



ASX Shareholder Report

21 September 2009

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Terramin is a dedicated
base metals company
focused on developing
zinc mines close to
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Clarification on price surge

Terramin Australia Limited (ASX:TZN) has received a query from the ASX regarding today's increase in share price.

The ASX referred to an article published by Reuters on Friday 18 September 2009 regarding "offtake talks" with European smelting companies. The talks referred to are in fact discussions with smelters regarding the expected quality and quantity of concentrate to be produced from the proposed Tala Hamza mine. Terramin and its Algerian partners have been invited to give a presentation at the ILZSG Annual Conference in Lisbon, Portugal in October, at which time they will meet with smelter representatives.

The article also refers to interest from an Algerian bank to provide a letter of intent to finance the proposed Tala Hamza mine. As previous announcements have made clear, a number of banks and funds have expressed interest in funding the project and, whilst a positive development, such interest does not represent a substantive change in the status of the project.

Terramin's Executive Chairman, Dr Kevin Moriarty, said that in his view "the Company's share price is yet to reflect the intrinsic value of the Tala Hamza project."

Dr Moriarty added that, "the price surge has occurred following the removal of a notional cap on the Company's share price as a result of the on-market disposal of a substantial number of Terramin shares formerly held by a liquidated hedge fund."

Therefore, it is Terramin's view that the most likely cause of the increase in the share price is the re-rating by analysts of the Company's producing mine. Analysts have drawn attention to the increased operating margins of the Angas Zinc Mine and its exploration upside, as reported by the Company in recent announcements to ASX.