



ASX Shareholder Report

29 July 2008

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Terramin is a dedicated
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focused on developing
zinc mines close to
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Improved drill density confirms Probable Reserves for a seven year mine life for Angas

The 2008 Probable Reserve, as at 31 March 2008, shows a 3% increase in tonnes and an overall reduction of 10% in total contained metal.

This reflects a reduction in the underlying Indicated Resource based on improved geological understanding and a lower density estimate following extensive in-fill drilling.

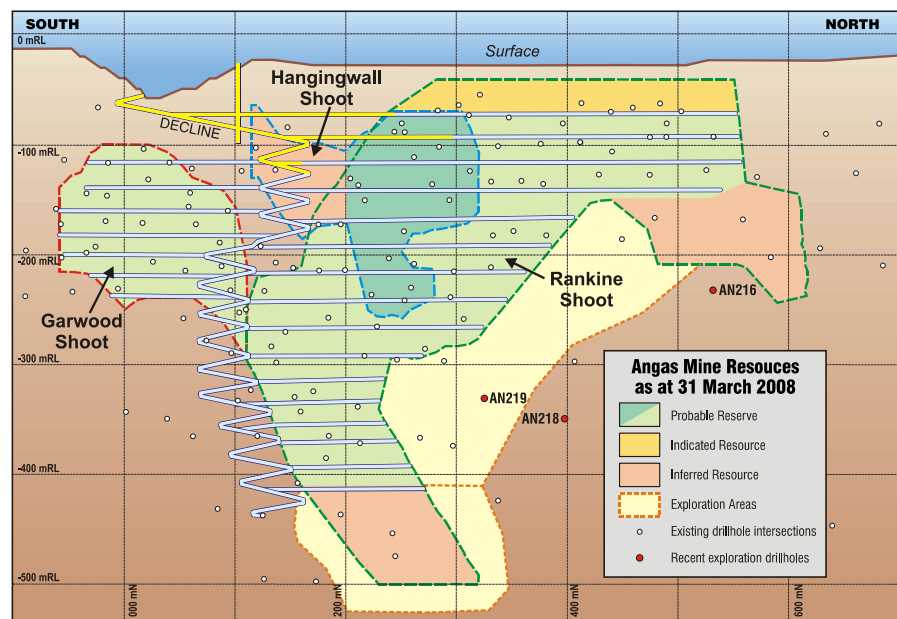
For the Reserve relevant factors were, dilution increased on the hanging wall to adopt a more conservative approach, an increase in the height of the crown pillar and the minimum mining width in narrow stopes.

The new Reserve confirms a viable mine plan at current metal prices and meets all the corporate objectives including a minimum mine life of seven years.

Mine exploration

The additional drilling has markedly improved understanding of the geological controls. A drilling programme commenced to test the possibility of additional lead zinc mineralisation north of the current Reserve and at shallow depths to the south in what could be an analogous system. Initial results are very encouraging with hole AN219 intersecting strong sulphides over an interval of 15m (including a 4 metre zone with Rankine-style sub-massive and disseminated sphalerite-galena mineralisation). AN216 and AN218 recorded pyrite-pyrrhotite mineralisation in lode material.

Drill testing is also proposed at other near mine targets including conversion of Inferred Resources in the Hangingwall and Rankine. This will be accelerated by the introduction of a second rig early in August.





Ore Reserves

	Mt	%Zn	%Pb	%Cu	Ag (g/t)	Au (g/t)	ZnEq %
Probable	2.41	7.00	2.72	0.24	31	0.48	9.6
Total	2.41	7.00	2.72	0.24	31	0.48	9.6

Mineral Resources

	Mt	%Zn	%Pb	%Cu	Ag (g/t)	Au (g/t)	ZnEq %
Indicated	0.23	6.54	2.18	0.18	24	0.45	8.6
Inferred	0.36	4.1	2.1	0.1	23	0.4	6.1
Total	0.59	5.1	2.1	0.1	23	0.4	7.1

Notes:

- Reserves and Resources are reported in accordance with the JORC code (Australasian Code for Reporting of Mineral Resources and Ore Reserves, December 2004). The resource estimation was completed by Terramin personnel and reviewed by independent consultants (Snowden Mining Industry Consultants). Terramin personnel estimated Reserves in conjunction with an independent consultant (Mining Plus).
- Inferred Resource grades are rounded to one decimal place. All other grades are quoted at two decimal places.
- The Indicated Resource is exclusive of those Resources converted to Reserve. This Resource is contained within the crown pillar.
- In situ Equivalent Zinc (ZnEq) is estimated using the formula

$$\text{ZnEq\%} = \text{Zn\%} + \text{Pb\%} \times 0.5612 + \text{Cu\%} \times 0.6355 + \text{Ag (g/t)} \times 0.0158 + \text{Au (g/t)} \times 0.8890.$$

It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered. Metal prices (USD) used in the ZnEq calculation (and Reserve estimate) are based on Bloomberg long term prediction (May 2008); Zn 2249/t, Cu 5181/t, Pb 1323/t, Ag 13.37/oz, Au 762/oz. Recoveries used in the ZnEq calculation are based on extensive test work and are Zn 87%, Pb 83%, Cu 24%, Ag 72%, Au 71%.
- Resource modelling assumptions are essentially unchanged from the last estimate in November 2005 with the following exceptions:
 - An additional 68 diamond drill holes (giving a total of 215 holes) have been utilised leading to extensive revisions to the geological model and significantly improving understanding.
 - A cut off grade for the Resource of 2% Pb+Zn was used to construct grade wireframes compared with, previously, a 10-15% Fe+Pb+Zn cut off further restricted by a 2% Pb+Zn cut off.
 - Additional density determinations (total of 837) have allowed measured densities to be interpolated in the block model rather than stoichiometric estimates.
 - Interpolation was by ordinary kriging compared with inverse distance squared in 2005
 - Mineralisation defined by drill spacing of less than 50m is classified as Indicated. Some material previously classified as Indicated has been reclassified as Inferred where drill spacing is greater than 50m.
- Reserve estimation assumptions are unchanged from the last estimate in November 2005 with the following exceptions:
 - Mining method remains longhole stoping however previously planned low grade pillars are replaced by cemented hydraulic fill
 - Reserves are calculated to a depth of -415mRL compared to -370mRL for the previous estimate.
 - Dilution is assumed at one metre on the hanging wall and 0.5 metres on the footwall, compared with 0.5m on both walls previously. Dilution grade estimates are based on modelled grades instead of an arbitrary assigned grade.
 - A cut off of 3% Pb+Zn was used (previously 4.5%)
 - Minimum mining width was increased from 2.5m to 3.5m
 - Mining Recovery of 95% (previously 85%) was assumed.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Robert Singer. The information that relates to Ore Reserves is based on information compiled by Mr Andrew Robertson. Both are Members of The Australasian Institute of Mining and Metallurgy. Mr Singer is Chief Geologist and Mr Robertson is General Manager Operations, both are full time employees of Terramin Australia Limited. Both have 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 and Mr Robertson consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.