



ASX Shareholder Report

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Terramin is a dedicated
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focused on developing
zinc mines close to
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Tala Hamza DFS update

Terramin Australia Limited (ASX: TZN) is pleased to announce that work on the Definitive Feasibility Study (DFS) for the large Tala Hamza zinc project located in the larger Oued Amizour project area in Algeria continues to advance. A significant amount of the data required for the financial modeling is now completed and is being incorporated into the detailed models. In addition a number of the chapters which comprise the study are also close to completion.

When the work is completed the results of the DFS will be reviewed by a mining specialist before presentation to the Terramin Board and our Algerian partners ENOF and ORGM.

Terramin's Executive Chairman, Kevin Moriarty said "it is very pleasing to be nearing the end of what has been a period of intense work for our prime consultants and own employees"



About Oued Amizour Project and the Tala Hamza deposit:

The project consists of a 123 square km highly prospective exploration tenement situated in northern Algeria on the coast of the Mediterranean Sea, 15 km from the deep water port of Bejaia. In addition to its infrastructure advantages – roads, power, water, and labour force – the project is well positioned to supply feedstock to European smelters.

The Oued Amizour project is 100% owned by Western Mediterranean Zinc Spa (WMZ). WMZ is owned by two Algerian state owned companies. Entreprise Nationale des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (32.5%), Office National de Recherche Géologique et Minière (ORGM) (2.5%) and Terramin (65%). The project is operated as a joint venture between ENOF and Terramin under which Terramin sole funds until the completion of the feasibility study. Terramin has spent over US\$30 million on the studies and drilling to define the deposit.

Terramin and WMZ are in the final stages of completing a definitive feasibility study for the development of a large new underground zinc mine on the Tala Hamza deposit located on the tenement. The mine will have the capacity of annual production in the range of 250,000 tonnes to 400,000 tonnes of concentrate (combined zinc and lead) depending upon the final mining rate in the range of 2Mtpa to 4Mtpa. The tenement also contains lead-zinc and other prospects with the possibility of more discoveries.

The most recent Tala Hamza Resource estimate (November 2009) gave a Measured and Indicated Resource of 51.1 million tonnes at 6.1% Pb+Zn, within a global Measured, Indicated and Inferred Resource of 68.6 million tonnes of 5.7% Pb+Zn.