



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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Menninnie Dam Exploration JV

- inaugural resource estimate for Menninnie Central
- aggressive 2008 budget proposed

Overview:

- Initial resource estimate completed for the Menninnie Central deposit in the Menninnie Dam Exploration Joint Venture (MDEJV)
- An Inferred Resource of 3.8 million tonnes at a grade of 3.2% Pb, 4.0% Zn and 34 g/t Ag declared.
- The resource is contained within four lodes and excludes oxide and transition material
- The resource is estimated at a 3.5% Pb+Zn cut-off and incorporates information from 38 diamond drill holes (19,000 metres plus)
- The estimate does not include results from other prospects (Viper, Cassius, Tank Hill or Menninnie North) within the JV tenement
- Extensive drilling programme (20,000 metres envisaged) on additional targets to expand this resource in 2008.



Menninnie Central resource estimate

Terramin Australia and Zinifex Australia have completed an initial resource estimate for the Menninnie Central deposit located in Menninnie Dam Exploration Joint Venture.

The Joint Venture covers Exploration Licence 3640 and is located on northern Eyre Peninsula in South Australia, about 450 km WNW of Adelaide, and 246 km by road to Pt. Pirie (Figure 1).

The Project is currently managed by Terramin on behalf of the Joint Venture (Terramin Australia Ltd - 24% beneficial interest and Zinifex Australia Ltd (Zinifex) - 76% beneficial interest). Zinifex has advised it will assume management from March 2008 having completed its \$8 million earn-in commitment.

The Resource estimate has been prepared by Terramin on behalf of the Joint Venture and summarises mineral resources at the Menninnie Dam Project as at 31 December 2007.

This Mineral Resource estimate has been prepared and reported in accordance with the JORC code (Australasian Code for Reporting of Mineral Resources and Ore Reserves, December 2004).

The resources are estimated within a mineralisation model defined by a 1% Pb+Zn outline and are reported at a 3.5% Pb+Zn cut off. The resource is contained within four mineralised zones named Kimba, Caesar, Boss North and Boss South lodes. The total resource is categorised as Inferred. Significant additional drilling will be required to upgrade this resource to Indicated status.

Table 1 summarises the Inferred Mineral Resource estimate for Menninnie Central.

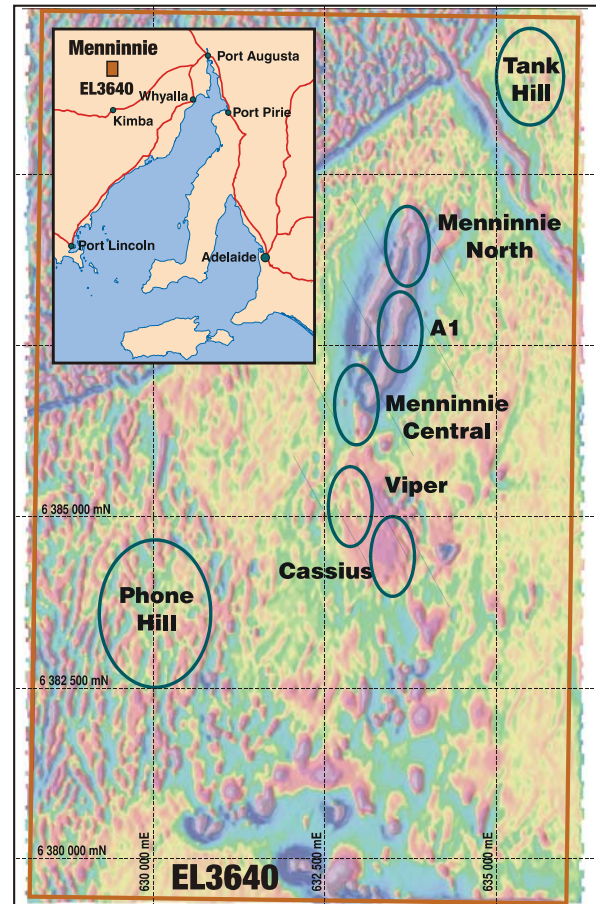


Figure 1. Menninnie prospect location map overlain on regional magnetics.

Lode	Tonnes (‘000)	Grade				Density
		Pb%	Zn %	Ag g/t	Pb+Zn %	
Kimba	1,600	3.7	3.8	42	7.5	3.01
Caesar	400	2.3	4.6	31	6.9	3.06
Boss North	1,000	3.9	4.6	24	8.4	3.10
Boss South	800	2.0	3.5	34	5.5	2.83
Total Inferred	3,800	3.2	4.0	34	7.2	3.03

Table 1 Inferred Resource for Menninnie Central as at 31 December 2007.



Geology and mineralisation

Lead-zinc-silver mineralisation at Menninnie Dam is hosted by Palaeoproterozoic(?) upper amphibolite facies marbles and diopside-rich calc silicate rocks forming an inlier near the southern margin of the Mesoproterozoic Gawler Range Volcanics. The calc silicate rocks host magnetite-rich banded iron formations responsible for the magnetic signature of the prospect that contributed to the discovery of the mineralisation in 1982 by Shell.

The bulk of the Menninnie Central mineralisation occurs as in-fill and replacement styles in discrete breccia horizons commonly flanked by silicification halos within dolomitic marbles. Minor thin veinlet-style mineralisation occurs in the underlying gneiss. Spatially the highest grade mineralisation at Menninnie Central is located between a major fault (Western Fault – hosting a matrix supported sulphidic breccia) and the keel of a syncline defined by a banded iron formation (BIF). The host dolomitic marble within the western limb of the syncline dips steeply to the east.

The host rock sequence is weathered to depths of 150-200m. Well-mineralised zones are locally weathered and partially leached to depths of 450m or more.

Lead-zinc mineralisation related to the Menninnie Central deposit is present over a total strike length of 5 km, with the Menninnie Central resource occurring over a strike length of 900m within this. Sphalerite and galena mineralisation is structurally and/or lithologically controlled and can be present as very fine disseminations or as coarser-grained sub-massive to massive sulphides.

Four separate zones of mineralisation have been identified, which are only partially constrained by current drilling. These are shown in Figures 2&3.

Kimba Lode

The Kimba Lode mineralisation lies within the breccia of the Western Fault and the fractured marbles in the hanging wall of the fault. The Western Fault dips 65° to the East, and its footwall, in the vicinity of the Kimba Lode, is predominantly gneiss. Mineralisation associated with the Western Fault is present as very fine

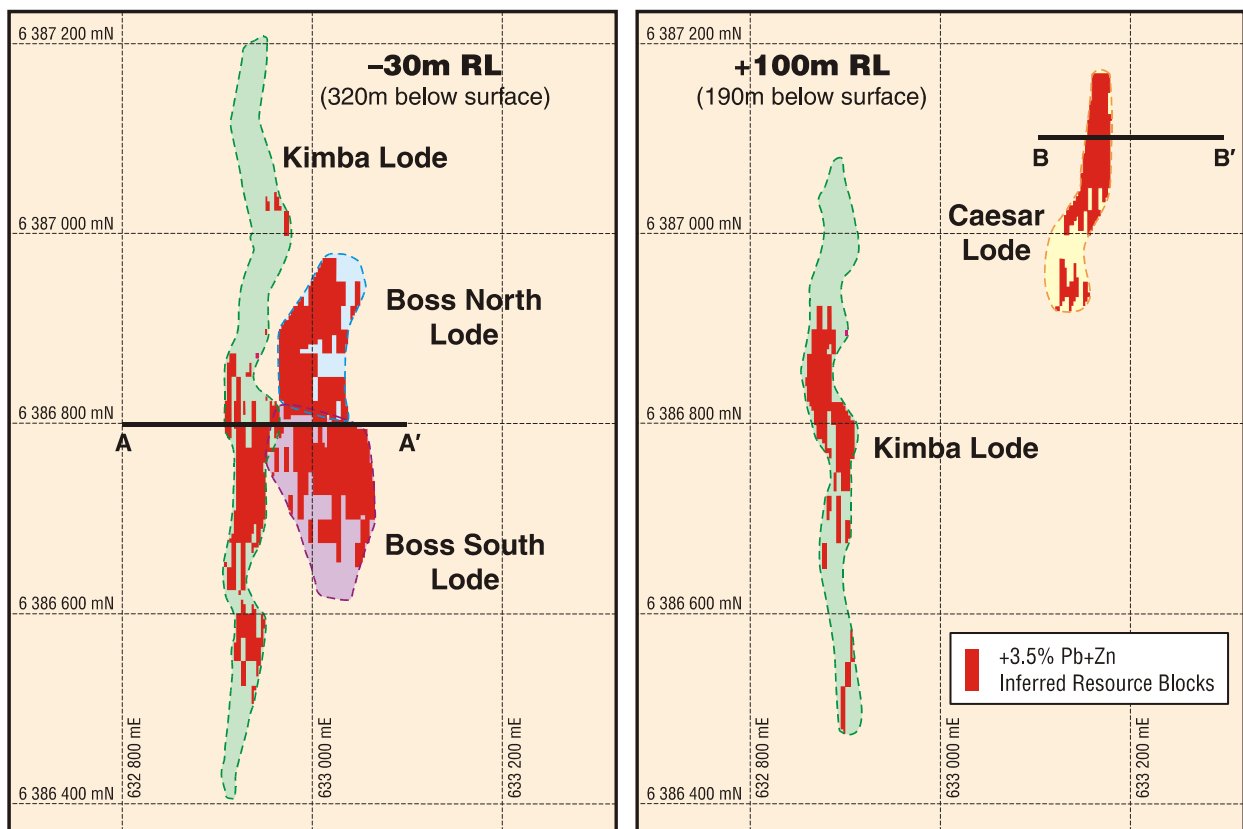


Figure 2. Plan views of mineralisation zones -30 mRL (320m below surface) and +100 mRL (190m below surface) identifying cross sections A-A' and B-B'.



sulphides within carbonate-rich breccia matrix. The strike length is 900m and it has a vertical extent of 600m with a width between 15 and 40m.

Caesar Lode

The Caesar Lode parallels the Kimba Lode and is thought to represent a similar structural setting approximately 200m further east with marble in both the footwall and hanging wall. Strike length is 250m and the mineralisation has a vertical extent of 100m and an average thickness of 25m.

Boss Lodes

The Boss North and Boss South lodes lie between the Kimba and Caesar lodes and their presence may be controlled by structures linking the Kimba and Caesar lodes. Mineralisation occurs as fracture infill and disseminated sulphides within marble. The North lode has a strike length of 710m while the South lode is 200m in length. Both lodes plunge 15 degrees to the North, have a height of 110m and have thicknesses between 70-100m.

Resource estimate

Since discovery in 1982, drilling has been carried out by a number of major explorers including Shell/Billiton, Aberfoyle, Acacia Resources and Menninnie Metals (Terramin/Zinifex). A total of 89 diamond drill holes have been completed within the Project area. Of these, 38 totalling 19,000m plus have been used in the Menninnie Central resource estimate.

Only diamond holes (HQ and NQ core sizes) have been used in the resource calculation.

Holes have been drilled in a variety of orientations. Thirteen holes were drilled to the east (sub parallel to much of the mineralisation), eight holes were drilled vertical and seventeen holes were drilled to the west (at a high angle to the mineralisation). Nominal average drill spacing is approximately 100m x 100m.

Collars of all holes drilled prior to February 2007 were resurveyed. Holes drilled since that time (three of which are included in the resource) have

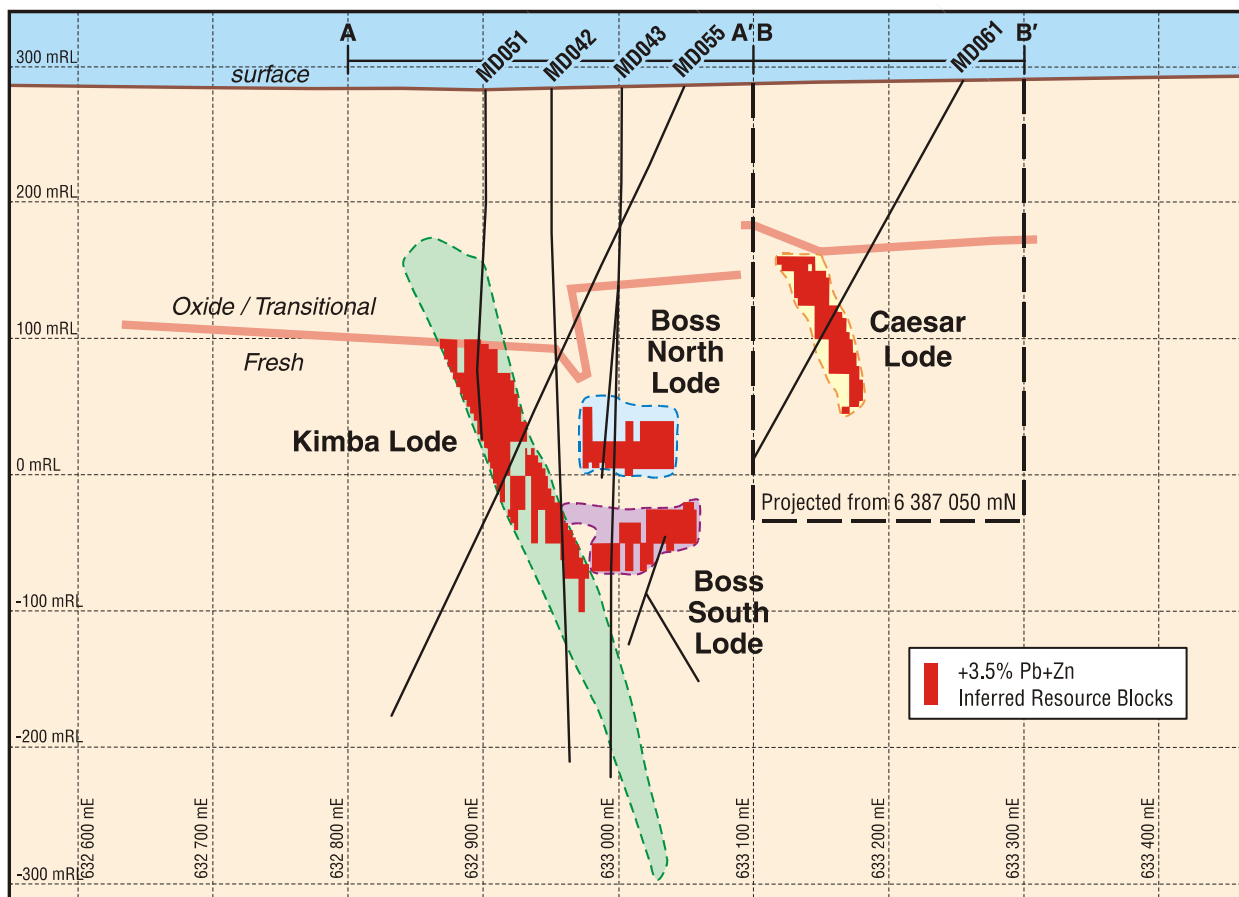


Figure 3. Composite cross section of mineralisation zones showing A-A' and projection of B-B'.



been surveyed using GPS. Holes were downhole surveyed at various intervals and using a variety of tools. Downhole surveys reported for Shell and Aberfoyle holes have not been verified.

Where core recovery information is available (recovery information cannot be located for ten holes drilled by Shell and Aberfoyle) they are generally over 90% when drilling is within sulphide mineralisation. Recoveries are poor in the oxide and transitional parts of the mineralisation. For this reason, oxide and transition mineralisation has been excluded from the resource.

For holes drilled by Aberfoyle and Shell limited information is available on data quality, sampling procedures, assay techniques and quality control. Assaying was carried out by laboratories which have since closed down (Comlabs and Analabs) and cannot be independently checked. These limitations apply to approximately 25% of the analytical data in the resource model. Holes since MD033 have been assayed by Amdel and Genalysis using standard techniques and now incorporate recognised QA/QC procedures.

Doubts over the data quality of the early drilling are a significant factor in the classification of the resource as Inferred.

Prior to 2006, density measurements had not been routinely collected, so for pre-2006 drill holes, modelled densities were used in resource estimation. Since 2006 densities have been measured (using the immersion method) on each sample submitted for assay.

Resource model

The Menninnie Central resource model was developed based on block size of 25x25x10m with sub blocking. Interpolation was by Ordinary Kriging using a single pass search ellipsoid, with parameters derived from a combination of variography and understanding of the geology. Interpolation criteria were such that composites from at least 2 drill holes were required to estimate block grade values. No top cuts were applied. Lead, zinc and silver abundances, specific gravity and core recoveries were all modelled. All resource blocks have been classified as inferred based on the broad drill spacing and data quality issues relating to the early exploration drilling. An alternative interpolation by inverse distance squared was completed for validation purposes and was within 1% of total metal obtained by Kriging.

The Inferred Resource is stated at a cut off of 3.5% Pb+Zn. This is considered to represent a realistic scenario for potential future underground mining.

The resource estimate excludes oxide and transitional material due to poor recoveries and limited data. Additional unquantified tonnage potential exists.

No metallurgical test work has been completed. Petrographic studies indicate that standard processing techniques should be applicable. Testing is proposed prior to any future resource upgrade.

Figures 2 and 3 show plan and cross section views of the lode outlines and the resource distribution.

Significant potential for additional mineralisation is considered to exist within the 1% Pb+Zn outlines. Potential also exists to extend the mineralisation envelopes particularly at depth. It should be noted that this resource estimate does not include results from outside the Menninnie Central Prospect. Exploration for 2008 will focus on other prospects within the Licence to extend the overall Mineral Inventory.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Robert Singer, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Singer is Chief Geologist and a full time employee of Terramin Australia Limited. Mr Singer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources or Ore Reserves'. Mr. Singer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.