



ASX Announcement

25 August 2016

Tala Hamza Zinc Project Update

Terramin Australia Limited (ASX: TZN) is pleased to announce that on-ground studies at the Tala Hamza Zinc Project ("Project") have commenced with a series of geotechnical pits being established at various locations within the processing plant and tailings dam footprint. These pits are part of a program of geotechnical, hydrological and backfill studies which are required to be undertaken to finalise the Definitive Feasibility Study ("DFS") and the mining lease application. This work has been facilitated by the reissue of an exploration license, as advised previously, and demonstrates the continuing good working relationship with our joint venture partners.

The Tala Hamza joint venture partners are also considering a number of options to relocate the processing plant and tailings dam to new sites closer to the Tala Hamza zinc deposit. The implementation of these options will result in significant reductions in supporting infrastructure, surface earthworks and shorter decline length which are expected to result in a substantial reduction in upfront capital costs, lower operating costs and will reduce the environmental impact of the Project.



Terramin notes the continuous increase in zinc price over the last months which yesterday reached USD 2300 per tonne, its best price since May 2015. The price rise comes after the International Zinc Lead Study Group said the global market for refined zinc was in deficit by 138,000 tonnes in the first six months of the year. As noted previously, this is due to significant falls in zinc production and rising demand in China. The outlook for the zinc price remains strong due to declining mine supply and the lack of new zinc deposits available for development. Terramin remains in a strong position to take advantage of this market.

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