



ASX Shareholder Report

01 September 2011

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

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Terramin Appoints New Managing Director

Terramin Australia Ltd (ASX:TZN) is pleased to announce the appointment of Mr Nic Clift as Managing Director and Chief Executive Officer effective from 27 October 2011. Mr Clift recently joined Terramin after a 30-year international career in the mining, base metals extraction, refining, and recycling industries.

Terramin Chairman, Mr Bryan Davis, said that Nic's previous executive roles, including Managing Director of several large operating companies, position him well to manage the major growth phase ahead for Terramin. Also that Mr Clift's extensive expertise in Terramin's core lead-zinc business augurs well for the future of the Company.

Retiring Managing Director, Dr Kevin Moriarty will remain on the Board in a non-executive role, and has confirmed his availability to assist in any way to bring the Tala Hamza project into operation as a world-class zinc producer. Dr Moriarty has created a close association between the Company and the Algerian government over the last 6 years, which will be important for future progress of the project.

Commenting on his appointment Mr Clift said "I welcome the opportunity to lead Terramin's strong and capable management team to the realisation of projects that can place it among the top 10 zinc producers in the world."

"As I transition smoothly into the role, my key priorities will be to focus on progressing Tala Hamza, stabilising and maximising output from the Angas operations, and exploring the potential of other Terramin projects. My recent post in Algeria has given me invaluable insight into how best to focus Terramin's efforts in order to meet the challenge of bringing the Tala Hamza project on stream."

"I look forward to working with the Board, management, and all of our people to grow the Company."

Mr Clift will be moving to Adelaide to take up his position with the Company immediately initiating a search for a General Manager, Algeria.

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Nic Clift - Background

Nic Clift has over 30 years of international experience in the mining and base metals extraction, refining, and recycling industries, with a third of his experience in Africa. He has held a variety of corporate, management, project, development, and operating roles, including general management and Managing Director roles where he has managed an organisation with over 4,000 employees.

Over his career, Mr Clift has worked in Africa, France, Germany, United Kingdom and Australia for companies such as Anglo American, Kumba Iron Ore Limited, Kamoto Operating Limited, Zinifex Limited, Mount Isa Mines Limited, Mopani Copper Mines Limited, Metaleurop Nord and Zambia Consolidated Copper Mines Limited. In these roles Mr Clift has had vast experience in both operational and corporate roles, some with international reach.

His expertise encompasses the management of large projects from concept phase, exploration through to production including the management of sensitive negotiations associated with complex assignments with foreign governments and local communities. He has also managed corporate functions on behalf of large international corporations across multiple borders. Nic is notable for his commitment to sustainable development, his appreciation of the importance of the social licence to operate, and of minimising unwelcome surprises by adherence to risk management principles.

Prior to joining Terramin in 2010 as General Manager of the Algerian operations, Mr Clift was advising Kumba Iron Ore, a subsidiary of Anglo-America, which was conducting exploration for iron ore in Guinea. In this capacity, Mr Clift advised on the strategy and approach in dealing with the local political landscape in Guinea.

Prior to his advisory role, Mr Clift was Director-General of Kamoto Operating Limited (KOL) in the Democratic Republic of Congo where he was responsible for all operating, financial performance and related corporate functions of a copper mining operation. In this role, Nic managed the mine to first production at a commercial scale.

Prior to KOL, Mr Clift was also Director General (Managing Director) of Compagnie des Bauxites de Guinea (CBG) based in Guinea West Africa. The mine produced approximately 13 million tonnes per annum of high quality export bauxite. He achieved significant improvements in the performance, technical and financial, and culture in respect to health and safety and interaction with the local communities, despite a period of major social and political upheaval in the country.

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Mr Clift is a graduate of the University of Manchester, holds an MBA from the University of Queensland, and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). His native language is English but he is fluent in French, German and has basic Spanish.

Remuneration Package

A summary of the key terms and conditions of Mr Clift's remuneration package are as follows:

Mr Clift's appointment will continue until the agreement with the Company is terminated by either party in accordance with its terms. Termination provisions are in line with normal industry practice and based on six months respective notice (or payment in lieu).

Mr Clift's remuneration is structured as follows:

- Base salary of \$400,000 per annum, plus superannuation and other package benefits, to be reviewed annually; and
- Subject to shareholders' approval, entitlement to annual awards of long term performance based incentive of up to 100% of the base salary conditional on achievement of key performance indicators as determined by the Board.