



ASX Shareholder Report

18 July 2008

Enquiries on this Report
or the Company
may be directed to:

Dr Kevin Moriarty
Executive Chairman

+ 61 8 8213 1415
+ 61 (0)408 173 157

Website Address:
www.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

Level 22, Westpac House
91 King William Street
Adelaide SA 5000
Australia

Telephone

+61 8 8213 1415

Facsimile

+61 8 8213 1416

Terramin achieves producer status

Terramin Australia Limited (ASX: "TZN") is pleased to report that Australia's newest and most modern mine, the Angas underground zinc mine, will today commence continuous operations for the production of zinc and lead-copper-gold-silver concentrates.

Dr Kevin Moriarty, Terramin's Executive Chairman, said the commencement of operations is a landmark for South Australian mining and for the Company, "today marks one of the most significant milestones for the Company as it achieves producer status. Concentrate sales will commence in two weeks, followed by the first shipment of zinc concentrate from Port Adelaide and the official mine opening in late September."

"The mine is powering ahead," he added, "underground development is established on three levels with the decline now 460 metres from the portal entrance. There are 25,000 tonnes of ore in surface stockpiles ready for processing. We are about to accelerate both development and production with a second drill jumbo."

Angas is forecast to produce 400,000 tonnes of zinc and lead-copper concentrates over the current 7-year mine life. The zinc concentrate will be exported to Asian markets, whilst the lead-copper concentrate will be delivered to the Port Pirie smelter in South Australia for refining.

The Angas lead-copper concentrate has a high gold and silver content contributing to the overall revenue stream. Dr Moriarty noted that, "approximately 50% of scheduled lead and zinc production over the next 15 months has been protected against adverse movements of metal prices and currency. At the end of June the market value of our hedge book for lead and zinc was \$14.8 million, so we are in a strong position going into production now."

Dr Moriarty added that the Company is working on a plan to maximise cash flows to support its next mine at Tala Hamza.