



ASX Shareholder Report

18 February 2011

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

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Angas Sunter Shoot Update 3

Terramin Australia Ltd (TZN:ASX) today announced that drilling on the newly discovered Sunter shoot at Angas has been very encouraging. Two holes have now been added to the program to test the shoot at deeper levels.

Terramin's Executive Chairman, Dr Kevin Moriarty said "the current drill program is giving us confidence that we can meet our aim of extending the Angas mine life through new resources at Sunter and the identification of additional shoots."

Six holes have now been completed, testing to a depth of 150m below surface, all of which have intersected base metal sulphides (Figure 1). Visual indications are sufficiently encouraging for additional drilling to be approved to extend testing beyond 250m below surface. Samples from the first three holes have been submitted for assay.

The drilling has confirmed that the Sunter mineralisation is associated with coincident geophysical anomalies including recently remodelled induced polarisation and gravity. Further, an improved understanding of the geometry of the higher grade mineralisation within a broad lower grade envelope has allowed better targeting of other similar features elsewhere on the lease. For example, at the northern end of the lease similar coincident geophysics surrounded by lower grade intersections has not been adequately tested.

A deep test under the main Rankine workings is also being planned.

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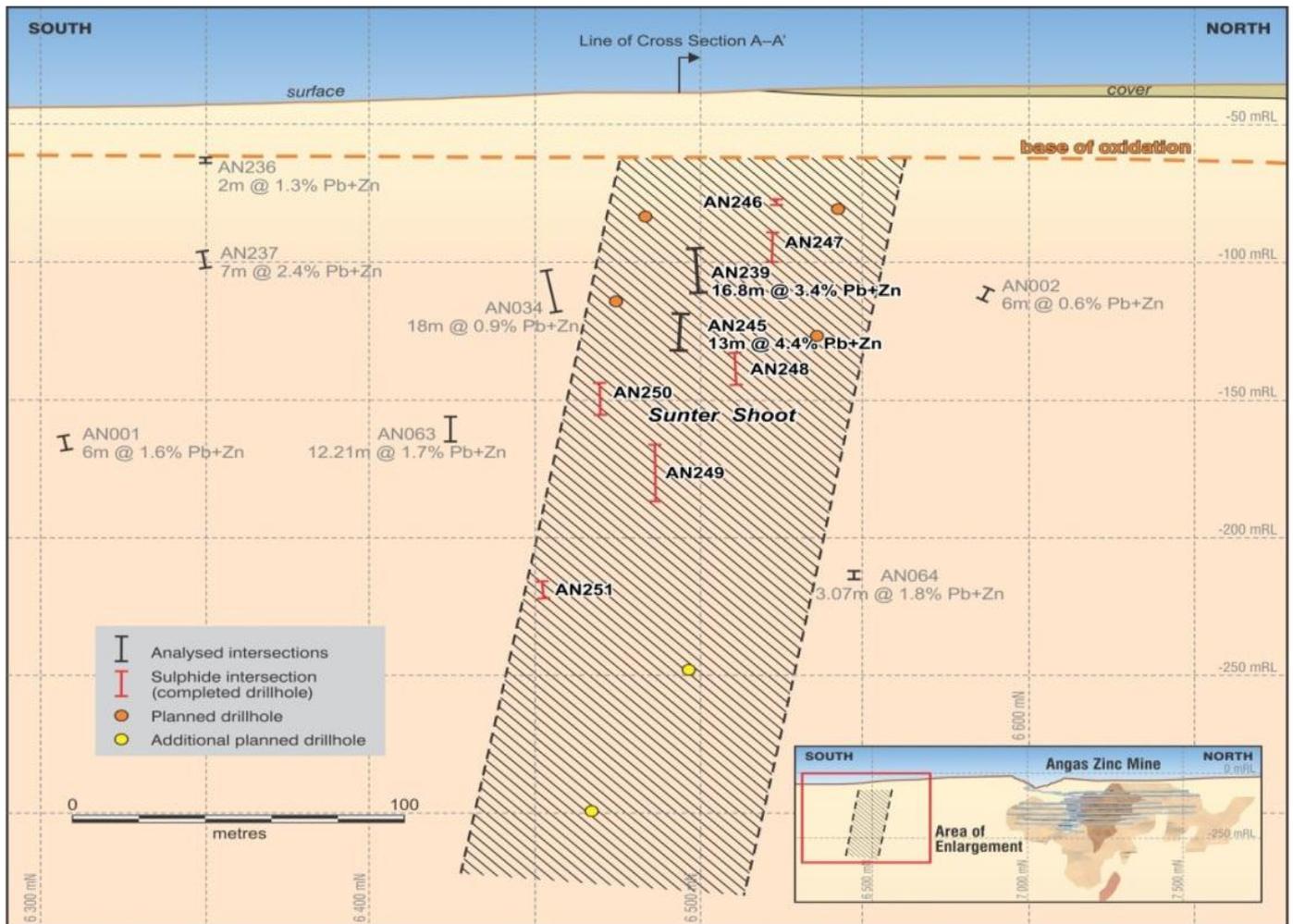


Figure 1: Long section showing Sunter Shoot, intersections from recent drilling and proposed drill holes

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Robert Singer, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Singer is Chief Geologist and a full time employee of Terramin Australia Limited. Mr Singer has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting 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.