



ASX Shareholder Report

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Terramin is a dedicated
base metals company
focused on developing
zinc mines close to
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Tala Hamza 2011 Update 5

Terramin Australia Limited (ASX:TZN) today announced that Terramin's Executive Chairman, Dr Kevin Moriarty, will be travelling to Algeria next week to meet with joint venture partners and government officials concerning the conclusion of studies for a decision to mine on Tala Hamza.

Dr Moriarty said, "The Wali (governor) of Bejaia has requested that the partners meet with him. It is in the interests of the joint venture parties and the government that this project be commenced as soon as possible. The potential benefits to the region include the creation of 3000 direct and indirect jobs, and, based upon studies of the economic impact of our Angas mine on the local economy, the generation of around \$300 million per year for the local economy."

At the meeting, Terramin will present the DFS findings on a mine with an initial life of 15 years to 2027, and potential to continue well after 2030 from additional sections of the Tala Hamza deposit. Furthermore, they will point out that, since the region around the deposit is rich in minerals, the establishment of infrastructure for the Tala Hamza mine would allow other mining developments to follow. There is also evidence of potential for more Tala Hamza size deposits in the vicinity.

Dr Moriarty pointed out that the Wali will be briefed on the extensive environmental protection measures proposed in the feasibility studies and the environmental impact statement. He said that Terramin had employed over 100 internationally qualified experts on its \$40 million studies and was now proposing a state-of-the-art modern mining development.

The Oued Amizour project is 100% owned by Western Mediterranean Zinc Spa (WMZ). The shareholders of WMZ are: Terramin (65%) and two Algerian state owned companies, Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (32.5%) and Office National de Recherche Géologique et Minière (ORGM) (2.5%). Under the joint venture agreement between Terramin and Enof, Terramin sole funds until the decision to mine. Terramin has spent over \$40 million on studies and drilling to better define the deposit.

Terramin and WMZ have completed a Definitive Feasibility Study for the development of a large new underground block cave zinc mine. The study recommended a minimum annual throughput capacity of 4Mtpa producing an average annual production of 370,000 tonnes of zinc and lead concentrates. The tenement also contains several lead-zinc and other prospects with the possibility of more discoveries.