



TERRAMIN AUSTRALIA LIMITED



Annual General Meeting

17 May 2017

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Competent Person Statement

The information in this Presentation that relates to Exploration Results and Mineral Resources is based on information compiled and thoroughly reviewed by Mr Eric Whittaker. The information that relates to Ore Reserves for Angas and Tala Hamza is based on information thoroughly reviewed by Mr Joe Ranford. Mr Whittaker and Mr Ranford are Members of The Australasian Institute of Mining and Metallurgy. At the time of their respective estimates Mr Whittaker was a Principal Resource Geologist and Mr Ranford was General Manager Operations and both were employees of Terramin Australia Limited. Both have sufficient experience relevant to the style of mineralisation and type of deposit(s) under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined by the relevant 2004 or 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' as specified in the explanation notes above. Mr Whittaker and Mr Ranford consent to the inclusion in the presentation of the matters based on their information in the form and context in which it appears.

Overview



1. About Terramin
2. Highlights
3. Tala Hamza Zinc Project
4. Update on Global Zinc Market
5. Bird-in-Hand Gold Project
6. South Australian Exploration
7. Focus for 2017

About Terramin Australia Limited



World class base metal and gold portfolio

- ❑ **Tala Hamza Zinc Project - Resource of 68.6 million tonnes at 4.6% Zinc, 1.1% Lead (3.9 million + tonnes of zinc and lead)**
- ❑ **Bird-in-Hand Gold Project – Resource of 252,000 ounces at 13.3gt**
- ❑ **All projects close to infrastructure**
- ❑ **Exceptional South Australian multi-commodity exploration tenement portfolio**
- ❑ **Management and Board with extensive practical and commercial experience in all stages of project development and mining**

Highlights



❑ Tala Hamza

- Project design well advanced to reduce environmental and capital expenditure.
- Algerian partners and regulators indicate strong support for project changes.
- “On ground” technical studies at Tala Hamza close to finalisation.

❑ Bird in Hand

- Draft Bird-in-Hand Mining Lease application in final stage of preparation
- Government requirements for Mining Lease gazetted.
- Increase in Bird-in-Hand Gold resource.
- Progressing to secure Mining Lease approval in 2017/2018

❑ Other

- Continue to look for options to create value from other highly prospective tenements

Tala Hamza Zinc Project



- ❑ World class resource containing 3.9 million tonnes of zinc and lead
- ❑ Joint venture with Algerian government owned entity (65% Terramin)
- ❑ Infrastructure
 - ❑ deep water port (15kms)
 - ❑ international airport (10kms)
 - ❑ plentiful water
- ❑ Low Operating Cost
 - ❑ Low cost power ~ 4c/kWh
 - ❑ Low cost fuel –diesel ~ 20c/l
 - ❑ Attractive labour costs
- ❑ Excellent regional potential
 - ❑ 125km² prospective tenement
 - ❑ Multiple prospective deposits



Tala Hamza Zinc Project



Background on Algeria

- ❑ Largest country in Africa by land mass and third largest African economy.
- ❑ Stable economy with over \$114 billion of foreign exchange reserves (as at December 2016).
- ❑ Major export is hydrocarbons and is second largest supplier of gas to Europe.
- ❑ China: first trading partner, strong political and economic relationship.
- ❑ Stable political system.
- ❑ Government seeking to diversify economy away from hydrocarbons.
- ❑ New Mining Act 2014



Tala Hamza Zinc Project



- ❑ **Terramin and its Algerian partners have agreed on final design of project.**
- ❑ **Incorporates improved project design including dry stacking of tailings, smaller processing plant footprint and simplified mine design**
- ❑ **Project enhancements will reduce upfront capital costs and reduce environmental impact.**
- ❑ **On ground studies expected to be completed by mid-June.**
- ❑ **Unprecedented agreement with Algerian regulator to review components of the mining lease application as they become available.**
- ❑ **Government supportive including with respect to land acquisition**



Tala Hamza Zinc Project



■ Compelling Economics

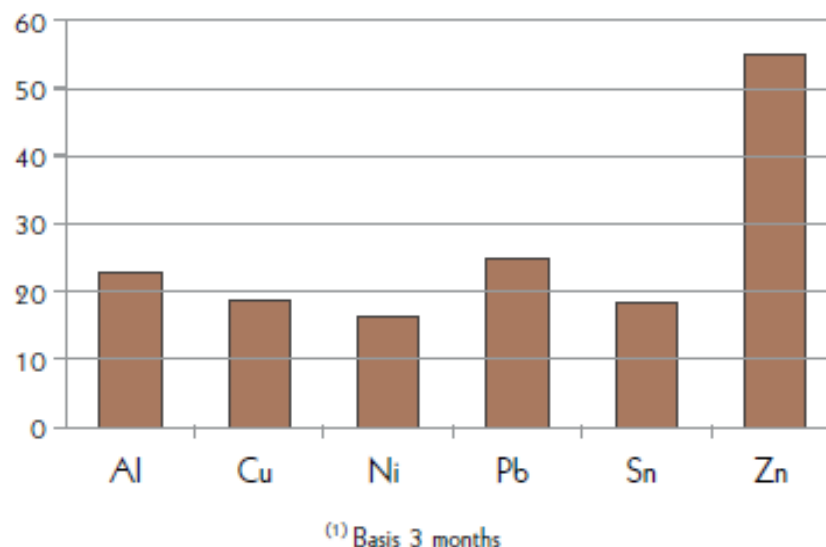
- **Low upfront capital – Availability of local infrastructure reduces capital expenditure**
- **Competitive operating costs – low labour and energy costs drive low cash costs**
- **Concessional local funding – potential for local long term debt funding in preferential terms**
- **Tax concessions in current Algerian Legislation– in respect of Income tax, VAT and Import Duties**
- **Potential expansion – strong exploration upside at Tala Hamza and in the immediate vicinity.**

Global Zinc Market



- ❑ Mine closures have resulted in 5.6% reduction in supply in 2016.
- ❑ Demand for zinc remains robust supported by a stabilising Chinese economy and expectations of increasing infrastructure spending in major economies.
- ❑ It is estimated that the zinc market is in deficit by approximately 300,000 tonnes per annum.
- ❑ Current zinc stock levels continue to decline. Treatment charges continue to fall.

LME Monthly average prices⁽¹⁾
March 2017 vs. March 2016 (% change)



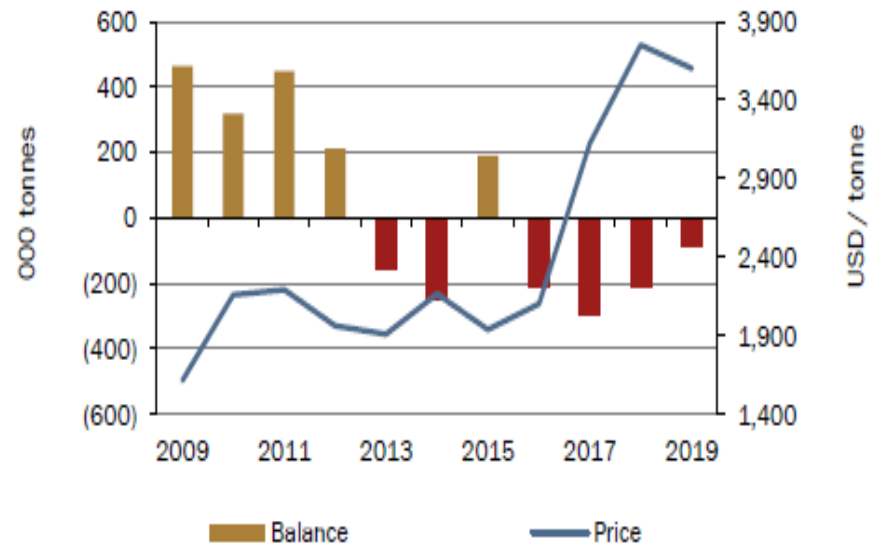
Source: Triland

Global Zinc Market



- ❑ Zinc prices have rallied by from an average of USD 2,100 in 2016 to a current price of approximately USD 2,600. It has been as high as USD 2,900.
- ❑ Zinc stocks continue to fall.
- ❑ Zinc price rises are forecast by many industry experts.

Global zinc supply-demand balance

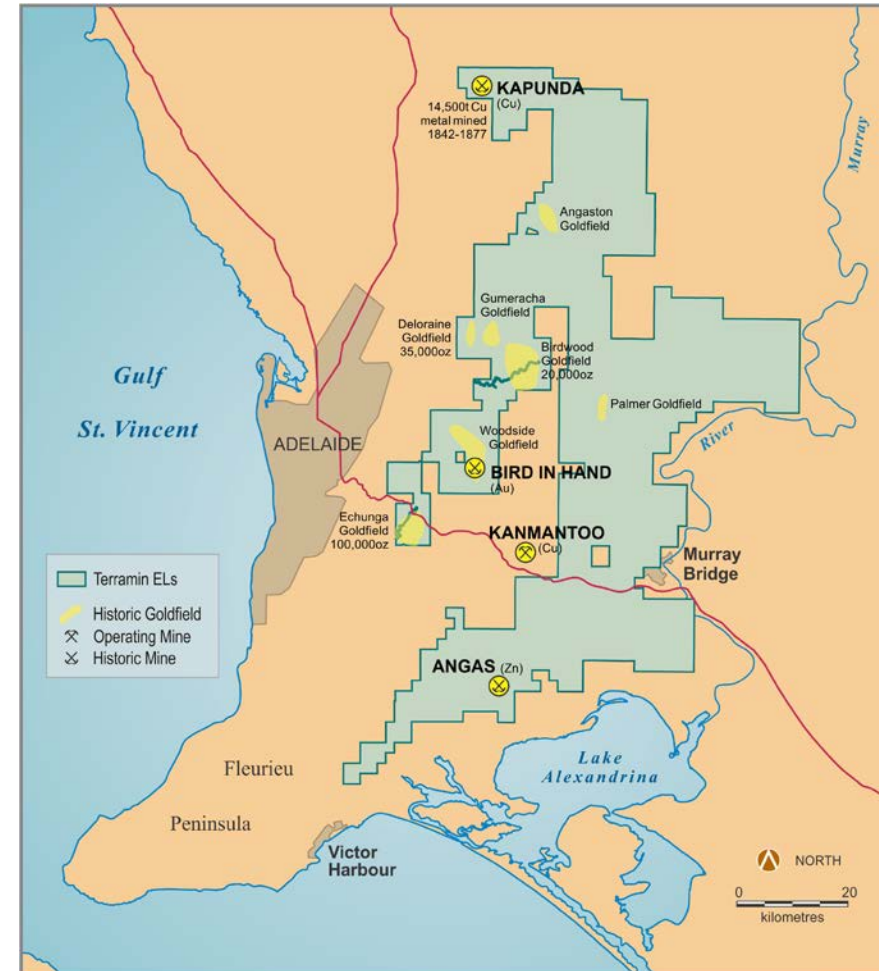


Source: MBR, ICBC Standard Bank

Adelaide Hills Project



- ❑ 100% Terramin.
- ❑ Bird-in-Hand Gold Project – Resource of 252,000 ounces at 13.3gt.
- ❑ Angas Zinc Mine Processing Plant – Existing 400,000 tonnes per annum base metals processing plant and tailings dam.
- ❑ 3,750 square kilometres of exploration tenements – including over 300 historic gold, copper and base mines.
- ❑ Established base metal mining province with established mining operations.
- ❑ Established infrastructure with experienced residential workforce.
- ❑ Multiple copper, zinc, lead and gold exploration targets.



Bird-in-Hand Gold Project



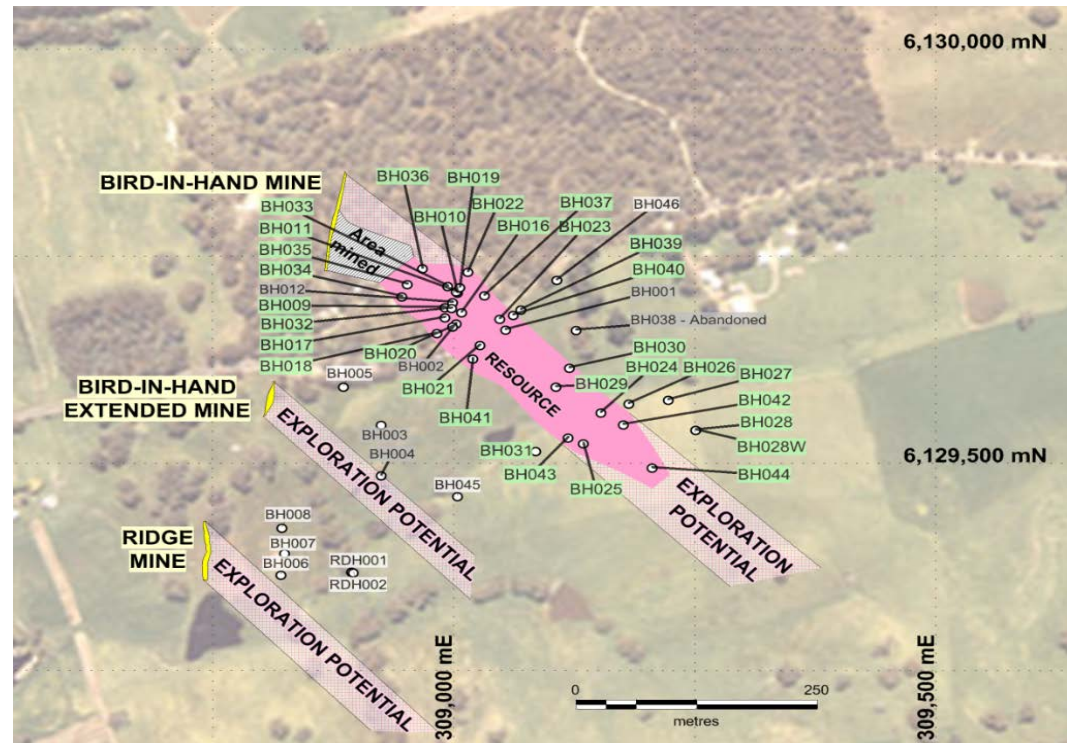
- ❑ High grade gold and low start up capital drive strong financial returns.
- ❑ Processing through existing Angas Zinc Mine plant.
- ❑ Drilling has upgraded resource and reveals potential of the deposit.
- ❑ Engineering and environmental studies have been completed.
- ❑ Draft Mining lease application to be lodged in June.
- ❑ Terramin owns all the land it requires for project development.
- ❑ Community consultation process is well established.



Bird-in-Hand Gold Project Exploration Potential



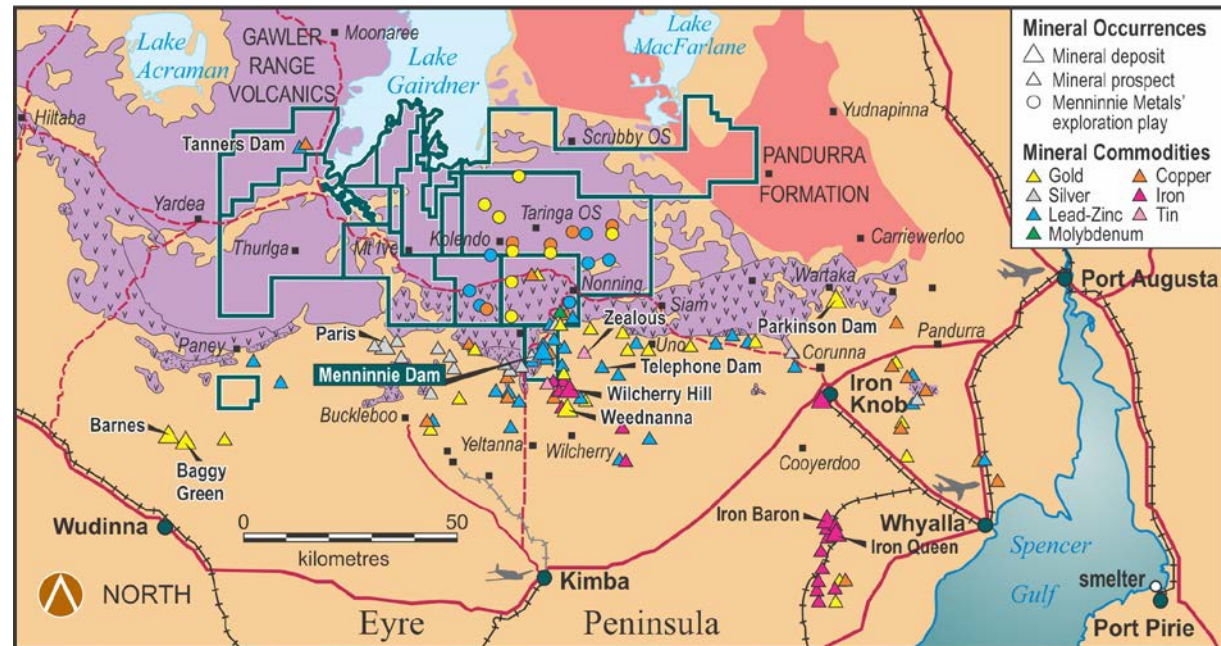
- Existing Bird-in-Hand gold ore body is open at depth
- Bird-Extended and the Ridge recorded historical high grade production



Gawler Ranges – Strong Foundation



- ❑ 100% Terramin
- ❑ Menninnie Dam - Inferred Resource of 7.7Mt @ 3.1% Zn and 2.6% Pb, and 27g/t Ag
- ❑ Large scale copper/gold potential (Olympic Dam nearby)
- ❑ 4,754 km² tenement holding
- ❑ Further prospective targets identified with active exploration plan
- ❑ Advanced discussion for a new joint venture



Strong Growth potential



- ❑ **Tala Hamza Zinc Project – Algeria (65%)**
 - Excellent relationship with JV partner and government
 - Revised DFS and EIS based on new project structure
 - On path towards decision to mine and approval
- ❑ **Adelaide Hill Project - South Australia (100%)**
 - 252,000 ounce high grade gold project with potential for increase in resource
 - Existing Angas 400Ktpa processing plant and associated infrastructure can be leveraged
 - Exceptional exploration potential
- ❑ **Gawler Ranges Project - South Australia (100%)**
 - 7.7Mt Inferred Resource with high lead-silver content near Port Pirie smelter
 - Targets provide significant upside
- ❑ **Exposure to 2 most attractive metals:**
 - Gold at new historically high level in A\$ terms
 - Zinc price expected to continue to perform due to supply restrictions

Focus for 2017



- ❑ **Complete Tala Hamza technical studies**
- ❑ **Update project Resources and Reserves**
- ❑ **Proceed to Decision to Mine and lodge mining lease application**
- ❑ **Progress land acquisition and financing options with Algerian government**
- ❑ **Complete and lodge BIH Mining Lease application**
- ❑ **Continue to look for avenues to extract value from significant tenement portfolio.**





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