



## **ASX Shareholder Report**

July 27, 2005

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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 AJ Parker PhD, M AIG who is a  
Competent Person as defined by the  
JORC code.*

## **TERRAMIN - ZINIFEX JOINT VENTURE DISCOVERS NEW S.A. COPPER, LEAD AND ZINC ZONES**

Terramin Australia Ltd (ASX code: "TZN") today announced the discovery of new high-grade copper, lead and zinc zones at the Menninnie project west of Port Augusta on South Australia's Eyre Peninsula.

The new zone discoveries announced today follow the availability of first results from a regional reconnaissance aircore drill testing of several large targets within the Menninnie prospect under the new Terramin-Zinifex partnership.



"To date four holes have terminated in significant mineralisation, including the first high grade copper intersection from the Menninnie tenement," Terramin's Executive Chairman, Dr Kevin Moriarty, said today.

"Importantly, all of these intersections have identified previously unknown zones of mineralisation within the Menninnie project," he said.

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## TERRAMIN AUSTRALIA limited

ABN 67 062 576 238

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“Drill holes MDAC027 to MDAC040, combined with numerous other anomalous Pb-Zn intersections ranging up to 1.5% Pb+Zn have delineated at least two zones of bedrock mineralisation for follow-up RC and/or diamond drilling.

“This mineralisation is potentially of Broken Hill style, extends over a length of at least 400m and is open at both ends.”

Dr Moriarty said copper, lead and silver was intersected in drill hole MDAC113, located over a large 3km long x 1km wide Zn-Pb-Cu calcrete geochemical anomaly not previously drilled.

“It is in a strongly chlorite-altered rock immediately below Gawler Range Volcanics and as such represents a different style of mineralisation that may be associated with a porphyry or stockwork system similar to the Olympic Dam metallogenic hydrothermal model,” he said.

“Since base metal deposits known from the area cover both hydrothermal (Olympic Dam age) and sedimentary (Broken Hill age) types, the potential for large discoveries is rated highly.

“The reconnaissance aircore drilling program has just concluded and samples are still currently under analysis and interpretation,” Dr Moriarty said.

Hole_ID	From	To	Interval	Mineralisation	Comments
MDAC027	60	63.5 (EOH)	3.5m	4.2% Zn & 21.5g/t Ag	Calcsilicate bedrock
MDAC037	92	96 (EOH)	4m	3.9% Pb, 2.1% Zn & 14g/t Ag	Calcsilicate bedrock with galena
MDAC040	16	66 (EOH)	50m	1.1% Pb	Saprolite over calcsilicate bedrock
including	64	66 (EOH)	2m	12.3% Zn	Calcsilicate bedrock intersection
MDAC113	64	65 (EOH)	1m	2.4% Cu, 3.5% Pb, 0.7% Zn & 165 g/t Ag	Weathered chloritic bedrock

Zinifex Australia Ltd - one of the world's largest integrated lead and zinc companies - has committed to spend up to \$8 million on the Menninnie project and has taken a 20% interest in Terramin's (now 80%) zinc, copper and lead subsidiary, Menninnie Metals (MML).

The current Terramin-Zinifex drilling program is supported with funding under the South Australian government Plan for Accelerating Exploration (PACE).

Under this joint venture initiative, Zinifex is spending a minimum A\$2 million on Menninnie Dam exploration and development by 31 December 2006, but with no project entitlement.

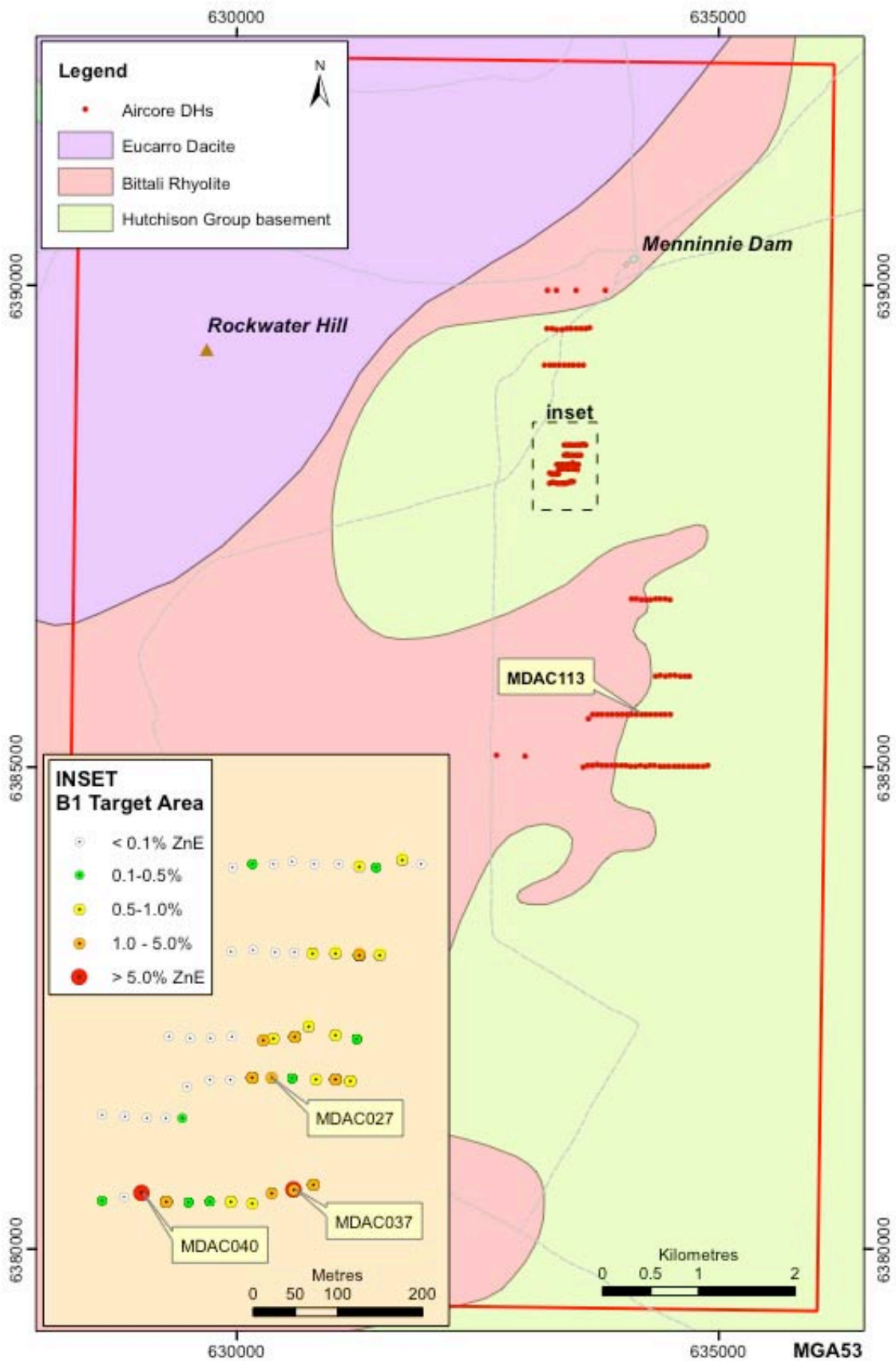
It can then spend an additional A\$3 million by 31 December 2008 to earn an initial 49% equity interest in the project, and spend another A\$3 million by 31 December 2010 to move to a 70% position in the joint venture.

Menninnie Dam is the largest lead, zinc and silver deposit in South Australia with substantial drill intersections over six kilometres and an estimated 20 million tonne envelope of mineralisation over the central zone.

Dr Moriarty said MML's management and operation of Terramin's Gawler Craton tenements, now in partnership with Zinifex, was also allowing Terramin to maintain focus on development of its Angas zinc project near Strathalbyn, south of Adelaide, and to consider other advanced zinc mining projects.

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*Geological Outcrop Map of the Menninnie Tenement EL 2848 showing aircore drill traverses*