



ASX Shareholder Report

01 July 2011

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

Mark Gell
Investor Relations
+ 61 0419 440 533

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

Tala Hamza Update

Terramin Australia Ltd (ASX:TZN) advises that, according to its Algerian government owned partner, the Tala Hamza review will be completed and transmitted to Terramin "in a week to ten days" following receipt of its external consultant's report.

Dr Kevin Moriarty, Terramin's Managing Director, said: "we have been advised that the completion of the review is imminent. The next step, agreed by the partners, is to meet promptly to clear any technical issues. The approval process for a mine in Algeria is relatively inflexible, so it is important that potential issues are identified in advance. In Australia, by contrast, negotiation of issues continues through the application process. This process delayed our Angas mine approval by a year. In effect, by clearing issues prior to the application process, we are de-risking the Tala Hamza project according to the government's criteria, and this should speed up the formal process."

Last week, in Algiers, Dr Moriarty presided over the shareholder's annual meeting of the joint venture company WMZ. In response to their questions, the Algerian partners were assured that Terramin's management authority was uncompromised, and Terramin's board retained the necessary technical competence and focus for successful mining development of Tala Hamza.

The Oued Amizour project is 100% owned by Western Mediterranean Zinc Spa (WMZ). The shareholders of WMZ are: Terramin (65%) and two Algerian state owned companies, Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (32.5%) and Office National de Recherche Géologique et Minière (ORGM) (2.5%).

Terramin and WMZ have completed a Definitive Feasibility Study for the development of a 4Mtpa block cave zinc mine producing an average annual production of 370,000 tonnes of zinc and lead concentrates.