



## **ASX Shareholder Report**

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

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## **ANGAS ZINC MINE APPROVAL**

Construction can commence on Australia's newest zinc mine after the A\$64 million Terramin Australia Limited Angas project south of Adelaide was today given the go-ahead by the South Australian Government.

The Government's approval for the Mining and Rehabilitation Plan (MARF) for Angas will enable Terramin (ASX "TZN") to proceed with development of the underground mine site to meet forecast first production in mid 2008.

"While we have been awaiting the MARF approval, our engineering contractors have been advancing mine design work so we are ready to commence construction immediately," Terramin's Executive Chairman, Dr Kevin Moriarty, said today.

"The Company has spent more than \$5 million to freehold the mine site and its former quarry licence and to acquire nearby properties," Dr Moriarty said.

"Mining equipment and facilities are on site and the former quarry operation has been dismantled. We have obtained all necessary waivers and insurance, and are now waiting only for notification of the bond amount from PIRSA so we can start excavations."

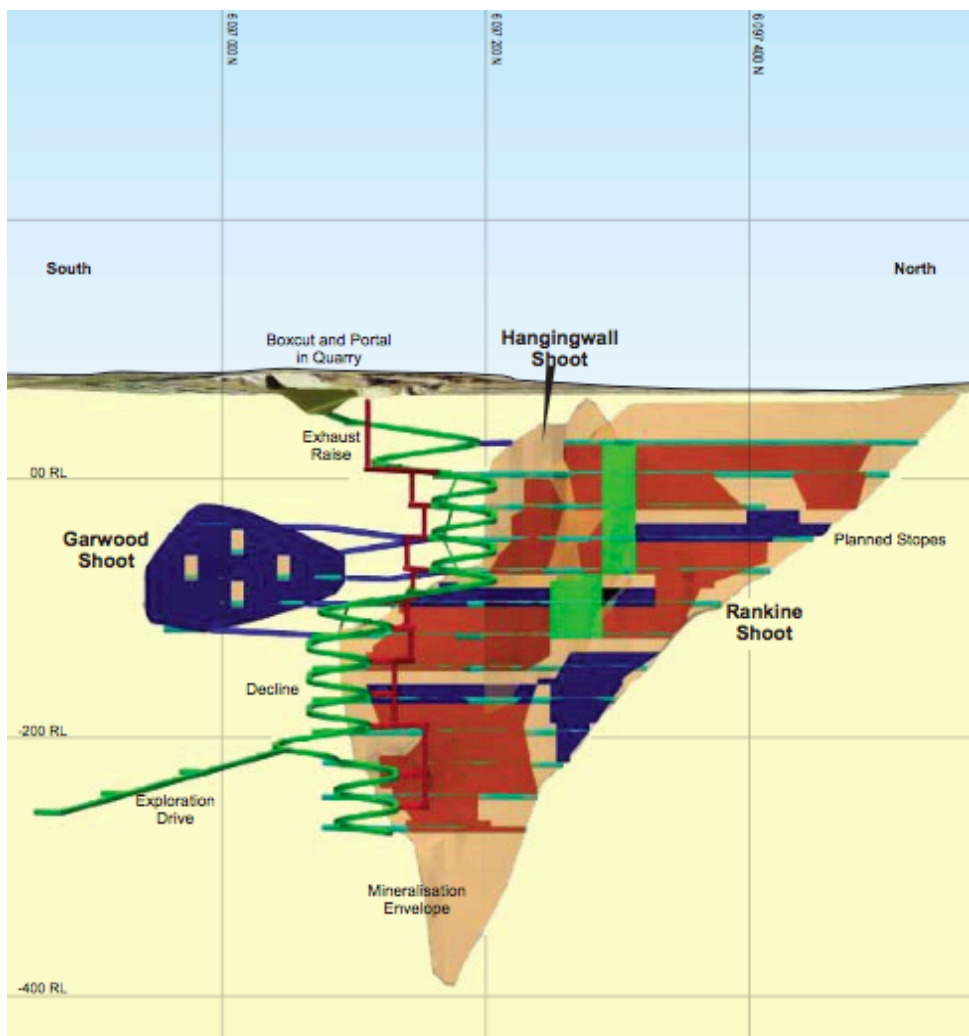
The first task will be the box cut and tailings storage facility, followed by the decline to the underground mine in July.

Construction of the processing plant is scheduled for an October 2007 start, with full commissioning within 10 months. The Angas project provides a major boost for the Fleurieu Peninsula region with 179 jobs at the peak of construction. The mine will provide 103 permanent jobs in the region including 63 at mine site.

A \$29 million per year boost for the local economy has been estimated in a study on the project by the SA Centre for Economic Studies.

First zinc and copper-lead-silver-gold concentrate production is expected by August 2008 at a rate of 60,000 tonnes per annum of high grade zinc concentrate and around 24,000 tonnes per annum of lead-copper concentrate. There will also a high level of precious metal entitlements (gold and silver) net to Terramin as a by-product of the concentrates once processed through a smelter.

Dr Moriarty said revised cashflow estimates for Angas showed the zinc mine would generate pre-tax earnings of around A\$80 million in 2008-2009. The estimate is based on zinc and lead prices of US\$3,000 and US\$1,500 a tonne respectively, compared with current prices of US\$3,205 and US\$1,930.



**N-S Long section showing Angas Orebody and Mine Plan**