



ASX Shareholder Report

25 July 2012

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

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First Half Profit Guidance

Angas Mine EBITDA approximately \$4 million

Terramin Australia Limited (ASX: TZN) advises that its Angas Zinc Mine is expected to record earnings before interest, tax and depreciation (EBITDA) for the half year ended 30 June 2012 of approximately \$4 million. This result was generated from revenues of \$31 million, a 21% increase from the corresponding period last year.

The EBITDA result was achieved despite challenging market conditions throughout the half year. The Company implemented a range of efficiency and net revenue maximisation initiatives in early 2012 resulting in continual improvement throughout the period. This improved cost profile is expected to continue into the second half of 2012. In addition, the Angas Zinc Mine has continued excelling by posting record ore treated of 222kt for the half year, culminating in record zinc and lead concentrate production.

Profit margins have been adversely impacted by lower realised AUD metal prices. As announced on 5 July 2012, the hedging program entered into in July 2012 will provide the Company with the appropriate degree of increased certainty of future cash flows without significantly limiting upside price participation in the current volatile AUD commodity price environment.

The result after tax for the half year ended 30 June 2012 was a loss of approximately \$56 million, significantly impacted by a \$38 million one-off non-cash impairment charge. The impairment is primarily a reflection of lower AUD commodity prices negatively impacting on economic reserves, Angas mine life and resulting discounted cashflows.

The expected half year result is based on the Company's preliminary management accounts and is subject to review by external auditors. The Company expects to release its 2012 interim financial report in late August.