



ASX Shareholder Report

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

*David Paterson
Director
08 8274 2190
0417 823 654*

*Website Address:
terramin.com.au*

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

Terramin Australia Limited
ABN 67 062 576 238

Address
28 Greenhill Road
Wayville SA 5063
Australia

Telephone
61 (0) 8 8274 2190
Facsimile
61 (0) 8 8274 2191

TERRAMIN DRILL RESULTS TO INCREASE SIZE OF ALGERIAN ZINC PROJECT

Terramin Australia Limited (ASX: TZN) expects to significantly increase the size and grade of its Tala Hamza zinc deposit, in northern Algeria, beyond the current 30 million tonne deposit following the latest drilling results.

Terramin Executive Chairman, Dr Kevin Moriarty, announced today that high grade mineralisation was being found at depths beyond the scope of the historical drilling undertaken by the Algerian Government's exploration arm, ORGM, in the period 1988 to 1994.

The current drilling program aims to verify the ORGM results for the purposes of estimating a JORC resource for the Tala Hamza deposit.

"Drillhole TH006 was located one metre away from ORGM Hole OA100 which had stopped in mineralisation. Terramin was able to continue drilling well past the limits of the original equipment using a powerful imported rig," Dr Moriarty said.

"TH006 has already intersected a further 35 metres of high grade mineralisation and is currently drilling ahead at 565 metres."

"ORGM Hole OA100 intersected 119 metres at 5.8% zinc plus lead, including 51 metres at 10% zinc plus lead in which section it finished drilling. Hole TH006 has now extended this higher-grade intersection to at least 85 metres.

Dr Moriarty, who is in Algeria for the Annual General Meeting of its joint venture subsidiary Western Mediterranean Zinc SpA, said he "was very pleased that current drilling is confirming the expectations of a larger zinc deposit with higher grades."

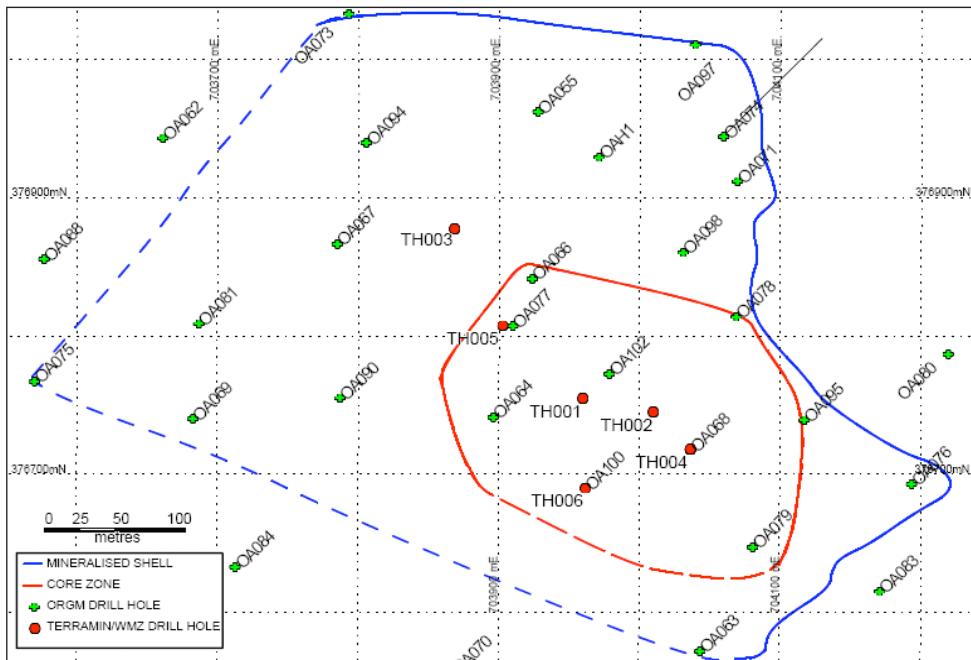
"The latest drilling is expected to significantly increase the size and grade of the 30 million tonne Tala Hamza zinc deposit which is part of the Oued Amizour zinc project," he said.

Terramin has recently completed hole TH004, twinning previous hole ORGM OA068, and this has also shown the mineralisation extends significantly deeper, in this case by approximately 40 metres. Assaying will commence shortly on samples over the mineralised interval from 332 to 502 metres being 170 metres.

The introduction of the new rig has greatly improved core recovery in the mineralised sections, because of wider diameter core barrels. This is expected to provide a significantly higher level of certainty into resource calculations.

Assaying is advancing, with results of another hole TH003 imminent. Metallurgical work is also progressing, with some float testing underway and preliminary results should be available in April.

Drill hole statistics - Tala Hamza Deposit – Oued Amizour Zinc Project									
Hole ID	Rig Contract	Collar Coordinates		RL (m)	Dip	Azimuth (°MN)	Hole Type	Depth (m)	Target
		North	East						
TH001	ORGM	376755	703960	218	-90	-	HQ to 365.6 m then NQ2	409	Core Zone to be extended
TH002	ORGM	376745	704010	210	-90	-	HQ to 351.3 m then NQ2	547.7	Core Zone
TH003	ORGM	376877	703868	178	-90	-	HQ to 298.4 m then NQ2	429.1	Possible Core Zone extension
TH004	ORGM	376718	704036	209	-90	-	HQ to 355.8 m Then NQ	574.3	Core Zone Twin to OA068
TH005	ORGM	376808	703910	199.7	-90	-	HQ to 361.5 then NQ	559.5	Core Zone
TH006	Spektra	376690	703962	236	-90	-	HQ / NQ	565.0 drilling ahead	Core Zone Twin to OA100



Oued Amizour Zinc Project – Tala Hamza deposit drill hole location plan



Picture of geologist Ghania Meziane examining a section of high grade core from TH006.



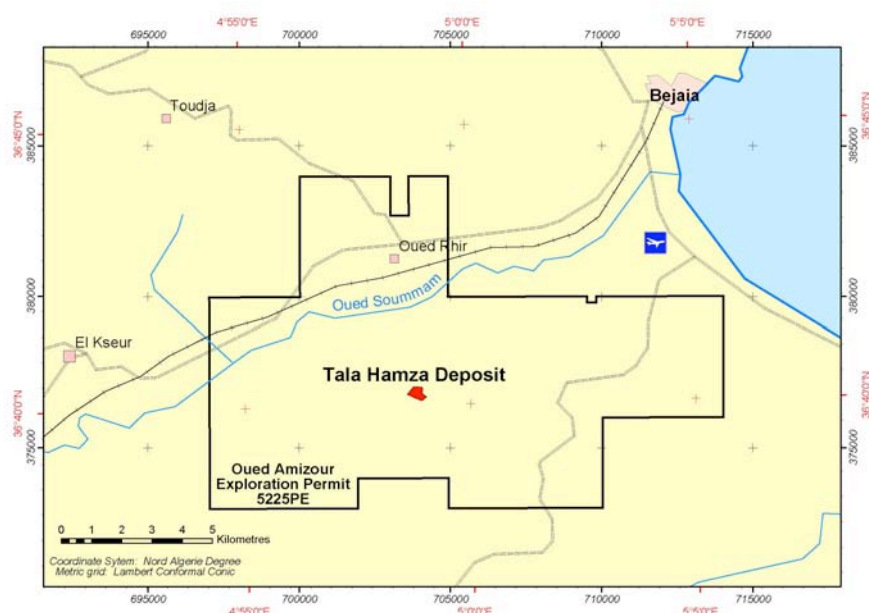
Spektra drill rig on location Tala Hamza (drilling TH006)

Terramin's Oued Amizour Zinc Project

The Oued Amizour Zinc Project is based on the 30 million tonne hydrothermal volcanic hosted Zn+Pb deposit "Tala Hamza". It is located in northern Algeria, only 12km from an international airport and shipping terminal in the western Mediterranean, and is close to Europe and zinc smelters in Spain and Sardinia. Infrastructure includes power, water, roads and labour force.

Published resources include 30.32 million tonnes assaying 5.47% zinc and 1.39% lead and a higher grade core zone of 11.02 million tonnes assaying 10.89% zinc and 3.04% lead. (Please refer to an important note below)

Terramin's interest is held via a 65% shareholding in an Algerian company Western Mediterranean Zinc SpA (WMZ) which owns 100% of Exploration Permit 5225PE – Oued Amizour. Terramin will spend at least US\$6.6m up to decision to mine expected in 2008.



Location Map Oued Amizour Zinc Project

Important Note

The resource estimates for the Tala Hamza deposit were prepared by ORGM, the Algerian Government exploration agency, and widely published. (Le nouveau gisement de Zinc-Plomb de Oued Amizour (Wilaya deBejaia) - Presentation, Reserves et traitement DETP Juillet 1996). The estimates used the Soviet system that is not able to be directly compared to JORC categories. While it is possible that the resource will not become JORC compliant the ORGM estimate is believed reliable since it is backed by more than 40 diamond drill holes, thousands of analyses and detailed geological logging and interpretation by well trained geologists. The addition of recent data from one or more holes being drilled now may be sufficient to estimate a JORC resource. Terramin has engaged Golder Associates to advise on measures required to meet JORC requirements. Terramin is undertaking a major infill drill programme that will enable estimation of JORC compliant indicated resource and reserves.

The information in this report that relates to exploration activity is compiled by Dr K Moriarty PhD, M AusIMM a Competent Person as defined by the JORC code. Dr Moriarty is Executive Chairman of Terramin. Unless stated otherwise exploration results, resource and reserve estimates referred to in this release use the guidelines in the 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee (JORC). Dr Moriarty consents to the release of the information compiled in this report in the form and context in which it appears.