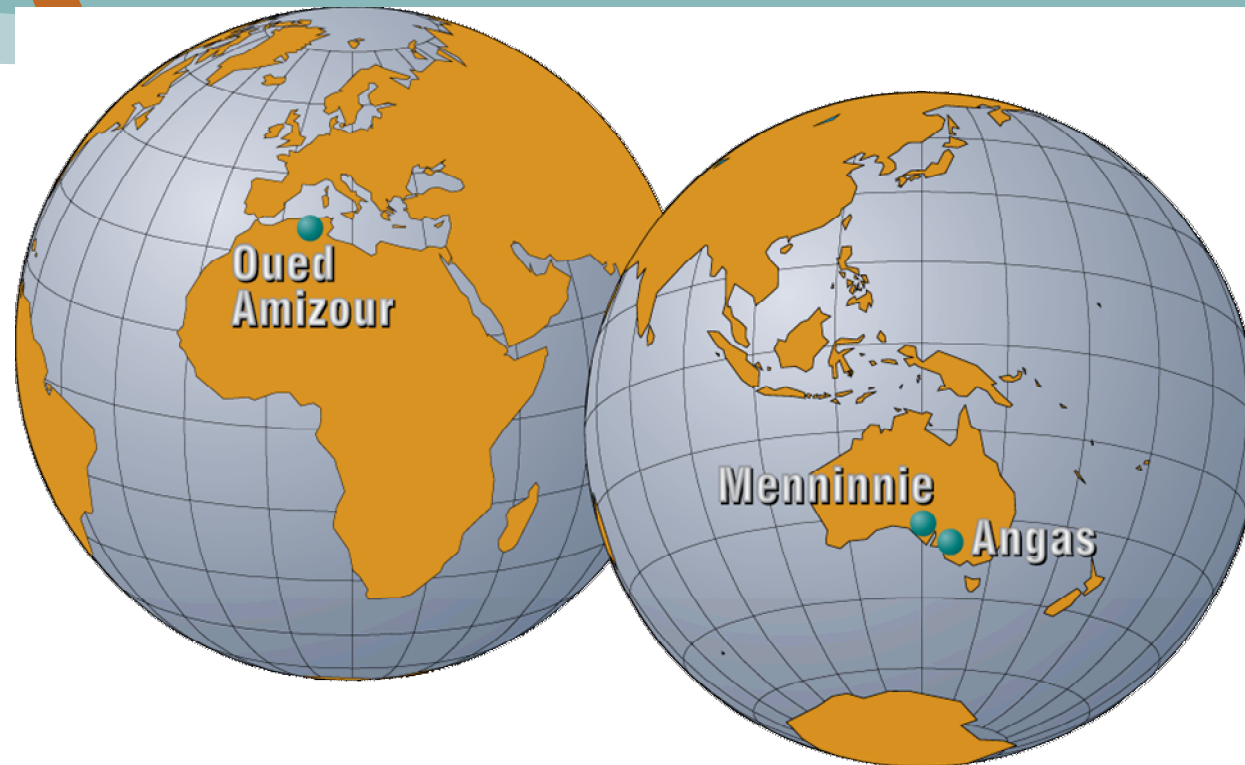




TERRAMIN AUSTRALIA LIMITED



Leveraged to zinc

Australian Roadshow

September 2009

Important information



The information in this presentation is designed as an aid to a spoken explanation. It is not to be considered without that explanation. It is not intended to guide any investment decisions in Terramin Australia Ltd.

The information is intended as a guide to the potential of Terramin's zinc projects but is not predictive. Consideration of the technical and financial factors requires skilled analysis and understanding of the context.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Robert Singer. The information that relates to Angas Ore Reserves is based on information compiled by Mr Andrew Robertson. The information that relates to Tala Hamza Ore Reserves is based on information compiled by Dr Yi Huang. All are Members of The Australasian Institute of Mining and Metallurgy. Mr Singer is Chief Geologist and Mr Andrew Robertson is General Manager Operations of Terramin Australia Limited and both are full time employees. Dr Huang is a full time employee of Golder Associates Pty Ltd. All have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources or Ore Reserves'. Mr. Singer, Mr Robertson and Dr Huang consent to the inclusion in the report of the matters based on his information in the form and context in which it appears

Terramin strategy



- ❑ **Finding and developing base metal mines**
 - in close proximity to infrastructure and
 - with low capital and operating costs
- ❑ **To grow the company by**
 - building on existing portfolio through focused exploration
 - aggressively seeking to acquire base metal projects that meet location and cost criteria
- ❑ **Focus on zinc- but open to other opportunities**

Leveraged to zinc – asset positioning



**The Company is a low cost producer and has
and a world class project in final feasibility;**

❑ **Angas Zinc Mine - South Australia (100%)**

- In production – C1 cash cost US34 cents
- expansion to accelerate cash flow

❑ **Oued Amizour Project – Algeria (65% interest)**

- In final feasibility, deposit remains open to south
- block cave option: lower operating cost; higher throughput

Attributable metal - 2.8 Mt lead and zinc

- USD5.3 billion in ground value (Barclay's long term prices)

Why zinc?



- ❑ **Mine closures and production cuts**
 - 1.1 Mt zinc metal reduction in 2009 (10% of world supply) [ILZSG]
- ❑ **Many proposed projects unlikely to proceed**
 - high capital and operating cost, difficult locations
- ❑ **Lack of investment in exploration and development**
 - delays any future recovery in supply by 10+ years
- ❑ **Zinc price responding to recovery in world economies**
 - production can only resume from high cost producers

Why zinc?

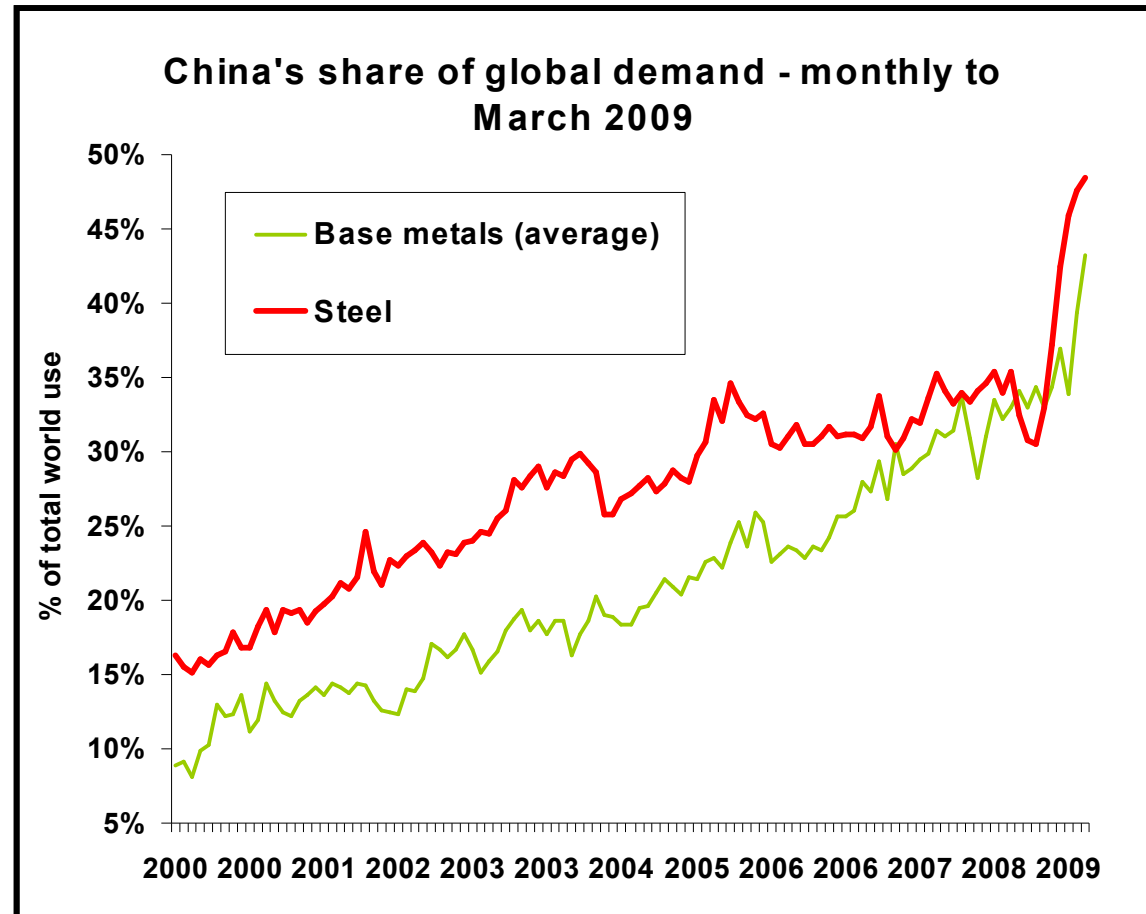


China

-galvanising demand is growing by 15–20%

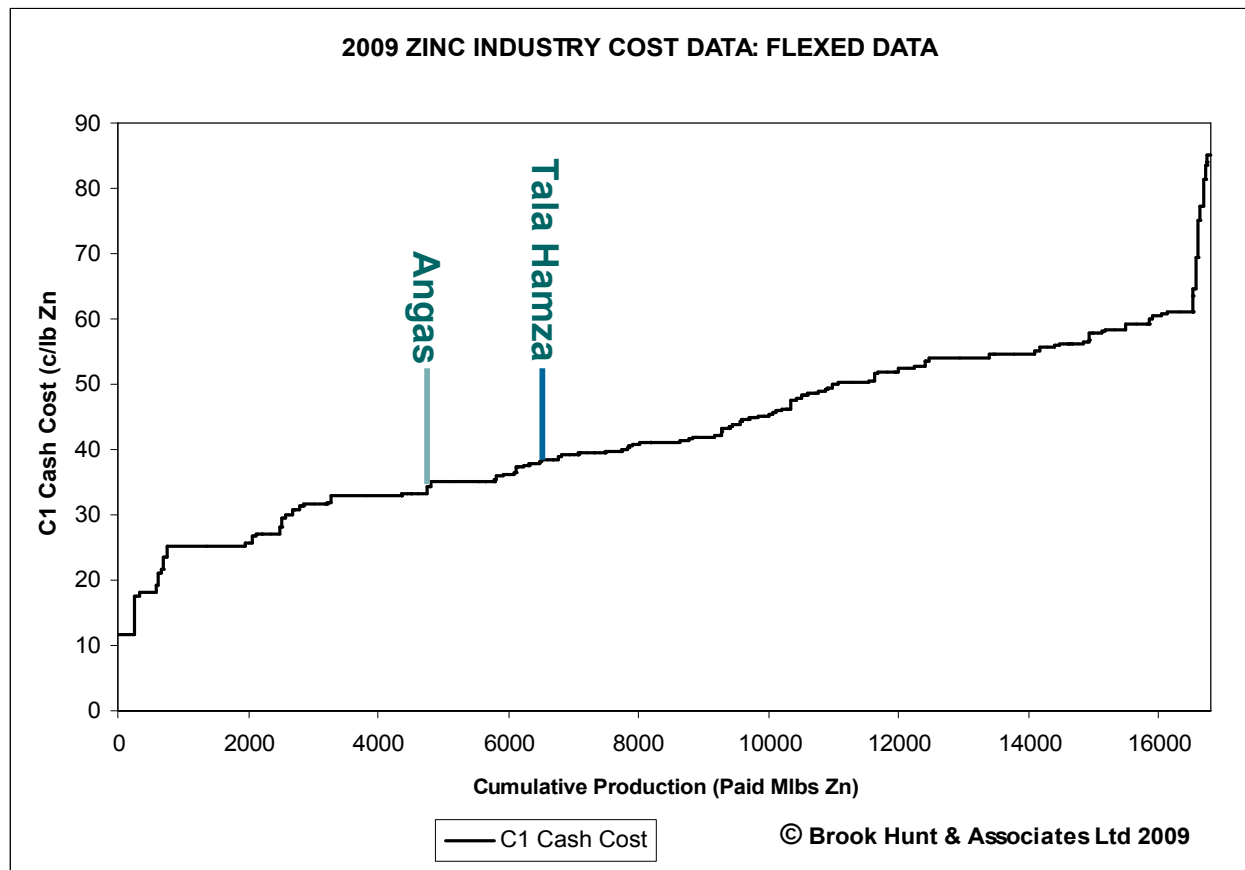
-galvanised steel is 50% of new zinc consumption in China

-steel nearly 50% of world demand



2009 Zn Cost Curve, C1

Section Header (used to create Tab Pages and Table of Contents)



Company fast facts



Public company - ASX listed

No of Shareholders	4,200
Shares on issue	139 million
Convertible/redeemable Notes	USD30.5 M and AUD5.0 M

[USD notes 5 year term convertible at market]

Market Capitalisation (at share price of \$0.71)	~AUD100M
Turnover (daily average)	~275,000 shares

Shareholders

Management, Board & associates	23.4%
Institutions (Australian & international)	33.7%
NFC	11.2%
Transamine	8.3%

Debt facility (Investec Bank) – fully drawn **AUD30 million**

Cash at Bank **AUD23 million**

No metal or currency hedge positions but natural hedge

Building on a year of progress



□ Angas mine completes first year of production

- production on forecast
- debt restructured
- optimisation initiatives implemented
- EBITDA forecast \$54m over next two years

the next step? - production expansion to accelerate cash flow

□ Tala Hamza project advancing

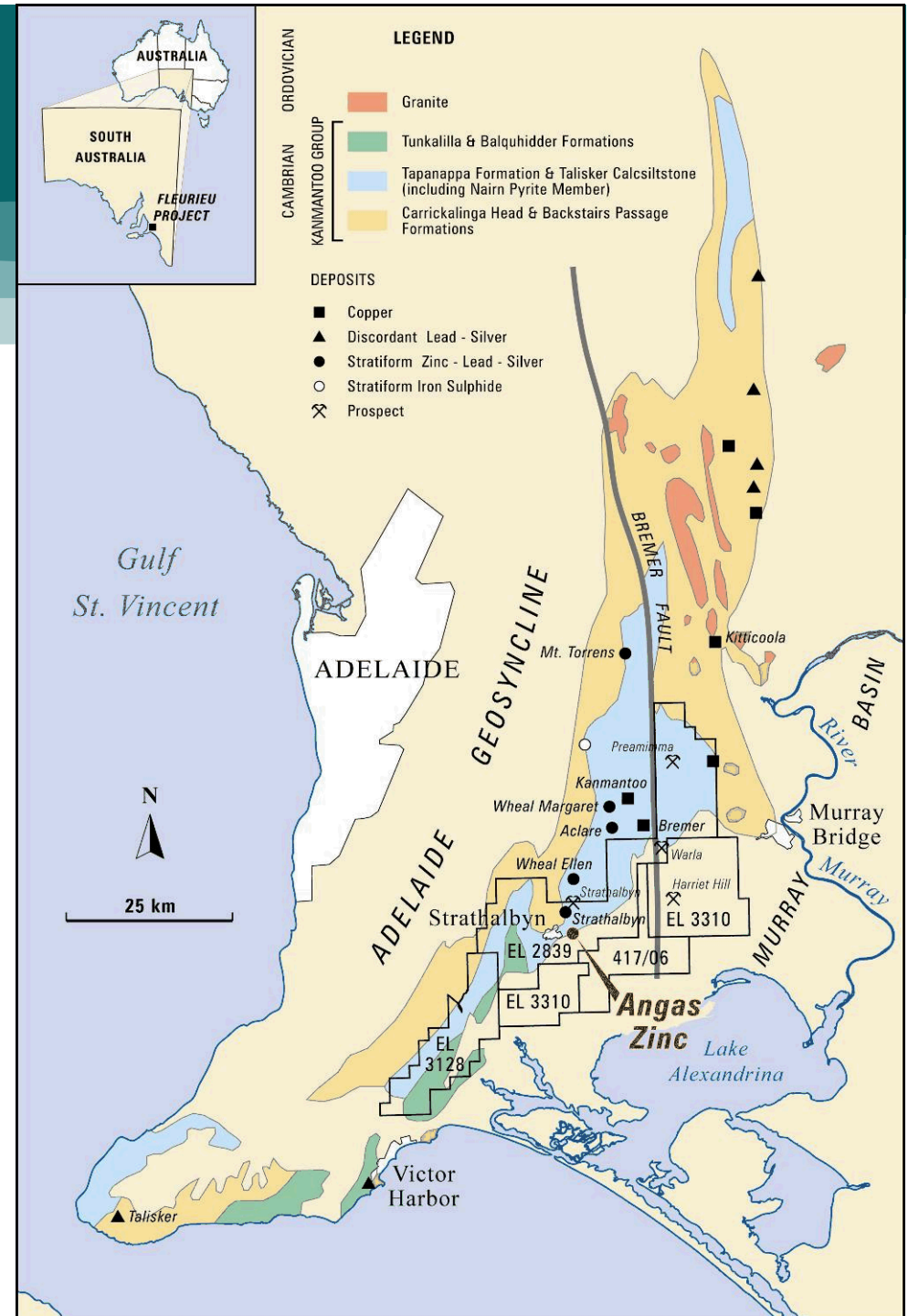
- expanded mineral resource 59Mt, but resource still open
- initial 24Mt ore reserve declared
- prefeasibility completed
- finance in place for feasibility and initial mine development

the next step? – upscale design to double production

Angas Mine

- ❑ 60 km from Adelaide
- ❑ Australia's first mining belt (c1845)
- ❑ Company tenements total 1,160km²
- ❑ Angas: new discovery 1991
 - Mining Lease grant August 2006
 - MARP approved March 2007
 - construction from June 2007
 - Production from August 2008
- ❑ Fast effective path to production

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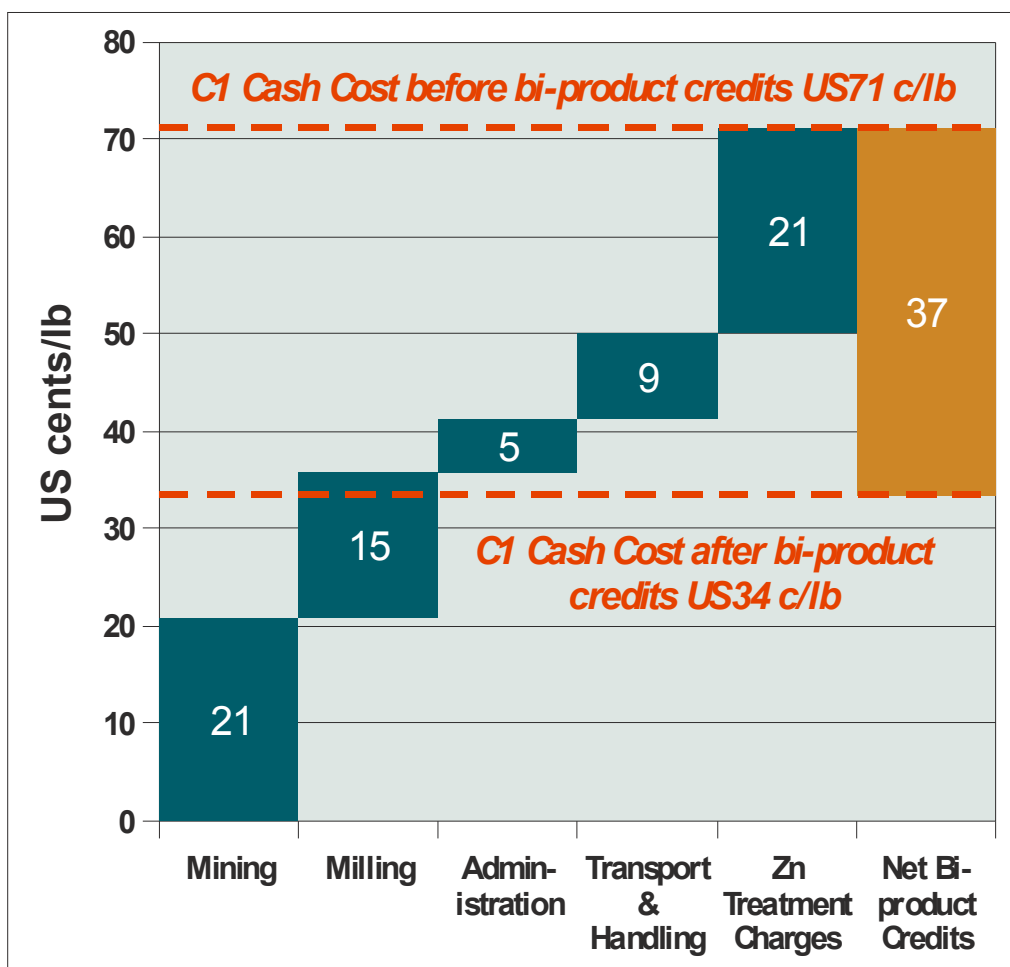
Angas – low operating cost attributes



- ❑ shallow virgin ore body
- ❑ coarse grind
- ❑ precious metals credit
- ❑ grid power- low fixed price
- ❑ no fly-in fly-out
- ❑ local equipment support services



Angas C1 cash cost



June 2009 quarter

Basis

zinc treatment charge US 50 cents/lb and lead credit at US83 cents/lb

Current prices

*zinc US 84 cents/lb
lead US 95 cents/lb*

Sensitivity

*increase of US5 cents/lb
lead price decreases the
zinc C1 by US1.3 cents/lb*

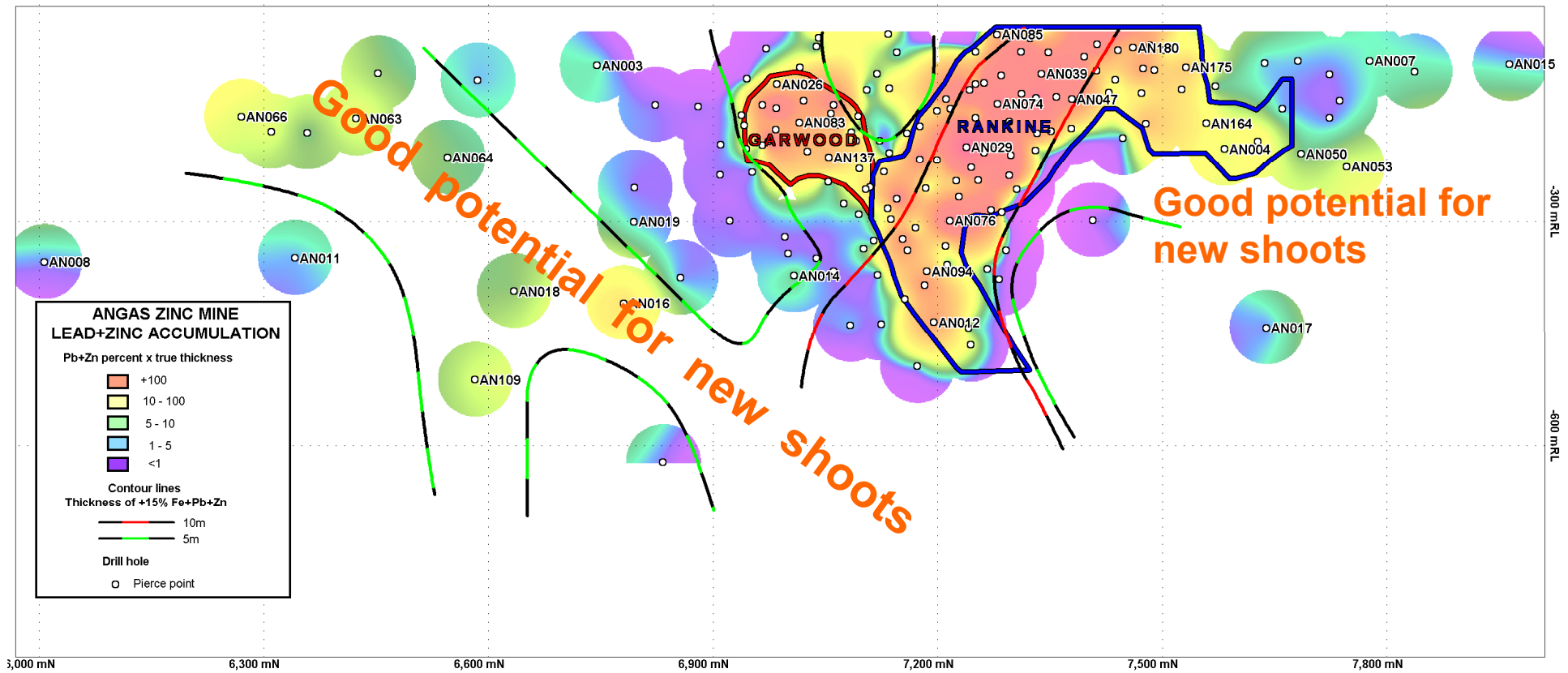
Throughput expansion option



- ❑ **Expand process plant to 500,000 tonnes pa - \$3.6M**
 - SAG mill VS drive, additional cyclones, upgrade pumps, flotation capacity, two extra lead filter leafs - crushing/conveying/thickening/tailings storage/concentrate out loading – no expenditure
- ❑ **Underground - <\$2M**
 - production drill rig and minor reticulation only
- ❑ **Site infrastructure - Nil**
- ❑ **Accelerate exploration ~ \$2M**

..... **looking to capture economies of scale**

Resource upside



Angas regional potential



- Focus currently around Angas
- 20 identified regional targets
- Process plant design not capacity constrained
- Targeting incremental feed
- Gold potential being reviewed



Oued Amizour Project



- ❑ Located near Bejaia in northern Algeria - 250 km east of Algiers
- ❑ Positioned at the doorstep of Europe's smelters
- ❑ Perfect location and infrastructure
- ❑ Algeria is major energy supplier to Europe



Oued Amizour Project

- Ownership



- **Exploration Permit 5225PE**
- **100% owned by Western Mediterranean Zinc (WMZ)**
 - *incorporated private Algerian company*

WMZ Ownership:

65.0% Terramin Australia Limited (TZN)

32.5% ENOF (Algerian Govt. company)

2.5% ORGM (Algerian Govt. company)



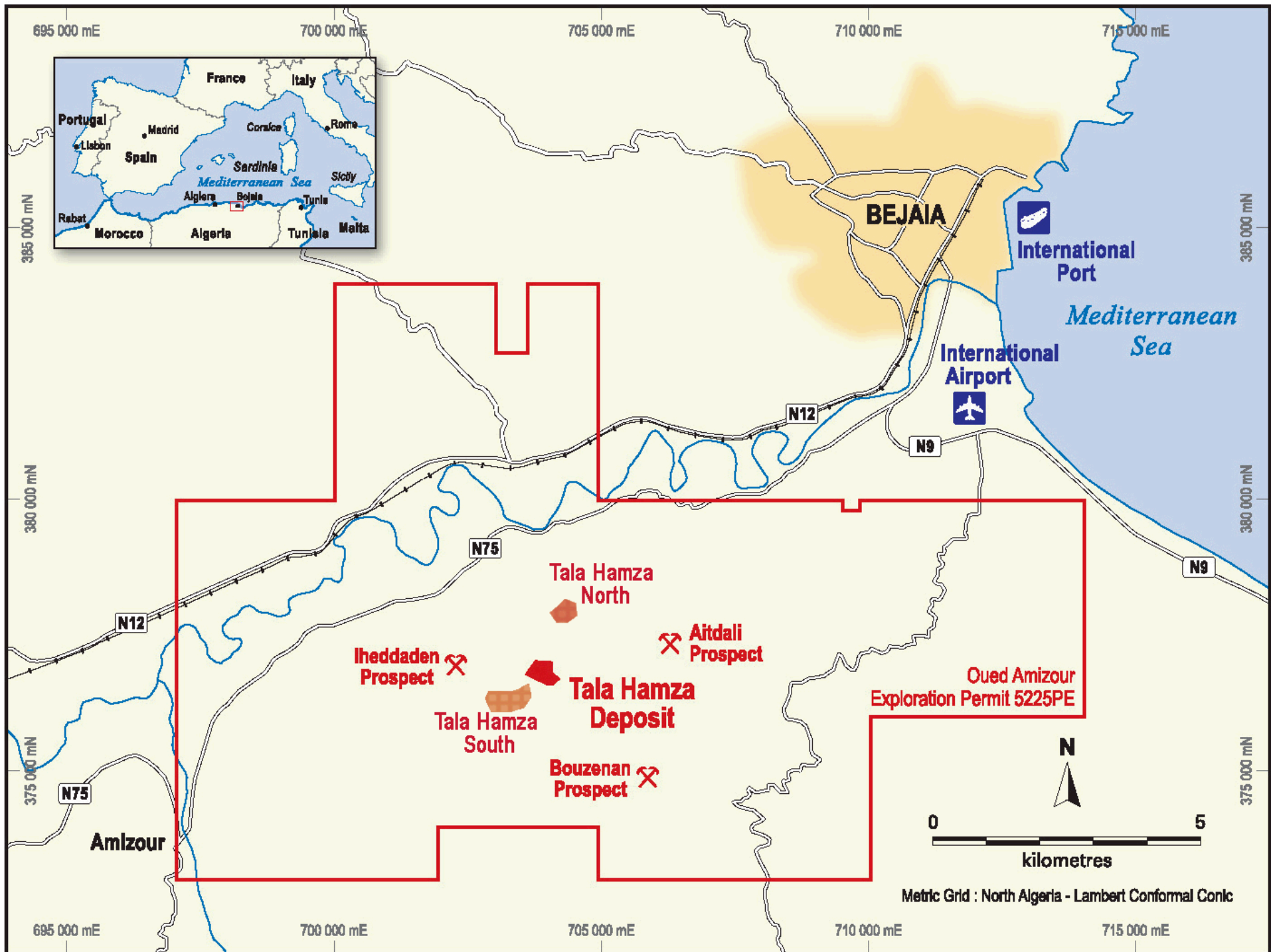
Western Mediterranean Zinc Spa

Algerian partners free carried to “decision to mine”

Project summary so far



- ❑ **Terramin interest acquired in 2006**
- ❑ **ORGM non-JORC “reserve” 30Mt @ 6.9% Pb+Zn**
- ❑ **WMZ major infill and feasibility drilling programme through 2007 to December 2008**
 - ❑ additional 58 diamond drill holes (up to four rigs)
- ❑ **Scoping study completed in February 2008**
- ❑ **Upgraded JORC compliant Resource estimate including first Indicated Resource in October 2008**
- ❑ **Prefeasibility study results released in April 2009**
- ❑ **Spend to date US\$ 26M**

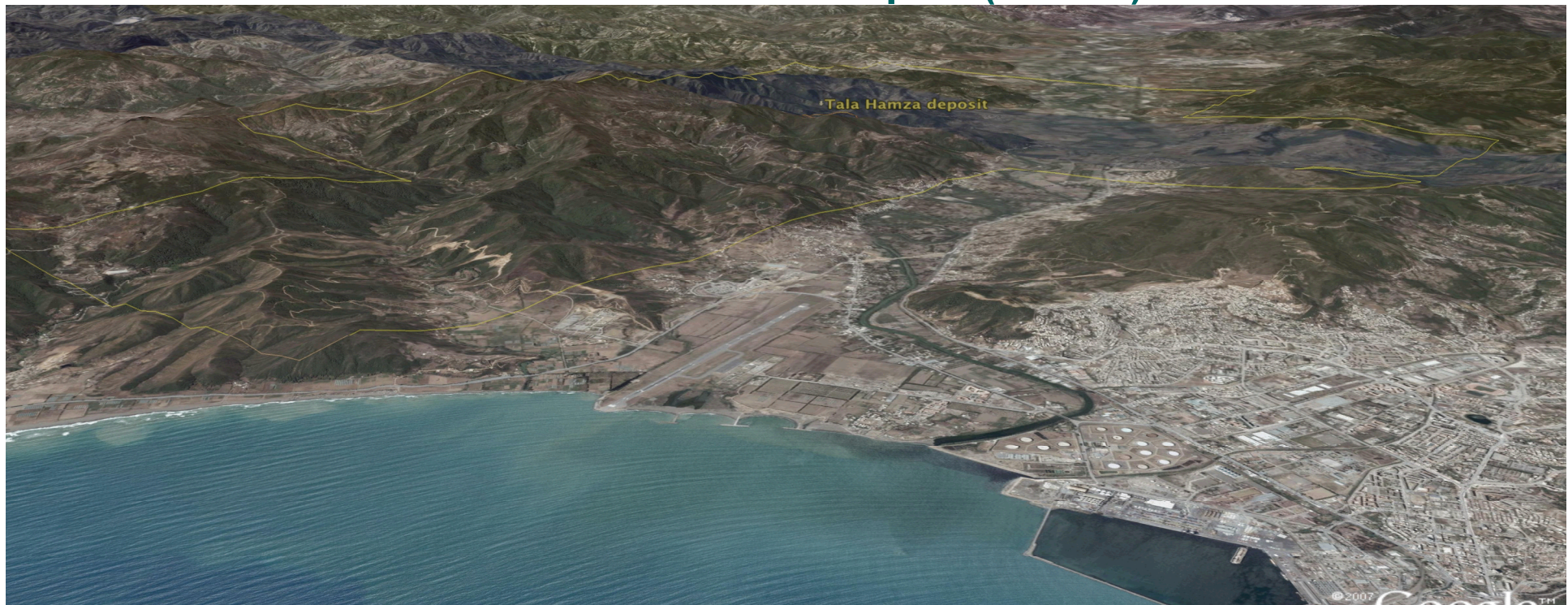


Oued Amizour

- *mérites de projet ? “Pas de problème!”*



- wide mineralised intersections with large high grade intervals
- process power – reliable low cost 3-4c/kWhr
- diesel – 18c / litre
- water – mine lease bores
- major port and international airport (10kms)



Pre-feasibility study



- ❑ **Bateman Engineers/Golder Associates/Terramin**
- ❑ **Most elements at feasibility standard ($\pm 15\%$)**
- ❑ **Study assumes**
 - conventional crush-SAG mill-flotation
 - bulk mining using low cost SLC or Block caving
 - access via twin declines for production and ventilation
 - concentrate shipment through Bejaia port (10km)
 - conservative long term metal price forecasts

Pre-feasibility outcomes



- ❑ **Capital cost USD 266 million:** 2 Mtpa throughput
- ❑ **Production per annum average**
 - 210kt zinc concentrate (54% Zn grade at 90% recovery)
 - 40kt lead in concentrate (60% Pb grade at 72% recovery)
- ❑ **Highly marketable product (low Fe and Si)**
- ❑ **Life of Mine C1 cash cost US 42 c/lb payable zinc**
 - assumes lead price USD 0.60/lb, Zn TC USD 229

Going forward



▣ Proceeding to Feasibility

- further geotechnical and hydrogeological drilling
- finalisation of portal and decline design
- optimisation of mine plan and 4-5 Mtpa production options
- continuing assessment of block cave option
- finalisation of EIS
- application for Mining License

Value add propositions



- ❑ **Block cave**
 - opportunity for higher tonnage/lower unit cost
 - look at increasing production to 3-4Mtpa
- ❑ **Underground crushing and conveying**
 - increased production
 - reduced ventilation requirements
- ❑ **Early start to declines**
 - bring forward mine commencement
- ❑ **Bulk shipment of lead concentrate**
 - lower costs
- ❑ **Increase Proved Reserve with additional drilling**

Additional Reserves?

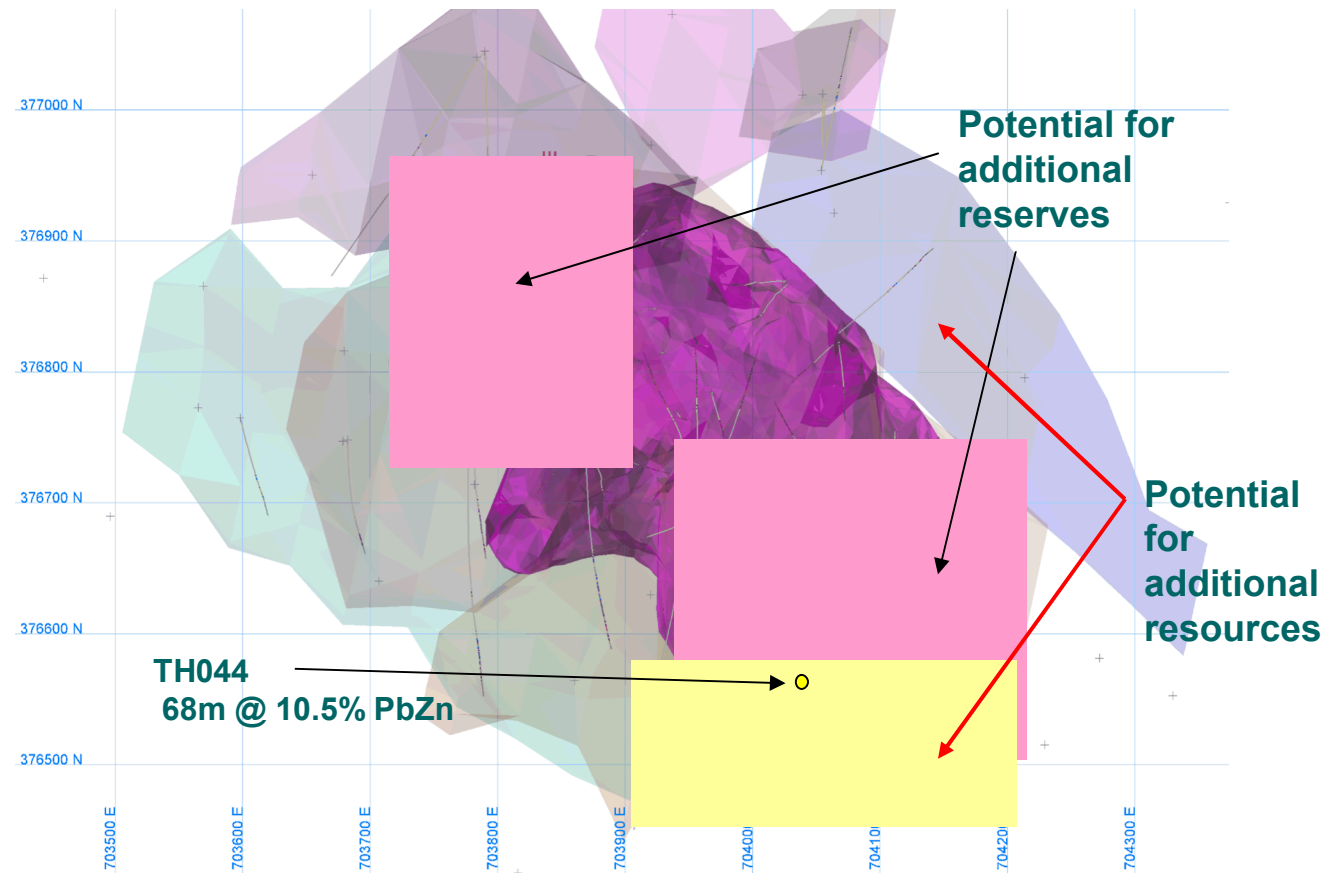


Resources

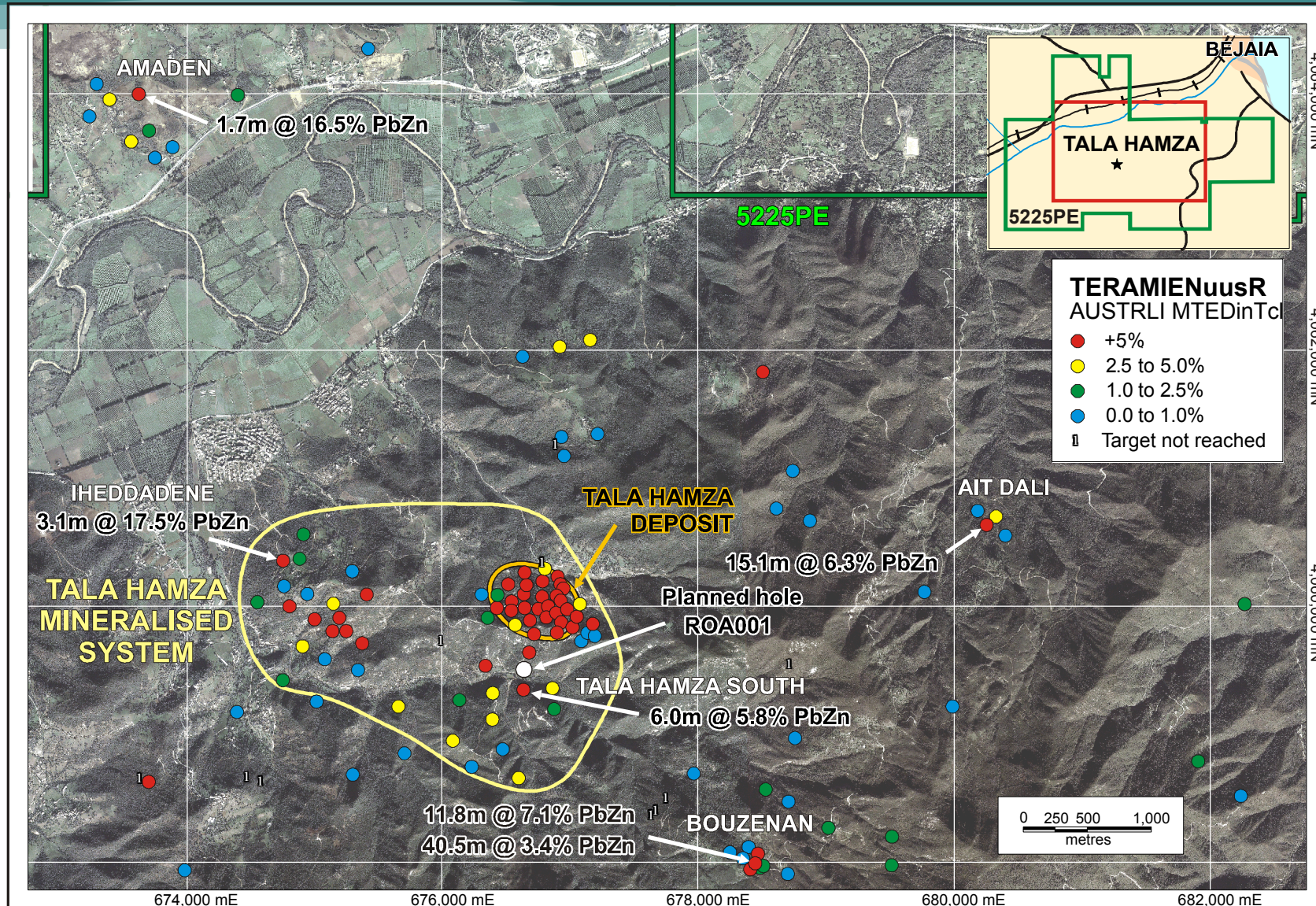
Indicated
24.8Mt at 1.8% Pb
and 6.5% Zn

Inferred
33.8Mt at 0.9% Pb
and 4.3% Zn

at 2.5% ZnEq cut-off



And the bigger picture



Summary and in perspective



- ❑ Low cost mine at Angas for expanding near term cash flow
- ❑ Develop Tala Hamza as a major low-cost Pb-Zn producer
- ❑ Management team with proven capability
- ❑ Board with major project oversight and delivery experience

Growing a large global producer with quality assets

Angas	31,000t zinc metal
Tala Hamza (4.0 Mtpa ore)	200,000t
cf Red Dog (No. 1 ranked)	574,000t
cf Antamina (No. 4 ranked)	164,000t

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