



## ASX Shareholder Report

26 October 2010

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Terramin is a dedicated  
base metals company  
focused on developing  
zinc mines close to  
infrastructure.

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## Terramin regains 100% of Menninnie

An agreement with Minerals and Metals Group (MMG) will see Terramin Australia Limited (ASX: TZN) purchase MMG's 76% interest in the Menninnie Dam tenement (EL3640) subject to approval by the Minister in accordance with the Mining Act. The purchase will be funded from existing cash resources and will increase Terramin's ownership to 100% of the property through its wholly owned subsidiary, Menninnie Metals Pty Ltd (MMPL).

The tenement is close to infrastructure and the lead smelter at Port Pirie (Figure 1) in South Australia and contains an Inferred Resource of 3.8Mt at 4.0% zinc, 3.2% lead and 34g/t silver which remains open along strike and at depth. The elevated lead content is important given its proximity to the smelter.

This acquisition will enable Terramin to build its lead-zinc resources through extension of the existing deposit and exploration of numerous untested or partly tested geophysical (IP, EM, gravity) and geochemical anomalies in the region. There is additional copper and gold potential as seen on adjacent tenements (Figure 2).

Terramin is well placed to manage this exploration as the bulk of the work which led to definition of the Menninnie resource and the other major geophysical targets was completed under earlier Terramin management. A number of Terramin staff were seconded to work on the project when the project was being managed by MMG.

Over the last few years Terramin has been progressively increasing its tenement position in the highly prospective Gawler Craton region of South Australia. Along with the now 100% owned Menninnie Dam tenement, MMPL holds a 100% interest in the Kolendo tenement (EL4285) and is earning a 70% interest from Minotaur Exploration Ltd in the Nonning tenement (EL3535). Earlier this year the company applied for the Taringa exploration license over 988 square kilometres which shares a boundary with Kolendo and Nonning, increasing the total exploration area to about 1600 square kilometres (Figure 2).

The consolidation of the tenement package will enable the company to pursue a farm-in partner to continue exploration to extend the Menninnie Central deposit and test a number of the ready-to-drill targets. The Company can advance this work quickly because on-the-ground facilities include a fully established exploration camp and core processing facility.

Terramin's Executive Chairman, Kevin Moriarty said "This acquisition gives Terramin management control over the majority of the largest currently known undeveloped zinc lead province in South Australia and provides a near term growth opportunity for the company".



Figure 1 Location of Tenement Package

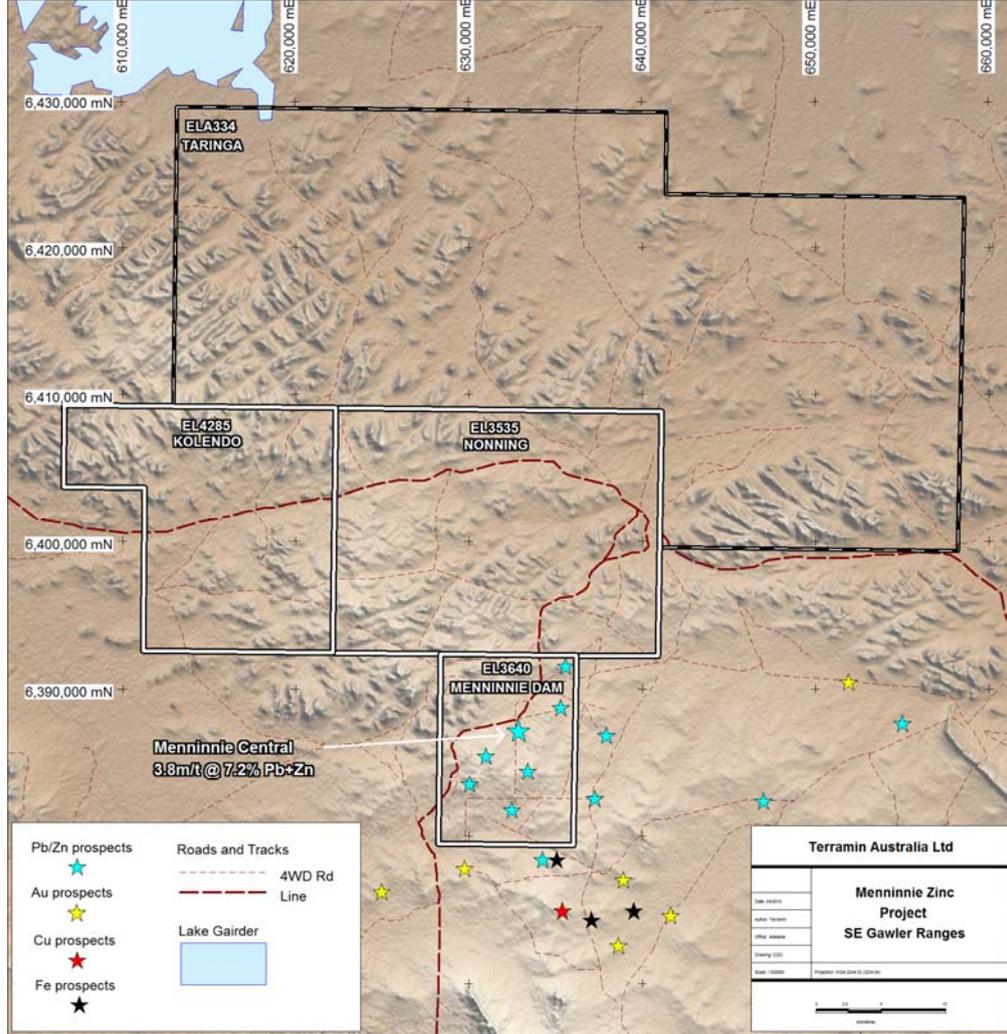


Figure 2 Menninnie Metals tenements with location of significant prospects

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.