



ASX Shareholder Report

16 May 2011

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Terramin is a dedicated
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focused on developing
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Tala Hamza 2011 Update 6

Terramin Australia Limited (ASX:TZN) today announced that Terramin's Executive Chairman, Dr Kevin Moriarty had positive discussions with top government officials in Algeria concerning the approval and financing process for a Tala Hamza mine.

The Ministry of Energy and Mines invited Dr Moriarty to meet to discuss the status of the approval process and procedure to obtain tax concessions to reduce the capital inputs required to build the Tala Hamza project. The three top officials of the Ministry outlined the responsibility of agencies in the preparation of the submission and said that it would go speedily once the technical review was completed.

Terramin was assured that the review of the Definitive Feasibility Study by its Algerian government owned partner would be completed soon. Dr Moriarty said: "Whilst it is disappointing that our partner's review is not completed, allowance should be made for the comprehensiveness of the DFS and the fact that this is the first modern underground mine in the country. We expect that the involvement of international consultants in the review will help shorten the regulatory approval process."

Dr Moriarty said that the meeting with the Wali (governor) of Bejaia was also very positive. "The Mayors of the local municipalities attended. Terramin and WMZ staff gave a background briefing on the project and its benefits and impacts, after which all participants said they would assist to progress the approval process."

In response to the pressure on the share price of last week, Dr Moriarty added: "The process has been a frustrating one for shareholders and management, however, despite taking longer than initially anticipated and following the discussions with our partners and Algerian officials, I am convinced that the project will soon receive approval. It is worth noting that our Algerian colleagues say that the time spent has not been unusual."

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.