



ASX Shareholder Report

28 July 2011

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Terramin is a dedicated
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focused on developing
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Terramin grows Menninnie project

Terramin Australia Ltd (ASX:TZN) announces that a wholly owned subsidiary of Terramin (Menninnie Metals Pty Ltd), has concluded a transaction that will see it own 100% of a prospective group of tenements along trend from the Menninnie Dam lead-zinc deposits.

An agreement with Minotaur Operations Pty Ltd (Minotaur) will see Terramin acquire a 100% interest of the Nonning tenement (EL3535), immediately north of the key Menninnie Dam project on South Australia's Eyre Peninsula.

The Nonning tenement is part of the group of 4 tenements that comprise the Menninnie Zinc Project (see figure next page). Previously this tenement was subject to an earn-in arrangement between Terramin and Minotaur whereby Terramin could earn an interest of up to 70%.

The Inferred Resource of 7.7 million tonnes at 5.7% Pb+Zn and 27 g/t Ag at Menninnie Dam is associated with an induced polarisation anomaly. Several larger anomalies occur along a trend that continues onto the Nonning tenement, where a limited survey has identified two anomalies as shown on Figure 1.

Terramin's Managing Director, Dr Kevin Moriarty commented, "The successful exploration on the Menninnie Dam tenement has shown that the mineralisation trends north on to Nonning and further. This purchase will result in Terramin owning 100% of all the tenements in the Menninnie Zinc Project and positions the whole project to attract a substantial joint venture partner".

Completion of this transaction is subject to approval by the responsible Minister pursuant to the Mining Act (SA) 1971.

The Menninnie Zinc Project comprises a contiguous group of four tenements covering an area of 1,609km². Terramin has previously announced an Inferred Resource of 7.7 million tonnes at 5.7% Pb+Zn and 27 g/t Ag and identified several prospects with similar geophysical signatures in close proximity. It has been acquiring tenements to the North because the area is prospective for substantial lead/zinc deposits.

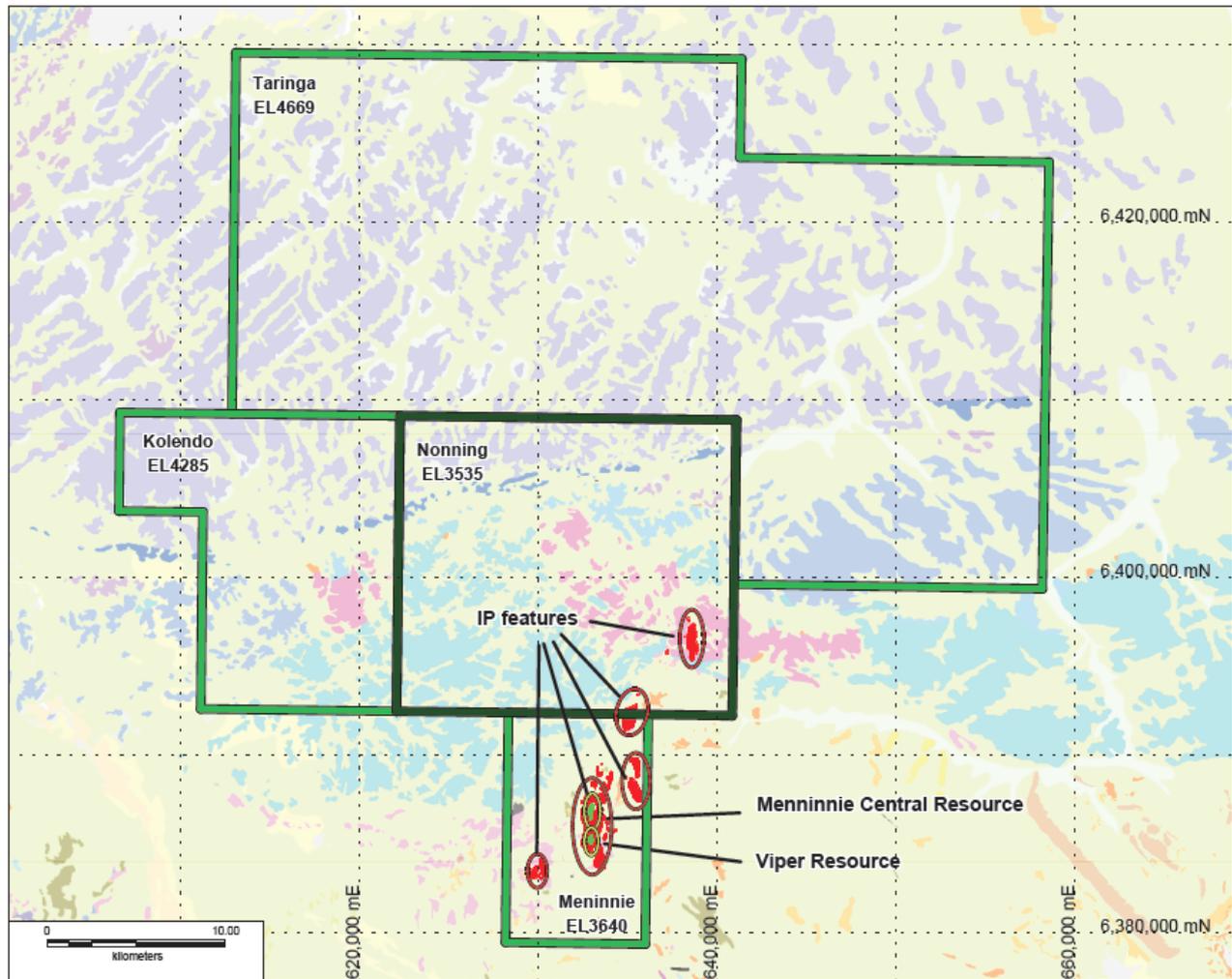


Figure 1: Terramin's Menninnie Zinc Project tenements showing the central location of EL3535 Nonning, the Menninnie 2011 resource, and prospective IP features related to the Menninnie Dam mineralising system. The background image is 1:250,000 scale surface geology published by PIRSA (2007).

The information in this report that relates to Exploration Results is based on information compiled by Mr Eric Whittaker. The information in this report that relates to Mineral Resources is based on information compiled by Mr Robert Singer. Mr Whittaker and Mr Singer are both Members of The Australasian Institute of Mining and Metallurgy. Mr Whittaker is Principal Resource Geologist and a full time employee of Terramin Australia Limited. Mr Singer was Chief Geologist of Terramin Australia Limited at the time of the estimate. Mr Whittaker and Mr Singer have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are each 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 Whittaker and Mr Singer consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.