



ASX Shareholder Report

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Terramin is a dedicated
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focused on developing
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Terramin identifies significant lead-zinc targets at Menninnie Dam

- Remodelling of IP enhances three major lead-zinc exploration targets
- IP anomalies shallower and more intense than at Menninnie Central
- Drilling scheduled for early next year

Terramin Australia Ltd (ASX:TZN) recently announced the acquisition of 100% of the Menninnie Dam tenement through its wholly owned subsidiary, Menninnie Metals Pty Ltd (MMPL).

Menninnie Dam already has a significant lead-zinc deposit at Menninnie Central with an Inferred Resource of 3.8 million tonnes at 4% Zn, 3.2% Pb and 34 g/t Ag as at December 2007. The deposit is open at depth and along strike.

An extensive Induced Polarisation (IP) programme covering much of the project area was undertaken between 2006 and 2008 by the Menninnie Dam Joint Venture. IP chargeability has proved to be a very successful technique for detecting base metal deposits at Menninnie Dam. For example, the extensive mineralisation at the Viper and Cassius prospects was discovered through targeting anomalies with an IP survey carried out in 2006.

Terramin's geological team has recently conducted further review and interpretation of the large body of geophysical and geochemical data on the project. This includes remodelling in 3D of the IP which has significantly enhanced the potential of prospects such as Phone Hill, Tank Hill and Mannequin:

- IP anomalies at the three prospects appear shallower and more intense than those observed at Menninnie Central;
- Surface geochemical results support the view that the mineralisation extends close to surface;
- Each of these highly prospective targets is larger in area than Menninnie Central;
- These anomalies are essentially untested, with only a single drill hole at Tank Hill that was unfavourably sited and no drilling at Mannequin and Phone Hill.

(Continued on next page)

Terramin will undertake a significant exploration program in early 2011 to confirm the potential of the three prospects.

Terramin's Chairman, Kevin Moriarty, said, "Given the proven correlation between mineralisation and IP response over Menninnie Central, Cassius and Viper, we consider that these new prospects have excellent potential for additional lead-zinc discoveries. Terramin has also identified encouraging copper geochemical anomalies in the southern and eastern parts of the Licence."

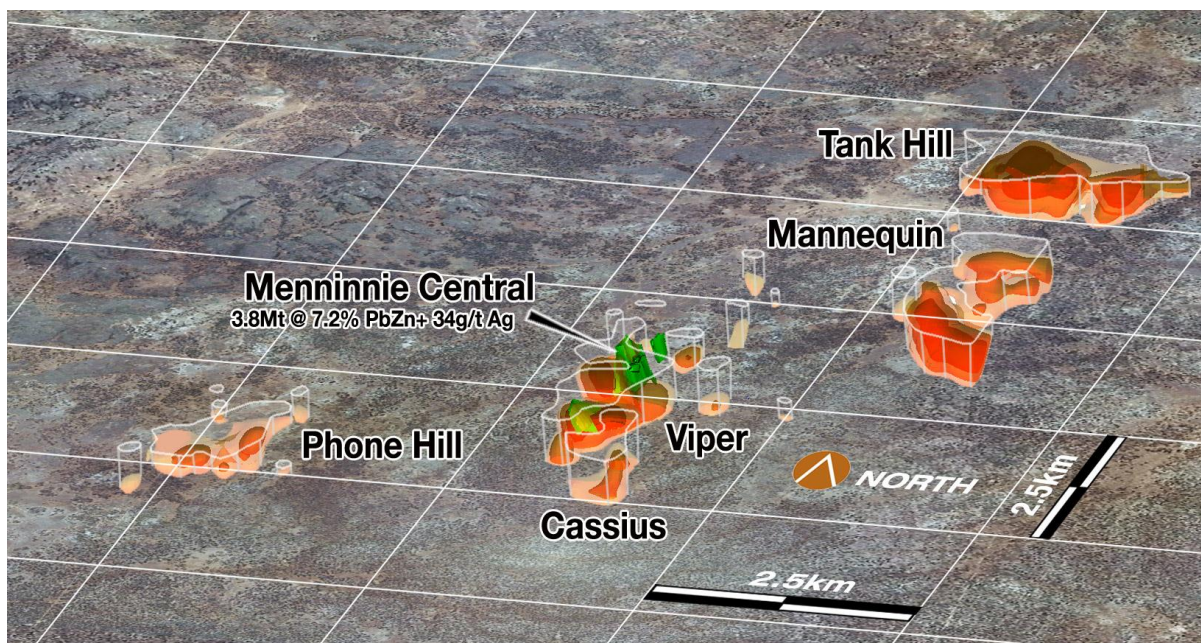


Figure 1: Inferred Resource at Menninnie Central and Portion of Terramin's Menninnie Dam tenement showing targets based on IP chargeability and relationship to Menninnie Central.

The information in this report that relates to Exploration Results and Mineral Resources 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 of Exploration Results, Mineral Resources and 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.