



ASX Shareholder Report

2 August 2011

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

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First Half Profit Guidance

Angas Mine EBITDA approximately \$6 million

Terramin Australia Limited (ASX: TZN) advises that its Angas Zinc Mine is expected to record earnings before interest, tax and depreciation (EBITDA) for the half year ended 30 June 2011 of approximately \$6 million. This result was generated from revenues of \$26 million, compared to \$27.5 million recorded for the corresponding period last year.

The EBITDA of \$6 million is lower than the corresponding period last year (2010: \$9.7 million), primarily as a result of lower grade ore being accessed during the period generating lower payable metal sales, and a lower realised AUD zinc price due to the appreciation of the Australian currency. Overall mine performance for the period was in line with the prior period.

It is anticipated that higher-grade mining stopes will be accessed during the second half of the year, which should generate improved financial outcomes.

The company expects a 21% increase in depreciation and amortisation to approximately \$10 million (2010: \$8.6 million). This increase has been partially offset by realised gains on foreign exchange hedging, together with unrealised gains on the revaluation of US Dollar denominated convertible notes. The Company's hedging positions continue to provide exchange rate protection against the appreciating Australian Dollar. At June 30, approximately US\$31 million was hedged under forward contracts at an average exchange rate of AUD:USD\$1.00.

Interest expense for the half year is in line with last year (2010: \$1.6 million).

Therefore, the company expects to post a bottom line loss of approximately \$6.9–7.4 million for the half year ended 30 June 2011 (2010: \$5.5 million).

The expected half year result is based on the Company's preliminary management accounts and is subject to review by external auditors.

The Company expects to release its 2011 interim financial report in late August.