



Angas Zinc Mine Strathalbyn, South Australia

Ownership

100% Terramin Australia Limited
Mining Lease 6229 (expires 16 August 2016)

Probable Reserve (At 30 April 2009)

2.15 Mt, 7.55% Zn, 2.91% Pb
0.24% Cu, 31 g/t Ag and 0.48 g/t Au
At 3.5% Pb+Zn cut off

Indicated and Inferred Resource

Indicated: 0.29 Mt 2.9% Zn 1.39% Pb
Inferred: 0.24 Mt 3.7% Zn 1.9% Pb
Total: 0.53 Mt 3.3% Zn, 1.6% Pb
Resource cut off is 2% Pb+Zn.
Reserves are exclusive of those Resources converted to Reserve

Mine design

Long hole stoping with 75m Crown pillar
Decline 1 in 7 gradient
Portal to bottom of decline – 2.8km
Total underground development – 10.5km

Underground mine fleet

(Leased - owner operated)

Atlas Copco M2D & H128 twin boom jumbos
ST1030, CAT 2900 & Toro 501 LHDs
Volvo L90 IT, Atlas Copco Charmec
Volvo A40D dump trucks
Atlas Copco Simba 1354 production drill

Plant design

Single stage crush and SAG mill delivering 80% passing 106 micron material to a lead-copper and zinc flotation circuit.

Concentrates are thickened and filtered. The zinc concentrate is trucked to Port Adelaide for shipment overseas. The lead-copper-gold-silver concentrate is trucked to the Nyrstar Port Pirie lead smelter.

Tailings thickened to 62% solids and pumped to double 1.5 mm HDPE lined storage facility.

Exploration Potential

Terramin holds a significant land position of over 1,000 km² in exploration licences surrounding the Angas Zinc Mine. The company has recently commenced a drilling programme on its tenements near Angas.

Forecast production

2010 -

400,000 tonnes milled
48,000 – 50,000 tonnes zinc concentrate
18,000 – 20,000 tonnes lead-copper-gold-silver concentrate

2010 to 2014 –

260,000 tonnes zinc concentrate: 51% Zn
100,000 tonnes lead-copper concentrate:
51% Pb, 3.4% Cu, 500 g/t Ag, 8 g/t Au

Development timetable

April 07 - Box cut excavation
July 07 - Portal and decline
Oct 07 - Plant construction
April 08 - First development ore
July 08 - Plant commissioned
- Production commenced
- Lead shipments commenced
Sept 08 - First 5,000 tonne zinc shipment departs
Feb 09 - Fully commissioned
Q4 09 - Full production realised
Jan 10 - Daily mill record achieved (1256t)

Capital cost

Directs and indirects totalled \$71.44 million (mill \$34.69M, mine \$19.69M including underground mobile plant leases, administration including land and tailings storage facility \$17.05M).
Not included – working capital, bonds, finance.

Operating cost

The C1 cash cost (after lead and precious metal credits) for the half year was US 61 c/lb payable zinc.

Debt finance

Investec Facility (\$23M) – LIBOR +250bp.

Amortisation profile:

2010-\$4M, 2011-\$7m, 2012-\$12m

Offtake

Terramin has a life of mine agreement with J.P. Morgan Metals and Concentrates LLC for all zinc concentrate production and a five year agreement with Nyrstar Port Pirie Pty Ltd in respect of the lead concentrate.

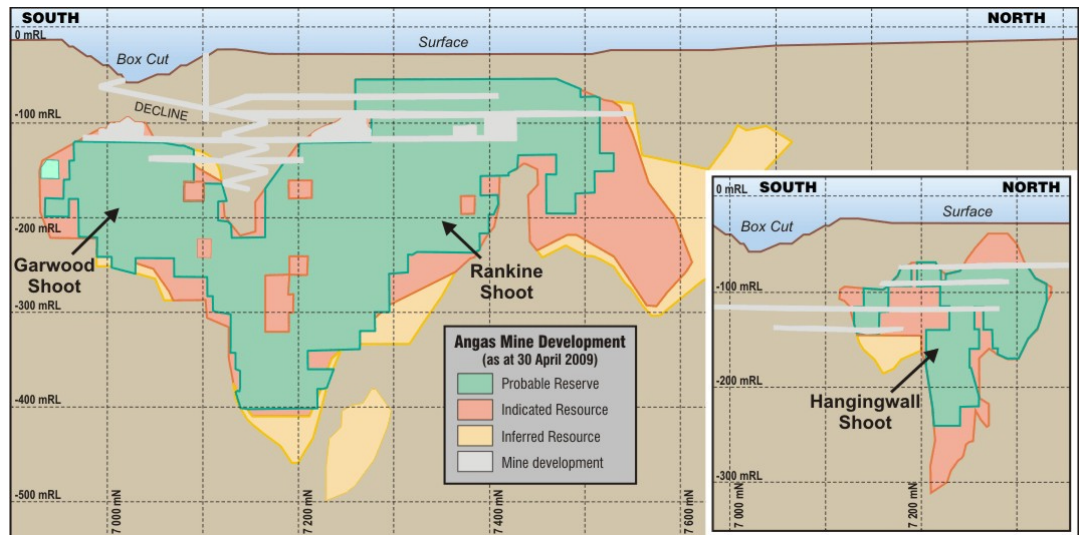
Terramin Australia Limited Angas Zinc Mine South Australia – fast facts



Above, Angas location plan.

Above right, Longitudinal projection of the Angas Mine showing Reserve, Resources and mine development as at 30 April 2009.

Right, Aerial view of Angas mine site.



Terramin Australia Limited is a base metal production company with an operating mine in South Australia and other advanced projects in Australia and Algeria.

We focus on acquiring projects close to infrastructure such as ports, roads, water and power, ensuring low capital and operating costs.

Terramin applies strict acquisition criteria designed to minimise capital costs and start up time and our developments incorporate the highest standards of sustainability and environmental protection.

Terramin Australia Limited is a public company listed on the ASX with approximately 4,000 shareholders.

The Company has highly capable technical, production, and financial teams to take projects from exploration through feasibility to production.

The core assets in the Company's current portfolio were acquired at well below current and long term metal prices:

- ❑ The Oued Amizour Project, incorporating **the Tala Hamza Zinc Project**;
- ❑ The owner-operated Angas Zinc Mine, a 400,000 tpa operation situated about 45 minutes from the city of Adelaide in South Australia; and
- ❑ The Menninnie Zinc Project, targeting resources close to significant infrastructure in South Australia.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Robert Singer. The information that relates to Angas Ore Reserves is based on information compiled by Mr Andrew Robertson. Both are Members of The Australasian Institute of Mining and Metallurgy. Mr Singer is Chief Geologist and a full time employee of Terramin Australia Limited. Mr Andrew Robertson was General Manager Operations of Terramin Australia Limited and a full time employee at the time of the estimate. Both have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Singer and Mr Robertson consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.