



## ASX Shareholder Report

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Terramin is a dedicated  
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## Drill results enhance Tala Hamza upside

### Highlights

Recent drill holes at Tala Hamza have:

- intersected significantly higher grades than the current resource block model;
- shown the deposit is open to the south with enhanced potential for wider mineralisation and higher grades;
- returned the highest silver assays to date (in TH067) with individual metre assays over 30 oz/t Ag.

### Tala Hamza drilling activity

Analytical results have been received for three holes (TH065, TH066 and TH067) drilled for geotechnical purposes within and at the southern margin of the deposit. Figure 1 shows the location of the three holes reported in this release in relation to the November 2009 Mineral Resource boundaries. A summary of the results is presented in Table 1 and the collar location information in Table 2.

The overall intersection in TH065 was in line with expectations from the November 2009 resource model however grades in both TH066 and TH067 were significantly higher than predicted by the block modelling.

For TH066, drilled in the southeastern quadrant of the deposit, the predicted grade from the November 2009 block model was 9.49% Pb+Zn. This compares with an actual grade of 12.63% Pb+Zn, an increase of more than 30%.

In the vicinity of TH067 low grades were predicted by the model with much of it below cut off. The overall mineralised interval in TH067 returned a grade of 4.04% Pb+Zn over 129m, more than double the predicted grade from the model (1.97% Pb+Zn) over the same interval.

TH067 has also returned the highest silver assays seen at Tala Hamza to date. These are restricted to a lead rich zone and, using a silver cut off of 50 g/t Ag, returned an interval of

**9m @ 9.28% Pb, 6.72% Zn, 373 g/t Ag (from 633m).**

The result in TH067 is particularly significant as it enhances the exploration potential down dip and to the south and south west of the deposit.

The current geological model and block modelling suggested thinning of the high grade mineralisation to the south due to faulting. However, TH067 has demonstrated that this mineralisation is considerably thicker and higher grade than predicted and that the Upper South domain has higher grade intervals where previously only sub-grade mineralisation was interpreted. As shown in Figure 2, this opens the possibility that the faulted-off higher grade parts of the Mid domain may have been offset down dip in the Upper South domain. This area is untested by drilling and will be a priority for future exploration by WMZ.

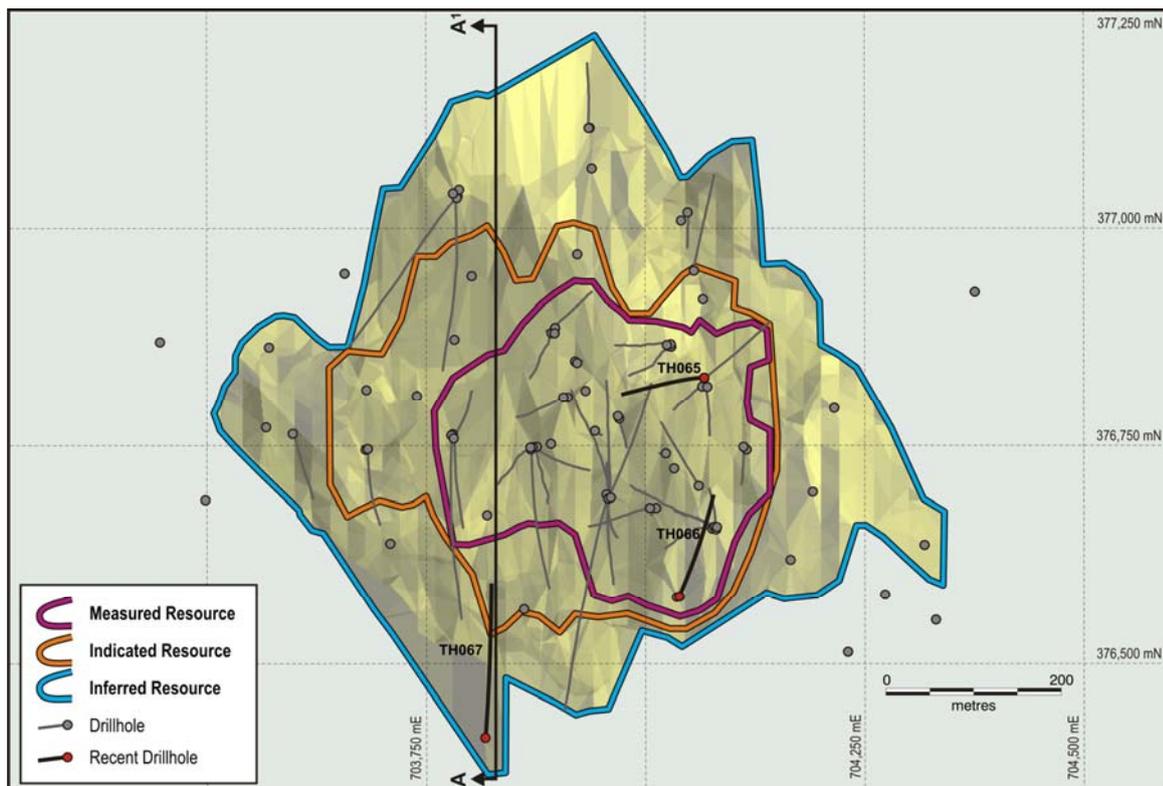


Figure 1 Location of holes TH065, TH066, TH067 and November 2009 Mineral Resource category boundaries

Table 1: Analytical results

Hole_ID	Total mineralised interval					Significant included intervals				
	From	Width	Pb%	Zn%	Pb+Zn (%)	From	Width	Pb%	Zn%	Pb+Zn (%)
TH065	281.2	242.2	0.78	3.93	4.71	364.0	20.0	3.09	8.91	12.00
						468.9	39.1	1.16	9.24	10.40
TH066	450.0	134.4	2.26	10.36	12.62	452.0	55.0	4.13	10.30	14.44
						514.5	64.9	1.11	12.06	13.17
TH067	444.0	22.0	0.98	2.41	3.39					
	546.7	129.0	1.30	2.74	4.04	605.3	69.3	2.02	4.13	6.15

Note: Total mineralised interval is quoted at 1% Pb+Zn cut-off. Included intervals are intervals of >20m at 4% Pb+Zn cut off; intercepts are down hole

Table 2: Collar location information

Hole_ID	Easting	Northing	RL	Azimuth	Dip	Total depth (m)
TH065	704065	376827	211	264	-80	620.5
TH066	704041	376579	263	020	-78	665.4
TH067	703823	376417	295	004	-75	750.1

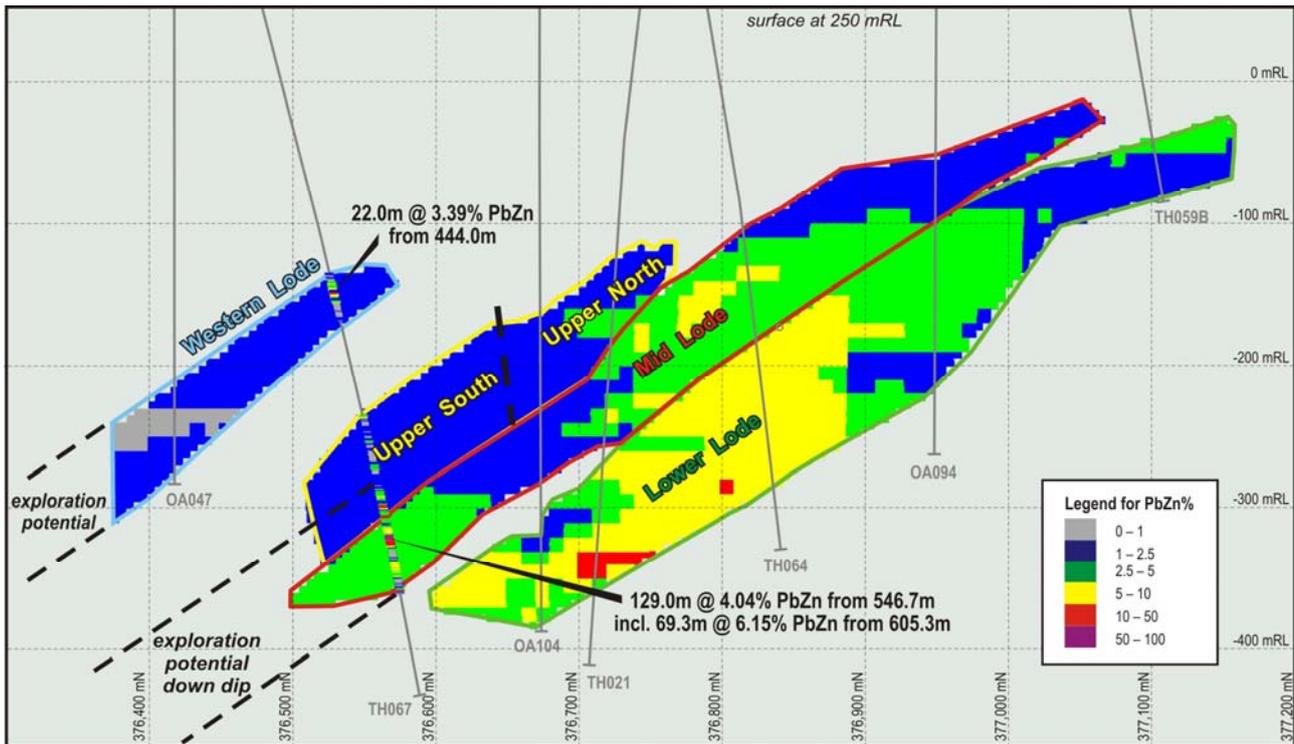


Figure 2 North south cross section through TH067 showing November 2009 block model and TH067 summary intersections.

In response to these results Terramin’s CEO Greg Cochran said that “this drilling gives encouragement that we will be able to expand the deposit to enable sustained production for a longer period”.

## About Oued Amizour Project - Exploration Permit 5225PE

The project consists of a 123 square km highly prospective exploration tenement situated in northern Algeria on the coast of the Mediterranean Sea, 15 km from the deep water port of Bejaia. In addition to its infrastructure advantages - roads, power, water, and labour force - the project is well positioned to supply feedstock to European smelters.

The Oued Amizour project is 100% owned by Western Mediterranean Zinc Spa (WMZ). Terramin is the operator of the project and holds a 65% interest in WMZ with the remaining 35% held by 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 are in the final stages of completing a definitive feasibility study for the development of a large new underground zinc mine on the Tala Hamza deposit located on the tenement. The mine will have the capacity for annual production in the range of 250,000 tonnes to 400,000 tonnes of concentrate (combined zinc and lead) depending upon the final mining rate in the range of 2Mtpa to 4Mtpa. The tenement also contains several lead-zinc and other prospects with the possibility of more discoveries.

The most recent Tala Hamza Resource estimate (November 2009) gave a Measured and Indicated Resource of 51.1 million tonnes at 6.1% Pb+Zn, within a global Measured, Indicated and Inferred Resource of 68.6 million tonnes at 5.7% Pb+Zn.

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Robert Singer. Mr Singer is a Member of The Australasian Institute of Mining and Metallurgy and is Chief Geologist of Terramin Australia Limited and a full time employee. He 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 of Exploration Results, Mineral Resources and 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.*