



ASX Shareholder Report

August 24, 2006

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

*Martin Janes
Chief Finance
Officer
08 8274 2190*

*Website Address:
terramin.com.au*

*Terramin is a
dedicated
base metals
company focused
on developing zinc
mines close
to infrastructure.*

National Australia Bank to arrange debt financing for Angas Zinc Project

Terramin Australia Limited (ASX Code 'TZN') today announced it has appointed National Australia Bank on an exclusive basis to arrange an \$87 million debt facility for the development of its Angas zinc mine.

The proposed facility will mean Terramin would achieve its goal of not calling on shareholders to fund construction of the \$63 million lead-zinc mine near Strathalbyn, south of Adelaide.

The appointment of National Australia Bank follows Friday's announcement that Terramin had received the green light for the Angas Zinc Project after being granted Mineral Lease 6229 by the South Australian Government.

"Terramin gave an undertaking earlier this year that it would not dilute shareholders' equity with a capital raising to fund the development of the Angas mine," Executive Chairman, Dr Kevin Moriarty, said today.

"The proposed construction and amortising facility is expected to be in three tranches comprising \$55 million senior debt; \$20 million in subordinate debt; and a third tranche of \$12 million guaranteed by Sempra Energy," he said.

"Terramin has an offtake agreement with Sempra Metals and Concentrates Corporation to purchase all of the zinc and lead concentrate produced over the life of the Angas mine."

"The facility which National Australia Bank has been mandated to arrange is intended to cover all construction, accrued interest during construction, and contingency accounts."

"The arrangement of this facility is subject to credit approval and due diligence completion by National Australia Bank. It is expected the bank will now proceed to seek internal approvals to arrange and underwrite the facility."