



ASX Shareholder Report

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Terramin is a dedicated
base metals company
focused on developing
zinc mines close to
infrastructure.

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- **Scoping study lifts Terramin's Tala Hamza zinc-lead mine throughput estimate by 66%**
- **2.0Mtpa mine producing 206 million lbs of payable zinc metal per year at cash cost of US43 cents per lb**
- **Pre-feasibility study to proceed immediately**

Terramin Australia Limited (ASX: "TZN") will proceed immediately with the pre-feasibility study into its flagship Tala Hamza zinc-lead mine in Algeria following positive new results from a technical and economic review just completed.

Based on the results announced today from a study by WorleyParsons and Golder Associates, Terramin will proceed with the pre-feasibility study of an ore throughput rate of 2.0 million tonnes per annum based on a sub-level cave average mill grade estimate of 6.3% zinc and 1.9% lead for the mine.

This is a 66% increase on the original estimated throughput for the Tala Hamza mine.

Sub-level caving has been favoured over long-hole open stoping due to the potential to achieve higher throughput rates with this mining method.

"The C1 zinc cash cost of US43 cents per lb (including smelting charges but after lead credits at an assumed metal price of US55 cents per lb) is in the lowest quartile of current world production," Terramin's Executive Chairman, Dr Kevin Moriarty, said today.

"Production rates well in excess of 2.0Mtpa may be feasible given the results of recent Terramin diamond drilling completed since the scoping study commenced. This is the first step toward a larger mine." Dr Moriarty said.

"In particular, these drill results include five intersections of greater than 200 metres" he said.

The estimated direct and indirect Tala Hamza project capital costs (in US dollars) are \$207M and \$70M respectively at the 2.0Mtpa production rate. The total capital, including owner's costs and a \$52M contingency, is \$356M.

The study identified potential infrastructure cost savings of up to \$70M that will be the subject of further review during the pre-feasibility study.

Mill site and tailings storage facility locations have been identified and costed.

Dr Moriarty said the study recognised that regional exploration prior to the discovery of Tala Hamza had identified wide spread lead-zinc mineralisation in the district.

Sterilisation drilling would commence soon to confirm the suitability of these sites, he said.



Map showing location of Terramin's Tala Hamza zinc project in the western Mediterranean area.

