



ASX Shareholder Report

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*Terramin is a
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FIRST ALGERIAN ZINC JORC RESOURCE IMMINENT

A maiden JORC resource is expected within weeks for the advanced world-class zinc project being developed by Terramin Australia Limited in Algeria.

This follows further encouraging results from Terramin's decision to duplicate old drill-holes at its 65%-owned Oued Amizour project, with the company's new drill holes showing improved grade and depth extensions of the mineralisation.

"The latest results, which include higher grades and substantial extensions at depth at the main Tala Hamza deposit, broadly confirm previous drilling," Terramin's Executive Chairman, Dr Kevin Moriarty said today.

"So much so that we are now on track to estimate a JORC compliant resource, probably by the end of May," Dr Moriarty said. Results from the new duplicate hole include:

Drill hole TH006 showed up to a 90% increase in lead-zinc grades over the original, mainly due to improved recoveries. The original hole OA100 recovered only 35% of the core in some sections. Both holes intersected thick high grade mineralisation. This improvement is similar to the 80% higher grades already reported from the first duplicate hole (**TH004**). The accompanying diagram and tables summarise the results.

TH006 continued drilling in high grade mineralisation beyond OA100 - intersecting another 34 metres at 12.5% Pb+Zn. Both duplicate holes have therefore substantially extended the deposit to depth.

Significant intercepts in TH006 include:

- 85m at 10.58% zinc and 6.12% lead (16.5% Zn+Pb), including
- a standout **30m at 9.4% Zn and 13.78% Pb** (23.2% Zn+Pb) with 26g/t Ag.

"Assays suggest the deposit's silver content may be increasing toward the south where it is currently untested," Dr Moriarty said.

"Given the higher grades and deepening of the deposit by our holes, the older ORGM estimate of 33 million tonnes at 6.9% Pb+Zn, including 11 Mt at 13.9%, is likely to be exceeded.

"We are confident the initial JORC estimate will be rapidly updated as Terramin has scheduled a program of 50 holes, including testing the deposit where it is open at depth, and to the south and west. "Infill drilling on Tala Hamza should also improve grade estimates by achieving better recoveries."

Drilling is continuing with two rigs on 24 hour shifts, and a third rig is being imported.

Summary WMZ Hole TH006 results:

Length	From	To	Zn	Pb	Pb+Zn	Ag	Cu
Upper interval							
25.87	417.13	443.00	3.48	0.49	3.97	0.12	0.00
including							
9.87	417.13	427.00	3.89	0.47	4.36	0.30	0.00
11.30	431.70	443.00	4.22	0.67	4.89	0.00	0.00
Lower Interval							
96.20	466.80	563.00	9.65	5.57	15.22	10.01	0.00
including							
84.00	476.00	560.00	10.58	6.12	16.70	10.63	0.00
Including							
29.85	496.00	525.85	9.40	13.78	23.18	26.10	0.01
8.00	546.00	554.00	19.20	2.28	21.48	0.00	0.00

Summary results of TH006 extension beyond end of OA100

Length	From	To	Zn	Pb	Pb+Zn	Ag	Cu
34	529	563	11.20	1.30	12.50	1.97	0.01

Comparative results –the holes were drilled one metre apart.

Length	From	To	Zn	Pb	Pb+Zn	Ag	Cu
TH006 intercept							
119.00	411.00	530.00	5.53	4.34	9.87	7.66	0.00
OA100 intercept							
118.75	411.0	529.75	4.26	1.42	5.68	1.88	0.01
TH006 intercept							
74	456	530.00	7.52	6.77	14.29	12.27	0.00
OA100 intercept							
73.50	456.25	529.75	5.33	2.17	7.50	3.04	0.01
TH006 intercept							
29.00	479.00	508.00	10.98	6.73	17.71	19.29	0.00
OA100 intercept							
28.6	479	507.6	9.72	3.42	13.14	6.23	0.02

Important Note

The resource estimates for the Tala Hamza deposit were prepared by ORGM, the Algerian Government exploration agency, and widely published. (Le nouveau gisement de Zinc-Plomb de Oued Amizour (Wilaya deBejaia) - Presentation, Reserves et traitement DETP Juillet 1996). The estimates used a Soviet system that is not able to be directly compared to JORC categories. While it is possible that the resource will not become JORC compliant the ORGM estimate is believed reliable since it is backed by more than 40 diamond drill holes, thousands of analyses and detailed geological logging and interpretation by well trained geologists. The addition of recent data from one or more holes being drilled now may be sufficient to estimate a JORC resource. Terramin has engaged Golder Associates to advise on measures required to meet JORC requirements. Terramin is undertaking an infill drill programme and studies that will enable estimation of JORC compliant resources and reserves.

The information in this report that relates to exploration activity is compiled by Dr K Moriarty PhD, M AusIMM a Competent Person as defined by the JORC code. Dr Moriarty is Executive Chairman of Terramin. Unless stated otherwise exploration results, resource and reserve estimates referred to in this release use the guidelines in the 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee (JORC). Dr Moriarty consents to the release of the information compiled in this report in the form and context in which it appears.