



TERRAMIN AUSTRALIA limited

ASX Shareholder Report

November 29, 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 K Moriarty PhD, M AusIMM who is a
Competent Person as defined by the
JORC code.*

ZINIFEX-TERRAMIN

IN DRILL START

ON S.A. LEAD-ZINC PROJECT

An intensive round-the-clock drilling program has commenced in South Australia to prove up a new lead-zinc deposit.

Over the next 12 months drilling will focus on the Menninnie zinc project, north of Kimba on Eyre Peninsula under a program that could see \$8 million spent on exploration on the project by 2010.

It is part of a joint venture between Terramin Australia Ltd ("TZN") subsidiary Menninnie Metals Ltd (MML) and Zinifex Australia Ltd, a subsidiary of one of the world's largest integrated lead and zinc companies. Melbourne-based Zinifex earlier this year paid A\$500,000 for a 20% interest in Menninnie Metals, with Terramin retaining 80%.

Two drilling rigs that moved on site in recent days have now begun testing the northern lead-zinc-silver zone and other targets on the Menninnie prospect, with the full cost of drilling borne by Zinifex.

"The northern zone represents a potential extension of the central 20 million tonne envelope of mineralisation that has been previously identified at Menninnie," Terramin Managing Director, Dr Kevin Moriarty, said today.

"The new diamond core drilling program will continue in 2006 to define a Broken Hill type resource within the northern and central zones," Dr Moriarty said.

(more)

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ABN 67 062 576 238

“The Menninnie zinc project already represents the largest accumulation of high grade lead, zinc and silver mineralisation in South Australia with substantial drill intersections over 3 square kilometres.

“A recent re-examination by Terramin Geoscientists has shown that the style and structure of the mineralised zones had most likely been misinterpreted. This opens new possibilities of large deposits in the Broken Hill style.

The drill program will substantially advance our understanding of this key northern target ahead of infill drilling and resource determination,” Dr Moriarty said.

Under the joint venture, Zinifex’s first years \$2m expenditure, due by 31 December 2006, will not give it any entitlement within the Menninnie project.

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

In addition to the Menninnie tenement, MML’s secure land position on the Gawler Craton includes 100% ownership of three tenements covering 2,600 square kilometres in the world-class mining belt northwest of Olympic Dam and Prominent Hill.

