



ASX Shareholder Report

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Another thick intersection for Terramin shows Tala Hamza zinc project as world class

Terramin Australia Limited (ASX: TZN) is pleased to report another thick intersection in latest assay results from drilling at the Company's 30 million tonne Tala Hamza zinc deposit in Algeria.

The latest results from Terramin's TH003 drill hole included the most highly mineralised intercept so far from the Tala Hamza project - a one metre sample at 305 metres which assayed 46.5% zinc.

Terramin's Executive Chairman, Dr Kevin Moriarty, said that TH003 had intersected **158 metres assaying 5.73% Zn+Pb** with numerous higher grade intercepts including **56 metres @ 7.98% Zn+Pb** from 303 metres and **8.0 metres @ 12.19% Zn+Pb** from 390.0 metres. (refer table page 2 for more detailed information).

"These latest results to date – combined with previous drilling – provide further evidence that Terramin has a world class project at Tala Hamza," he said.

Dr Moriarty said data from the latest drill hole fitted well with the historical drilling undertaken by the Algerian Government's exploration arm, ORGM, in the period 1988 to 1994 on the 30 million tonne deposit.

"Confidence in the geology - as interpreted by ORGM and the validity of Terramin's modelling that defined a *core zone* and an outer *mineralised shell* - have both been advanced by this result," he said.

"Grades in both zones are potentially mineable, but we would focus on the core zone first.

"The results from our latest hole correlate very well with the surrounding ORGM drillholes OA055, OA066 and OA067. TH003 has a slightly lower overall grade but the intercept is thicker," he said.

Dr Moriarty said that in the ongoing programme to estimate a JORC compliant resource, TH006 was completed at 592.4 metres after deepening the high grade core zone by some 44 metres.

"Two inclined holes are underway to provide information about the structures controlling this large deposit," Dr Moriarty said.

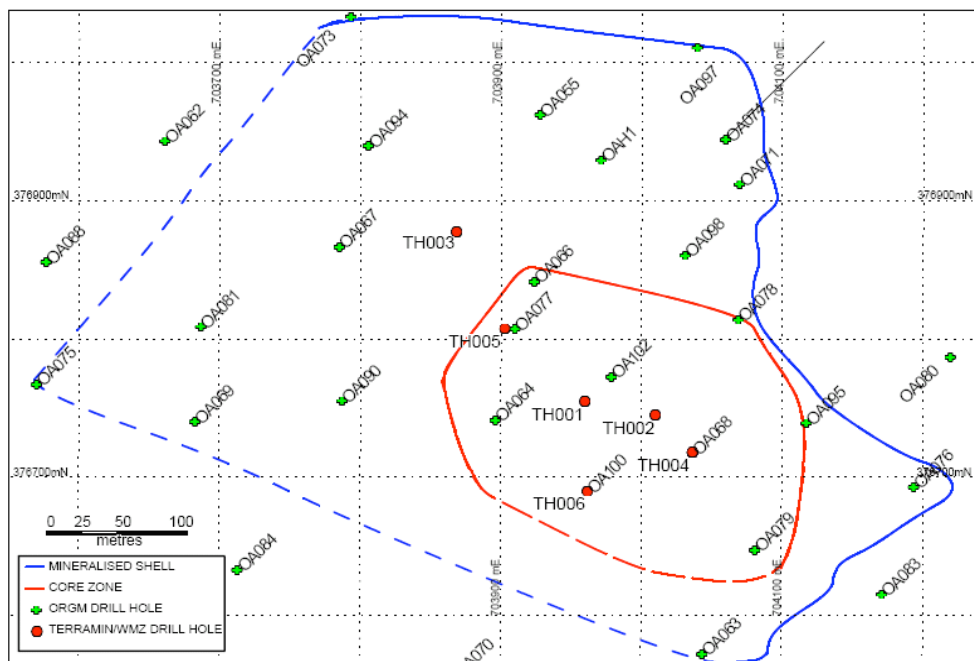
"The programme is progressing extremely well and we are now looking at adding another powerful rig to improve recovery and depth testing."

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)	Comment
		North	East						
TH003	ORGM	376877	703868	178	-90	-	HQ to 185.2 m then NQ	429.1	-

Summary assay results TH003 - Tala Hamza Deposit – Oued Amizour Zinc Project									
Hole ID	Drilled	From (m)	To (m)	Interval (m)	% Zn	% Pb	% Cu	g/t Ag	% Zn + Pb
TH003	Q4-06	254.0	412.0	158.0	5.15	0.59	#	0.60	5.73
	<i>including</i>	272.0	285	13.0	6.62	0.50	0.02	0.31	7.11
	<i>including</i>	279.0	285	6.0	8.05	0.91	0.01	0.67	8.96
	<i>including</i>	303.0	359.0	56.0	7.28	0.70	#	0.43	7.98
	<i>including</i>	305.0	316.0	11.0	10.32	0.58	#	1.02	10.90
	<i>including</i>	347.0	357.0	10.0	9.42	1.07	#	0.40	10.49
	<i>including</i>	382.0	412.0	30.0	6.32	1.01	0.01	0.20	7.32
	<i>including</i>	390.0	398.0	8.0	10.14	2.05	0.01	0.38	12.19
	<i>including</i>	403.0	412.0	9.0	8.31	0.61	0.02	0.33	8.92

= below detection limit

note: Core recovery within the mineralised zone (254-412m) was 94%. Interval assays above are conservative in that they assume the lost core was unmineralised.



Oued Amizour Zinc Project – Tala Hamza deposit drillhole location plan

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.



Spektra drill crew at work TH006

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.