TERRAMIN AUSTRALIA limited
ABN 67 062 576 238

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ASX Shareholder Report

January 20, 2006

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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.

Macquarie Bank injects further $1 million into Terramin

Macquarie Bank has increased to 8.2% its holding in zinc miner, Terramin Australia Limited (TZN), under a A$1 million share placement.

The emerging zinc miner announced today that Macquarie had agreed to take a further 1.82 million Terramin shares at A$0.55 per share.

The placement price represents a slight premium to Terramin's average traded price of A$0.546 over the past four days.

Terramin's Executive Chairman, Dr Kevin Moriarty, said proceeds from the placement would be used to help the Company progress its first overseas acquisition and for working capital.

The placement takes Macquarie's total holding in Terramin to 5.82 million shares or an 8.2% stake, from its former 5.8% stake, and lifts the number of Terramin ordinary shares on issue to 70.8 million.

Macquarie acquired its initial stake in Terramin in June last year at an issue price of A$0.25 cents a share.

"We currently have one overseas project under review," Dr Moriarty said.

"Our negotiations are in line with our stated strategy last year to acquire advanced zinc projects internationally which had not been previously developed because of unfavourable market conditions."

Terramin yesterday announced it would not need to rely on equity raisings for the capital components of its current Angas and Menninnie zinc projects in South Australia.