



ASX Shareholder Report

23 March 2011

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Terramin is a dedicated base metals company focused on developing zinc mines close to infrastructure.

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Tala Hamza update 3

Following enquiries from a number of shareholders about the current status of the Tala Hamza project in Algeria, and concerns about the share price, Terramin Australia Ltd (TZN:ASX) is issuing this update to inform all shareholders.

Events in Libya and elsewhere in North Africa have had no effect on operations or the review of the Tala Hamza Definitive Feasibility Study (DFS) by the Algerian government. Terramin's engineers and staff are continuing to engage with Algerian government officials in a process of communication and explanation of the DFS. We are informed that government departments and international consultants are conducting assessments for our partner. This should assist the processing of the mining application when it is officially submitted.

Terramin and WMZ are awaiting copies of the review reports. On receipt, they will be assessed by our engineers and experts for clarification or updating of the DFS.

Dr Kevin Moriarty, Terramin's Executive Chairman, said "The Algerian Minister of Mines recently wrote to assure me of the importance attached to the project by the government."

Dr Moriarty is to travel to Algeria within two weeks for meetings with the joint venture partner and government to offer assistance for a successful conclusion to the review process.

In relation to the decline in the share price, Dr Moriarty, said "Political turmoil elsewhere in North Africa has clearly had an effect on the perception of some shareholders and the market about risk in Algeria. Although unfounded, and the majority of shareholders have not reacted, nevertheless it has supported downward momentum in the stock during the review phase."

He added, "Terramin's market capitalisation of less than \$70m represents a remarkable discount on the valuation of our Australian growth projects, and certainly ignores the even higher value of the Algerian project. Research prepared by a broker for institutional clients places a valuation on our Angas project of over \$120m."