



TERRAMIN AUSTRALIA LIMITED

ASX Announcement

25 February 2016

Key Drilling Programme to Commence at High Grade Bird-in-Hand Gold Project

Terramin Australia Limited (**Terramin**) (ASX:TZN) is pleased to announce that it will commence a significant drilling programme at the Bird-in-Hand Gold Project (**Project**) in the coming days. The project is located near Woodside in the Adelaide Hills, South Australia.

The 2,400 metre drilling programme which is expected to be completed in the next 3 months is primarily designed to provide geotechnical and metallurgical data to enable Terramin to finalise the design of the underground mine and related surface facilities. This data will enable Terramin to complete its studies so that it is in a position to lodge a mining lease application later this year.

The Project has an Inferred Mineral Resource estimate of 557,000 tonnes at 13.0g/t for a contained 233,000 ounces of gold (at a cut-off grade of 1.0g/t gold), which represents one of the highest grade gold deposits in Australia. The resource is open at depth and along strike. The Resource may be increased through additional exploration in the vicinity of the Project.

As set out in the scoping study released to the ASX on 2 December 2013 the Project's development is based on an underground, paneled cut and fill mining method and a gravity concentration and flotation processing approach to produce doré bullion and gold concentrate.

Terramin plans to utilise its existing processing plant and tailings storage facility at the Angas Zinc Mine to process the ore.

Terramin's Chief Executive Officer, Martin Janes said: "The Bird-in-Hand Gold Project offers Terramin the opportunity to operate one of the highest grade gold mines in Australia where the economics of the project are further enhanced by the utilisation of Terramin's existing processing facilities. The technical work and compelling economics performed on the Project to date has given Terramin the confidence to proceed with the mining lease application."

For further information, please contact:

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Competent Person's Statement

The information in this report 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.