



ASX Shareholder Report

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

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New prospects for old mines

HIGHLIGHTS

- **Shallow high grade targets to be tested**
- **Copper-gold and lead zinc potential identified**
- **Within 30km of Angas mine**

South Australian miner Terramin Australia (ASX: TZN) today announced it was to drill several old mines and prospects to boost production of base metals and gold from the region around its Angas mine. This decision complements a recent announcement advising an Angas mine expansion initiative.

Executive Chairman Dr Kevin Moriarty said that the region was grossly underexplored despite being Australia's first mining belt. With the successful Angas mine in its second year of production, it was now time to look for new satellite mines.

"The Angas Mine shows the outstanding potential in a region that has been neglected for a century," Dr Moriarty said.

Several decades ago large companies targeted giant deposits and did not investigate Angas size anomalies and mines that can now benefit from existing infrastructure.

"Bob Singer, our Chief Geologist said that the old mines he has looked at in the Fleurieu – Kanmantoo belt would have been drilled intensively if they were in Western Australia. However, these old mines have not been drill tested despite high grades and the cessation of previous mining activities at shallow depths," he added.

Surface exploration by Terramin has confirmed many of these targets as warranting immediate drill testing including:

Preamimma Mine: records from the period 1854 to 1907 indicate average ore grades of 9% copper from five shafts up to 100m deep. Underground sampling in the 1920s returned gold values to 9 g/t. A single historic drill hole failed to test the lode position, according to Terramin's computer modelling.

Anomaly "D", north of Preamimma Mine, is a 1.8 km long target with coincident geochemistry and geophysical anomalies. Recent soil sampling returned values of 35 ppb Au along with anomalous rock chips up to 0.76 % Zn and 2.1 g/t Au from limited outcrop. The feature is open to the north and south and has never been drilled.

Lady Jane Mine, in the period 1866 to 1933, produced gold from two shafts in multiple quartz veins with an estimated gold ore grade of 22 g/t. Terramin has identified a strong soil anomaly over 500m in length with peak gold of 200 ppb Au associated with the mine. The prospect has had no previous drilling.

Frahn's Mine appears to be an extension of the Lady Jane system to the south. Peak values from rock chips include 3.2% copper, 3.0g/t gold and 0.5% bismuth while soil sampling has defined two parallel gold anomalies over 1 km long. The prospect has not been drilled.

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Dr Moriarty pointed out that these are just some of the prospects within 30km of the Angas plant. Terramin is also developing lead-zinc drilling targets in the highly prospective Monarto and Warla districts.

“We are also looking for new shoots on the Angas mine lease to expand resources” he said. “The plant has excess capacity that could be used and we want to extend the life of the operation.”

About the Angas Zinc Mine

In its first year to August 2009, the Angas mine has exceeded output expectations and production costs for zinc and lead-copper-gold-silver concentrates.

The mine had an excellent June 2009 quarter, achieving full production and low cash costs of US34 cents per pound. The current zinc price is 86c/lb.

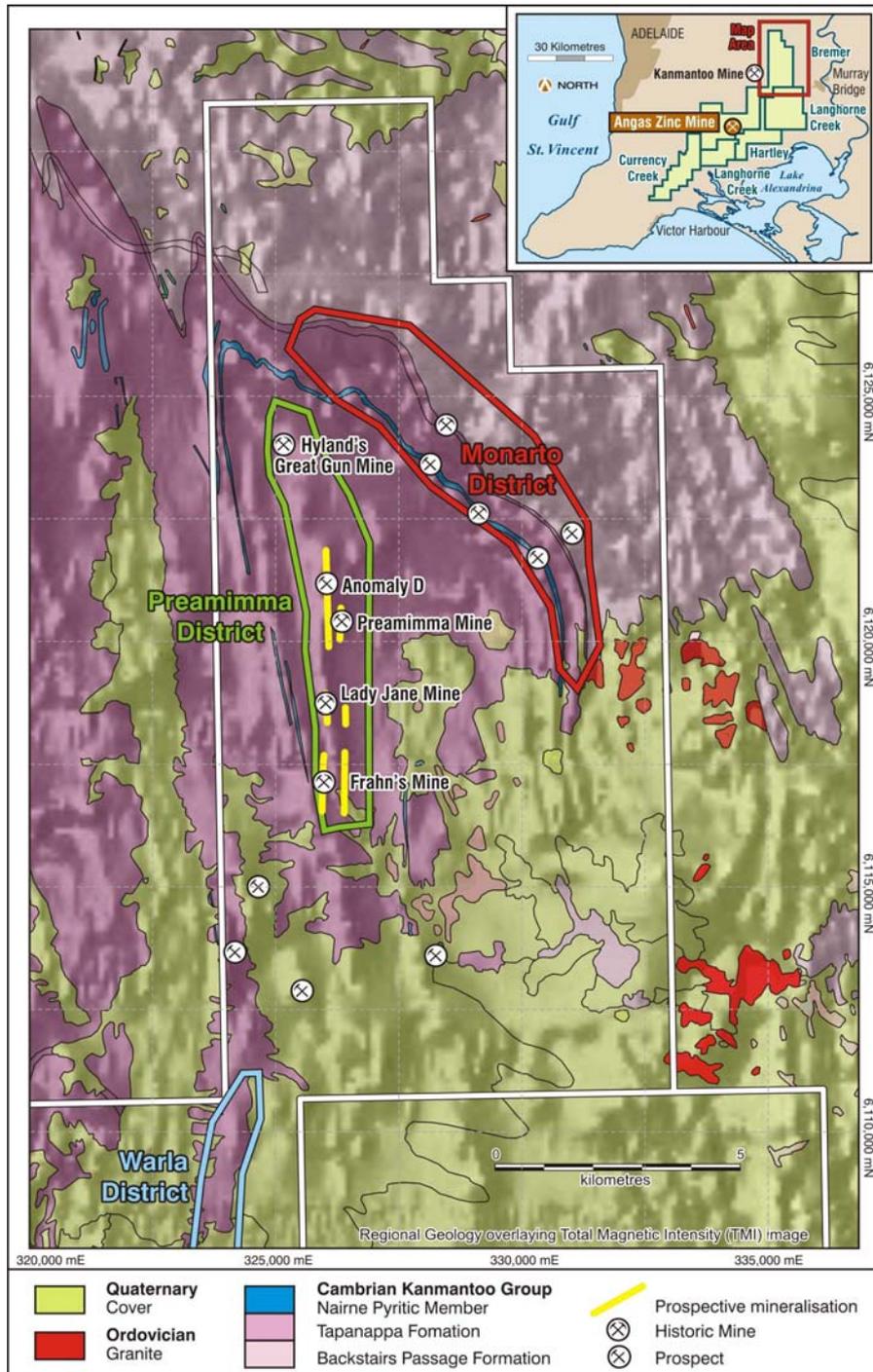
In the first year, 301,000 tonnes of ore was milled at Angas to produce 14,000 tonnes of lead-copper concentrate trucked to the Port Pirie smelter and 36,000 tonnes of zinc concentrate shipped to Asian smelters. Forecast output for 2009 is 16,000 tonnes of lead-copper concentrate and 45,000 tonnes of zinc concentrate.



Historic infrastructure at the Preamimma Mine, South Australia

The information in this report that relates to Exploration Results 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. Mr Singer 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 Exploration Results, Mineral Resources or 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.

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Geological plan showing prospects referred to in the text.