



ASX Announcement

19 December 2013

Technical Agreement to advance Tala Hamza

Highlights:

- **Technical Cooperation Agreement with China Nonferrous Metal Industry's Foreign Engineering and Construction Co ("NFC") in respect of the Tala Hamza Project in Algeria.**
- **NFC to review and update the Tala Hamza Definitive Feasibility Study with particular focus on nominated mining method.**
- **Agreement between the parties to suspend the arbitration proceedings.**

Terramin Australia Limited ("Terramin") (ASX:TZN) is pleased to announce that it has entered into a Technical Cooperation Agreement ("Agreement") with NFC in respect of the Tala Hamza Project in Algeria.

Under the Agreement, NFC will review the Definitive Feasibility Study ("DFS") which Terramin completed in October 2010 and the issues raised by Terramin's joint venture partner, Enterprise National des Produits Miniers Non Ferreux et des Substances Utiles ("ENOF") in respect of the DFS. NFC will provide technical assistance in addressing these issues including the proposed mining method.

The Agreement was signed in Algiers as the culmination of a series of positive discussions with our joint venture partners, the Algerian Government and NFC. Those discussions highlighted that all parties were keen to progress the project and in particular pursue the Algerian Government's objective of industry diversification and the creation of local employment and economic development.

To commence this process, Terramin, ENOF and NFC have agreed to undertake a technical workshop in early 2014 to determine the work plan for NFC. NFC has also agreed to update the DFS to reflect the outcomes of their review.

In consideration for these services, Terramin has agreed to issue to NFC, 12 million ordinary shares upon execution of this Agreement and up to an additional 26 million ordinary shares on completion of particular milestones.

As a result of these positive discussions in Algiers, Terramin and its Algerian joint venture partner have agreed to suspend the arbitration proceedings.

Terramin's Chief Executive Officer, Martin Janes said: "We are extremely pleased to have obtained the assistance of NFC in advancing Tala Hamza. NFC is a highly experienced construction company with extensive experience around the globe including "on ground" experience in Algeria. The reactivation of activities on Tala Hamza is timely in the context of an expectation from reputable metal analysts of an increase in zinc and lead prices due to supply constraints".

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