



## ASX Shareholder Report

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Terramin is a dedicated  
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*Version with correct figure 2*

## Oued Amizour regional exploration delivers promising results

### Highlights

**Regional exploration in an area 3 km east of the Tala Hamza deposit has resulted in:**

- **the discovery of a large hydrothermal alteration system with outcropping mineralisation;**
- **highly encouraging Ag-Pb-Zn-Cu-Au results from channel samples and rock chips at Lbarkouk;**
- **recognition of a new style of silver-gold bearing base metal mineralisation.**

With the Tala Hamza definitive feasibility study nearing completion, WMZ has commenced regional exploration in the vicinity of the Ait Dali valley, near the proposed site for the Tala Hamza processing plant and Tailings Storage Facility (TSF), 3 km east of the Tala Hamza deposit. The potential of the area had been identified from previous work by ORGM which had led to a number of drill holes including four at the nearby Ait Dali prospect (Fig 1) with a highlight of 16.5m @ 5.7% Pb, 0.4% Zn reported in one hole (assays not able to be verified by WMZ). Regional and detailed geological mapping, stream sediment sampling and rock chip and channel sampling by WMZ has now confirmed the prospectivity indicated by that work.

The regional stream sediment sampling programme over the Ait Dali valley catchment returned a number of **highly anomalous** results, including Pb values to 1,770 ppm, Zn to 900 ppm and Cu to 135 ppm. Work is ongoing to evaluate and rank these for follow up however the Lbarkouk prospect has been identified as an immediate priority and detailed mapping and geochemistry has commenced. At Lbarkouk broad zones of intense alteration similar to that seen at Tala Hamza have been mapped within a larger hydrothermal alteration system over a distance of 2 km. It is possible that this alteration is related to the Bouzenan prospect (1.7 km to the south) and the Ait Dali prospect (1.1 km to the north).

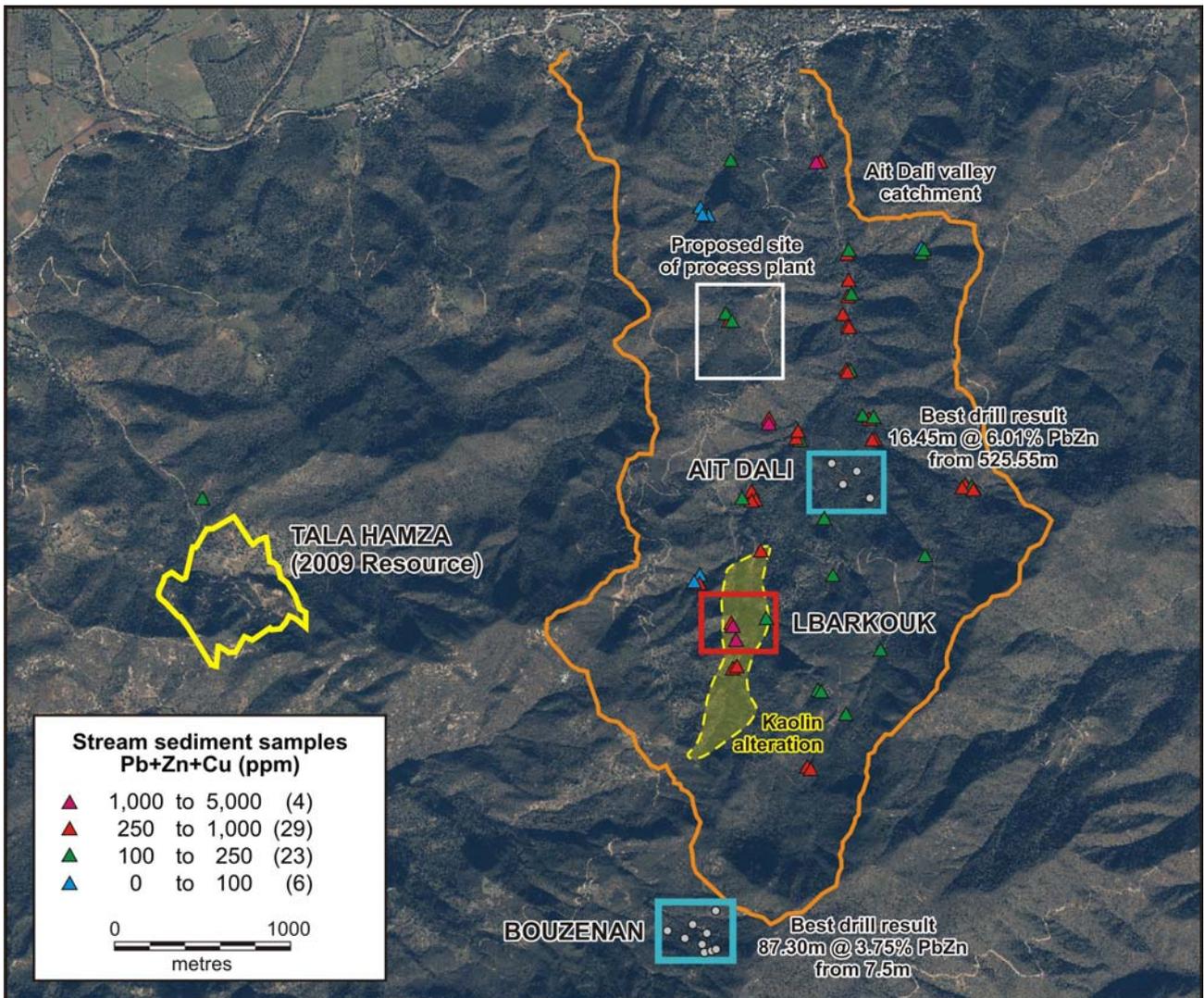


Figure 1 Location of Lbarkouk and Ait Dali in Oued Amizour project area

Lbarkouk returned encouraging results (Fig 2) from the first pass programme of channel and rock chip sampling. At the northern end anomalous gold and silver associated with siliceous rocks and disseminated pyrite included a best result of 3 m @ 0.22 g/t Au and 4 g/t Ag. At the southern end of the prospect, where massive pyrite and quartz veining is associated with intense kaolinitic alteration, a number of anomalous polymetallic zones were recorded including best results of:

- 16m @ 0.27% Cu, 0.47% Pb, 0.21% Zn, 0.18 g/t Au, 5 g/t Ag
- 10m @ 0.78% Pb, 4 g/t Ag
- 5m @ 0.42% Pb, 0.22% Zn, 0.08 g/t Au, 39 g/t Ag

High metal values were also reported in selected rock chips, with assays up to 170 g/t Ag, 7% Zn and 1% Pb (see Figure 2)

This **polymetallic style of mineralisation** differs significantly from that seen at Tala Hamza, particularly the anomalous **copper and gold**, which are only present at trace levels at Tala Hamza. In addition, the distinctive high silver in outcrop at the surface makes Lbarkouk a very attractive exploration target.

All data is being compiled and a number of early drilling targets have been identified. It is expected that this drilling will commence during third quarter this year.

In response to the encouraging results Terramin's CEO Greg Cochran said "these results follow our recent announcement of the potential for enhanced mineralization at Tala Hamza."

He added, "Terramin has long held the view that the greater Oued Amizour area offered considerably more than just the Tala Hamza deposit and these exploration results clearly demonstrate the tenement's prospectivity and the potential for further discoveries of economic mineralization".

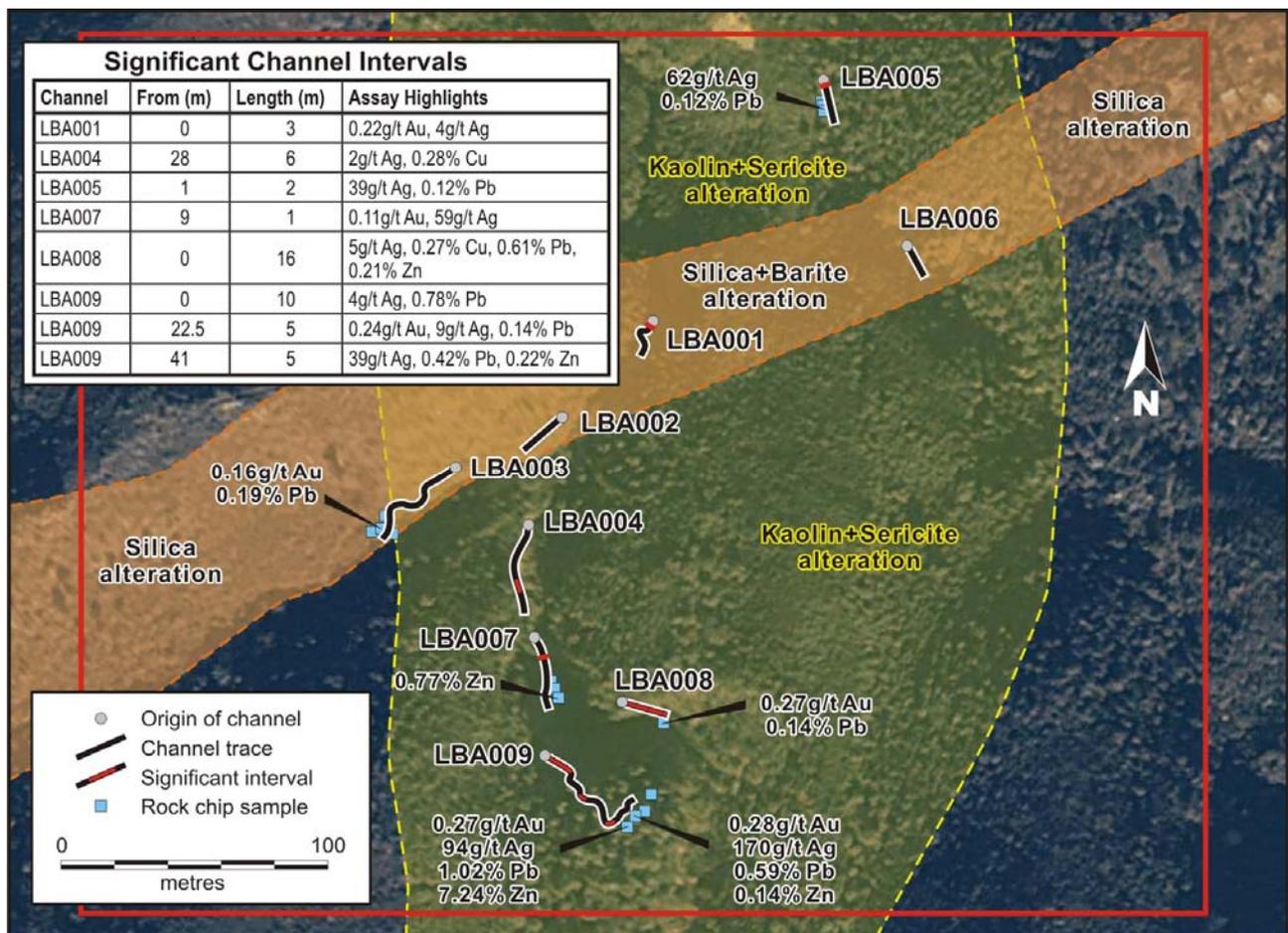


Figure 2 Location of channel and rock chip sampling at Lbarkouk showing alteration zones

## About Oued Amizour Project -

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). WMZ is owned by two Algerian state owned companies: Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (32.5%), Office National de Recherche Géologique et Minière (ORGM) (2.5%) and Terramin (65%). The project is operated as a joint venture between ENOF and Terramin under which Terramin sole funds until the completion of the feasibility study. Terramin has spent over US\$30 million on the studies and drilling to define the deposit.

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.*