



## 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 mine output above forecast

**Terramin is pleased with progress toward full production at its Angas Zinc Mine. Production grades of ore from the mine have been much higher than expected, entailing faster build-up of concentrate and expanded trucking schedules.**

To date, 600 dry tonnes of lead concentrate have been delivered to the Port Pirie smelter for refining. Over 2,000 dry tonnes of zinc concentrate is stockpiled at Port Adelaide awaiting the first shipment to Korea next month. The stockpile is growing at 1,200 tonnes a week.

Metal commodity prices including lead and zinc have retreated significantly in the last few weeks and months causing the industry to dramatically reassess current and future business plans. Teck Cominco has shut the Lennard Shelf base metal operation in Western Australia, AIM Resources have suspended development of the Perkoa Zinc project in Burkina Faso and CBH Resources has elected to cut their workforce at the Endeavour Mine in NSW and target high grade ore to remain viable.

A recent media report suggested that 15% of all zinc miners are operating at a loss at current metal prices. This does not include Terramin. We remain well-positioned to ride out this part of the cycle and expect lead and zinc prices to regain long-term levels in the coming months. In the medium-term the curtailing of new projects makes it inevitable that prices will go much higher to meet demand, which is still growing strongly. Some analysts suggest this critical point will occur in 2010; however others have pointed out that any sustained period of lower prices will bring this point forward.

Your management is positioning our strategy to benefit from this scenario. We continue to target early 2009 for completion of the Tala Hamza feasibility study. The scoping study identified the potential for a large low-cost mine.

Broking houses Austock Securities and CommSec have recently updated their research reports on the company following the release of our latest Quarterly Activities Report and achievement of producer status with the successful commissioning of the Angas Zinc Mine at Strathalbyn. Copies of these bullish reports are available on the Terramin website.