



TERRAMIN AUSTRALIA limited

ASX Shareholder Report

January 18, 2006

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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.*

Terramin welcomes South Australian Government statement on Angas regulatory process

The regulatory process that will apply to Terramin Australia Limited's (ASX Code 'TZN') Angas Zinc Project, near Strathalbyn south of Adelaide has been affirmed.

A statement by the Minister for Mineral Resources Development, the Hon Paul Holloway, makes clear that final development approval for the project rests with the SA Government.

Other stakeholders, including the Alexandrina Council, have opportunities to present their views, but are not involved in the approval process.

The draft Mining and Rehabilitation plan (MARF) submitted with the application for a mining lease has engendered a number of quality submissions, particularly from the various government regulatory bodies.

Terramin welcomes these submissions because it now has a set of comprehensive design criteria which will help its engineers, who have a wealth of experience in mine design, to prepare the operational plan.

Terramin Australia is confident that it will meet the necessary conditions to develop this exciting new SA mineral resource.

This means the Angas Zinc Project will be operated under a world's best practice Mining and Rehabilitation Plan, tailored for South Australia.

This plan will prepare the project for a safe and environmentally sound operation of long term economic benefit to Strathalbyn and the surrounding region.

As previously announced:

- Reserves of 2.2 million tonnes of zinc ore from a 3 million tonne resource underpin a 7 year operation,
- Roche Mining has delivered a draft design for establishing and operating the proposed mine,
- Financial modeling will be completed in February to be followed by capital raising once the project is given the go ahead by the SA Government.