



4th

Quarter Report 2010

HIGHLIGHTS

CHAIRMAN'S REVIEW

- Key executive appointments boost operating capability
- Management systems enhanced for corporate growth

ANGAS ZINC MINE

- Concentrate production up 8% over the previous quarter
- Significant reduction in C1 cash costs to 46c/lb
- Discovery of Sunter shoot at Angas – resource definition drilling underway

OUED AMIZOUR PROJECT

- Continuing focus on Tala Hamza approvals process and development planning
- Broad mineralised zone intersected at Lbarkouk
- Drilling commences on open pit target at Bouzenan

MENNINIE ZINC PROJECT

- Terramin resumes 100% ownership and management
- Drill program to target similar deposits to Menninnie Central

CORPORATE

- \$50m equity facility in place with NFC to facilitate acquisition of advanced projects
- NFC takes \$6.2m placement at 62 cents/share - 30% premium to share price

FOCUS ON ZINC



NATURAL

Zinc is present naturally in rock, soil, air, water, and the biosphere



CHAIRMAN'S REVIEW

The last quarter of 2010 saw some very significant strategic advances for Terramin and its shareholders. Of particular note is the agreement with NFC providing a \$50 million equity facility at a 30% premium to share price. NFC bring both funding and their considerable engineering and construction capability. This means Terramin is well positioned to acquire and develop projects in the near term.



Our **Angas zinc mine continued to improve performance**, achieving record monthly throughput in the Mill with an 8% lift in concentrate production despite lower grade ore. This augurs well for the future in that the mine has demonstrated the flexibility to deal with variations in output and grade. The management improvements achieved through the year, allied with a strong emphasis on safety and process, are paying off for the mine. Our attention is now on extending the mine life, and we were able to announce the **discovery of a new shoot on the mining lease**. There are, as yet, insufficient holes to be able to determine its influence on mine life, but drilling will continue through the current quarter. We are also planning to drill deeper under the current workings because there is a good prospect for continuation of the mineralisation down the main structural intersection controlling the known shoots. First results should be available in this quarter.

In December a board meeting was held at Angas, and I am pleased to say that **all the regional Federal and State parliamentary and local government representatives** attended a lunch with Terramin's directors and senior mine management. After inspecting the operations both above and below ground, they expressed support for a continuing mining operation benefiting the region.

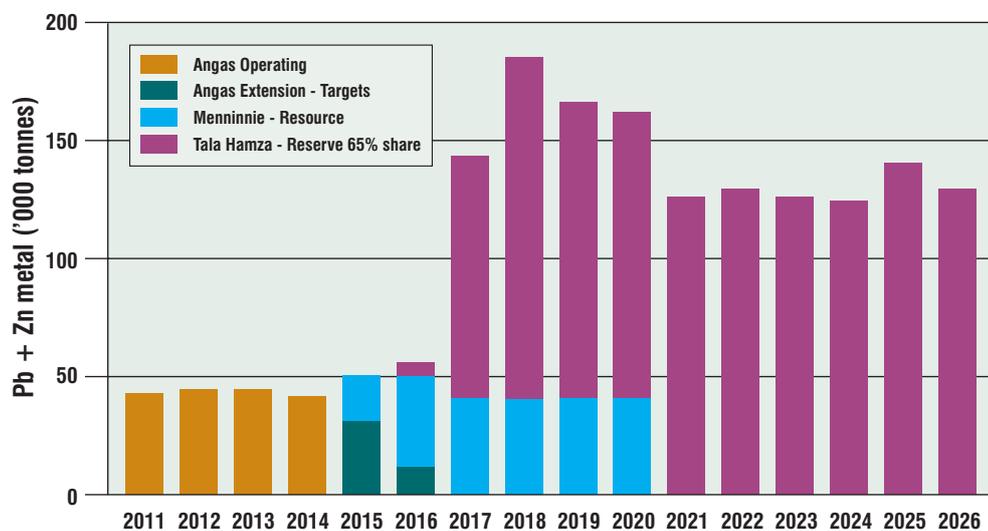
A major emphasis for the project and management team at Terramin and WMZ, the operating company, has been to facilitate **the review by the government of Algeria** of the definitive feasibility study for Tala Hamza. The scope of the project has caught many by surprise, both in Australia and Algeria, and we have been working to explain the various aspects of this robust project. While this is underway, our engineers and consultants have been considering the project implementation plan, particularly to

see if it can be developed faster. Road headers are being evaluated because they offer the potential of much higher advance rates which would bring forward production. The results indicate that a substantial reduction in the underground development lead time will be achievable, **moving first ore production forward by nine months to the second quarter 2015**. This is significant, however the work is continuing because our engineers see further opportunities.

Exploration drilling has also been continuing around the Tala Hamza deposit, with encouraging results at both Lbarkouk and Bouzenan. The aim is to discover open pit resources that could be developed and processed earlier than or together with the main deposit. Results of the Bouzenan drill program will become available during the current quarter. During the permitting phase of this project Terramin is aiming to improve the skill base and experience of WMZ staff by bringing them to Australia to work on our active projects. This also has the benefit of allowing us to expand the Australian projects despite the shortage of mining professionals in Australia.

In addition to **expanding its team of experienced professionals** in the engineering and processing fields, Terramin has been advancing the rollout of systems and process management to enable the company to expand the workforce as the Tala Hamza project develops. However, it is not just in Algeria that we are expecting growth, but also in respect of operations around the Angas mine and Menninnie. The aim is to **extend and expand our current production profile** over the next three years.

The chart shows how this would look if we developed the existing resources at Menninnie, and achieved a very modest extension to Angas mine life. It also emphasises the dramatic effect that production at Tala Hamza will have on the company. I think it is not well appreciated in the market that Terramin's share of **current Ore Reserves is around 3 billion pounds of zinc** metal. Furthermore, the average life of mine (C1) cost is about 32 cents per pound. This is a very low cost portfolio. Whatever the timetable for development of these ore reserves, they represent a very significant option and leverage to the zinc market.



Pb-Zn Metal – Attributable Production by Project

In recent discussions with brokers I was surprised to find they did not appreciate the extent to which **the Tala Hamza project** has evolved over the past five years. Its progress has required close management of opportunities and risks as increasing data became available. From its early concept as medium size mine, when zinc prices were about half of today's levels, the project envisaged by the recent definitive feasibility study will be a **robust operation ranking in the top six producers** by the time it is commissioned. Our communications with the

Your company has quite **significant project development capability** able to be deployed on to new projects. In addition to the fast tracking of resource upgrading at Menninnie, we are also joining with NFC and its considerable engineering capability to evaluate new projects capable of production within three years. We consider that the company's portfolio of zinc and lead is already considerable, so the emphasis is on looking at projects which offer commodity diversification, particularly ones where our strong in-house mining and processing expertise could make a difference.

investor community will be given a significant boost in 2011 to ensure an appreciation of the Company's operational achievements and production pipeline.

I believe shareholders will be rewarded through 2011 as this programme develops. The company has a remarkably strong capability in project management and development, in operations and exploration. It also has a **large, high quality Ore Reserve that will underpin market recognition.**

The search for a new chief executive officer has been continuing through the quarter, focused on appointing a person with a good grasp of both operations and management along with an understanding of markets. Meanwhile, I have been focusing on **extending the Company's management and operating capability**, and advancing resources and projects in our portfolio to deliver medium-term production. I am therefore confident that these **will deliver results throughout 2011**, beginning with the drill programs at Angas, progressing through to mining scoping and drilling at Menninnie Dam, and then onto the targets on our Fleurieu tenements near the Angas mine. We will, of course, also be expecting to report progress on WMZ reaching a decision to mine, the permitting of the project in Algeria, financing and a start date for development of that project.

Kevin Moriarty
Executive Chairman



ANGAS ZINC MINE

The Angas Zinc Mine is 100% owned by Terramin. ML6229 is located 2km outside the town of Strathalbyn, 60 km from Adelaide, South Australia. It has been operating since July 2008.

Safety, Environment and Community report

Safety performance at the Angas Zinc Mine continued improving during the quarter with a total of two medical treated injuries reported. Focus was placed on development and delivering in-house training to the whole workforce on hazard awareness and supervisory responsibilities relating to safety, environment, community and personnel motivation.

A scheduled meeting of the Strathalbyn Community Consultative Committee in November provided feedback on current compliance issues, predominantly related to excess water. No community reports or complaints were received during the quarter.

Treatment of the excess water contained in the Tailings Storage facility (TSF) has commenced following the commissioning of the reverse osmosis water treatment plant and ramp up towards design capacity. As expected, the result is that the area under water is progressively reducing.

Operations summary

Operational performance at the Angas Zinc Mine built on the progressive improvement noted in the prior quarter. Underground development reached the 260 level, advancing 777m during the quarter with advance rates now expected to remain at these levels.

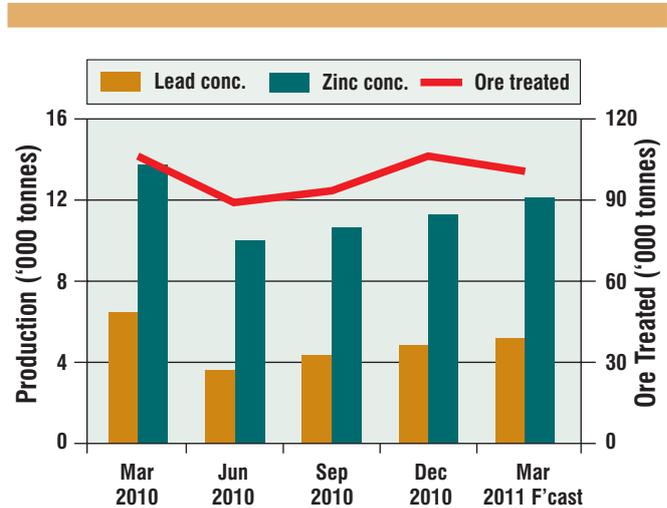
Ore mined for the quarter was 101,371 tonnes, 5% higher than in the previous quarter. Surface stockpiles were maintained along with multiple mining areas underground, with extraction derived primarily from deeper levels. Backfilling continued at lower rates whilst the cemented tailings backfill project work continued.

Ore treated by the mill totalled 105,834 tonnes representing a 15% improvement over the previous quarter. The month of December saw the mill achieving another monthly record throughput of 37,610 tonnes. Larger surface stockpiles, blending of ore feed and the continued optimisation of the processing circuit contributed to the increased throughput.

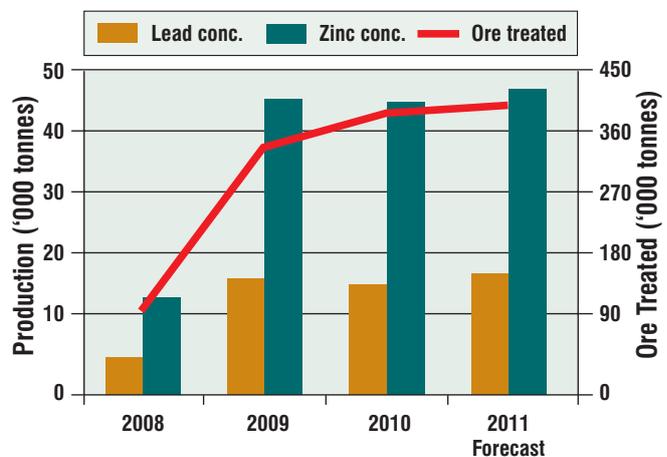
Average zinc and lead feed grades were marginally lower than in the previous quarter, reflected in reduced recoveries.

Total zinc and lead concentrate production was 11,076 tonnes and 4,216 tonnes respectively, an 8% increase over the previous quarter.

Payable metal production for the quarter was 4,736 tonnes for zinc and 1,966 tonnes for lead.



Quarterly Ore Treated and Concentrate Produced



Annual Ore Treated and Concentrate Produced



Production statistics including C1 cash cost data

	September Quarter 2010	December Quarter 2010	12 Months 2010
Production statistics			
Total ore mined (tonnes)	96,805	101,371	387,169
Total ore treated (tonnes)	92,313	105,834	392,144
Ore grade:			
- Zn%	6.67	6.37	6.83
- Pb%	2.56	2.43	2.71
- Cu%	0.23	0.22	0.23
- Ag g/t	27.2	27.4	28.2
Zinc Concentrate (tonnes)	10,430	11,076	44,847
Grade:			
- Zn%	49.9	50.8	51.0
Recovery:			
- Zn%	84.6	83.4	85.5
Lead Concentrate (tonnes)	3,747	4,216	16,972
Grade:			
- Pb%	51.7	49.6	52.5
- Cu%	4.5	4.2	4.1
- Ag g/t	516	510	504
- Au g/t	8.6	7.6	8.1
Recoveries			
- Pb%	81.9	81.4	83.9
- Cu%	78.0	75.0	76.4
- Ag%	77.0	74.3	77.3
Payable metal			
- Zn t	4,373	4,736	19,306
- Pb t	1,825	1,966	8,403
- Cu t	33	40	145
- Ag oz	56,132	62,424	247,554
- Au oz	829	801	3,465

Costs

C1 Cash Costs (US c/lb payable zinc)

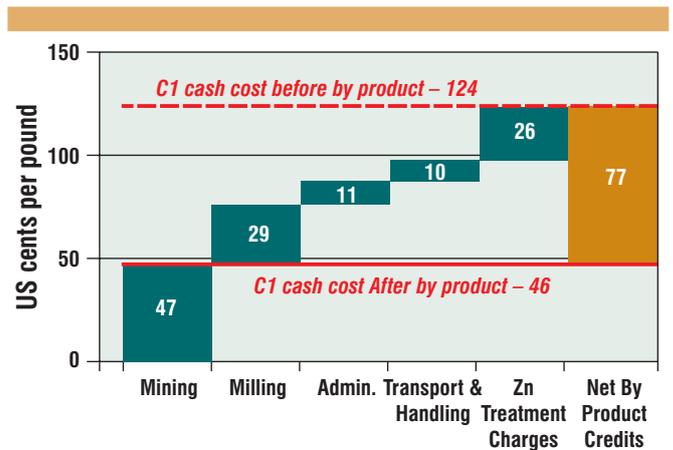
Production Costs	79	88	74
- Mining	44	47	41
- Processing	26	29	24
- Other Site Costs	10	11	9
Realisation Costs	42	36	40
- Transport & Handling	13	10	11
- Zinc Treatment Charges	30	26	29
Net By-product Credits	(60)	(77)	(57)
C1 Cash Cost	62	46	57

Notes: The 2010 payable metal figures include adjustments based on final invoice numbers where available. The ore mined figures are estimated based on tonnes trucked to the surface whilst the ore treated figures are calculated from a weightometer. Reconciliation between the mine and the mill continues.

The reported C1 cash costs fell to US46c/lb from US62c/lb the previous quarter.

The reduction was attributable to a significant increase in by-product credits resulting from a 20% increase in lead concentrate sales and higher lead and precious metal commodity prices. This was partly offset by an increase in total unit production costs which was a result of the strengthening of the Australian dollar.

A breakdown of the components of the C1 cash costs for the quarter are displayed in the following chart which illustrates the significant positive impact of lead and precious metal credits during the period.



Angas Zinc Mine – C1 Cash Costs Q4 2010

2011 Forecast production

Forecast production levels in tonnes for 2011

2011	Ore Milled	Lead concentrate	Zinc concentrate
Q1	100,000	4,600	11,900
Calendar year	400,000	18,000-19,000	46,000-48,000

Sales

Total sales of zinc and lead concentrate for the quarter were 14,690 tonnes and 4,848 tonnes respectively.

Commodity Prices

Average prices in US\$ per tonne	Zinc	Lead
December 2010 Quarter	2,315	2,390
September 2010 Quarter	2,013	2,032
Year to Date 2010	2,161	2,148

Average realised price

The average realised zinc price for the December quarter was US\$2,090 per tonne, below the quarterly average market price (US\$2,315 per tonne). This reflects pricing terms established in advance of shipments delivered during the fourth quarter.

The lead price realised for the December quarter was US\$2,691 per tonne. This was well above the quarterly average market price of US\$2,390 per tonne. The higher market price during the quarter resulted in the upward revaluation of prior quarter sales which were subject to final pricing during the December quarter. All current period sales are provisionally priced at the prevailing price at quarter end.

During the quarter the Company recorded a quotational period hedging loss of US\$176 per tonne on the sale of 1,410 tonnes of lead that related to September quarter sales priced in the December quarter.



EXPLORATION PROJECTS

Angas

A continuing exploration programme on the Angas Mine Lease is focused on the delivery of additional resources to extend mine life.

During the quarter seven diamond drill holes (total 2,255m) were completed. The targets were a combination of geophysical (electromagnetic) and structural features that led to the discovery of a new mineralised shoot named Sunter, details of which were announced to the ASX on 24 November 2010 and 20 January 2011.

The Sunter shoot, which is located 500m south of the main Angas Mine shoots, was identified with drill hole AN239 (Figure 1) that intersected a broad zone of lead-zinc mineralisation (16.8m @ 3.32% Pb+Zn from 59m including 4m @ 9.93% Pb+Zn from 66m). A single follow up hole was drilled as the last hole in the programme (AN245) targeting 50m below AN239 (Figure 1). Two zones of mineralisation were identified in this hole within a broader area of anomalous lead and zinc mineralisation.

The mineralisation is shallow (~60m), open at depth and surface geochemical sampling suggests that it will extend to the surface. Further exploration of this shoot is in progress with an infill drilling programme aiming to define a resource as soon as possible.

AN240 targeted deeper extensions of south plunging mineralisation tested in the RC drilling programme reported in the last quarter. The hole intersected a metre-wide zone containing pyrrhotite and trace chalcopyrite but no significant lead-zinc.

AN241 was drilled to 324.6m, considerably shallower than planned (450m). The hole targeted two zones of mineralisation and while stringers of sphalerite were intersected in the upper zone as expected (3.7m @ 3.7% Pb+Zn) the deeper target was not intersected due to a fault offset. Interpretation is ongoing to determine if further drilling is warranted to test for the offset mineralized zone.

Both AN242, targeting mineralisation between Sunter and Garwood, and AN243, beneath the Garwood shoot (current reserves), intersected the lode positions but with no significant assays.

AN244A was drilled to a depth of 603.8m and targeted beneath and to the north of the current Rankine Inferred Resource (AN244 was abandoned at 154m due to hole deviation). A zone of low grade mineralisation was intersected at the target horizon confirming continuity of the lode system at depth.

Further drill testing for continuation of the Rankine Shoot at depth is planned. A short programme of down-hole EM surveys is proposed for drill holes AN244a, AN241 and AN240, which will assist in defining targets (Figure 1).

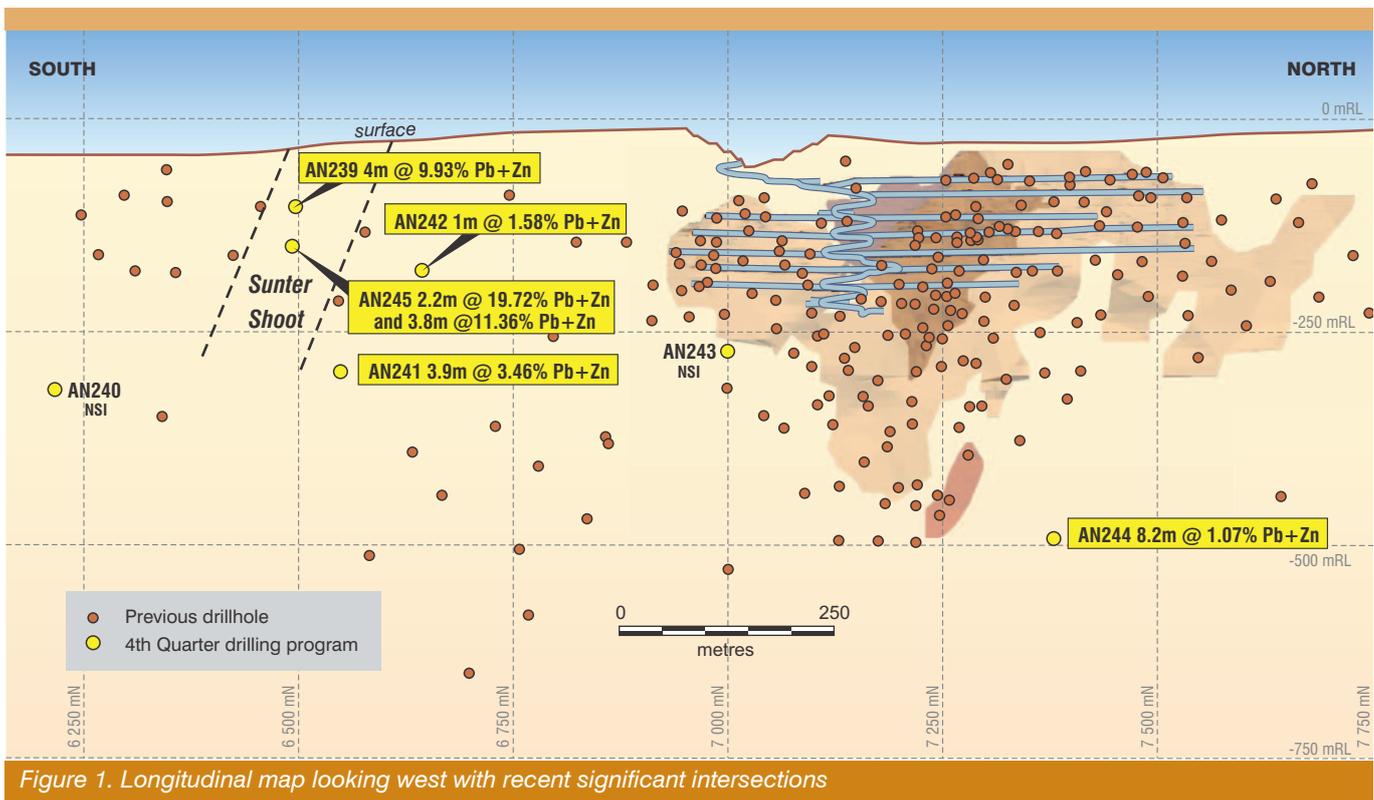


Figure 1. Longitudinal map looking west with recent significant intersections



Significant Analytical results

Hole ID	From (m)	Length (m)	Pb%	Zn%	Ag g/t	Cu%	Au g/t	Pb+Zn %
AN239	24.8	5.2	0.24	1.07	4	0.01	0.01	1.31
AN239	59.0	16.8	0.76	2.56	9	0.03	0.04	3.32
incl	66.0	9.8	1.07	4.05	13	0.04	0.06	5.12
incl	66.0	4.0	1.57	8.36	25	0.08	0.06	9.93
AN240	No significant intersection							
AN241	185.3	3.7	0.84	2.81	5	0.02	-	3.65
incl	187.8	1.4	0.65	6.61	5	0.03	-	7.26
AN241	260.0	0.5	0.76	3.56	8	0.11	-	4.32
AN241	283.0	0.6	0.26	3.33	8	0.27	0.05	3.59
AN242	109.0	1.0	0.04	1.55	-	0.01	0.03	1.59
AN243	No significant intersection							
AN244A	404.0	8.2	0.20	0.87	1	0.02	0.00	1.07
AN245	30.0	16.2	1.31	2.18	9	0.02	0.01	3.48
incl	36.8	2.2	7.66	12.06	54	0.03	0.06	19.72
AN245	81.0	40.8	0.77	1.34	7	0.03	0.04	2.11
incl	81.0	13.0	1.62	2.75	13	0.04	0.06	4.37
incl	81.0	3.8	3.60	7.76	32	0.08	0.07	11.36

Drill hole collar location information

Hole ID	Easting	Northing	RL	Azimuth	Dip	Total Depth (m)
AN239	10445	6497	62	271°	-75°	104.7
AN240	10633	6340	58	218°	-60°	312.5
AN241	10465	6550	65	092°	-74°	324.6
AN242	10506	6651	76	270°	-85°	244
AN243	10510	6972	85	090°	-86°	354.9
AN244	10642	7383	70	270°	-90°	154.8
AN244A	10639	7385	70	087°	-90°	603.8
AN245	10448	6497	62	090°	-85°	156.6

Fleurieu

Processing of aeromagnetic data acquired as part of the VTEM survey has significantly improved recognition and resolution of structures in the Kanmantoo basement rocks beneath Murray Basin and younger cover. This new data is being used to revise current structural interpretations. This will build on knowledge from Angus Mine structural work and assist with generating targets for ground follow-up during 2011.

Menninnie Zinc Project

The project covers the Menninnie Dam and Kolendo tenements which are 100% owned by Menninnie Metals Pty Ltd (MMPL) (a wholly owned subsidiary of Terramin), the Nonning JV with Minotaur Exploration Pty Ltd (Minotaur) and the Taringa exploration licence application.

During the quarter Terramin announced that MMPL reached agreement with Minerals and Metals Group to acquire 76% of the Menninnie Dam tenement and take MMPL's interest to 100%. The transfer of the interest in the tenement has been approved by PIRSA and registration is expected during January 2011. As a consequence, Terramin has resumed management and anticipates that the Company will be in a position to recommence drilling in the second quarter. In addition, 3D modelling of previous IP surveys has commenced to assist in defining drill targets.

The camp and sample processing facilities are being prepared to allow early resumption of drilling. Native Title requirements on Menninnie Dam and Nonning were completed during December and registration of the native title agreement is expected early in 2011.

As announced last December planned drilling on the Menninnie Dam tenement will initially target high priority IP/soil anomalies at Mannequin, Phone Hill and Tank Hill as well as shallow mineralisation at known prospects near Menninnie Central.



Menninnie Dam has a significant lead-zinc deposit at Menninnie Central with an Inferred Resource of 3.8 million tonnes at 4% Zn, 3.2% Pb and 34 g/t Ag as at December 2007. The deposit is open at depth and along strike.

An extensive Induced Polarisation (IP) programme covering much of the project area was undertaken between 2006 and 2008 by the Menninnie Dam Joint Venture. IP chargeability has proved to be a very successful technique for detecting base metal deposits at Menninnie Dam. For example, the extensive mineralisation at the Viper and Cassius prospects was discovered through targeting anomalies with an IP survey carried out in 2006.

During the quarter, Terramin's geological team conducted further review and interpretation of the large body of geophysical and geochemical data on the project. This includes remodelling in 3D of the IP which has significantly enhanced the potential of prospects such as Phone Hill, Tank Hill and Mannequin:

- IP anomalies at the three prospects appear shallower and more intense than those observed at Menninnie Central;
- Surface geochemical results support the view that the mineralisation extends close to surface;

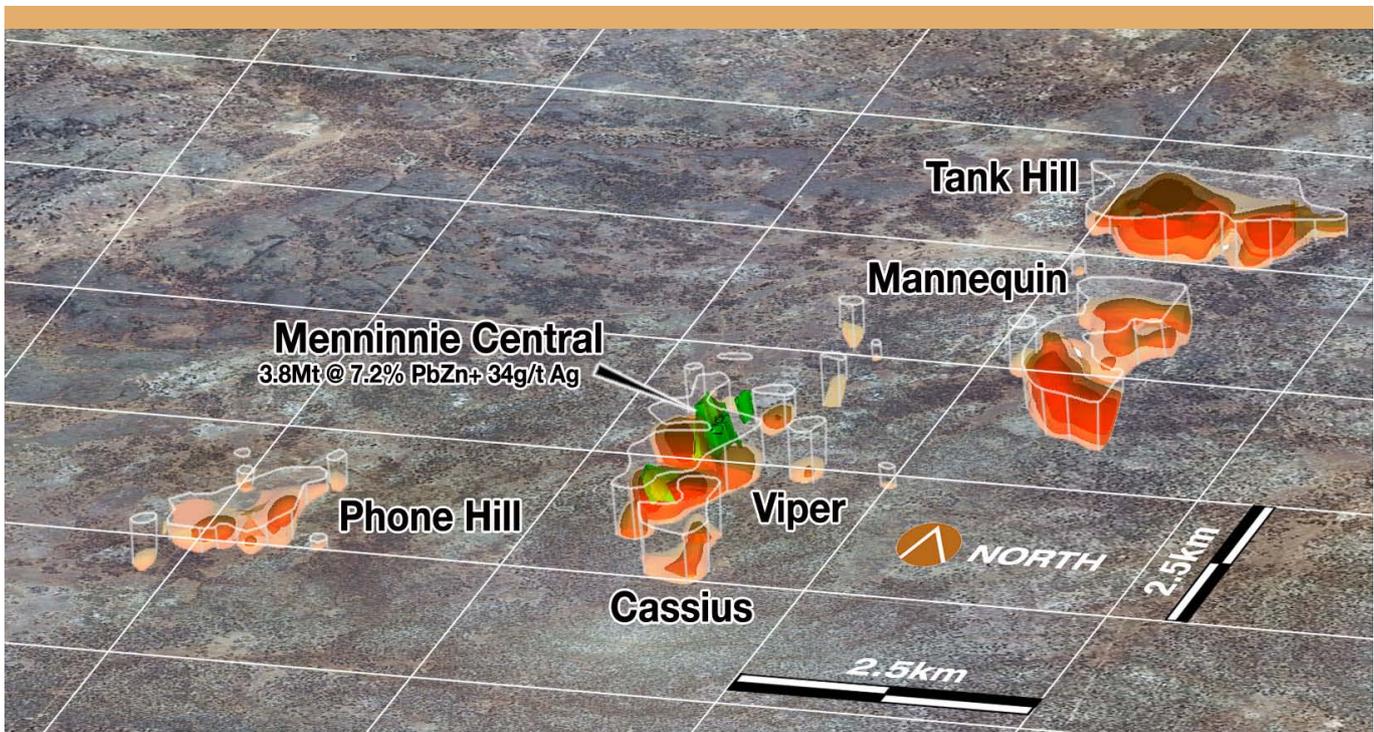
- Each of these highly prospective targets is larger in area than Menninnie Central;
- These anomalies are essentially untested, with only a single drill hole at Tank Hill that was unfavourably sited and no drilling at Mannequin and Phone Hill.

A desktop Scoping Study has commenced on the currently known mineralisation at Menninnie Central to review mining and treatment options. This will involve a re-estimation of the Resource (incorporating further drilling completed under the previous management) and is expected to be finalised during the first quarter.

Work on the Nonning Joint Venture (with Minotaur) was limited to review of geophysical data. Negotiations with Minotaur were completed during the quarter with the companies agreeing to an extension of the earn-in period by one year.

During the quarter MMPL received the offer of a grant from PIRSA for an exploration licence over Taringa, the area to the north of Nonning and Kolendo. MMPL has accepted the offer.

Total exploration expenditure incurred for all the Australian activities during the quarter was \$0.6 million taking the year to date total to \$2.1 million.



Inferred Resource at Menninnie Central and Portion of Terramin's Menninnie Dam tenement showing targets based on IP chargeability and relationship to Menninnie Central.



The Oued Amizour project is 100% owned by Western Mediterranean Zinc Spa (WMZ). WMZ is owned by two Algerian state owned companies: Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (32.5%), Office National de Recherche Géologique et Minière (ORGM) (2.5%) and Terramin (65%). The project is operated as a joint venture between ENOF and Terramin under which Terramin sole funds until the decision to mine. Terramin has spent over \$40 million on the 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 on the Tala Hamza deposit located on the tenement. 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.

The most recent Tala Hamza Resource estimate (November 2009) gave a Measured and Indicated Resource of 51.1 million tonnes at 6.1% Pb+Zn, within a global Measured, Indicated and Inferred Resource of 68.6 million tonnes at 5.7% Pb+Zn. A Probable Reserve has been estimated for the block cave mine at 38.1Mt at 6.14% Pb+Zn.

Feasibility programme

As advised to the market during the last quarter, the Definitive Feasibility Study (DFS) for the Tala Hamza project development has been completed and submitted to our partners and to the Ministry of Mines for their respective reviews. ENOF are conducting a due diligence review prior to submission of the Study to the WMZ Board, the Terramin Board and a formal application for a Mining Lease to the Algerian mining regulators.

While this process continues, Terramin and WMZ are engaged in ongoing discussions with community and government authorities in Algeria, and preparing for implementation to enable an early commencement after approval. Terramin is investigating the application of roadheaders and other rapid tunnelling methods for the critical path access declines and mine development. The analysis shows a potential doubling of advance rates resulting in a 9 month timeline reduction that would bring forward first ore production to the second quarter of 2015. These and other opportunities that reduce development times continue to be assessed.

The new general manager for Algeria, Mr Nic Clift, has taken up permanent residence in Bejaia, Algeria and will take over the responsibility of driving the project through the approval process. The presence on site of a manager with Mr Clift's experience is expected to facilitate this process.

Exploration

Exploration during the quarter focussed on completion of drilling at Lbarkouk, a deep hole in the Tala Hamza East area and mapping and drilling in the Bouzenan area.

A five hole drilling programme for 803m was completed at Lbarkouk in the previous quarter. Disseminated pyrite was intersected in all holes within intensely altered kaolinitic rocks with stronger pyrite mineralisation seen in hole LBA001. Occasional visible galena and sphalerite was noted. Assay results have now been received from four of the five holes. All holes had wide zones of low grade lead-zinc mineralisation containing occasional individual higher grade assays up to 7% Pb or Zn.

Summary intersections are given below.

LBA001	31.6m @ 0.58% Pb+Zn from 51.4m
LBA002	60.9m @ 0.78% Pb+Zn (incl. 8.9m @ 2.7% Pb+Zn) from 19m
LBA003	19.0m @ 1.56% Pb+Zn (incl. 9.3m @ 2.4% Pb+Zn) from 36m
LBA004	25.3m @ 0.64%Pb+Zn from 35m

The results are promising as they confirm a large mineralised system at Lbarkouk. Future work will continue to try and identify the structural and lithological controls and vectors to higher grade mineralisation prior to further drilling.

The area to the north east of the Tala Hamza deposit has been identified by Terramin as prospective for repetition of structural positions likely to host mineralisation similar to that at Tala Hamza. One hole (ROA003) was drilled to a depth of 700m to test this concept. A number of intensely altered zones were intersected along with a number of narrow shears with pyrite mineralisation. Processing of this core is underway.

Drilling commenced at the Bouzenan Prospect (located 3 km southeast of Tala Hamza) late in the quarter where one hole (BZN001) was completed to a depth of 254m. This Prospect was identified in the mid-1970s by the Algerian Geological Survey and a number of holes drilled at that time indicated the presence of significant shallow mineralisation. Work ceased following the discovery of Tala Hamza. WMZ has completed detailed mapping in the area and this has confirmed the presence of outcropping galena and pyrite mineralisation and potential for additional open pitable mineralisation. This is the target of the current drill programme. BZN001 intersected extensive disseminated mineralisation including pyrite and visible galena. Assays are pending. At least two further drill holes will be drilled in the area.

Expenditure

Expenditure on the Oued Amizour project over the December quarter totalled \$1.3 million. Most of the expenditure was for the completion of the Tala Hamza DFS with the balance allocated to exploration activity.



Placement

During the quarter the Company agreed to the placement of 10,000,000 shares to major shareholder China Non-Ferrous Metal Industry's Foreign Engineering and Construction Company (NFC). The agreed placement price of \$0.62 cents was a 30% premium to Terramin's 15 day volume weighted average share price (VWAP) and was made under the terms of a \$50 million subscription agreement between NFC and Terramin (refer ASX announcement 23rd December 2010). The allocation of shares and proceeds of this placement are expected to occur post regulatory approvals early in 2011.

Shares Issued

A total of 443,397 shares were issued for the satisfaction of interest due on outstanding Convertible Notes during the quarter.

Hedging

A total of 1,675 tonnes of lead sold in the December quarter, with quotational pricing due to settle in the March 2011 quarter, have been hedged at an average price of US\$2,537 per tonne.

In line with Company policy, a short dated US dollar hedging programme was maintained during the quarter in order to mitigate foreign exchange risk on US dollar denominated metal sales with fixed metal prices. At the end of the quarter US dollar sold forward against the AUD totalled US\$3.9 million at an average exchange rate of 0.8953.

Cash

The Company held cash totalling \$9.6 million as at 31 December 2010 (excludes \$6.2m NFC placement proceeds).

CORPORATE INFORMATION

TERRAMIN AUSTRALIA LIMITED ABN 67 062 576 238
Level 22 Westpac House, 91 King William Street
Adelaide, South Australia 5000

T +61 8 8213 1415
F +61 8 8213 1416
E info@terramin.com.au
W www.terramin.com.au

CAPITAL STRUCTURE

at 28 January 2011

Shares on issue 167,315,574
Unlisted Options 16,201,630
Unlisted convertible/redeemable notes US\$25,050,000
and 2,263,529 notes at \$2.21 per share conversion \$5,002,400

DIRECTORS

Kevin C Moriarty

Michael H Kennedy

Steve A Bonett

Peter Zachert

Bob Jones

Bryan Davis

Xie Yaheng

Stephane Gauducheau

Executive Chairman

BSc (Hons), PhD, MAusIMM

Director BCom (Economics)

Director BCom, LLB (Hons), MAICD, SIA

Director BBus, MCom, MGeoscience, FCA, FAIM

Director BAppSc, Dip. Prim Met

Director BSc (Tech), FAusIMM, MAICD

Director

Company Secretary

LLB, GDLP,
Maitrise de Droit

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Robert Singer. The information that relates to Ore Reserves is based on information compiled by Dr David Allison. Mr Singer is a Member of The Australasian Institute of Mining and Metallurgy and Dr Allison is a Member of the Institute of Materials, Minerals and Mining. Mr Singer is Chief Geologist and full time employee of Terramin Australia Ltd and Dr Allison is Senior Mining Engineer at Golder Associates (UK) Ltd. Both have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Singer and Dr Allison consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.