TERRAMIN AUSTRALIA limited
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ASX Shareholder Report

July 15, 2005

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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 and copper project.

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.

Terramin fast tracks Angas

Accelerated drilling and mine study programs on Terramin Australia Limited's Angas zinc project in South Australia is on track to increase the current 2.8 million tonnes resource during the next few weeks.

Terramin said today it was fast-tracking all exploration and mine study work on the project following the $8 million successfully raised recently by the Company through convertible note and share issues to Sempra Metals and Concentrates Corp and Macquarie Bank.

"Boosting our current cash-in-bank to over $9 million has enabled us to expand all activity on the project towards meeting our targets of a mine start-up late next year and achieving first shipments of zinc concentrate early in 2007," Terramin's Executive Chairman, Dr Kevin Moriarty, said today.

Dr Moriarty said the current drill program would be completed late in August.

"The results to date show the project is on track to expand the current 2.8 million tonne resource," he said.

"From early in August, a second rig will target resources in other shoots to further extend mine life."

Dr Moriarty said the mining lease application for the project - near Strathalbyn south of Adelaide - was progressing well and Terramin was consulting with community groups in the mine area.

The plant design contract will be awarded in August. In October metallurgical test work will be completed and mining equipment ordered. Terramin is working closely with Macquarie Bank to finalise project financing in December.

"Similar projects are operating successfully near communities in other states, and this one should provide up to 60 jobs for the Alexandrina area of South Australia," he said.

(more)

The Angas mine is located 60 kilometres from Adelaide under a mature limestone quarry.

In full production, cash flows from the 100% Terramin-owned project are estimated at $20 million per annum at current zinc prices.

The Joint Ore Reserves Committee (JORC) standard resource already identified by Terramin is 2.8 million tonnes grading 14.1% zinc equivalent, including about 2.1 million tonnes Indicated and 0.7 million tonnes Inferred.

The Company has said drilling has identified additional targets beyond the main ore body that have the potential to triple this figure.

Anticipated throughput from the mine is 400,000 tonnes per year, with the mined ore being concentrated on site then shipped by road to Port Adelaide for export to smelters.

Terramin has described the project as a visually low impact mining operation, as it is contained within an existing limestone quarry, will be a shallow underground operation, and with surface treatment contained within a conventional, medium-scale plant.