

APPENDIX 5B
Mining exploration entity quarterly report

TERRAMIN AUSTRALIA LIMITED

ABN 67 062 576 238

Quarter ended
30 September 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(2,878)	(7,766)
1.3 Dividends received	(779)	(2,117)
1.4 Interest and other items of a similar nature received	64	241
1.5 Interest and other costs of finance paid	(138)	(381)
1.6 Income taxes paid	52	52
1.7 Other - PIRSA government funding	1,266	3,195
1.7 Other - Joint venture recoveries		
Net Operating Cash Flows	(2,413)	(6,776)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	-
	-	-
	(116)	(627)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	-
	-	-
	-	-
1.10 Loans to other entities	-	(62)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing cash flows	(116)	(689)
1.13 Total operating and investing cash flows (carried forward)	(2,529)	(7,465)

1.13 Total operating and investing cash flows (brought forward)	(2,529)	(7,465)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc	80	3,046
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (Share issue costs)	-	-
Net financing cash flows	80	3,046
Net increase (decrease) in cash held	(2,449)	(4,419)
1.20 Cash at beginning of quarter / year to date	5,598	7,568
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	3,149	3,149
Payments to directors of the entity and associates of the directors		
Payments to related entities of the entity and associates of the related entities		Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2		165
1.24 Aggregate amount of loans to the parties included in item 1.10		-
1.25 Explanation necessary for an understanding of the transactions		
Directors' fees, superannuation and contract services		
Non-cash financing and investing activities		
2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows		
NIL		
2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest		
NIL		

Financing facilities available	Amount available	Amount used
	\$A'000	\$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter	\$A'000
	4.1 Exploration and evaluation
4.2 Development	-
Total	2,482

Reconciliation of cash	Current quarter	Previous quarter
	\$A'000	\$A'000
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		
5.1 Cash on hand and at bank	448	505
5.2 Deposits at call	2,701	5,093
5.3 Bank overdraft	-	-
5.4 Other (provide details) - 30 and 60 day term deposits	-	-
Total: cash at end of quarter (item 1.22)	3,149	5,598

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note 2)	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Exploration Permit 5221 PE, Algeria	Held by subsidiary Western Mediterranean Zinc SpA	65%	0%
	Mineral Claim 3597		100%	0%
6.2 Interests in mining tenements acquired	Exploration Permit 5225 PE, Algeria (replaced 5521 PE to correct administrative issue. Conditions and area unchanged)	Held by subsidiary Western Mediterranean Zinc SpA	0%	65%
	Mining Lease 6229 (same area as MC 3597)	Direct in Terramin name	0%	100%

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	76,979,691	76,979,691	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) quotation of shares upon which restrictions have expired	400,000	400,000	20 cents each	20 cents each
7.5 Convertible debt securities (description)	5,050,000	-	131.6 cents each (100 US cents each)	131.6 cents each (100 US cents each)
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options on issue at 30/9/2006 (description and conversion factor)	550,000 400,000 200,000 200,000 1,500,000 1,500,000 420,000 250,000 1,480,000 150,000 745,000 350,000	- - - - - - - - - - - -	<u>Exercise price</u> 52 cents each 20 cents each 20 cents each 25 cents each 157 cents each 188 cents each 52 cents each 45 cents each 60 cents each 144 cents each 126 cents each 142 cents each	<u>Expiry date</u> 16 June 2008 17 Dec 2008 23 Dec 2008 16 March 2009 7 June 2009 7 June 2009 16 June 2010 18 Sept 2010 18 Feb 2011 3 May 2011 7 June 2011 7 Aug 2011
7.8 Issued during quarter	350,000	-	142 cents each	7 Aug 2011
7.9 Exercised during quarter	400,000	-	20 cents each	17 Dec 2008
7.10 Cancelled during quarter	200,000	-	60 cents each	18 Feb 2011
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

- 1.0 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2.0 This statement does give a true and fair view of the matters disclosed.



Sign here:.....

Date: 31 October 2006.

Company Secretary

Print name: PIERRE VAN DER MERWE
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Notes

- 1.0 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2.0 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3.0 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4.0 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5.0 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.