



ASX Shareholder Report

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Terramin is a dedicated
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focused on developing
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Tala Hamza Workshop

Terramin Australia Limited (ASX: TZN) Managing Director, Nic Cliff today released the results of the Tala Hamza project's first planned workshop between Terramin and its joint venture partner ENOF and their respective experts.

The workshop was conducted in response to a recent review of the Terramin Definitive Feasibility Study (DFS, which was released on October 2010) by ENOF. ENOF's review report was received by Terramin in mid-September 2011.

Mr Cliff said, "This has been a welcome first opportunity for us to hold detailed discussions with ENOF on the DFS, with our respective experts present. The discussions were intense, extensive, and provided significant clarification on points of concern that our partner has previously raised, which Terramin's management had not previously understood. This new understanding of ENOF's concerns is a very positive outcome".

Mr Cliff was also pleased to note the attendance of observers from the Ministry of Mines and the new mining conglomerate MANAL, showing the importance attached to the project.

The main concerns raised concerning the DFS included:

- Overly conservative estimates concerning the project economics.
- The manner in which the Risk Review was presented has caused misunderstanding.
- The usual disclaimers by Terramin's external experts have been taken to indicate insufficient study, despite the DFS being of an unusually high level of detail.
- There are residual concerns over the basis on which Terramin selected the proposed mining method.
- In addition the initial proposal to dispose of tailings into a permanent dam is very unlikely to be approved by the surrounding community. Terramin will now instead propose the alternative "dry stacking" disposal method that is currently being studied, and which should be more acceptable.



As a result of this workshop, it is now proposed to set up small working groups of the relevant Terramin and ENOF experts to tackle the key areas of remaining concern. The membership and mandates of teams will be agreed as soon as possible.

Mr Clift further stated, "We are reassured that our partner, and the Algerian authorities, want this project to go ahead soon. As a result it is our joint intention to move ahead to agree mutually acceptable outcomes and progress to a decision to mine as soon as the relevant changes to the DFS can be agreed."

Tala Hamza Project

The Project is 100% owned by Western Mediterranean Zinc Spa (WMZ) of which Terramin is a 65% owner with the remaining 35% held by two Algerian government-owned companies, Entreprise Nationale des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (32.5%) and Office National de Recherche Géologique et Minière (ORGM) (2.5%).

Oued Amizour Exploration Permit 5225PE is a 125km² tenement which contains several lead-zinc deposits. The Tala Hamza deposit has been the focus for the past 5 years, culminating in a positive feasibility study. Once operational the mine would rank as one of the Top 10 zinc mines in the world.