



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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NFC backs Terramin with placement under A\$50m Facility

Terramin Australia Limited (ASX:TZN) is pleased to announce the placement of 12,300,000 shares to China Non-Ferrous Metal Industry's Foreign Engineering and Construction Company Ltd (NFC). The placement price will be \$0.37 cents per share which is approximately a 30% premium to Terramin's recent 15 day volume weighted average share price (vwap).

The placement will fund initial programs for the Tala Hamza project and further exploration at Terramin's Angas Zinc Mine.

Terramin is continuing to assist WMZ with its preparations for a rapid construction start-up at Tala Hamza post approvals, including evaluating machinery to speed up development, training Algerian staff and engaging with local communities.

At Angas, funds will be aimed at expanding the resource to extend mine life. Drilling will focus on resource definition on the new Sunter shoot and test for a deep offset of the Rankine-Garwood lodes. Off the mining lease, recently discovered geophysical anomalies associated with lead-zinc geochemistry will also be investigated.

The A\$4.6 million placement is made under the terms of the A\$50 million subscription agreement between NFC and Terramin, as disclosed to the ASX on 23 December 2010. Under the A\$50 million subscription agreement, Terramin has the right, but not the obligation, to issue shares to NFC at a 30% premium to 15 day vwap at the time of subscription subject to NFC's agreement and any shareholders' approval if required. This agreement also provides that NFC's maximum shareholding is capped at 19.9%. Any placement made under this agreement has been approved by FIRB and the NDRC.

NFC's global construction and plant engineering capability is well regarded globally in respect to both quality and price competitiveness.