



ASX Announcement

28 February 2018

Appendix 4E - Preliminary Final Report

Terramin Australia Limited (ASX: TZN) is pleased to provide the Company's Preliminary Final Report (unaudited) for the year ended 31 December 2017.

This report is based on a draft financial report for the year ended 31 December 2017 which is in the process of being audited. The Preliminary Final Report will be released in the coming days following completion of the audit.

The Board notes the progress of the Company's projects during and after the reporting period:

Tala Hamza Zinc Project

- The completion of all the ground work necessary for the finalisation of the revised Definitive Feasibility Study (DFS) in particular the hydrological test work and the studies on the suitability of the dry stacking of tailings.
- The compilation of final documentation for the mining lease application and environmental impact assessment which incorporates recent project enhancements such as the dry stacking of tailings and the relocation of the processing plant.
- A series of presentations and meetings held with the Algerian partners regarding the technical chapters including mining and financial chapters of the DFS as well as the implementation of the development strategy.
- Terramin is working to provide all the required information to the Algerian regulator in the format that the regulator requires for the mining lease application.

Bird-in-Hand Gold Project

- The Company has completed substantially all the studies necessary to pre-feasibility standard for the preparation of the mining lease. These studies include ground water modelling, storm and surface water studies, earthworks modelling, geotechnical modelling, soil contamination, visual amenity studies, noise, dust and vibration studies. The surface layout design for the project site in alignment with community feedback was also developed as well as the risk assessment for the project in relation to the environmental, community and economic impacts.
- The mining lease was submitted in draft form to the Department of Premier and Cabinet (DPC) at the end of the reporting period. The Company is now awaiting feedback from the DPC.
- The Company continued its ongoing community engagement programme which included the formation of a community consultative committee for the project and holding a number of meetings and discussions regarding the project.

Kapunda Copper Joint Venture

- A joint venture was established in respect of the potential development of a low cost insitu recovery (ISR) copper project near Kapunda, South Australia, approximately 90 km north of Adelaide. The joint venture will be investigating the potential to extract through ISR the copper from shallow oxide ores in and around the historic Kapunda Mine workings.
- Subsequent to year end, the estimation of combined Resource of 47.4 million tonnes at 0.25% copper containing 119,000 tonnes of copper using a 0.05% copper cut off. This Resource estimate is only in respect of that part of the Kapunda mineralisation that is considered amenable to ISR and only reports mineralisation that is within 100 metres of the surface.

South Gawler Joint Venture

- A joint venture was established with Evolution Mining Limited for the exploration of the South Gawler Project which now consists of exploration tenement and applications totalling 8,958km² held by MMPL in the northern Eyre Peninsula of South Australia. Exploration will primarily target Iron Oxide Copper Gold (IOCG) breccia deposits in areas that have seen limited exploration thus far. The joint venture has been formed to accelerate exploration of breccia style targets with similar characteristics to Olympic Dam, Carrapateena, Prominent Hill and IOCG deposits elsewhere.

In 2018, the Company will focus on:

- Obtaining all approvals for the development of the Tala Hamza Zinc Project;
- The lodgement and approval of the mining lease application for Bird-in-Hand Gold Project;
- Facilitate test work at the Kapunda Copper Joint Venture.

Supply constraints and limited pipeline of new zinc projects has resulted in zinc prices increasing to above USD 3,500 per tonne which supports Terramin's significant investment in Tala Hamza. In addition, with Australian gold prices at \$1,700 per ounce, the Bird-in-Hand Gold Project offers an attractive opportunity for Terramin.

For further information, please contact:

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