a) Currency risk

The Group is exposed to foreign currency risk on purchases and cash at bank which are denominated in a currency other than AUD. The currencies giving rise to this are primarily USD, Euros (EUR) and Algerian Dinar (DZD). The Group does not enter into derivative financial instruments to hedge such transactions denominated in a foreign currency. No amount was recognised in the statement of profit or loss and other comprehensive income during the current year (2022: \$nil). The Group's exposure to foreign currency risk at the reporting date was as follows:

In AUD thousand equivalent	31 December 2023			31 December 2022		
	USD	EUR	DZD	USD	EUR	DZD
Trade payables	-	(5)	-	-	(6)	-
Gross exposure	-	(5)	-	-	(6)	-

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

Currency Exchange Rates	Currency	2023	2022
Year-end rates used for the consolidated statement of financial position, to translate the currencies into AUD, are:	USD	0.68	0.68
	EUR	0.62	0.64
	DZD	91.07	92.96

Sensitivity Analysis

Sensitivity to fluctuations in foreign currency rates is based on outstanding monetary items at 31 December 2023 which are denominated in a foreign currency.

Holdings exposed to currency risk at the end of the period are minimal.

(b) Interest rate risk

The Group does not use derivatives to mitigate these exposures. The Group's exposure to interest rate risk and effective weighted average interest rates are as follows:

Net Financial Assets (Liabilities) 2023	Effective interest rate	Total \$'000	Floating Int rate \$'000	Fixed interest rate
Cash ¹	3.60%	343	343	-
Restricted cash ¹	4.03%	5,670	5,670	-
Loans ²	12.00%	(31,256)	-	(31,256)
Total (Net)		(25,243)	6,013	(31,256)

Net Financial Assets (Liabilities) 2022	Effective interest rate	Total \$'000	Floating Int rate \$'000	Fixed interest rate
Cash ¹	2.35%	131	131	-
Restricted cash ¹	3.04%	5,670	5,670	-
Loans ²	12.00%	(28,258)	-	(28,258)
Total (Net)		(22,457)	5,801	(28,258)

1. Predominantly AUD denominated balances.
2. The facilities have an expiry date of 31 July 2024. The interest rate is fixed at 12%.

2. Credit risk

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

Credit risk exposure - assets	Note	2023 \$'000	2022 \$'000
Trade and other receivables	9	69	127
Cash assets	7	6,013	5,801
Total financial assets		6,082	5,928

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

Credit risk exposure – loans and receivables	Note	2023 \$'000	2022 \$'000
Australia		69	127
Other		-	-
Total trade and other receivables	9	69	127

3. Liquidity risk

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

2023	Note	Carrying amount ¹ \$'000	Contractual cash flows ² \$'000	6 months or less ³ \$'000	6-12 Months ³ \$'000	1-2 years ³ \$'000	2-5 years ³ \$'000	More than 5 years ³ \$'000
Non-derivative financial liabilities								
Trade and other payables	12	16,913	(16,913)	(16,913)	-	-	-	-
Loans - secured	13	31,259	(46,231)	(46,231)	-	-	-	-
Total non-derivative financial liabilities		48,172	(63,144)	(63,144)	-	-	-	-
2022	Note	Carrying amount ¹ \$'000	Contractual cash flows ² \$'000	6 months or less ³ \$'000	6-12 Months ³ \$'000	1-2 years ³ \$'000	2-5 years ³ \$'000	More than 5 years ³ \$'000
Non-derivative financial liabilities								
Trade and other payables	12	12,915	(12,915)	(12,915)	-	-	-	-
Loans - secured	13	28,259	(39,670)	(39,670)	-	-	-	-
Total non-derivative financial liabilities		41,174	(52,585)	(52,585)	-	-	-	-

1. Represents amounts reflected in the statement of financial position as at 31 December.
2. Represents total loan principal, accrued interest and accrued fees payable as at 31 December.
3. Represents schedule of payments of loan principal, accrued interest and accrued fees in accordance with specified time bands.

24. Controlled Entities

Name	Country of incorporation	Percentage	
		2023	2022
Parent Entity			
Terramin Australia Limited	Australia		
Subsidiaries of parent entity			
Menninnie Metals Pty Ltd	Australia	100%	100%
Western Mediterranean Zinc Spa	Algeria	-%	-%
Terramin Spain S.L.	Spain	100%	100%
Terramin Exploration Pty Ltd	Australia	100%	100%

Following the disposal outlined in note 30, Western Mediterranean Zinc Spa is no longer a controlled entity.

25. Segment Reporting

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

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

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

	Australia		Northern Africa		Consolidated	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
External customers	106	63	-	-	106	63
Total Other Income	106	63	-	-	106	63
Results						
Raw materials, consumables and other direct costs	(647)	(429)	-	-	(647)	(429)
Employee benefits & share based payments expense	(731)	(799)	-	-	(731)	(799)
Depreciation and amortisation	(715)	(731)	-	-	(715)	(731)
Exploration and evaluation expensed (Bird in Hand Gold Project)	(150)	-	-	-	(150)	-
Provision for impairment of exploration expenditure relating to BIHGP	-	(15,099)	-	-	-	(15,099)
Profit or loss on disposal of inventories	40	3	-	-	40	3
Profit or loss on disposal of non-current assets	300	8	-	-	300	8
Mine rehabilitation obligation expense	1,124	271	-	-	1,124	271
Share of WMZ loss before the mining license approval	-	-	(119)	(60)	(119)	(60)
Other expenses	(1,693)	(708)	-	-	(1,693)	(708)
Net finance costs	(3,869)	(3,661)	-	-	(3,869)	(3,661)
(Loss) before income tax	(6,235)	(21,082)	(119)	(60)	(6,354)	(21,142)
Income tax expense	-	-	-	-	-	-
(Loss) for the year for the operating segment	(6,235)	(21,082)	(119)	(60)	(6,354)	(21,142)
(Loss) for the year attributable to non-controlling interest	-	-	-	-	-	-
(Loss) for the year attributable to equity holders of the Company	(6,235)	(21,082)	(119)	(60)	(6,354)	(21,142)
Operating assets	19,503	20,097	45,746	45,235	65,249	65,332
Operating liabilities	53,345	40,074	-	-	53,345	47,074
Other disclosures						
Capital expenditure ¹	90	415	-	-	90	415

1. Capital expenditure consists of additions of property, plant and equipment, and exploration and evaluation assets.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and measured consistently with operating profit or loss in the consolidated financial statements. There are no transactions other than cash funding between reportable segments.

26. Share Based Entitlements and Payments

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

During the calendar year 2018, 10,000,000 options were granted to the Group's former CEO, Mr Richard Taylor. Details of the options granted to the CEO are summarised in the notes that follow. The fair value of options issued is calculated using the Black-Scholes Option Pricing Model.

There were no share based payments during the 2023 or 2022 financial years.

Mr Richard Taylor stepped down as CEO of the Company during 2020 prior to tranches 3 and 4 (representing 5,000,000 options) of Mr Taylor's 10,000,000 options vesting, and therefore forfeited. Tranches 3 and 4 (representing 5,000,000 options) expired, unexercised, in August 2023. There were no options outstanding at 31 December 2023.

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

	Weighted average exercise price 2023	Number of options 2023	Weighted average exercise price 2022	Number of options 2022
Outstanding at 1 January	\$0.225	5,000,000	\$0.225	5,000,000
Granted during the period	\$0.00	-	\$0.00	-
Expired (unexercised) during the year	\$0.225	(5,000,000)	\$0.00	-
Outstanding at 31 December	-	-	\$0.225	5,000,000
Exercisable at 31 December	-	-	\$0.225	5,000,000

(b) Options exercised during the year

There were no options exercised during the reporting period (2022: Nil).

(c) Table of share options movement for the Group at 31 December 2023

Expiry Date	Number of options	Options expense this year \$'000	Total option value \$'000
Opening balance 1 January 2023	5,000,000	195	195
Granted during the period	-	-	-
Expired during the period	(5,000,000)	(195)	(195)
Closing balance 31 December 2023	-	-	-

(d) Table of share options movement for the Group at 31 December 2022

Expiry Date	Number of options	Options expense this year \$'000	Total option value \$'000
Opening balance 1 January 2022	5,000,000	195	195
Granted during the period	-	-	-
Expired during the period	-	-	-
Closing balance 31 December 2022	5,000,000	195	195

27. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share at 31 December 2023 was based on the loss attributable to owners of the Company of \$5.8m (2022: net loss of \$21.1m) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2023 of 2,116,562,720 (2022: 2,116,562,720), as follows:

Earnings per share from continuing operations	2023 \$'000	2022 \$'000
Loss for the year attributable to the owners of the Company	(6,354)	(21,142)
Ordinary shares on issue	2,116,562,720	2,116,562,720
Weighted average number of shares	2,116,562,720	2,116,562,720
Basic earnings per share (cents) from continuing operations	(0.30)	(1.00)

(b) Diluted earnings per share

The calculation of diluted earnings per share does not include potential ordinary shares on issue as to do so would have the effect of reducing the amount of the loss per share. Therefore, the diluted earnings per share equates to the ordinary earnings per share.

28. Commitments and Contingencies

There are contractual commitments at the reporting date as follows:

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

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations are subject to renegotiation and may be farmed out or relinquished. These obligations are not provided for in the parent entity financial statements.

The Adelaide Hills fold belt tenements had an amalgamated minimum expenditure of \$0.97 million (representing a portion of the total minimum expenditure) over 2 years expiring on 30 June 2023. The Amalgamated Expenditure Agreement is currently under review, with an application in place for a 2 year expenditure commitment of \$0.87 million.

The Wild Horse tenement is excluded from the Adelaide Hills fold belt amalgamated minimum expenditure arrangement. The minimum expenditure \$140,000 over 2 years.

The South Gawler Ranges Project tenements had an amalgamated minimum expenditure of \$1.78 million over 2 years expiring on 31 December 2023. The Amalgamated Expenditure Agreement is currently under review.

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

(b) Other commitments and contingencies

Bird in Hand acquisition

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

Consultancy fee

Under the Technical Cooperation Agreement entered into with NFC up to an additional 8 million ordinary shares will be issued upon the Board of WMZ taking a decision to mine.

Finder's fee

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

Asipac royalty

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

29. Events After the Reporting Date

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect either the entities operations or state of affairs in future years or the results of those operations in future years, other than the Company:

- 1) securing an investment of US\$6.68 million (approximately A\$10 million) from a strategic investor through the issue of a Convertible Note (ASX Announcement on 2 January 2024: Terramin secures US\$6.68 million investment); and
- 2) reaching agreement with major shareholder, Asipac Group, to extend the term of the Finance Facilities from 31 January 2024 to 31 July 2024 (ASX Announcement on 30 January 2024: Finance Facility Update).

30. Parent Entity Disclosures

As at, and throughout, the financial year ending 31 December 2023 the parent Company of the Group was Terramin Australia Limited.

	2023 \$'000	2022 \$'000
Result of the parent entity		
Loss for the period	(6,354)	(17,338)
Total comprehensive income for the period	(6,354)	(17,338)
Financial position of parent entity		
Current assets	550	338
Total assets	55,118	55,941
Current liabilities	38,123	31,915
Total liabilities	43,214	37,683
Total equity of the parent entity comprising of:		
Share capital	223,931	223,931
Share based payments reserve	-	195
Accumulated losses	(212,027)	(205,868)
Total equity	11,904	18,258

Parent entity capital commitments for acquisition of property plant and equipment

There are no capital commitments for acquisition of property, plant and equipment as at 31 December 2023.

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.

End of Audited Financial Report

Tenement Information

Terramin Australia Limited

Tenement listing						Application for renewal of licence lodged
Title name and locations	Licence number	Licence area	Expiry date	Interest	Minimum expenditure	
Angas - South Australia	ML 6229	87.97ha	16/08/2026	100%	Not applicable	
Bremer - South Australia ¹	EL 5924	348km ²	26/10/2027	100%	\$100,000 over 2 years	
Cambrai - South Australia ¹	EL 6540	89km ²	20/07/2025	100%	\$80,000 over 2 years	
Wild Horse - South Australia ³	EL 5846	462km ²	8/09/2027	100%	\$140,000 over 2 years	

Terramin Exploration Pty Ltd (100% Terramin)

Tenement listing						Application for renewal of licence lodged
Title name and locations	Licence number	Licence area	Expiry date	Interest	Minimum expenditure	
Kapunda - South Australia ¹	EL 6198	547km ²	27/04/2029	100%	\$160,000 over 2 years	
Lobethal - South Australia ¹	EL 6447	221km ²	31/08/2024	100%	\$80,000 over 2 years	
Mount Barker - South Australia ¹	EL 6154	118km ²	24/02/2029	100%	\$80,000 over 2 years	
Mount Pleasant - South Australia ¹	EL 6696	301km ²	29/03/2026	100%	\$90,000 over 2 years	
Mount Torrens - South Australia ¹	EL 6319	93km ²	24/02/2024	100%	\$80,000 over 2 years	12/2/2024

Western Mediterranean Zinc Spa (49% Terramin)

Tenement listing						Application for renewal of licence lodged
Title name and locations	Licence number	Licence area	Expiry date	Interest	Minimum expenditure	
Oued Amizour - Algeria	6911 PEM	12,276ha	31/01/2018	100%	Not applicable	

Menninnie Metals Pty Ltd (100% Terramin)

Tenement listing						Application for renewal of licence lodged
Title name and locations	Licence number	Licence area	Expiry date	Interest	Minimum expenditure	
Kolendo - South Australia ^{3,4}	EL 6413	208km ²	26/07/2024	100%	\$40,000 over 1 year	
Menninnie - South Australia ^{3,45}	EL 5949	101km ²	26/10/2027	100%	\$80,000 over 2 years	
Mt Ive - South Australia ^{3,4}	EL 6200	214km ²	20/06/2029	100%	\$80,000 over 2 years	
Mt Ive South - South Australia ^{3,4}	EL 6412	394km ²	19/06/2024	100%	\$60,000 over 1 year	
Mulleroo - South Australia ^{3,4}	EL 5855	210km ²	19/09/2027	100%	\$80,000 over 2 years	
Nonning - South Australia ^{3,4}	EL 5925	312km ²	30/11/2027	100%	\$90,000 over 2 years	
Peltabinnia - South Australia ^{3,4}	EL 6290	637km ²	11/12/2023	100%	\$160,000 over 2 years	8/12/2023
Tanner - South Australia ^{3,4}	EL 6414	354km ²	31/07/2024	100%	\$55,000 over 1 year	
Taringa - South Australia ^{3,4}	EL 6673	988km ²	20/02/2026	100%	\$300,000 over 2 years	
Thurliga - South Australia ^{3,4}	EL 6479	951km ²	27/11/2024	100%	\$145,000 over 1 year	
Unalla - South Australia ^{3,4}	EL 6179	155km ²	6/06/2029	100%	\$80,000 over 2 years	

Terramin Australia Limited – Expired Tenements

Tenement listing						Application for renewal of licence lodged
Title name and locations	Licence number	Licence area	Expiry date	Interest	Minimum expenditure	
Tepko - South Australia	EL 6267	778km ²	7/10/2023	100%	\$630,000 over 3 years	Not applicable
Ulooloo - South Australia	EL 6293	103km ²	18/12/2023	100%	\$133,000 over 2 year	Not applicable

1. Subject to an amalgamated expenditure arrangement with the Department for Energy and Mining (DEM) (see note 28(a)) encompassing the Adelaide Hills tenements.
2. Subject to an amalgamated expenditure arrangement with the Department for Energy and Mining (DEM) (see note 28(a)) encompassing the South Gawler Ranges tenements.
3. Terramin entered into an agreement with Japan Organization for Metal and Energy Security (JOGMEC) for exploration of the South Gawler Ranges tenements during the period.

Reserves and Resources

Terramin's Mineral Resource and Ore Reserve estimates as at 31 December 2022 and 31 December 2023 are listed below. The Mineral Resource estimates are reported inclusive of Ore Reserve estimates. The totals and average of some reports may appear inconsistent with the parts, but this is due to rounding of values to levels of reporting precision commensurate with the confidence in the respective estimates.

The complete JORC Code reports, including JORC Code Table 1 checklists, which detail the material assumptions and technical parameters for each estimate, can be found at www.terramin.com.au under the menu 'ASX Announcements'. The JORC Code Competent Person statements for the 31 December 2022 estimates are included on pages 9 and 48 of this Annual Report.

Terramin's public reporting governance for mineral resources and ore reserves includes a chain of assurance measures. Firstly, Terramin ensures that the Competent Persons responsible for public reporting:

- are current members of a professional organisation that is recognised in the JORC Code framework;
- have sufficient mining industry experience that is relevant to the style of mineralisation and reporting activity, to be considered a Competent Person as defined in the JORC Code;
- have provided Terramin with a written sign-off on the results and estimates that are reported, stating that the report agrees with supporting documentation regarding the results or estimates prepared by each Competent Person; and
- have prepared supporting documentation for results and estimates to a level consistent with normal industry practices – which for JORC Code 2012 resources includes Table 1 Checklists for any results and/or estimates reported.

The following tables set out the current Resource and Reserve position for the Company.

Table of Resources – Lead Zinc

	Terramin Interest (%)	Measured Resource			Indicated Resource			Inferred Resource			Total Resources		
		Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)
2022													
Tala Hamza ^{1, 2}	49				44.2	5.54	1.44	8.9	4.0	0.7	53.0	5.3	1.3
Angas ^{4, 5}	100				0.66	4.68	1.81	0.25	2.8	1.3	0.91	4.2	1.7
Sunter ^{4, 6}	100				0.13	5.70	2.31	0.24	2.9	1.2	0.38	3.8	1.6
Menninnie Dam ^{7, 8}	100							7.7	3.1	2.6	7.7	3.1	2.6
Total (100%)					44.99	5.53	1.45	17.09	2.16	1.57	61.99	4.62	1.47
Total (Terramin share - 2022)					22.45	5.52	1.46	12.55	3.40	1.89	34.96	4.77	1.60
2023													
Tala Hamza ^{1, 2}	49				44.2	5.54	1.44	8.9	4.0	0.7	53.0	5.3	1.3
Angas ^{4, 5}	100				0.66	4.68	1.81	0.25	2.8	1.3	0.91	4.2	1.7
Sunter ^{4, 6}	100				0.13	5.70	2.31	0.24	2.9	1.2	0.38	3.8	1.6
Menninnie Dam ^{7, 8}	100							7.7	3.1	2.6	7.7	3.1	2.6
Total (100%)					44.99	5.53	1.45	17.09	2.16	1.57	61.99	4.62	1.47
Total (Terramin share)					22.45	5.52	1.46	12.55	3.40	1.89	34.96	4.77	1.60

Table of Resources – Gold

	Terramin Interest (%)	Indicated Resource			Inferred Resource			Total Resources				
		Tonnes (Kt)	Au (g/t)	Ag (g/t)	Tonnes (Kt)	Au (g/t)	Ag (g/t)	Tonnes (Kt)	Au (g/t)	Au (kOz)	Ag (g/t)	Ag (kOz)
2022												
Bird in Hand	100	432	14.4	7.56	220	9.2	2.4	650	12.6	265	5.8	122
Total (100%)	-	432	14.4	7.56	220	9.2	2.4	650	12.6	265	5.8	122
Total (Terramin share 2022)	-	432	14.4	7.56	220	9.2	2.4	650	12.6	265	5.8	122
2023												
Bird in Hand ^{9, 10}	100	432	14.4	7.56	220	9.2	2.4	650	12.6	265	5.8	122
Total (100%)	-	432	14.4	7.56	220	9.2	2.4	650	12.6	265	5.8	122
Total (Terramin share)	-	432	14.4	7.56	220	9.2	2.4	650	12.6	265	5.8	122

Reserves and Resources (continued)

Table of Resources – Copper

	Terramin Interest (%)	Indicated Resource Tonnes (Mt)	Cu (%)	Inferred Resource Tonnes (Mt)	Cu (%)	Total Resources Tonnes (Mt)	Cu (%)
2022							
Kapunda	100			47.4	0.25	47.4	0.25
Total (Terramin share 2022)	-			47.4	0.25	47.4	0.25
2023							
Kapunda ^{11, 12, 13}	100			47.4	0.25	47.4	0.25
Total (Terramin share)	-			47.4	0.25	47.4	0.25

Table of Reserves – Lead Zinc

	Terramin Interest (%)	Probable Reserve Tonnes (Mt)	Zn (%)	Pb (%)	Total Reserve Tonnes (Mt)	Zn (%)	Pb (%)
2022							
Tala Hamza	-	25.9	6.3	1.8	25.9	6.3	1.8
Total (Terramin share 2022)	49	12.7	6.3	1.8	12.7	6.3	1.8
2023							
Tala Hamza ^{2, 3}	-	25.9	6.3	1.8	25.9	6.3	1.8
Total (Terramin share)	49	12.7	6.3	1.8	12.7	6.3	1.8

1. Resources for Tala Hamza (JORC 2004) are estimated at a cut off of 3% ZnEq. The Zinc Equivalence formula for Tala Hamza is %ZnEq = %Zn + 0.856 x %Pb and is based on long term predicted prices of Pb USD2,400/t and Zn USD2425/t and metal recoveries of Pb 62% and Zn 88%.
2. Tala Hamza Resources as at January 2018. The reserve is as at 29 August 2018. The reserve is based on the Underhand Drift and Fill mining method. Resources are inclusive of Reserves.
3. Reserve cut off grade at Tala Hamza is 4.5% ZnEq (JORC 2012).
4. Resources for Angas and Sunter (JORC 2004) are estimated at a cut off of 2% Pb+Zn.
5. Angas Resources as at 1 Jan 2013. Resources exclude oxide and transitional material.
6. Sunter Resources as at 29 November 2011. Resources exclude oxide and transitional material.
7. Resources for Menninnie Dam (JORC 2004) are estimated at a cut off of 2.5% Pb+Zn.
8. Menninnie Dam Resources as at 15 February 2011. Resources exclude oxide and transitional material.
9. Resources for Bird in Hand (JORC 2012) are estimated at a cut off of 1g/t Au.
10. Bird in Hand Resources as at 30 October 2018.
11. Resource for Kapunda (JORC 2012) estimated at a cut off of 0.05% Cu. Resource excludes primary sulphide material.
12. Kapunda Resource as at 12 February 2018.
13. Subject to terms of JV with Environmental Copper Recovery Pty Ltd announced 2 August 2017.

JORC Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Eric Whittaker (Tala Hamza, Menninnie, Angas and Kapunda Resources) and Mr Dan Brost (Bird in Hand Resource), both being Competent Persons who are Members of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whittaker was employed as the Regional Exploration Manager of Terramin Australia Limited and Mr Brost is a geologist consulting to Terramin. Mr Whittaker and Mr Brost have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person(s) as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whittaker and Mr Brost consent to the inclusion in the report of the matters based on their information in the form and context in which it appears. The information in this report that relates to Ore Reserves is based on information compiled or reviewed by Mr Luke Neesham, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Neesham is Principal Mining Engineer for GO Mining Pty Ltd a consulting firm engaged by Terramin Australia Limited to prepare mining designs and schedules for the Tala Hamza Feasibility Study. Mr Neesham has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Neesham consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Additional Securities Exchange Information

Equity Securities on Issue

Fully paid ordinary shares

As at 29 February 2024, there were 2,273 holders of a total of 2,116,562,720 ordinary fully paid shares in the capital of the Company. All ordinary fully paid shares in the capital of the Company are listed for quotation on the ASX.

Unlisted options

As at 29 February 2024, there were no holders of options over fully paid ordinary shares in the capital of the Company.

Shareholder Voting Rights

At a general meeting of shareholders, on a show of hands, each person who is a member or sole proxy has one vote. On a poll, each shareholder is entitled to one vote for each fully paid share.

Unlisted options carry no voting rights.

Distribution Schedule as at 29 February 2024

Number of securities	Fully paid ordinary shares	Unlisted options
1 – 1,000	465	0
1,001 – 5,000	580	0
5,001 – 10,000	261	0
10,001 – 100,000	671	0
100,001 – and over	296	0
Total	2,273	0

As at 29 February 2024, there were 1,414 shareholdings of less than a marketable parcel.

Substantial Shareholders

As at 29 February 2024, the following shareholders were substantial shareholders, as disclosed in substantial shareholder notices given to the Company:

Shareholder	Number of shares	% Issued capital
Asipac Group Pty Ltd	827,023,014	39.07
Citycorp Nominees Pty Limited	290,655,171	13.73
HSBC Custody Nominees (Australia) Limited	215,179,578	10.17
BNP Paribas Noms Pty Ltd UOBKH A/c R'miers	201,855,495	9.54

Additional Securities Exchange Information (continued)

List of 20 Largest Shareholders

The names of the twenty largest shareholders as shown in the Company's register at 29 February 2024 are:

Shareholder	Number of shares	% Issued capital
Asipac Group Pty Ltd	827,023,014	39.07
Citycorp Nominees Pty Limited	290,655,171	13.73
HSBC Custody Nominees (Australia) Limited	215,179,578	10.17
BNP Paribas Noms Pty Ltd UOBKH A/c R'miers	201,855,495	9.54
China Non-Ferrous Metals Industry's Foreign Engineering & Construction Co Ltd	67,800,000	3.20
New Asia Wealth Investment Holding (SG) Pte Ltd	57,185,513	2.70
Fly Wealth Investment Pty Ltd <Fly Wealth Investment A/C>	35,800,000	1.69
Mr Jing Wang	35,399,949	1.67
Tiger Brokers (AU) Pty Ltd	23,065,674	1.09
Auwau Finance Group Pty Ltd	17,857,143	0.84
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	17,690,875	0.84
Ms Er Xu	17,511,817	0.83
Silver Springs Investment Pty Ltd <Wendy Li Family A/C>	15,580,967	0.74
Mr Julian Paul Leach	14,685,187	0.69
HSBC Custody Nominees (Australia) Limited	11,633,072	0.55
Huge Field Investment Ltd	10,000,000	0.47
Enterprise Flourishing Pty Ltd <Li Jun Family A/C>	9,500,000	0.45
BNP Paribas Noms Pty Ltd	8,201,587	0.39
Mr Peter Joseph McGuire	8,000,000	0.38
Fasic Pty Ltd <The Frange Family A/C>	7,368,916	0.35
Total	1,891,993,958	89.39

Additional Information

Unquoted equity securities

There were no holders of 20% or more of the equity securities in an unquoted class as at 29 February 2024.

On-Market Share Buy-Back

There is no current on-market buy-back in place.

Corporate Governance Principles and Recommendations

The Corporate Governance Principles and Recommendations can be found on the [Company's website](#).

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