



# TERRAMIN AUSTRALIA LIMITED



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## Annual General Meeting

*29 May 2015*

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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. 2014 Highlights
2. Global Zinc Market
3. Tala Hamza Zinc Project
4. Bird-in-Hand Gold Project
5. Adelaide Hills Exploration
6. Funding and Balance Sheet
7. Focus for 2015

# Highlights



- ❑ Agreement with Algerian Partners, in respect of new mining method for Tala Hamza
- ❑ Revised DFS completed on Tala Hamza
- ❑ Key areas of agreement following recent technical workshop
- ❑ Bird-in-Hand pre-feasibility study progressing with major environmental studies nearing completion
- ❑ Bird-in-Hand project continues to advance
- ❑ Substantial improvement in balance sheet with restructuring and repayment of debt

# Tala Hamza Zinc Project



- ❑ World class resource containing 3.9 million tonnes of zinc and lead
- ❑ Long life project
- ❑ 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
  - ❑ 125km<sup>2</sup> prospective tenement

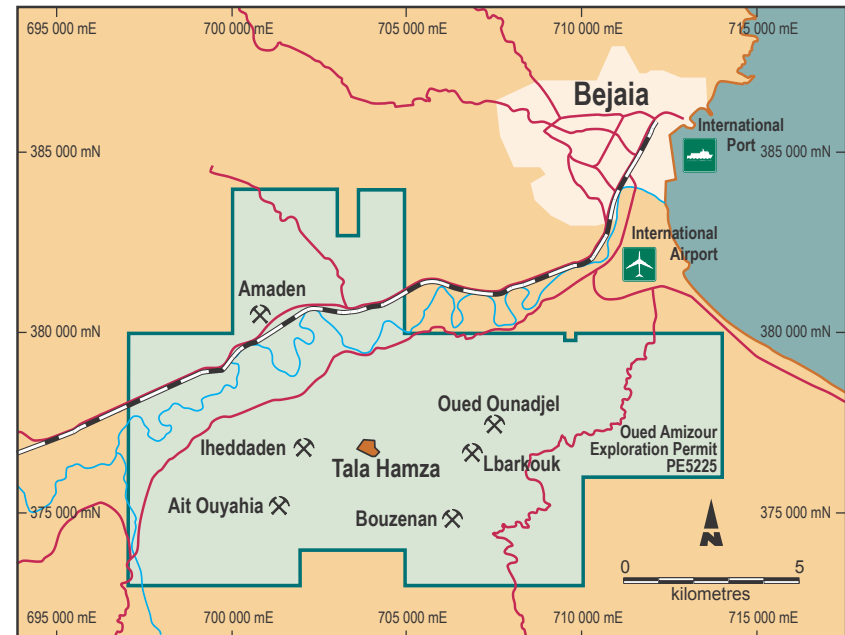




# Tala Hamza Zinc Project



- Technical review undertaken with NFC highlighted potential for a new mining method
- Terramin and its Algerian partners agreed on the new mining method as a basis for a revised DFS
- Following review and translation, Terramin presented revised DFS to Algerian Partners in late 2014
- Revised DFS substantially resolves issues that Algerian partners had with the mining method and associated environmental issues



# Tala Hamza Zinc Project



- ❑ At recent workshop, partners agreed that additional work to provide complimentary data prior to decision to mine
- ❑ Workplan in preparation
- ❑ Re-issue of exploration permit requested
- ❑ Recent revisions to Algeria Finance Laws enhance project economics



# Global Zinc Market



- ❑ Zinc consumption growth has been 3.7% p.a. in 2012 to 2014
- ❑ This translates into 3.0 million tonnes of incremental zinc metal demand over the next 5 years
- ❑ Mine closures including Century and Lisheen to constrain zinc production growth
- ❑ Current zinc stock levels are at 0.5 million tonnes and have been declining for 2 years. Market is already in production deficit

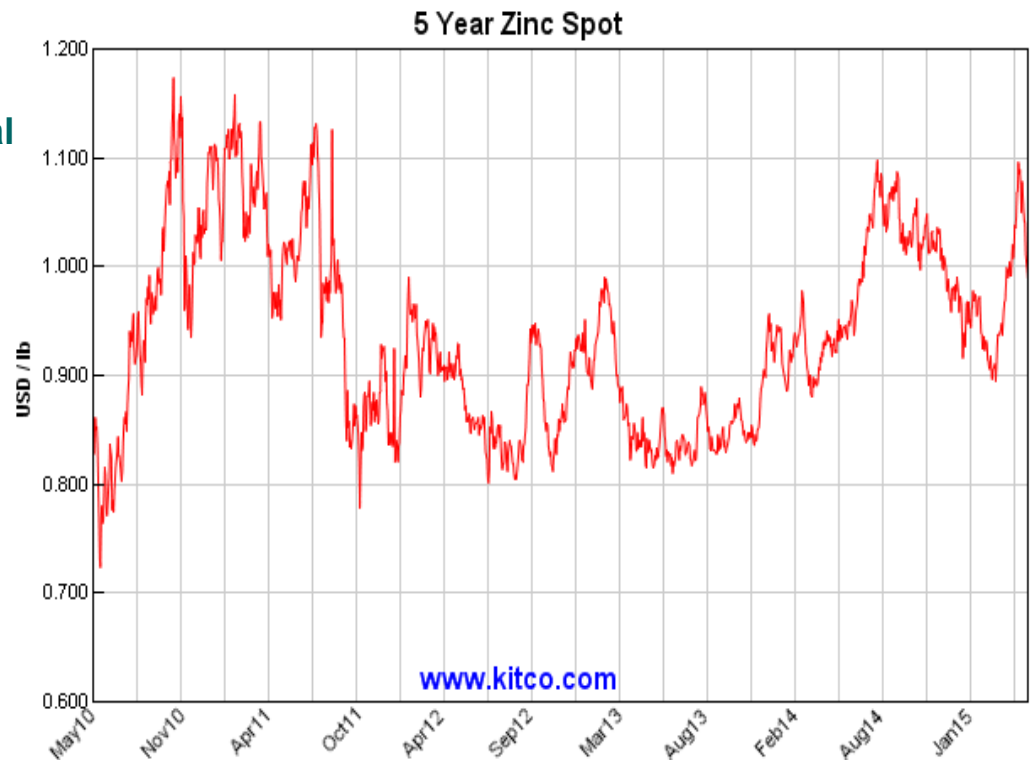




# Global Zinc Market



- ❑ Analysts forecast that non-Chinese mine production will only grow by 0.6 million tonnes over the next 5 years
- ❑ Chinese mine production needs to grow by 2.5 million tonnes over the next 5 years. This is double historical growth
- ❑ Zinc price is likely to rise to bring market back into balance



# Adelaide Hill Project



- ❑ 100% Terramin.
- ❑ Bird-in-Hand Gold Project – Resource of 235,000 ounces at 13.0gt
- ❑ Angas Zinc Mine Processing Plant – Existing 400,000 tonnes per annum base metals processing plant and tailings dam
- ❑ 3,750km<sup>2</sup> of exploration tenements – including over 300 historic gold, copper and base mines
- ❑ Established base metal mining province with established mining operations
- ❑ Established infrastructure at Angas
- ❑ Multiple copper, zinc, lead and gold exploration targets

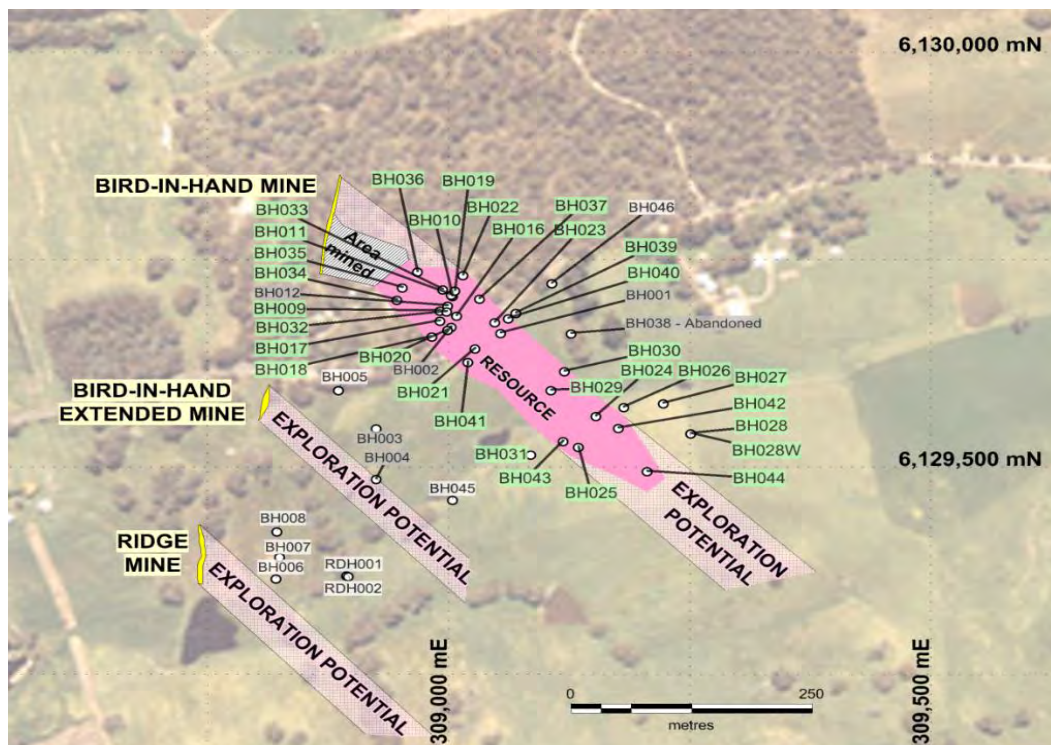




# Bird-in-Hand Gold Project Exploration Potential



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





# Regional Exploration Potential



- ❑ Exploration licenses over more than 300 historical base metal and gold mines
- ❑ Most of the historical gold mines have not been tested by modern exploration methods. (example: REE at Kapunda)
- ❑ Exploration targets include:
  - Wheal Barton – historic copper mine with reported grades of 20%
  - Golden Slope – recorded production of 4 ounces of gold per tonne
  - Kapunda – historic production of 13,500 tonnes. Resource of 3.7 mt at 1.2%. REE potential identified
  - Cambrai – large scale nickel prospect
  - Pipeline – large low grade copper/gold orebody identified in initial drilling





# Menninnie – Strong Foundation



- ❑ Farmed out to Musgrave Minerals for \$6 million to be spend for 51% of interest
- ❑ Menninnie Central Zone - Inferred Resource of 7.7Mt @ 3.1% Zn and 2.6% Pb, and 27g/t Ag (March 2011)
- ❑ 1,609km<sup>2</sup> tenement holding
- ❑ 160km from Port Pirie lead smelter
- ❑ High lead/zinc ratio
- ❑ Exploration fully funded by JV partner
- ❑ Further prospective targets identified with active exploration plan.



# Strong Growth potential



- **Tala Hamza Zinc Project – Algeria (65%)**
  - Excellent progress in rebuilding relationship and communication with JV partner
  - Revised DFS based on new mining method
  - On path towards decision to mine
  - Technical discussion with Algerian partner progressing positively
  - New Finance Act providing framework for additional tax breaks and incentives
- **Adelaide Hill Project - South Australia (100%)**
  - 235,000 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
- **Menninnie Dam Project (100% - Farming out)- South Australia**
  - 7.7Mt Inferred Resource with high lead-silver content near Port Pirie smelter
  - Targets with similar characteristics provide significant upside

# Funding and Balance Sheet



- ❑ Substantial reduction of debt with debt levels reduced by approximately \$18 million
- ❑ All remaining debt held by major shareholder, Asipac
- ❑ A number of new major shareholders have entered the share register who are very supportive and provide an avenue for further capital raisings if required

# Focus for 2015



- ❑ Reach technical and commercial agreement with Algerian JV partner and government to develop world class Tala Hamza project
- ❑ Continue work leading to Feasibility Study for Bird-in-Hand
- ❑ Ramp up exploration activity on Adelaide Hills tenements
- ❑ Opportunities to leverage assets to secure value for shareholders







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