

TERRAMIN INVESTOR UPDATE 121 MINING HONG KONG

Investor Presentation
Richard Taylor | CEO

Forward Looking & Competent Person Statements



Disclaimer

The material contained in this presentation has been prepared by Terramin Australia Limited (Terramin). It is current as at the date of this presentation. It contains information in a summary form and should be read in conjunction with Terramin's other periodic and continuous disclosure announcements to the Australian Securities Exchange (ASX) available at www.asx.com.au. An investment in Terramin shares is subject to known and unknown risks, many of which are beyond the control of Terramin. In considering an investment in Terramin shares, investors should have regard to (amongst other things) the risks outlined in this presentation and in other announcements and disclosures made by Terramin to the ASX. This presentation contains statements, opinions, forecasts and other material based on various assumptions which may or may not be correct.

The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial advice or financial product advice.

To the extent permitted by law, Terramin, its directors, officers, employees, agents, advisers and persons named in its presentation:

- give no warranty or guarantee as to the accuracy or likelihood of fulfilment, any assumptions upon which any part of this presentation is based or the accuracy, completeness or reliability of the information contained in this presentation;
- accept no responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation.

Competent Person Statement

The information in this presentation that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Eric Whittaker, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whittaker is an employee and Principal Resource Geologist of Terramin Australia Limited. Mr Whittaker has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whittaker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled or reviewed by Mr Luke Neesham, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Neesham is Principal Mining Engineer for GO Mining Pty Ltd a consulting firm engaged by Terramin Australia Limited to prepare mining designs and schedules for the Tala Hamza Feasibility Study. Mr Neesham has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Neesham consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Aspects of the information used as inputs to or generated as part of the Feasibility Study associated with the Mineral Resources and Ore Reserves Estimates rely upon information prepared by parties other than the Competent Persons and outside of their areas of expertise. The associated documentation has been reviewed and utilised by the Competent Persons in compiling the Mineral Resources and Ore Reserves Estimate and Table 1 commentary.

Corporate Update

Corporate Snapshot - 30 Sep 2018

Share on issue	1,869,601,371
Market Cap	\$187M @ \$0.10/share
Liquidity	12 Month - 21m shares (1.1%)
Enterprise Value	\$202M

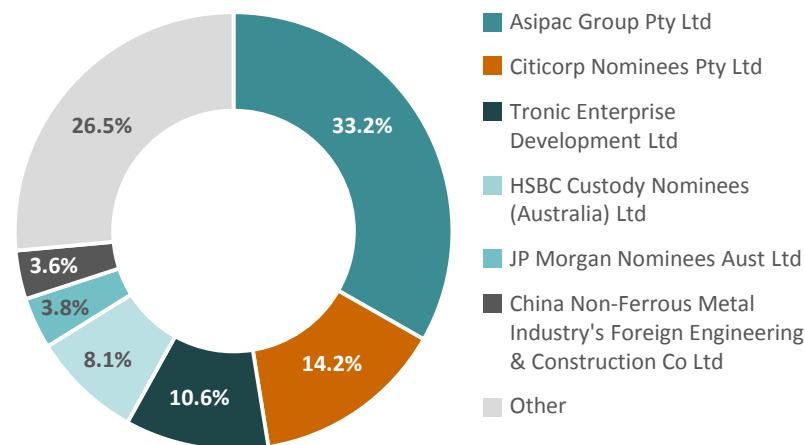
Board and Management

Feng Sheng	Executive Chairman
Michael Kennedy	Non-Executive Vice-Chairman
Angelo Siciliano	Non-Executive Director
Kevin McGuinness	Non-Executive Director
Wang Xinyu	Executive Director
Richard Taylor	CEO
Simon Iacopetta	CFO / Company Secretary

5 Year Share Price Snapshot



Largest Shareholders - 30 Sep 2018



Tala Hamza Highlights



High grade & large scale

- Tala Hamza is a high grade zinc and lead operation
- Concentrate production will be significant in global terms



Long life

- Tala Hamza has a projected mine life of 21 years
- Deposit is open to the south and east with near mine exploration potential



Terramin 65% & control

- Terramin owns 65% of the WMZ joint-venture
- Strong joint venture partners in state-owned ENOF and ORGM



Robust economics

- Compelling economics from initial project
- Optimisation potential from already identified expansion cases



Strategic advantage

- Located in the heart of the Mediterranean
- Close to major infrastructure, including ports, roads and rail



Tala Hamza Overview

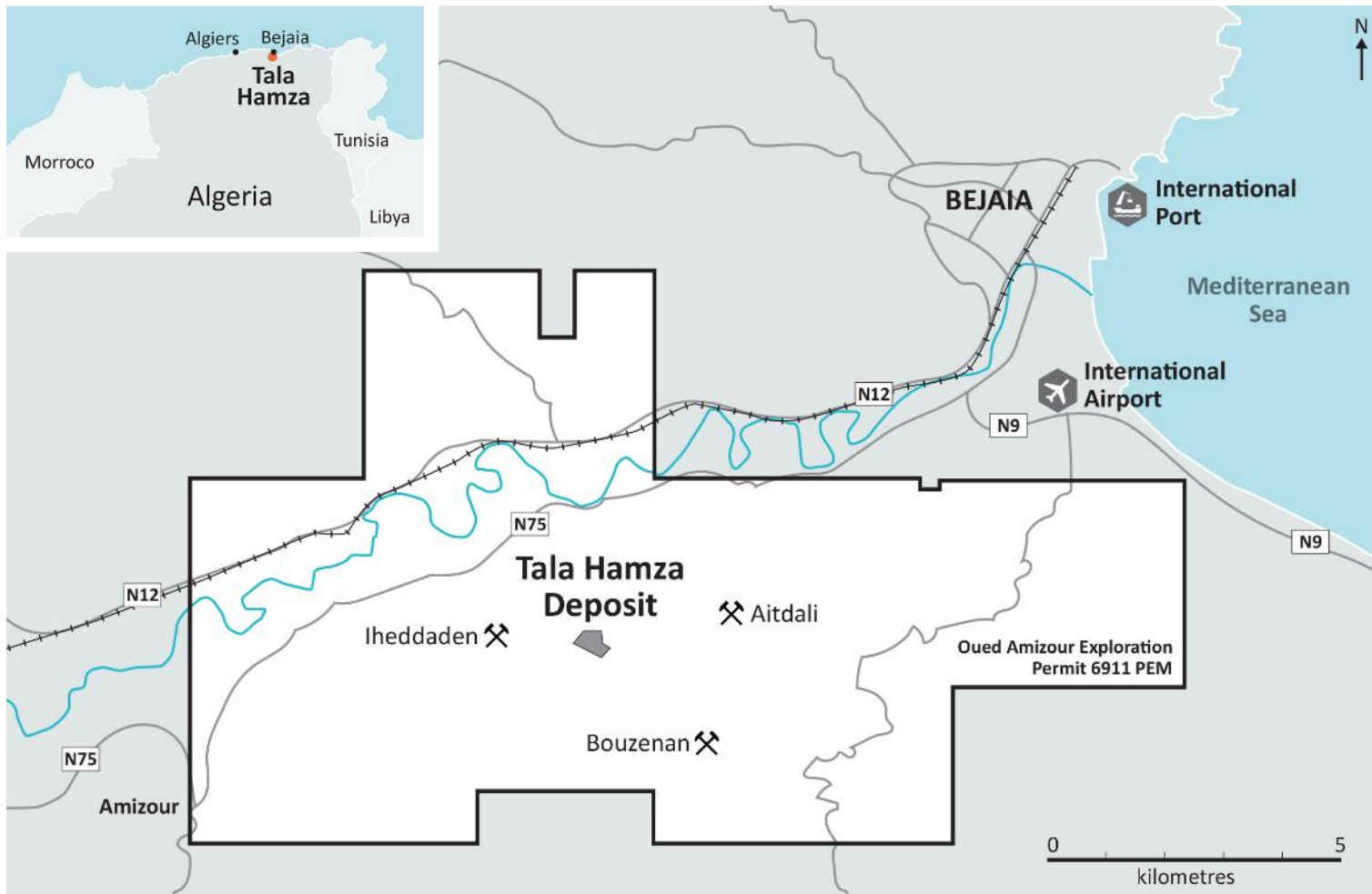
Tala Hamza is one of the largest undeveloped zinc & lead mines in the world and an important part of future supply geared towards meeting projected increases in global zinc demand next decade

Overview

- World class resource containing 3.5 million tonnes of zinc and lead
- Global resource¹ of 53.0 million tonnes at 6.6% zinc plus lead.
- Joint venture with Algerian government owned entity (65% Terramin).
- Infrastructure available including deep water port and international airport.
- Low operating cost due to availability of low cost power and fuel.
- Young educated workforce available.



The Tala Hamza Deposit is located close to the Mediterranean coast, within close proximity to major roads, rail, air, energy & port facilities. The mine site is close to the township of Bejaia and will be served by a drive in drive out workforce underpinned by Terramin's local recruitment policy.

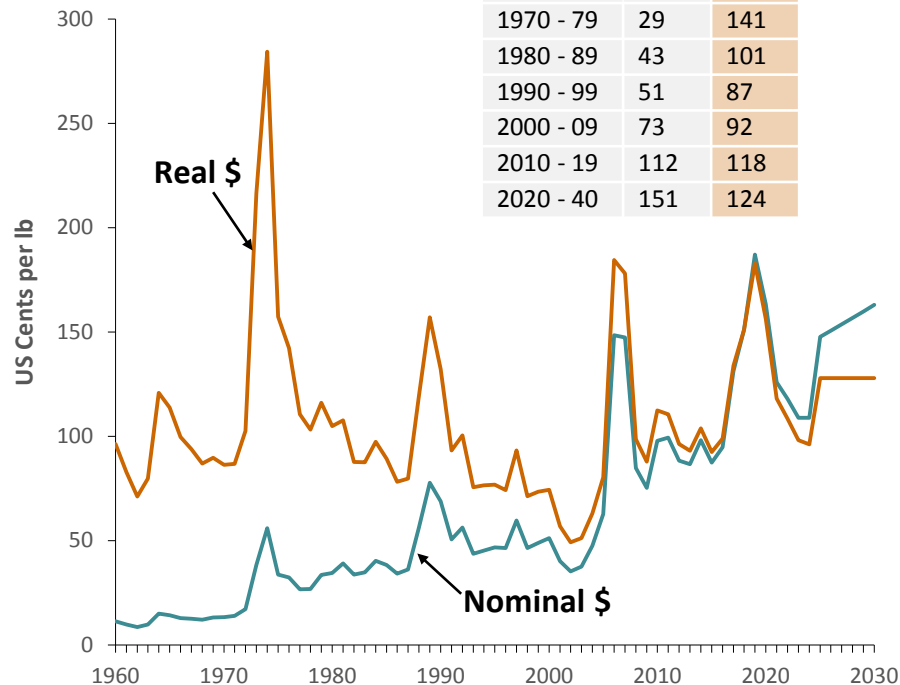


Why Zinc? Why Now?

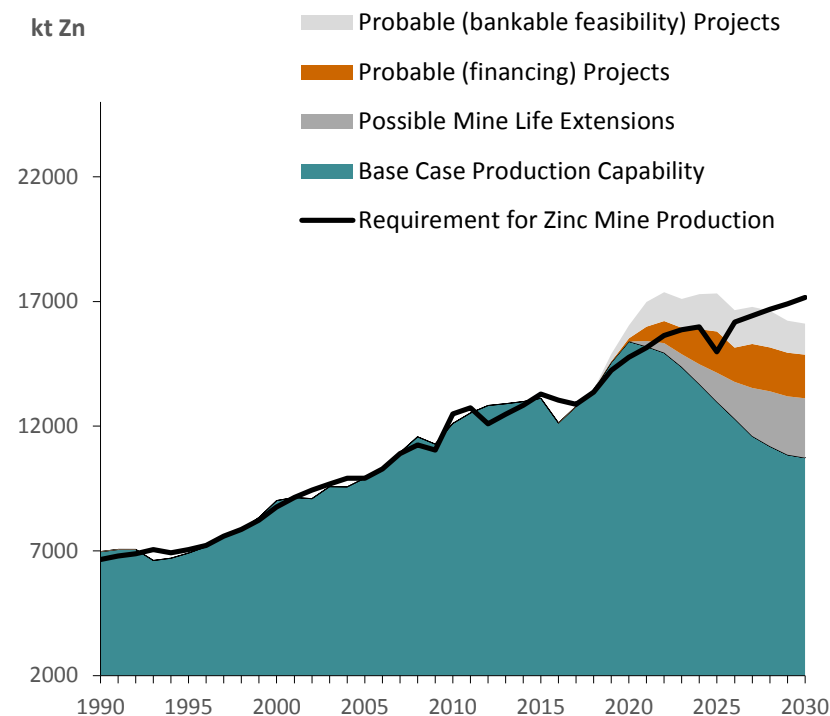
Globally zinc and other base metals are entering a period of supply side restrictions as old mines close, head grades fall and new mines face permitting and approval delays leading to high prices

LME Zinc Prices

	Nominal	Real
1960 - 69	12	93
1970 - 79	29	141
1980 - 89	43	101
1990 - 99	51	87
2000 - 09	73	92
2010 - 19	112	118
2020 - 40	151	124

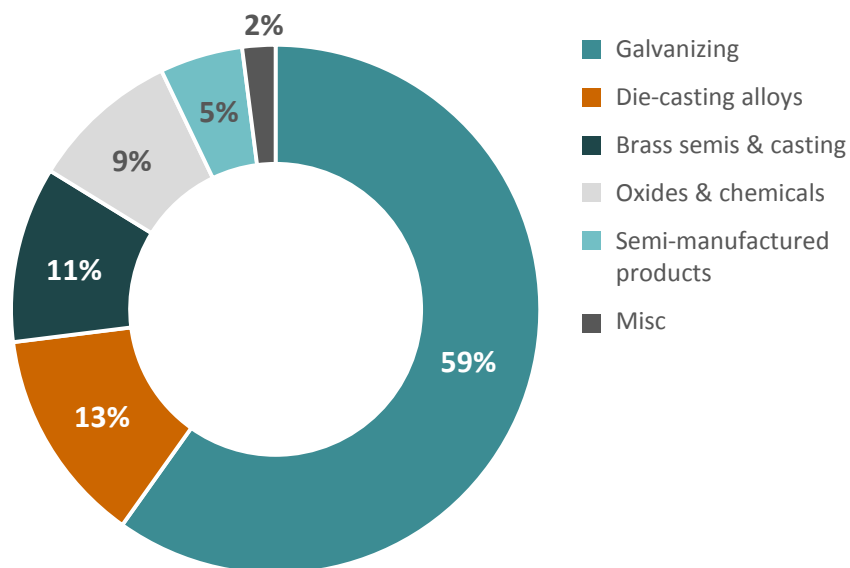


Sources of Future Mine Production

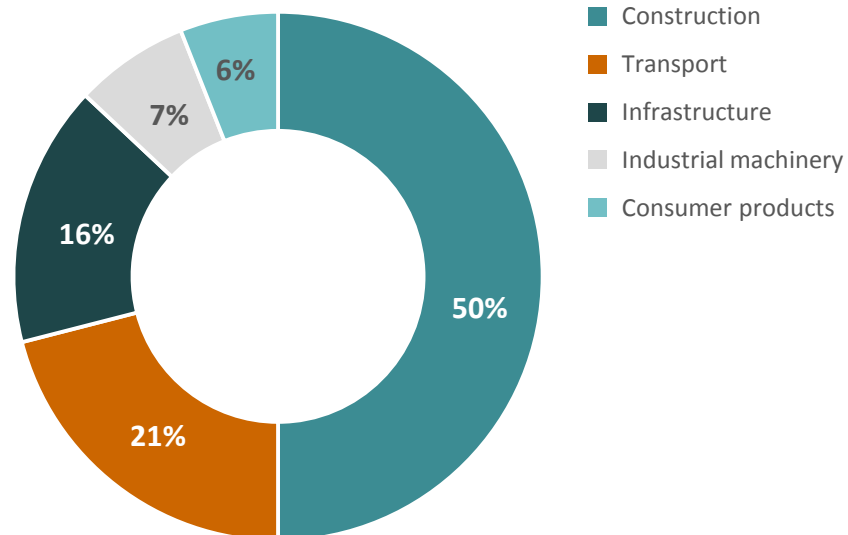


Galvanising and construction are the dominant first- and end-uses of zinc. Urbanisation and industrialisation will remain the most significant force behind global zinc consumption. The developing world will drive consumption and, as a result, galvanising will remain the main end use.

First-use



End-use



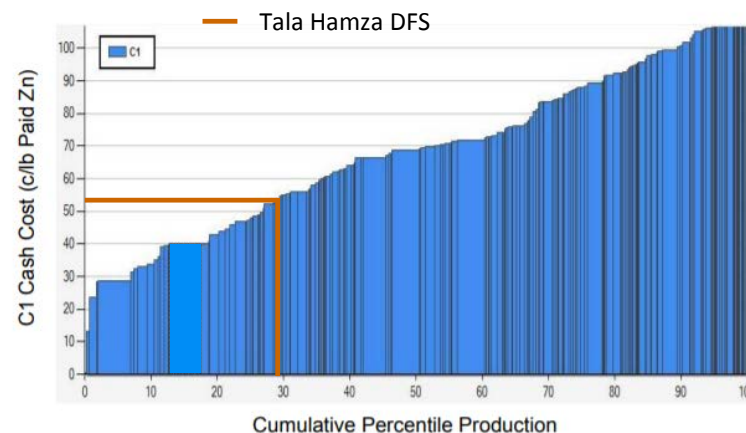
Supportive Economics with competitive cost position

Low pre-production capital and highly competitive operating costs, with optimisation potential from already identified expansion cases

Key financials and outputs - DFS 2018

Key financial metrics	DFS 2018 ³
Commodity Price Metrics	
Zinc price - LOM average	US\$1.25/lb - US\$1.50/lb
Lead price - LOM average	US\$1.05/lb - US\$1.11/lb
Cost Metrics	
C1 Operating Costs - LOM average	US\$0.53/lb - US\$0.55/lb
All-in Sustaining Costs (AISC) - LOM average	US\$0.61/lb - US\$0.64/lb
Financial Metrics	
Discount rate	8.0%
Start-up-capital cost	US\$341M (A\$449M)
Sustaining capital cost	US\$144M (A\$190M)
NPV ₈ Post-tax nominal ^{1 2}	US\$303M - US\$553m (A\$399M - A\$728m)
IRR Post-tax nominal (%) ¹	14% - 19%
Free cash flow - Post tax nominal ¹	US\$1.5B - US\$2.1B (A\$2.0B - A\$2.8B)
Payback Period	7 years - 9 years

2nd Quartile cost curve position⁽⁴⁾



Notes: (1) NPV and IRR assume a 2 year pre-production capital work program; (2) NPV is pre-financing; (3) DFS 2018 financial numbers are in real terms unless otherwise noted and ranges reflect Base Case and High Case from Tala Hamza Investor Presentation 30 August 2018; (4) cost curve per Teck Investor Presentation 26 February 2018

Capital Costs

- Mining and processing infrastructure have been centralised in a single valley
- Mining decline optimised to reduce initial decline concepts
- Tailings dam removed and replaced by Cement Paste Backfill (CPB) and Cake Storage Facility (CSF)
- Processing plant utilises gravity feed to reduce opex costs
- Port and transport facilities minimised with 'rotatable container' - 'rotainer' model
- Project footprint minimised to reduce land access costs

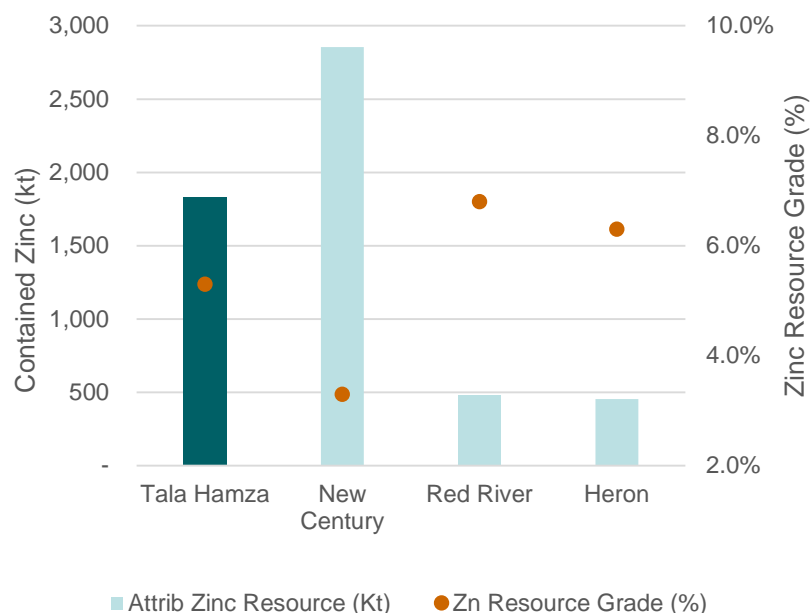
Project CAPEX (Nominal)	DFS ¹ US\$M 2018	DFS ¹ AU\$M 2018
Direct Capital		
Mining	96.9	127.5
Processing Plant & Surface Infrastructure	186.3	245.1
Total Direct Capital	283.2	372.6
Total Indirect Capital	58.22	76.7
Total Pre-Production Capital (Direct & Indirect)	341.4	449.2
Total Sustaining Capital	144.4	190.0
Total Life of Mine Capital	485.8	639.2

¹ AUD: USD EX 0.76

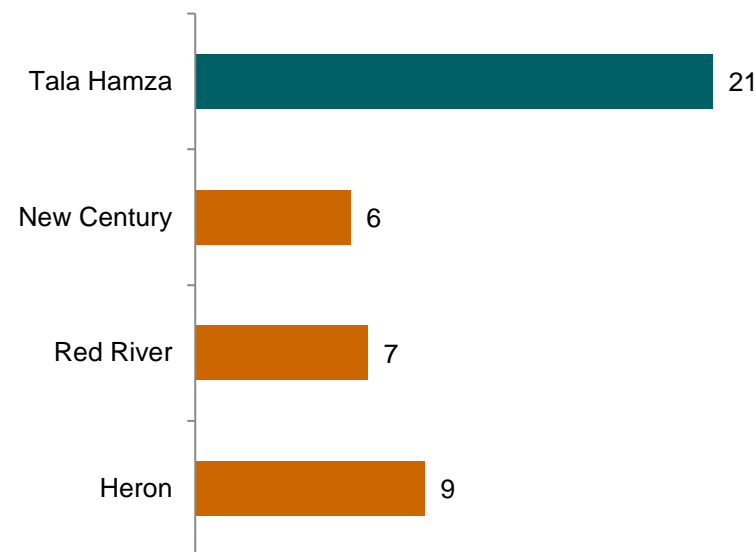
Large scale and long life: exposure across commodity cycles

Concentrate production will be significant in global terms, with projected mine life of 21 years, outlasting peer projects and supports views on long term zinc supply situation.

Contained zinc metal vs grade⁽¹⁾



Mine life comparison with ASX listed peers (years)⁽²⁾

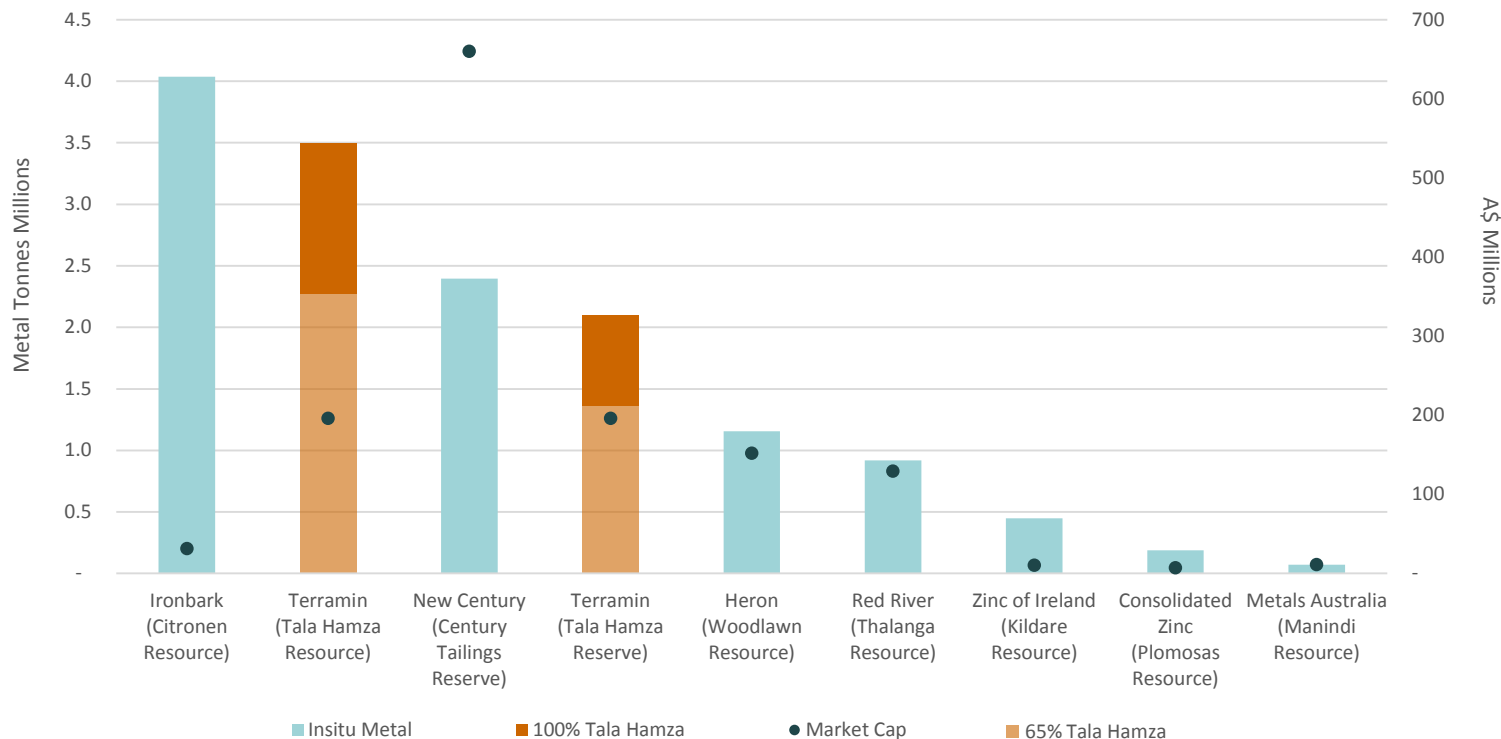


Notes: (1) Displays resource attributable to 100% of the Tala Hamza Project, Terramin has a 65% interest in Tala Hamza. Peer statistics as per company announcements;
(2) Peer mine life as per respective presentations at the Diggers & Dealers Mining Forum 6-8 August 2018

Terramin Strategy – Zinc Peers

Tala Hamza is competitive with peer projects at the pre-production stage and the project presents attractive exposure to zinc and lead production over the next two decades

Contained Metal Tonnes v Market Cap



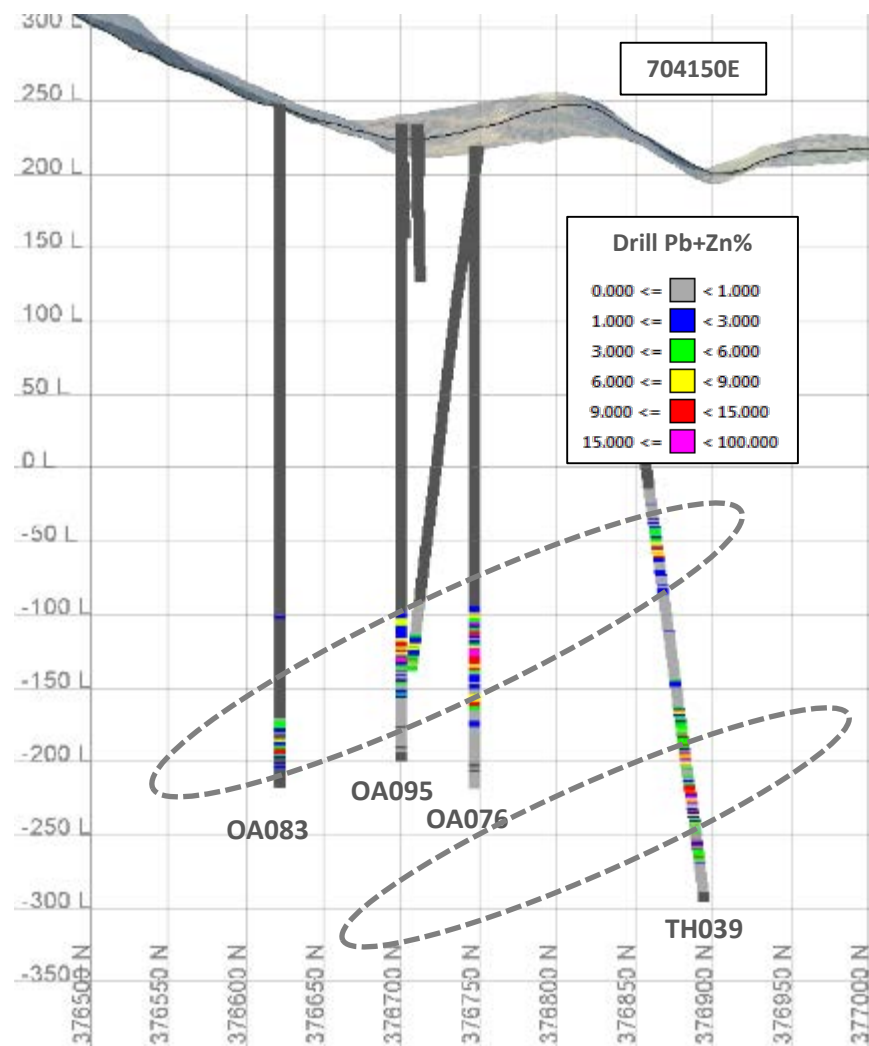
Resources, Reserves and grade data sourced from latest company announcements
 Market capitalisation as at 30 June 2018

Expansion Case 1: Increase Mining Rate

The Tala Hamza Deposit remains open in multiple areas. Land access achieved through the grant of the Mining Lease opens up the opportunity for a second access, maintain mine life and support expansion of the processing plant.

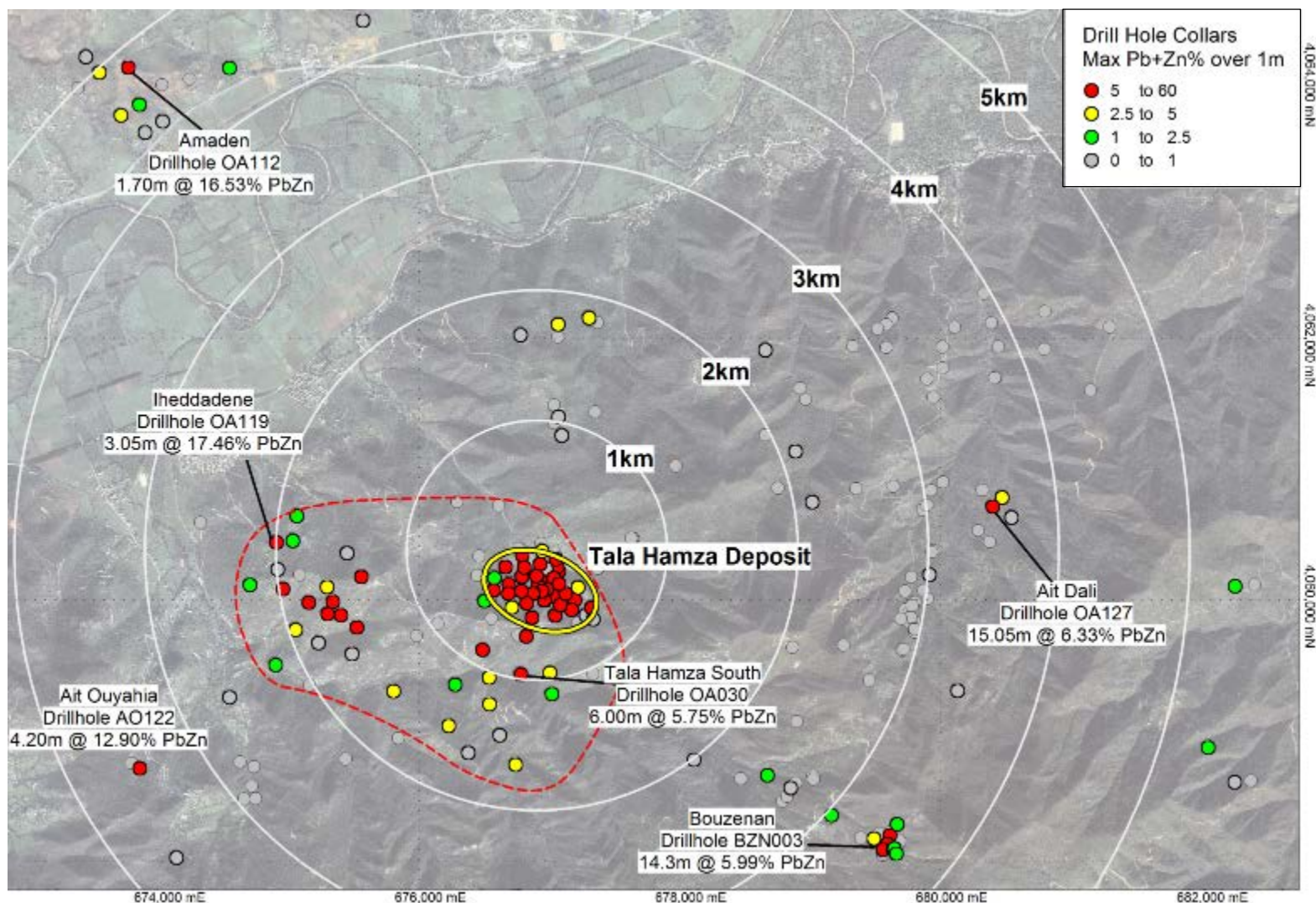
Unfinished business

- Tala Hamza mineralisation is open to the east
- Historic eastern most holes only intersected the upper lode
- WMZ drillhole TH039, eastern most hole to intercept the deeper lode
- TH039 intercepted from 381m, 106.4m @ 5.6% PbZn
- includes 413m, 5m @ 14.48% PbZn
- and from 436m 12.1m @ 11.48% PbZn



Expansion Case 2: Near Mine Deposits

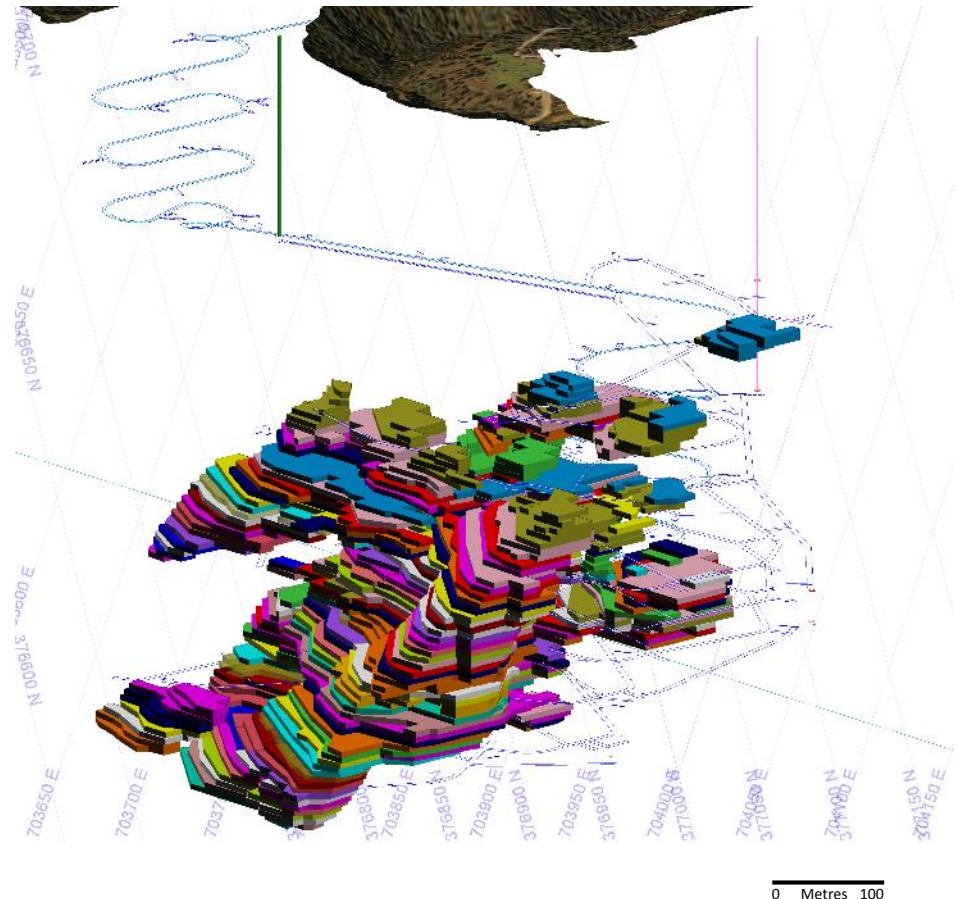
The Tala Hamza District is heavily mineralised. There are a number of nearby under explored zinc targets that provide the potential for conveying or haulage to a centralised processing hub at the Tala Hamza Deposit.



Algerian environmental and social concerns ruled out block caving and sub-level caving. The revised DFS looked at alternate methodologies to cater for poor rock quality and water management

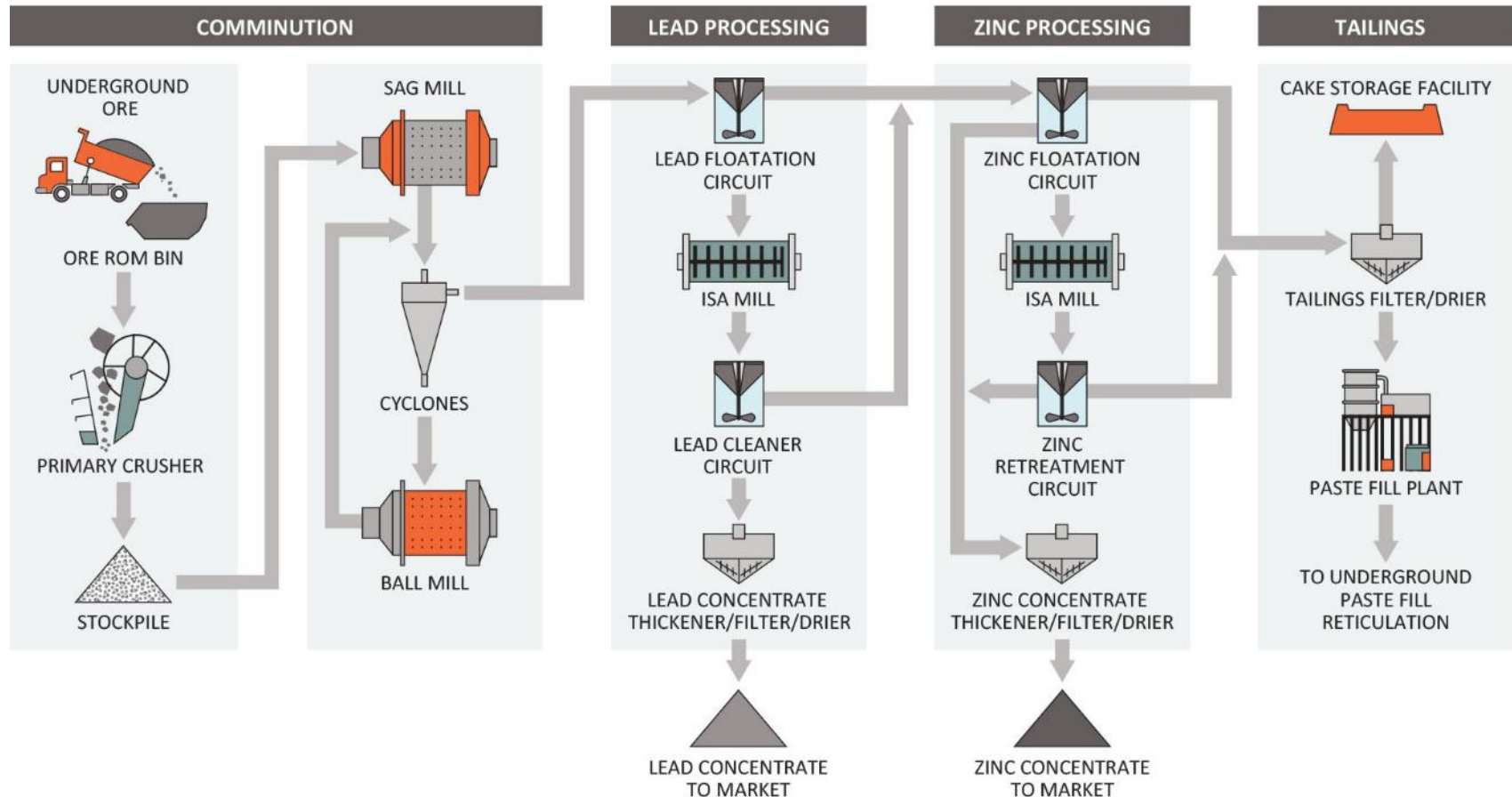
Mining Method

- Tala Hamza deposit is deep (greater than 500 metres)
- Early works focus on decline development and accessing early ore mineralisation
- Mining method recommended by NFC and ENFI adapted from nickel and coal operations in China and Australia
- Mining method limits production output and requires multiple faces to be in operation at any time
- Opportunities to optimise once permitting completed and land access is available



Process Plant Layout & Design

The DFS 2018 maintains the same standard process plant design concept as DFS2010 with the exception of the introduction of dry stack tailings storage and use of cement paste backfill



Tala Hamza – Forward Looking Plan

New management team has been appointed with a clear pipeline of activities to deliver on Terramin's base and precious metals strategies. Current status:

01

Formal submission of the DFS to the Government of Algeria

02

Wilaya (local administration approvals)

03

Land access and acquisition of sites designated to host infrastructure

04

Optimisation and FEED (Front End Engineering and Design) works

05

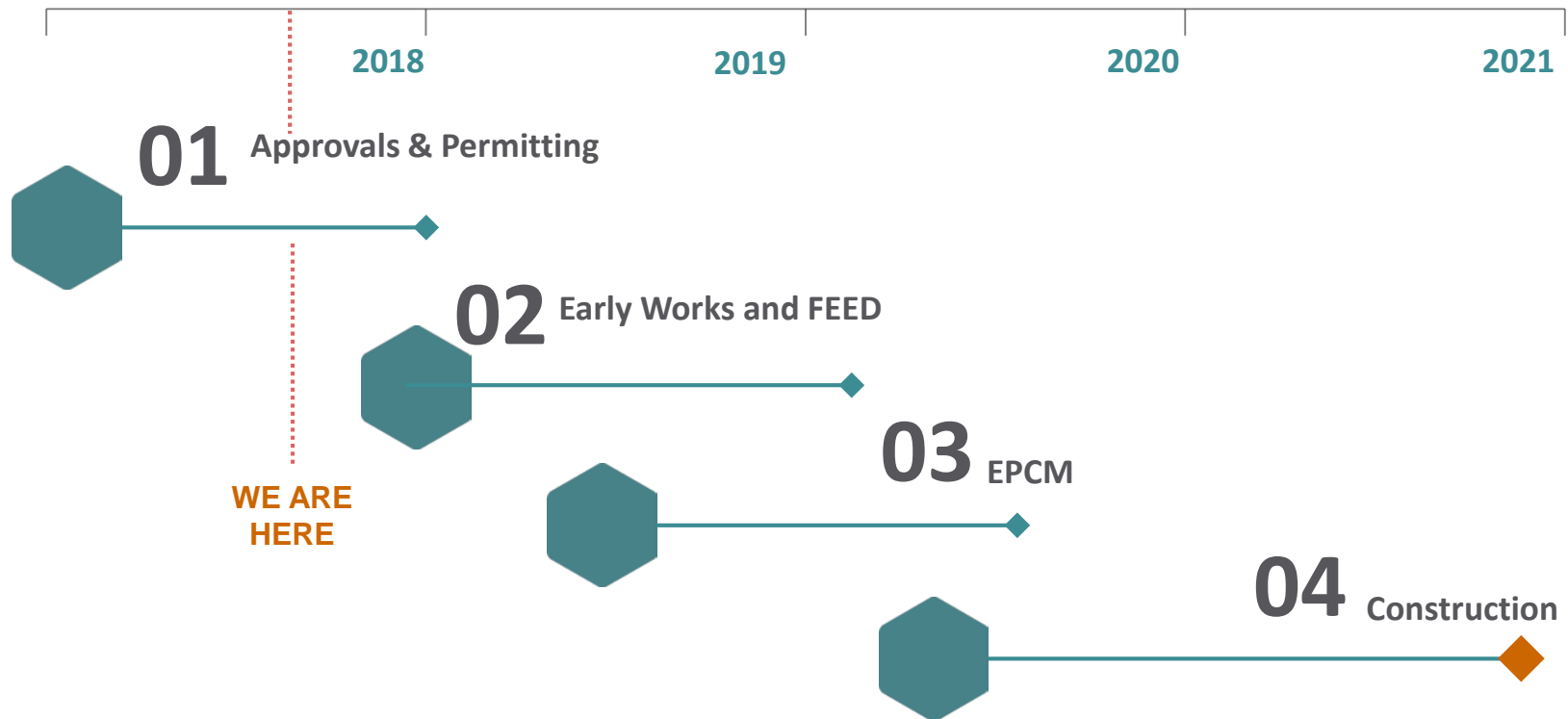
Early works road access and administration establishment

06

Establishment of owner's team and EPCM

Tala Hamza – Indicative Time Frames

Timeframes are for indicative purposes only. The project has been delayed while working with the Algerian authorities to address environmental and social aspects. Timeframes may extend.



Terramin Demerger of Gold Assets

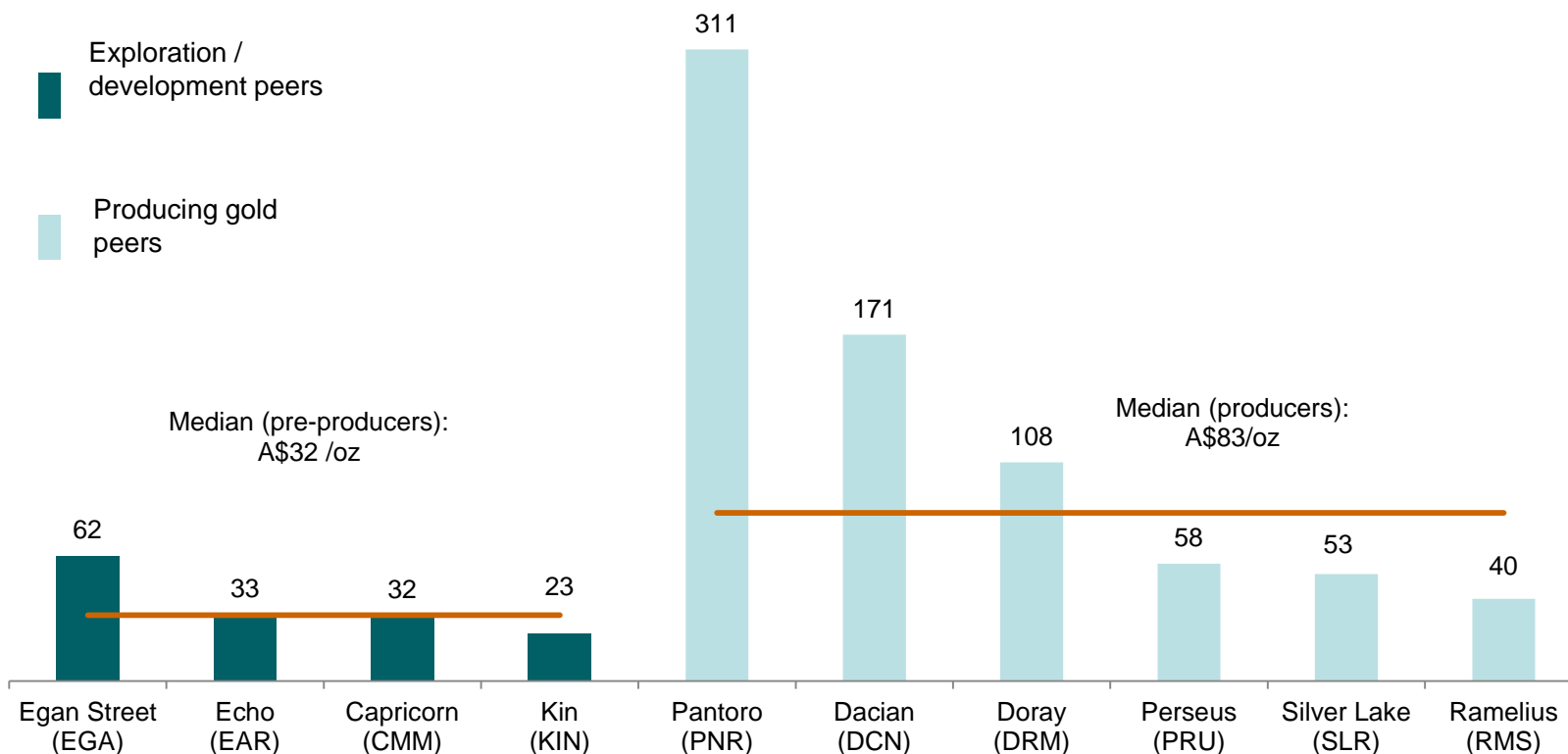


Terramin has announced a strategic review looking at the demerger of its precious and base metals business. A decision is expected by Q1 2019:



Terramin South Australia gold assets standalone

Terramin sees the opportunity to expand its resource base in South Australia driven to capitalise on EV/Resources multiple (A\$/oz) and significant value generation potential with minimal capex



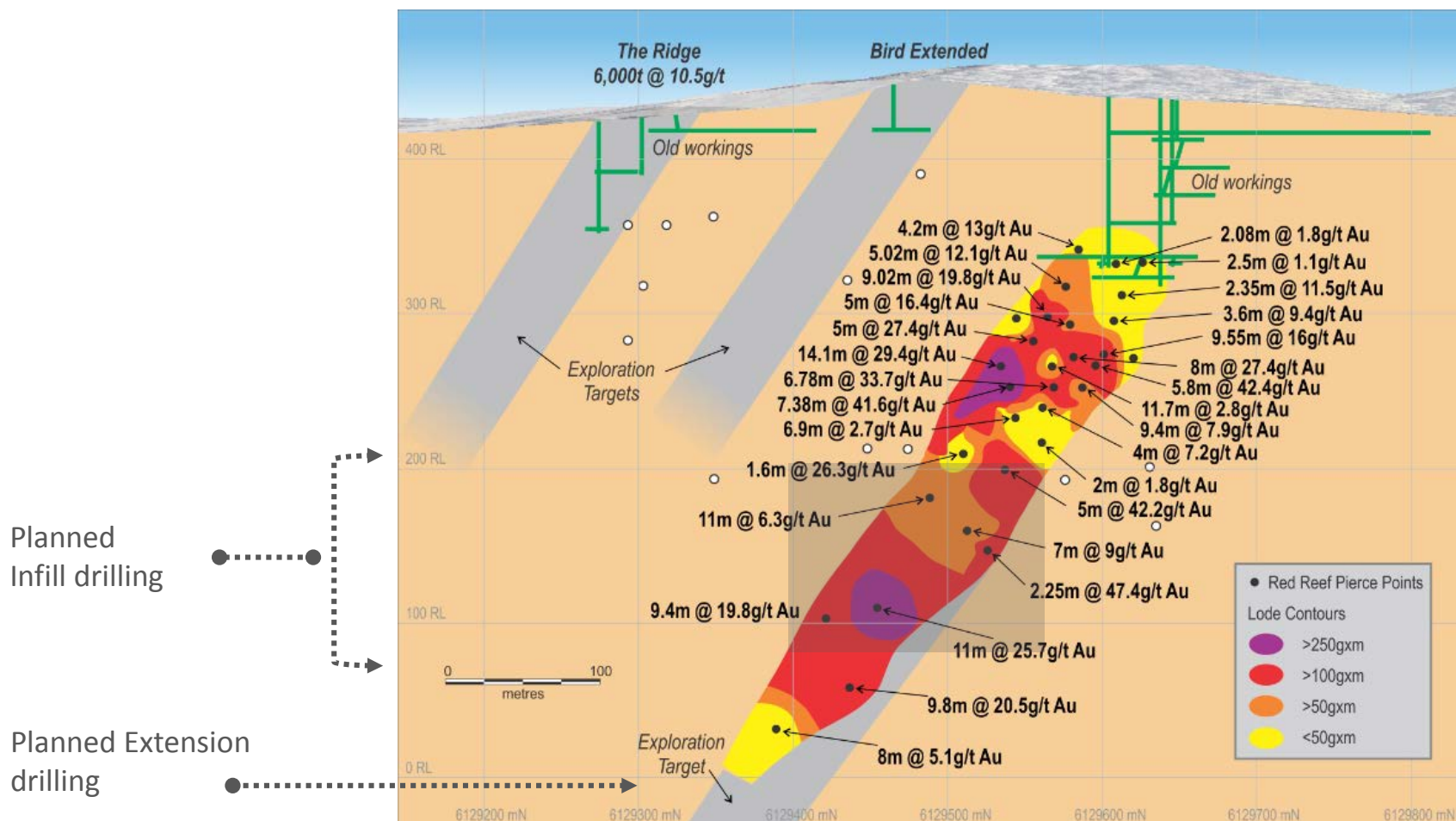
Source: Iress, Company filings, Market data as at 22 October

Resource and balance sheet data sourced from latest company announcements

Capricorn, Egan Street, Echo, Silverlake and Doray reported net debt as at 30 June 2018 and Kin, Ramelius, Pantoro, Dacian and Perseus reported net debt as at 30 September 2018

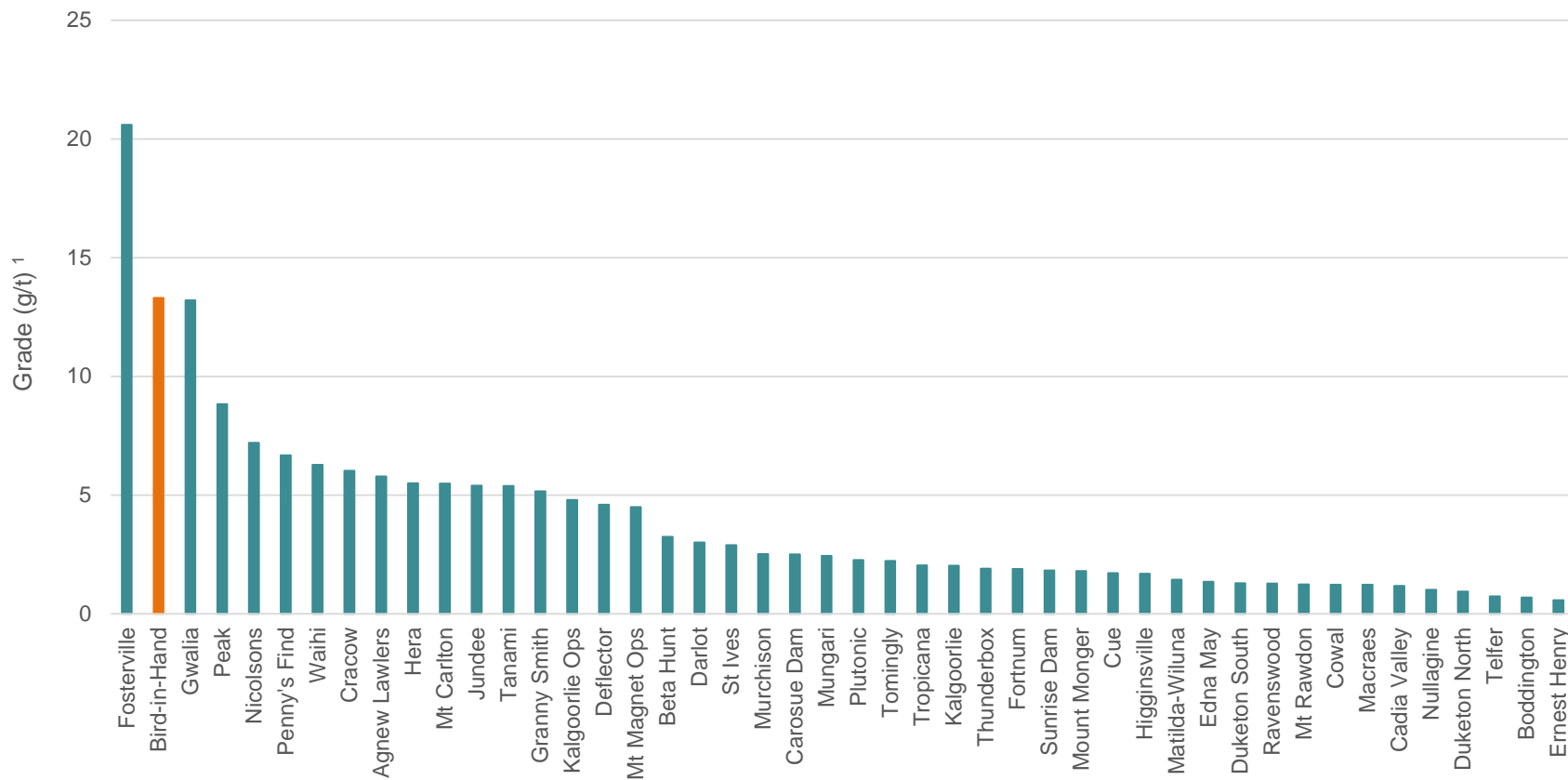
Bird-in-Hand – Exploration Upside

Bird in Hand Gold Project has significant exploration upside – deposit open at depth and historic mines highlight the potential along strike. Current Bird in Hand Resource stands at 252,000 ounces.



Bird-in-Hand – High Grade Potential

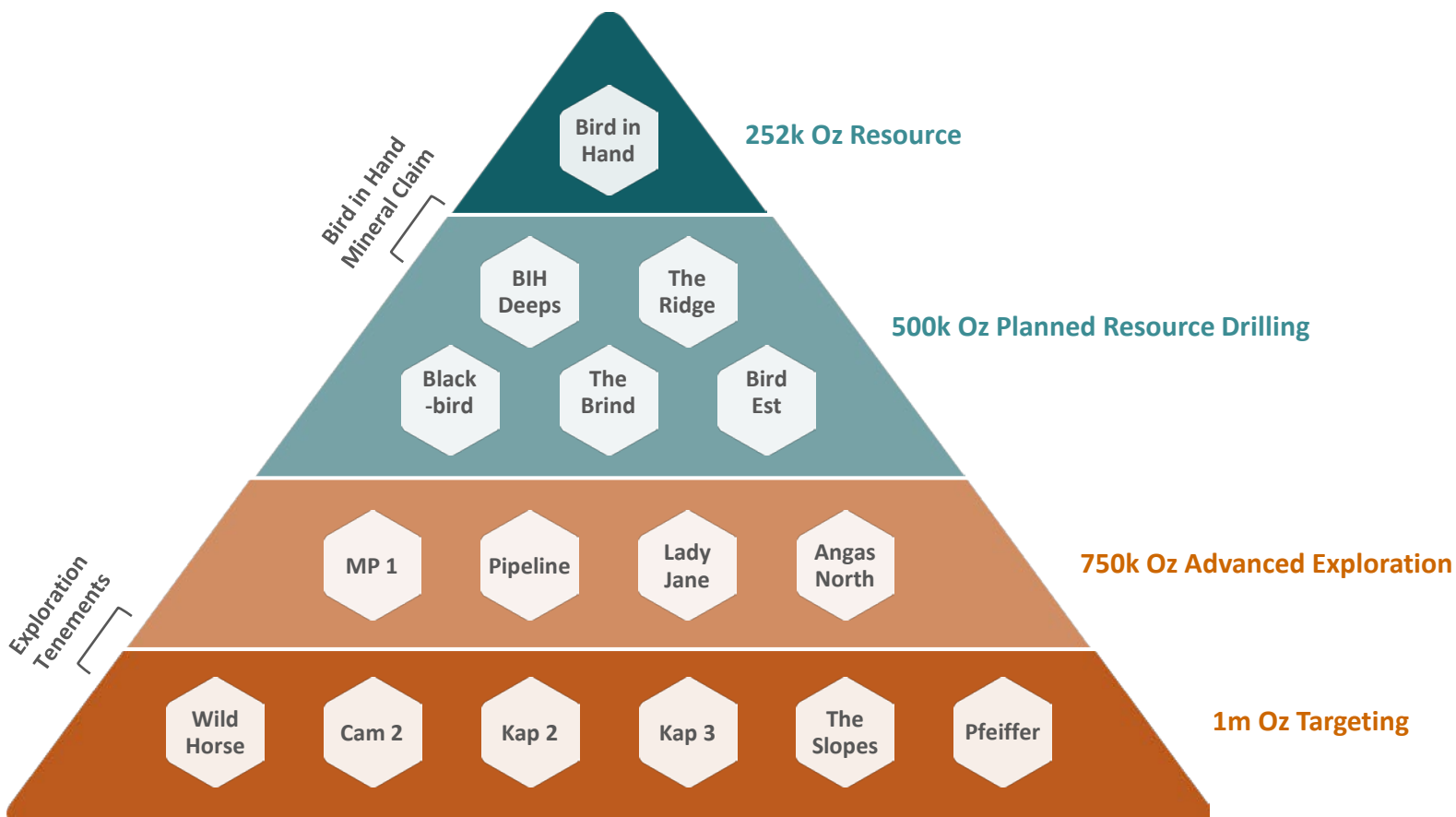
The Bird-in-Hand mine will be one of the highest grade mines in Australia. Regional exploration will focus on similar high-grade opportunities identified from historical 19th Century workings



1. Aurum Analytics June Quarter 2018 - Final Report. Bird in Hand Resource grade, remaining reflects quarterly production grade.

Terramin Exploration Pipeline – Pathway 1m Oz

Terramin has a pipeline of high grade potential gold targets that will form the basis of its aspirational target of 1m Oz in resource from existing tenements and potential acquisitions.



Reasons to Invest in Terramin

Terramin is in the right place at the right time and with the right projects and people to capitalise on a strong price environment for its key commodities



Right Commodity

- Zinc & lead historic high levels
- Gold in AUD at record prices
- Strong long term fundamentals



Right Assets

- Algeria an emerging mining jurisdiction
- First mover advantage
- Multiple near mine targets
- High grade gold targets
- Low opex



Right People

- Significant base & precious metals experience
- Long association with the projects
- Strong shareholder support



Contact Details

For further information please contact:

Richard Taylor

Chief Executive Officer

Simon Iacopetta

Chief Financial Officer

Main Office

Unit 7, 202-208 Glen Osmond Road,
Fullarton, Adelaide
South Australia, 5063

T +61 (0) 8 8213 1415

F +61 (0) 8 8213 1416

info@terramin.com.au

terramin.com.au



Annex: Tala Hamza Resources & Reserves

Tala Hamza Resource

2009 Resource Tala Hamza	Terramin Interest (%)	Measured + Indicated Resource			Inferred Resource			Total Resource		
		Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)
Tala Hamza	-	51.1	4.87	1.27	17.5	3.7	0.6	68.6	4.6	1.1
Total	-	51.1	4.87	1.27	17.5	3.7	0.6	68.6	4.6	1.1
Terramin Share	65%	33.2	4.87	1.27	11.4	3.7	0.6	44.6	4.6	1.1

- 1 November 2009 Tala Hamza Resource was prepared and reported in accordance with the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, December 2004 (JORC Code 2004).
- 2 Resource Estimate assumed the bulk mining method of block caving.
- 3 Resource classification; Measured - drill spacing < 50 m, Indicated - drill spacing 50 to 75 m, Inferred - drill spacing > 75m.
- 4 Estimated at a nominal 2.5% ZnEq cut-off for the Measured and Indicated Resources with internal waste included (~approximately 8Mt @ 1.9% Zn + Pb).
- 5 Zinc Equivalence formula $\%ZnEq = \%Zn + 0.59 \times \%Pb$.
- 6 Inferred Resource is at a 2.5% zinc equivalent cut-off within the 1% lead + zinc outline.
- 7 The 2009 Resource was inclusive of Reserves

2018 Resource Tala Hamza	Terramin Interest (%)	Indicated Resource			Inferred Resource			Total Resource		
		Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)
Tala Hamza	-	44.2	5.54	1.44	8.9	4.0	0.7	53.0	5.3	1.3
Total	-	44.2	5.54	1.44	8.9	4.0	0.7	53.0	5.3	1.3
Terramin Share	65%	28.7	5.54	1.44	5.8	4.0	0.7	34.5	5.3	1.3

- 1 January 2018 Tala Hamza Resource Estimate prepared and reported in accordance with the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves, December 2012 (JORC Code 2012).
- 2 Resource Estimate assumes the selective mining method of Underhand Drift and Fill.
- 3 Resource classification; Indicated - drill spacing < 75 m, Inferred - drill spacing > 75m.
- 4 Zinc Equivalence formula $\%ZnEq = \%Zn + \%0.856 Pb$.
- 5 Estimated at a 3.0% ZnEq cut off within the 1% lead + zinc outline.
- 6 The 2018 Resource is inclusive of Reserves

Annex: Tala Hamza Resources & Reserves

Tala Hamza Resource

2010 Reserve Tala Hamza	Terramin Interest (%)	Probable Reserve			Total Reserve		
		Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)
Tala Hamza	-	38.10	4.78	1.36	38.10	4.78	1.36
Total	-	38.10	4.78	1.36	38.10	4.78	1.36
Terramin Share	65%	24.80	4.78	1.36	24.80	4.78	1.36

- 1 2010 Ore Reserves reported under JORC-2004
- 2 Reserves estimated based on Block Caving Mining Method
- 3 Total extraction included 46.8Mt, less 6.9Mt waste material separated and 1.8Mt Inferred or unclassified material
- 4 Cut-off grade was 2.5% ZnEq

2018 Reserve Tala Hamza	Terramin Interest (%)	Proved Reserves			Probable Reserves			Total Reserves		
		Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)	Tonnes (Mt)	Zn (%)	Pb (%)
Tala Hamza	-	-	-	-	25.9	6.3	1.8	25.9	6.3	1.8
Total	-	-	-	-	25.9	6.3	1.8	25.9	6.3	1.8
Terramin Share	65%	-	-	-	16.8	6.3	1.8	16.8	6.3	1.8

- 1 2018 Ore Reserves Estimate is reported in accordance with JORC-2012
- 2 Designs and schedules use the Underhand Drift and Fill method
- 3 Project cut-off grade is 4.5% Pb+Zn (approx. 4.4% ZnEq)