



ASX Shareholder Report

9 May 2012

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

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Market Update

Terramin Australia Limited (ASX:TZN) advises that the discussions with China Non-Ferrous Metal Industry' s Foreign Engineering and Construction Co. Ltd (**NFC**) for the potential sale of Terramin's interest in the Tala Hamza project are continuing.

NFC has advised that it wishes to complete its technical and corporate due diligence before finalising a transaction. This process may take a number of months according to NFC. Accordingly, Terramin is unlikely to announce the conclusion of a transaction with NFC in the near term.

Whilst this process continues, Terramin will progress discussions with its Algerian partner with the intent of reaching agreement and reconciling the differences in opinion on the results of the definitive feasibility study.

Terramin will continue to keep the market informed of material developments.