



## ASX Shareholder Report

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Terramin is a dedicated  
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## High-grade gold and encouraging copper-gold drill results from the Angas region

- **Excellent gold results returned from Lady Jane Prospect including:**
  - **3m @ 11.1 g/t Au from 1m**
  - **13m @ 3.2 g/t Au from 80m**
- **Encouraging copper-gold results from Preamimma Mine and Frahns Prospect**
- **Major aerial geophysical survey underway to target further discoveries**

The first stage RC drilling program in Terramin's Preamimma District Project has delivered strong results. A total of 34 holes were drilled around 19th century mines that had seen no previous drilling. These are within 30 kilometres of Terramin's Angas mine, which produces zinc, lead and significant gold, silver and copper.

Terramin's CEO, Mr. Greg Cochran said "The results are extremely encouraging, with high-grade gold intersections around the Lady Jane Mine and wide copper-gold intersections at Preamimma Mine."

"The gold results from Lady Jane are outstanding and merit early follow-up with diamond drilling. The copper-gold results from Preamimma Mine are significant and define a broad mineralised halo. One hole terminated in a 4m void that is presumed to be old workings. Mine records indicate ore grades averaged 9% copper while underground sampling in the 1920's returned up to 9 g/t gold. We will target deeper holes under and around these old workings."

He added, "Our 400,000tpa Angas operation has confirmed the region's potential for successful mines. The aerial geophysical survey will provide high definition data that will enable us to target additional base metal deposits closer to the Angas Mine and other areas under cover."

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Highlights are summarised in the following table:

| Hole    | Prospect       | Length | From | Au g/t      | Ag g/t | Cu %        | Comment |
|---------|----------------|--------|------|-------------|--------|-------------|---------|
| LJRC003 | Lady Jane      | 2      | 7    | <b>0.83</b> | -      | -           | oxide   |
| LJRC003 | Lady Jane      | 1      | 81   | <b>2.43</b> | 1      | 0.04        | primary |
| LJRC004 | Lady Jane      | 3      | 1    | <b>11.1</b> | 5      | -           | oxide   |
|         | includes       | 1      | 1    | <b>29.7</b> | 12     | 0.02        | oxide   |
| LJRC005 | Lady Jane      | 13     | 80   | <b>3.17</b> | -      | -           | primary |
|         | includes       | 4      | 88   | <b>7.28</b> | -      | 0.02        | primary |
| LJRC005 | Lady Jane      | 1      | 100  | <b>0.50</b> | 1      | 0.03        | primary |
| LJRC009 | Lady Jane      | 1      | 52   | <b>0.63</b> | 1      | <b>0.47</b> | primary |
| PRMC003 | Preamimma Mine | 9      | 28   | 0.36        | 3      | <b>0.39</b> | oxide   |
| PMRC005 | Preamimma Mine | 9      | 76   | 0.47        | 2      | <b>0.31</b> | primary |
| PMRC006 | Preamimma Mine | 11     | 88   | <b>0.69</b> | 3      | <b>0.25</b> | primary |
|         | includes       | 3      | 95   | <b>1.87</b> | 6      | <b>0.63</b> | primary |
| PMRC007 | Preamimma Mine | 2      | 60   | <b>0.53</b> | 3      | 0.13        | primary |
| PMRC010 | Preamimma West | 2      | 42   | <b>1.02</b> | 3      | 0.18        | primary |
| FRC001  | Frahns         | 3      | 20   | 0.10        | 12     | <b>0.27</b> | oxide   |
| FRC002  | Frahns         | 4      | 50   | -           | 2      | <b>0.53</b> | primary |
| FRC004  | Frahns         | 4      | 44   | <b>1.37</b> | -      | -           | primary |
| FRC008  | Frahns         | 1      | 11   | <b>1.15</b> | 3      | <b>0.49</b> | oxide   |

*Table of intersections with gold greater than 0.5 g/t Au and/or Cu greater than 0.25% Cu. Full results are listed in the Appendix*

### Drilling Programme Details

A programme of RC drilling on a number of copper-gold prospects, collectively known as the Preamimma District Project, commenced on 13 February 2010 and concluded on 3 March 2010. The area lies at the northern end of Terramin's 100% owned Bremer Licence (EL3641) approximately 30 km from its Angas mine. A total of 2,567m was completed in 34 holes with 1,348 samples sent for analysis. Prospects targeted for this first stage drilling included Frahns, Lady Jane, Preamimma Mine, Preamimma North (previously Anomaly D) and Preamimma West the first three of which have historical mine workings. None of the areas had any previous exploration drilling.

At the Lady Jane Prospect ten holes were drilled for a total of 850m. The holes (all inclined to the east) tested along strike from and beneath shallow workings, where small tonnages of high grade gold ore had been extracted in the 1860's. The drilling was successful in identifying at least three zones of sheared metasediments containing quartz/sulphide veins.

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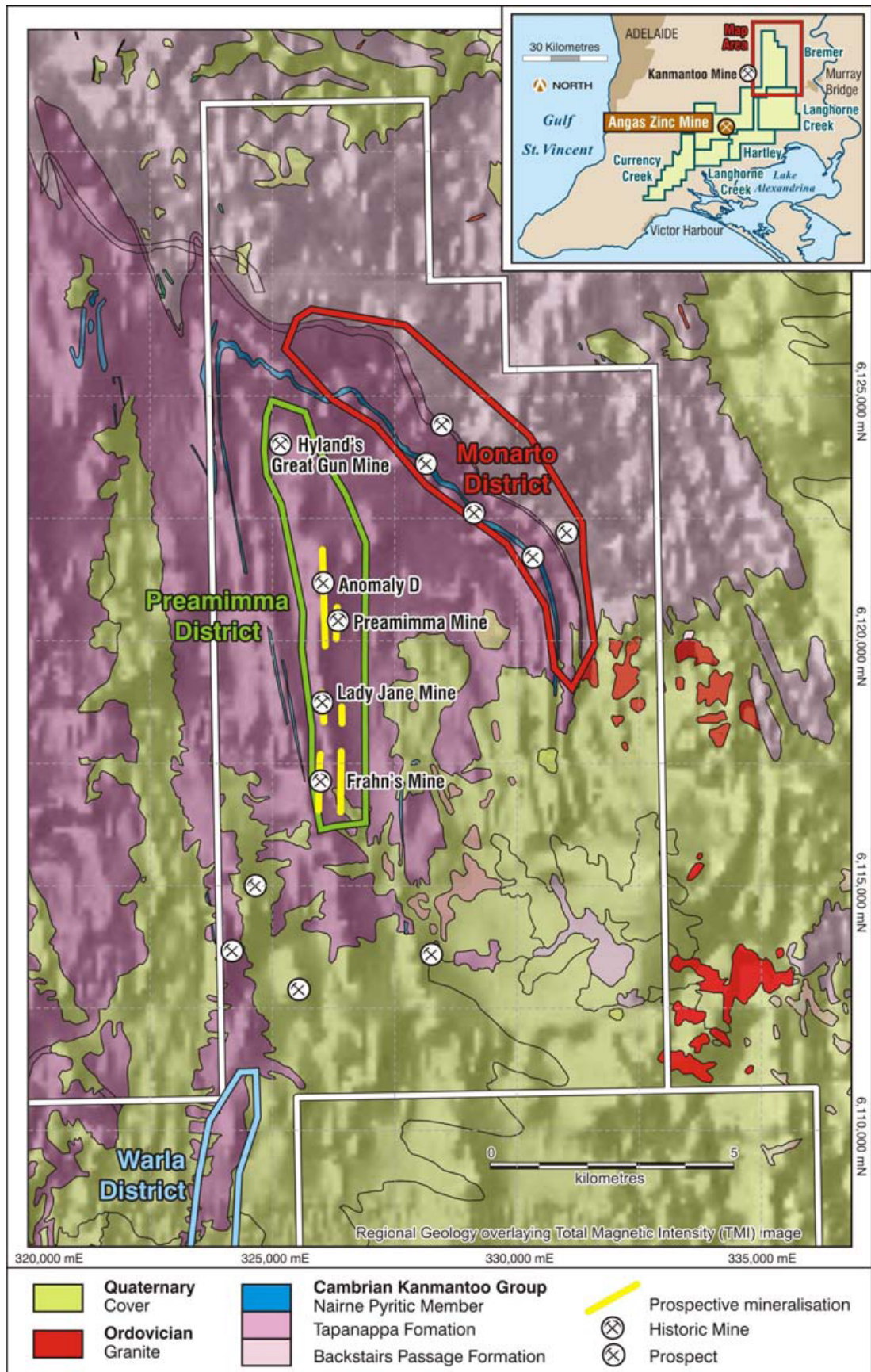


Figure 1. Plan of Preamimma District with location of major prospects

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Figure 2. Plan of Lady Jane Prospect area showing recent drilling and anomalous results (Au>0.2 g/t Au and/or Cu>0.25% Cu)

The Lady Jane Mine workings occur on the central of these shears. Best analytical results came from the Eastern and Western Shears, neither of which contain any workings.

Three holes tested the Western Shear Zone. Two of these intersected anomalous gold at very shallow depths, with the best result being 3m @ 11.1 g/t Au (including 1m @ 29.7 g/t Au) in LJRC004. Drilling on this shear has only tested a strike length of 30m and mineralisation is open to the north and south.

Seven holes intersected the Eastern Shear Zone with anomalous gold (>0.2 g/t Au) or copper (>0.25% Cu) recorded in six of these over down hole widths from 1m to 16m. The intersections define a tabular zone dipping steeply west which is open to the north, south and at depth. The zone has been tested to date over a strike length of 100m and to a depth of only 75m. The presence within this zone of higher grade intervals (13m @ 3.17 g/t in LJRC005) gives strong encouragement for the existence of higher grade shoots of mineable widths.

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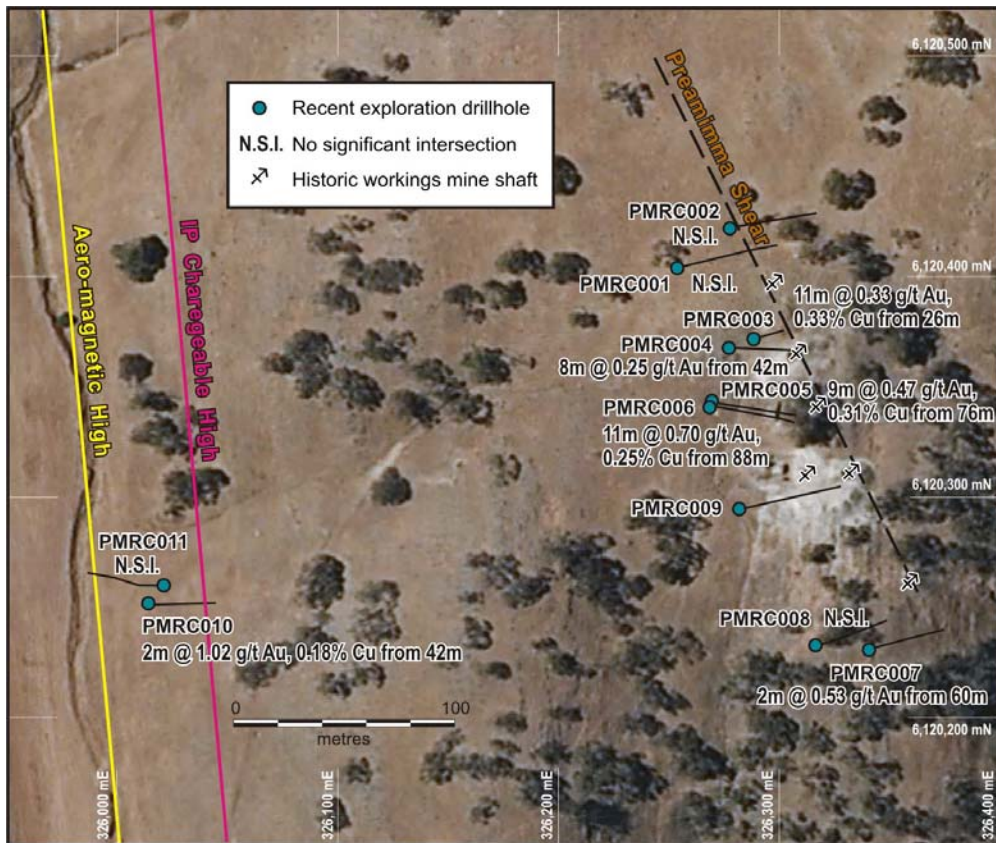


Figure 3. Plan of Preamimma Mine area and Preamimma West showing recent drilling and anomalous results (Au>0.2 g/t Au and/or Cu>0.25% Cu)

At Preamimma Mine nine holes were drilled for a total of 828m. Two additional holes (122m) were drilled on IP and magnetic anomalies to the west of the Preamimma Mine (Preamimma West) and two holes (110m) on an EM/magnetic/geochemical target to the north (Preamimma North, formerly Anomaly D).

Historical workings at Preamimma Mine comprise several shafts with the deepest to 100m. The extent of underground workings is not well known and two holes intersected voids interpreted to be old stopes or drives. Several holes had to be terminated early when they intersected water. Anomalous gold and copper results were obtained associated with elevated arsenic (both oxide and primary) over downhole widths of 8m to 14m. Average grades were in the range 0.2 g/t Au to 0.7 g/t Au and up to 0.4% Cu. The anomalous zone remains open at depth. Best results were in PRMRC005 which intersected 9 metres of anomalous gold and copper before passing into a 4m wide stope and in hole PRMRC006, which intersected 11m @ 0.69 g/t Au and 0.25% Cu (with an included interval of 3m @ 1.87 g/t Au, 0.63% Cu). Future drilling will be targeted down plunge of this anomalous zone to test for higher grades. Deeper holes will be diamond cored to overcome RC sampling limitations caused by groundwater.

Two holes (122m) were drilled at **Preamimma West**, approximately 250m west of the Preamimma Mine. Hole PMRC010 was drilled into an IP anomaly and intersected a 9m wide pyrite-rich zone containing weakly anomalous zinc (0.1 – 0.2% Zn) immediately followed by a 2m interval of anomalous copper-gold (including 2.03 g/t Au, 0.25% Cu over 1 metre). PMRC011 was drilled to the west into a magnetic anomaly and encountered a graphitic pyrite/pyrrhotite unit with low but anomalous zinc.

Similar rocks to those in PMRC011 were encountered at **Preamimma North** (1km north of Preamimma) where two holes (110m) were drilled on an EM anomaly. Both holes gave 16m intersections of graphitic pyrite/pyrrhotite-rich rocks again with anomalous zinc.

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At **Frahns Mine** 11 holes were drilled for a total of 675m. Water restricted testing to above 50m. Mineralisation is hosted within two shear zones over a strike length of 350m. Quartz veining with copper and gold is associated with moderate to strong garnet alteration. Best results were 4m @ 1.37 g/t Au and 4m @ 0.53% Cu in separate holes. These results merit follow-up with diamond drilling to sample below the water level.

## **Airborne Geophysical Survey**

A major programme of helicopter-borne electromagnetic (EM) and magnetic surveying is underway over Fleurieu Exploration Licences EL's 3641, 3792 and 4210. The survey of 3,200 line km will cover the Angas Mine area and prospective areas under cover in the Warla, Brinkley and Monarto Districts. The survey will use the VTEM system and will be conducted by Geotech Airborne Pty Ltd. Most of the survey will be carried out at 200m line spacing with some selected areas flown at 100m spacing. The high powered VTEM system is expected to "see through" the conductive overburden which has limited the effectiveness of earlier surveys, and is capable of identifying anomalies to depths up to 400m or more. The survey is expected to take 2-3 weeks to complete and preliminary results will be available soon after.

*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. He 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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## Appendix

Detailed location information and analytical results are provided below:

| Hole_ID | Type | Prospect       | Easting | Northing | RL  | Collar Dip | Azimuth | Total Depth |
|---------|------|----------------|---------|----------|-----|------------|---------|-------------|
| FRC001  | RC   | Frahns         | 326079  | 6116831  | 182 | -60        | 90      | 58          |
| FRC002  | RC   | Frahns         | 326022  | 6116885  | 183 | -60        | 90      | 76          |
| FRC003  | RC   | Frahns         | 326110  | 6116788  | 179 | -60        | 90      | 40          |
| FRC004  | RC   | Frahns         | 325994  | 6116959  | 181 | -60        | 90      | 52          |
| FRC005  | RC   | Frahns         | 325927  | 6117055  | 180 | -60        | 90      | 46          |
| FRC006  | RC   | Frahns         | 325920  | 6117057  | 181 | -75        | 70      | 52          |
| FRC007  | RC   | Frahns         | 326073  | 6116832  | 183 | -75        | 90      | 58          |
| FRC008  | RC   | Frahns         | 326108  | 6116834  | 178 | -60        | 270     | 52          |
| FRC009  | RC   | Frahns         | 325947  | 6117063  | 184 | -60        | 252     | 64          |
| FRC010  | RC   | Frahns         | 325940  | 6117014  | 180 | -60        | 90      | 56          |
| FRC011  | RC   | Frahns         | 325940  | 6117014  | 180 | -80        | 90      | 103         |
| PMRC001 | RC   | Preamimma Mine | 326254  | 6120404  | 229 | -60        | 72      | 94          |
| PMRC002 | RC   | Preamimma Mine | 326279  | 6120422  | 230 | -65        | 72      | 82          |
| PMRC003 | RC   | Preamimma Mine | 326289  | 6120372  | 232 | -72        | 72      | 52          |
| PMRC004 | RC   | Preamimma Mine | 326277  | 6120368  | 229 | -70        | 94      | 82          |
| PMRC005 | RC   | Preamimma Mine | 326270  | 6120343  | 227 | -64        | 98      | 85          |
| PMRC006 | RC   | Preamimma Mine | 326269  | 6120342  | 227 | -72        | 102     | 109         |
| PMRC007 | RC   | Preamimma Mine | 326341  | 6120231  | 221 | -65        | 72      | 76          |
| PMRC008 | RC   | Preamimma Mine | 326317  | 6120233  | 218 | -72        | 72      | 124         |
| PMRC009 | RC   | Preamimma Mine | 326283  | 6120293  | 225 | -72        | 82      | 124         |
| PMRC010 | RC   | Preamimma West | 326010  | 6120246  | 196 | -60        | 90      | 58          |
| PMRC011 | RC   | Preamimma West | 326018  | 6120265  | 197 | -57        | 270     | 64          |
| PMRC012 | RC   | Preamimma Nth  | 326062  | 6121801  | 219 | -60        | 270     | 52          |
| PMRC013 | RC   | Preamimma Nth  | 326057  | 6121402  | 234 | -60        | 270     | 58          |
| LJRC001 | RC   | Lady Jane      | 326032  | 6118748  | 216 | -60        | 90      | 64          |
| LJRC002 | RC   | Lady Jane      | 326031  | 6118731  | 216 | -60        | 105     | 64          |
| LJRC003 | RC   | Lady Jane      | 326029  | 6118729  | 218 | -60        | 130     | 100         |
| LJRC004 | RC   | Lady Jane      | 325994  | 6118801  | 221 | -60        | 90      | 64          |
| LJRC005 | RC   | Lady Jane      | 326014  | 6118728  | 219 | -60        | 90      | 112         |
| LJRC006 | RC   | Lady Jane      | 325984  | 6118775  | 220 | -60        | 90      | 52          |
| LJRC007 | RC   | Lady Jane      | 325965  | 6118803  | 221 | -60        | 90      | 94          |
| LJRC008 | RC   | Lady Jane      | 326010  | 6118707  | 217 | -66        | 90      | 124         |
| LJRC009 | RC   | Lady Jane      | 326040  | 6118669  | 210 | -60        | 90      | 70          |
| LJRC010 | RC   | Lady Jane      | 326021  | 6118671  | 210 | -60        | 90      | 106         |
| Total   |      |                |         |          |     |            |         | <b>2567</b> |

Table 1 Listing of collar details for Preamimma District RC drilling

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| Hole    | Prospect        | Length                      | From | Au g/t | Ag g/t | As %  | Cu % | Pb % | Zn % |
|---------|-----------------|-----------------------------|------|--------|--------|-------|------|------|------|
| FRC001  | Frahn's         | 3                           | 20   | 0.10   | 12     | -     | 0.27 | -    | -    |
| FRC002  | Frahn's         | 4                           | 50   | -      | 2      | -     | 0.53 | -    | -    |
| FRC003  | Frahn's         | no significant intersection |      |        |        |       |      |      |      |
| FRC004  | Frahn's         | 4                           | 44   | 1.37   | -      | -     | -    | -    | -    |
| FRC005  | Frahn's         | no significant intersection |      |        |        |       |      |      |      |
| FRC005  | Frahn's         | no significant intersection |      |        |        |       |      |      |      |
| FRC006  | Frahn's         | 4                           | 36   | 0.01   | 3      | -     | 0.28 | -    | -    |
| FRC007  | Frahn's         | no significant intersection |      |        |        |       |      |      |      |
| FRC008  | Frahn's         | 1                           | 11   | 1.15   | 3      | -     | 0.49 | -    | -    |
| FRC009  | Frahn's         | no significant intersection |      |        |        |       |      |      |      |
| FRC010  | Frahn's         | no significant intersection |      |        |        |       |      |      |      |
| FRC011  | Frahn's         | no significant intersection |      |        |        |       |      |      |      |
| LJRC001 | Lady Jane       | 6                           | 44   | 0.37   | -      | -     | -    | -    | -    |
| LJRC002 | Lady Jane       | 1                           | 17   | 0.25   | -      | -     | -    | -    | -    |
| LJRC002 | Lady Jane       | 1                           | 22   | 0.39   | -      | -     | -    | -    | -    |
| LJRC002 | Lady Jane       | 5                           | 38   | 0.24   | -      | 0.11  | -    | -    | -    |
| LJRC002 | Lady Jane       | 5                           | 51   | 0.23   | 1      | 0.86  | 0.05 | -    | -    |
| LJRC003 | Lady Jane       | 2                           | 7    | 0.83   | -      | 0.67  | -    | -    | -    |
| LJRC003 | Lady Jane       | 2                           | 14   | 0.21   | -      | -     | -    | -    | -    |
| LJRC003 | Lady Jane       | 1                           | 81   | 2.43   | 1      | 2.15  | -    | -    | -    |
| LJRC003 | Lady Jane       | 1                           | 87   | 0.25   | 1      | 6.43  | 0.06 | -    | -    |
| LJRC004 | Lady Jane       | 3                           | 1    | 11.1   | 5      | 3.66  | -    | -    | -    |
|         | <i>includes</i> | 1                           | 1    | 29.7   | 12     | 9.37  | -    | -    | -    |
| LJRC005 | Lady Jane       | 1                           | 75   | -      | 3      | -     | 0.38 | -    | -    |
| LJRC005 | Lady Jane       | 13                          | 80   | 3.17   | -      | 0.15  | -    | -    | -    |
|         | <i>includes</i> | 3                           | 83   | 3.04   | -      | 0.26  | -    | -    | -    |
|         | <i>includes</i> | 4                           | 88   | 7.28   | -      | 0.15  | -    | -    | -    |
| LJRC005 | Lady Jane       | 1                           | 100  | 0.50   | 1      | 0.05  | -    | -    | -    |
| LJRC005 | Lady Jane       | 8                           | 104  | 0.23   | -      | -     | -    | -    | -    |
| LJRC006 | Lady Jane       | 1                           | 14   | 0.37   | 1      | 0.56  | -    | -    | -    |
| LJRC007 | Lady Jane       | no significant intersection |      |        |        |       |      |      |      |
| LJRC008 | Lady Jane       | 1                           | 103  | 0.04   | -      | 0.21  | 0.30 | -    | -    |
| LJRC009 | Lady Jane       | 4                           | 51   | 0.24   | 1      | 0.14  | 0.26 | -    | -    |
|         | <i>includes</i> | 1                           | 52   | 0.63   | 1      | 0.254 | 0.47 | -    | -    |
| LJRC010 | Lady Jane       | no significant intersection |      |        |        |       |      |      |      |
| PRMC001 | Preamimma Mine  | no significant intersection |      |        |        |       |      |      |      |
| PRMC002 | Preamimma Mine  | no significant intersection |      |        |        |       |      |      |      |
| PRMC003 | Preamimma Mine  | 9                           | 28   | 0.34   | 3      | 1.28  | 0.39 | -    | -    |
|         | <i>includes</i> | 2                           | 32   | 1.06   | 7      | 4.54  | 0.72 | -    | -    |
| PRMC004 | Preamimma Mine  | 8                           | 53   | 0.25   | 2      | 0.49  | 0.02 | -    | -    |
| PRMC005 | Preamimma Mine  | 9                           | 76   | 0.47   | 2      | 1.04  | 0.31 | -    | -    |
|         | <i>includes</i> | 3                           | 78   | 0.96   | 3      | 1.20  | 0.29 | -    | -    |
| PRMC006 | Preamimma Mine  | 11                          | 88   | 0.69   | 3      | 0.97  | 0.25 | -    | -    |
|         | <i>includes</i> | 3                           | 95   | 1.87   | 6      | 1.81  | 0.63 | -    | -    |
| PRMC007 | Preamimma Mine  | 2                           | 60   | 0.53   | 3      | 0.37  | 0.13 | -    | -    |
| PRMC008 | Preamimma Mine  | no significant intersection |      |        |        |       |      |      |      |
| PRMC009 | Preamimma Mine  | 1                           | 91   | 0.27   | 2      | 0.96  | 0.30 | -    | -    |
| PRMC009 | Preamimma Mine  | 1                           | 109  | 0.29   | -      | 0.87  | -    | -    | -    |
| PRMC010 | Preamimma West  | 9                           | 33   | -      | 2      | -     | -    | -    | 0.17 |
| PRMC010 | Preamimma West  | 2                           | 42   | 1.02   | 3      | 0.26  | 0.18 | -    | -    |
|         | <i>includes</i> | 1                           | 43   | 2.03   | 2      | 0.51  | 0.25 | -    | -    |
| PRMC011 | Preamimma West  | 1                           | 35   | -      | -      | -     | -    | -    | 0.11 |
| PRMC011 | Preamimma West  | 2                           | 39   | -      | 1      | -     | -    | -    | 0.13 |
| PRMC012 | Preamimma Nth   | 16                          | 28   | -      | 1      | -     | -    | -    | 0.17 |
| PRMC013 | Preamimma Nth   | 16                          | 28   | -      | 2      | -     | -    | -    | 0.15 |

Table 2 Listing of significant intersections from Preamimma District RC drilling programme. All intersections of greater than 1 metre of 0.2 g/t Au and/or 0.25% Cu and/or 0.1% Zn are included.