



TERRAMIN AUSTRALIA limited

ASX Shareholder Report

*Enquiries on this report
or the Company business
may be directed to:*

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*Terramin is a dedicated
base metals company
focused on early
development of the
Angas Zinc project and
advanced exploration at
Menninnie Dam zinc/lead
and copper project.*

*The information in this report that relates
to exploration activity is compiled by
Dr K Moriarty PhD, M AusIMM who is a
Competent Person as defined by the
JORC code.*

Major drill program for Menninnie

- **16,000 metre drill programme commences in April to test copper, gold and zinc anomalies indicative of large ore bodies**
- **Follow up approved for lead discovery**
- **Joint venture agreement near**

Background: *The Menninnie project is located in northern Eyre Peninsula SA, about 160km west of the lead smelter at Port Pirie. In addition to encompassing the largest lead-zinc and silver deposit in SA (at Menninnie Dam), large areas of the tenement have recently been identified as being highly prospective for large copper, copper-gold and zinc deposits (i.e. greater than 100 million tonnes). The targets are defined by significant soil, calcrete and RAB drill geochemical anomalies interpreted as overlying highly mineralised volcanic breccia zones or Broken Hill style stratiform base metal ore bodies. Drilling in 2004 confirmed the potential to define Pb-Zn-Ag orebodies by drilling infill holes at the Menninnie Dam prospect. Terramin also made a new lead discovery, intersecting 8m at 18% Pb carbonate from 27 metres in the BC1 zone. Drill tests of the large Cu-Au and Zn targets have been successful in attracting funding under the South Australian government Plan for Accelerating Exploration (PACE).*

Lead discovery has been approved for drilling under PACE grants

The SA government has approved funding for follow-up drilling around Terramin's recent lead discovery in the virtually untested BC1 zone. At least 600 metres of this zone north and south of the discovery are untested and the PACE grant will assist a 43 hole programme testing 400 metres of strike.

If high Pb grades prove to be consistent, ore from this shallow oxide zone could be transported direct to the Pt Pirie Lead smelter. A lead sulphide deposit is likely underneath the oxide.

Main drill programme to test large targets

Copper, gold, zinc and lead anomalies, larger than those over the central Menninnie Dam Pb-Zn-Ag discovery, have been defined over much of the tenement (figure below). Anomalies of this magnitude and area could indicate substantial mineralisation in the sub-surface, in the scale of 100 million tonnes and greater.

Joint Venture arrangements

The cost of the PACE supported programme is more than \$500,000. Terramin is close to finalising agreement for a joint venture that would see the Menninnie project receive funding commensurate with its substantial potential. This will enable Terramin to prioritise development of cash flows from its Angas zinc ore body.

Kevin Moriarty
Executive Chairman
31 March 2005

