



TERRAMIN AUSTRALIA limited

ASX Shareholder Report

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*Terramin is a dedicated
base metals company
focused on early
development of the
Angas Zinc project and
advanced exploration
at Menninnie Dam
zinc/lead deposit.*

*The information in this report that relates
to exploration activity is compiled by
Dr K Moriarty PhD, M AusIMM who is a
Competent Person as defined by the JORC
code.*

Menninnie Zinc Project - major zinc and copper gold potential

Terramin has revitalised exploration of the Menninnie zinc lead silver prospect in the northern Eyre Peninsula district of the Craton.

A new genetic model and revised tactics have opened up opportunities for substantial copper and gold in addition to zinc lead and silver resources.

The Menninnie zinc prospect was initially explored from 1981 to 1993 for large zinc lead silver deposits of the Broken Hill style. Previous explorers drilled 32 diamond holes along a 4km trend with about half achieving intersections of more than 5% Zn equivalent. However, this work did not delineate a coherent resource of stratiform geometry.

The zinc mineralisation is now considered to be breccia hosted and stratabound replacements and in a sub volcanic setting analogous to that of Olympic Dam. Soil geochemistry has been demonstrated to be an effective search technique within the prospect area. The exploration opportunities presented by these breakthroughs have not yet been drilled.

Terramin now considers the original prospect to comprise of at least three stratabound mineralised zones that are most likely carbonate replacements along re-activated faults. The stratabound target zones are delineated over at least a 2.5km strike by anomalous RAB drill geochemistry. Prospective segments of considerable strike length are yet to be drill tested.

Reinterpretation of a broad soil geochemical survey shows the Menninnie system has a more extensive footprint of metal anomalism than previously recognized. Corridors of soil anomalies crosscut the stratabound structures near previous high-grade drill intersections. The anomalous soil corridors are interpreted to be mineralised feeder structures to the stratabound replacement deposits.

The revised structural/hydrothermal model creates new resource opportunities between the previously wide-spaced drill intersections.

Aggregate potential based on previous drilling is in the range of 20 million tonnes.

Extensive but untested Cu Pb Zn soil anomalies adjacent to the prospect are identified as future targets for much larger zinc and copper-gold deposits.

A drilling rig has been contracted and should be mobilised in the next week.

Kevin Moriarty
Executive Chairman
9 July 2004

