



Tala Hamza Zinc Project Oued Amizour, Bejaia, Algeria

Ownership

100% Western Mediterranean Zinc Spa (WMZ), an Algerian incorporated Company held as follows:

65% Terramin Australia Ltd; 32.5% Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) and 2.5% Office national de Recherche Géologique et Minière (ORGM) (Algerian State Companies).

Location

- ❑ The 125 square kilometre tenement (Exploration Permit 5225PE) is situated on the Mediterranean coast of northern Algeria, 15 km from the city of Bejaia.
- ❑ Infrastructure benefits include: grid power; an international airport; a deep water port; an abundant water supply; proximity to European smelters.

Resource

- ❑ Measured, Indicated and Inferred Resource (based on 88 diamond holes) of 68.6Mt at 4.6% Zn and 1.1% Pb (2.5% EqZn cut-off) including a Measured and Indicated Resource of 51.1Mt at 4.87% Zn and 1.27% Pb.

Reserve

- ❑ A Probable Reserve of 38.1Mt at 4.78% Zn and 1.36% Pb based on the current block cave mine design.

Exploration potential

- ❑ The Tala Hamza deposit is one of a number of Pb Zn deposits identified within the exploration permit. Planned regional exploration has the potential to significantly expand the mineral inventory.
- ❑ There is also excellent potential for extensions to the Tala Hamza resource along strike and up and down dip. Recent drilling results have confirmed the down dip potential to the south.

Prefeasibility study

- ❑ Completed April 2009.
- ❑ The prefeasibility study considered sub level cave and block cave mining methods at a rate of between 2Mtpa and 4Mtpa.

Definitive Feasibility Study

- ❑ Completed in September 2010.
- ❑ Submitted to Algerian partners for their review and approval.
- ❑ Mine design based on the Resource model released in November 2009.
- ❑ Estimated pre-production capital of US\$579 million excluding VAT and custom duty

Mining

- ❑ An initial 12 year mine life.
- ❑ 4Mtpa block cave mine ramping up over 15 months.
- ❑ The material mined from the current design is 39.9Mt at average grades of 4.71% Zn and 1.33% Pb.
- ❑ Twin production and ventilation declines accessing the orebody, 3.5km and 3.9km in length respectively.
- ❑ Pre-production development totals 30.1km

Metallurgy

- ❑ Primary grind P80 minus 53 microns; regrind of Pb and Zn rougher concentrates to produce final concentrates.
- ❑ High quality zinc and lead concentrates grading 53% Zn and 61% Pb.

Processing

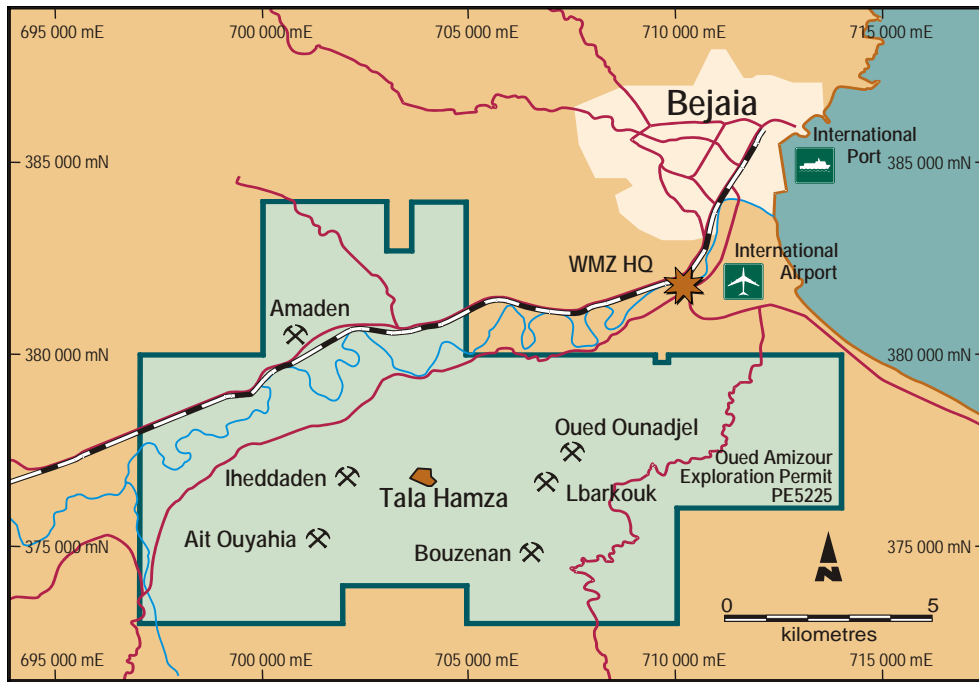
- ❑ Plant designed to treat 4Mtpa of ore to produce an annual average 310,000 tonnes of zinc concentrate and 60,000 tonnes of lead concentrate.
- ❑ Annual average production of 164,000 t of contained zinc and 36,000 t of contained lead.
- ❑ Metal recoveries to average 89% for zinc and 69% for lead.

Operating costs

- ❑ Mining costs of US\$2.97/t and processing costs of US\$9.62/t.
- ❑ Life of mine C1 cash costs are estimated at US\$0.32/lb payable zinc*

* After allowance for lead by-products, based on long term price forecasts of US\$0.90/lb zinc and US\$0.80/lb lead with a zinc treatment charge of US\$229/dmt.

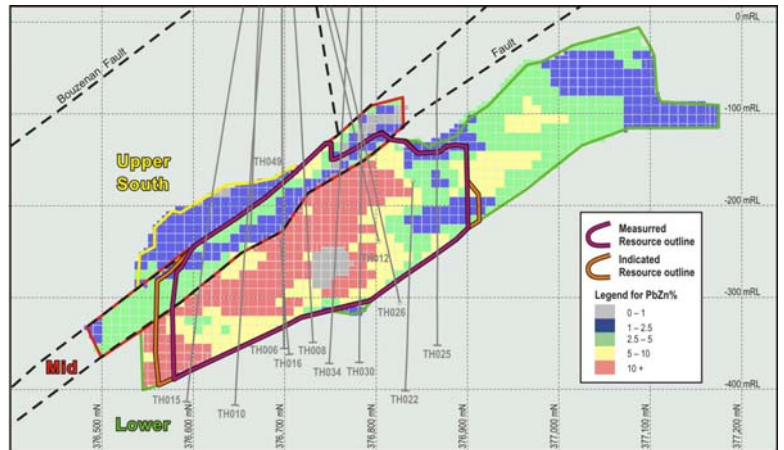
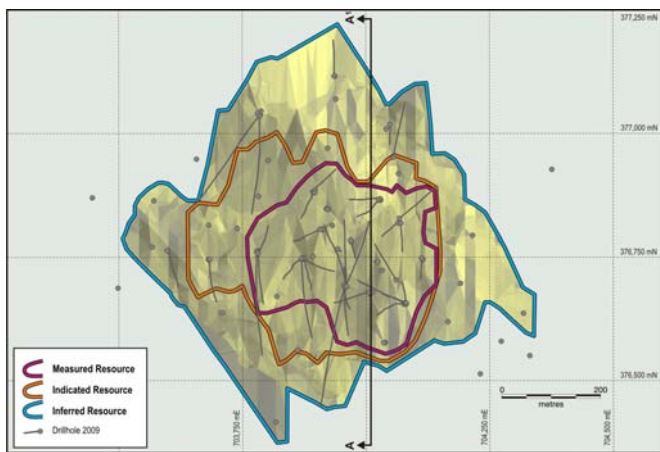
Terramin Australia Limited Tala Hamza Zinc Project Oued Amizour, Bejaia, Algeria – fast facts



Left, The project is well located from an infrastructure perspective with power, port and transport facilities nearby.

Below left, Plan View of the Tala Hamza Resource showing Measured, Indicated and Inferred Resource.

Below, North-South cross section (A-A1) through the centre of Tala Hamza highlighting the higher grade blocks in the deposit.



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 (Code TZN) 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 in a period of low 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 Ore Reserves is based on information compiled by Dr David Allison. Mr Singer is a Member of The Australasian Institute of Mining and Metallurgy and Dr Allison is a Member of the Institute on Materials, Minerals and Mining. Mr Singer is Chief Geologist of Terramin Australia and Dr Allison is Senior Mining Engineer at Golder Associates (UK) Ltd. 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 Dr Allison consent to the inclusion in the report of the matters based on his information in the form and context in which it appear.

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