



ASX Shareholder Report

25 January 2012

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

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Full Year Profit Guidance

Angas Mine EBITDA approximately \$15.4 million

Terramin Australia Limited (ASX: TZN) (**Terramin** or **the Company**) advises that its Angas Zinc Mine is expected to record earnings before interest, tax and depreciation (EBITDA) for the full year ended 31 December 2011 of approximately \$15.4 million from revenues of \$58 million.

This result reflects a strong second half, which accounted for \$9.1 million of the \$15.4 million EBITDA as a result of higher-grade mining stopes being accessed towards the end of 2011. The Company was able to offset the impact of the August 2011 mill outage with overall mine performance for year exceeding that achieved in 2010 in key categories including ore mined and ore treated.

Initiatives aimed at building on operational performance, including the engagement of Partners in Performance (PIP) from November 2011, are expected to deliver continued performance improvement into the new year.

The EBITDA of \$15.4 million achieved in 2011 is lower than the corresponding period last year (2010: \$16.7 million). This is primarily as a result of lower grade ore being accessed during the first half generating lower payable metal sales, and a lower realised AUD commodity prices due to the appreciation of the Australian currency. The Company's hedging positions continue to provide a level of protection against the fluctuations in the AUD commodity prices.

The Company expects a 42% increase in depreciation and amortisation to approximately \$26.3 million (2010: \$18.5 million) primarily due to increased mining activity during the year.

Interest expense of \$3.3m for the year is in line with last year (2010: \$3.2 million).

Therefore, the Company expects to post a bottom line loss of approximately \$19.5 million for the year ended 31 December 2011 (2010: \$9.9 million). The main driver of the increased loss is the increase in depreciation and amortisation outlined above.

The expected full year result is based on the Company's preliminary management accounts and is subject to an external audit review.

The Company expects to release its financial statements in the final week of February.