



ASX Shareholder Report

March 27, 2007

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

*Kevin Moriarty
Executive Chairman
08 8274 2190*

*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

DIGGING STARTS AT ANGAS MINE

Terramin Australia Limited today announced it had commenced excavation of the boxcut for the portal to the underground development of the Angas zinc mine in South Australia.

This followed completion of all regulatory requirements.

Construction of the portal and decline will commence in July followed by plant construction in October. First development ore will be produced in January 2008, and first stope ore in June 2008. This will allow plant commissioning in July 2008 followed by first concentrate shipments in August.

Terramin Executive Chairman, Dr Kevin Moriarty, said work has commenced ahead of finalising the loan terms for the project.

Investec Bank (Australia) Limited has obtained the credit approvals for a facility to fund most of the Angas project and the final terms are being settled.

The facility now incorporates leading edge environmental protection. Delays have led to increases in some costs but the project is still expected to be completed within the contingency allowance of the original \$64 million capital estimate.

Dr Moriarty said the extra costs may be offset if Terramin is successful in its application for a grant under the Innovation and Investment Fund for South Australia.

The project combines innovative design and new industry for the region, and represents a renaissance for Australia's first metal mining region - dating back to 1845.