



Angas Update

ASX Shareholder Report

20 March 2013

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Terramin is a dedicated
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focused on developing
zinc mines close to
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Terramin Australia Limited (ASX:TZN) wishes to advise that underground diamond drilling has commenced to better establish the limits of known Reserves and Resources. This underground drilling campaign consists of a total of ten holes. Six of these holes are testing areas outside of the existing Reserve shapes with the aim to convert Inferred Resources to the Indicated classification immediately adjacent to mine workings.

The aim of this drilling campaign is to extend the Reserve beyond the 400RL which will positively impact on the current mine life.

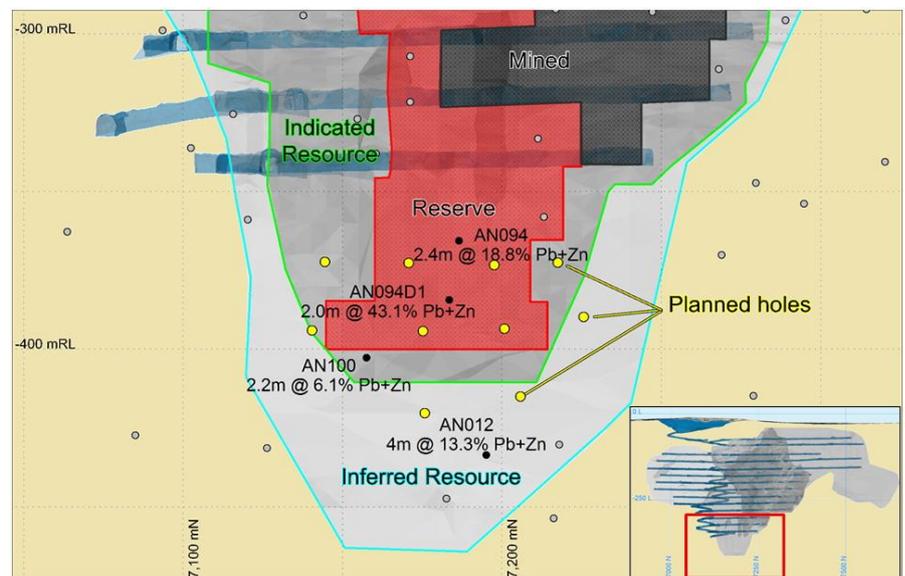


Figure 1: Longitudinal section showing planned pierce points for current drilling in yellow, existing pierce points in grey/black shown on Reserve in red and Resources by classification in grey.



Ore Reserves and Mineral Resources

In line with regular updates, provided by the Company, in relation to Angas operations and the economic life of the mine, Terramin today released a revised estimate of Ore Reserves and Mineral Resources at the Angas Zinc Mine. The estimate is based on data available as at 1 January 2013 for Ore Reserves and 1 January 2013 for Mineral Resources and is reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves, December 2004 (JORC code).

Ore Reserves:

The 0.44Mt decrease in the Mineral Reserve estimate from July 2012 is primarily a result of mining depletion, the impact of lower forecast \$A commodity prices on the economic cut-off grade and the removal of the 75mL Crown Pillar. The 75mL Crown Pillar has been removed (0.11Mt) from the Reserve estimation (first included in 2009) due to the timing and geotechnical assessment. The Crown Pillar has been moved into the Indicated Resource category and is subject to ongoing review.

A summary of results is presented in the tables below and should be read in conjunction with accompanying notes:

Ore Reserves July 2012

	Mt	% Zn	% Pb	% Cu	Ag g/t	Au g/t
Probable	0.63	7.08	2.63	0.22	29	0.50

Ore Reserves January 2013

	Mt	% Zn	% Pb	% Cu	Ag g/t	Au g/t
Probable	0.19	8.27	3.29	0.22	40	0.55

Mineral Resources

	Mt	%Zn	%Pb	%Cu	Ag g/t	Au g/t
Indicated	0.66	4.68	1.81	0.14	19	0.35
Inferred	0.25	2.8	1.3	0.1	18	0.3
Total	0.91	4.2	1.7	0.1	19	0.3



Notes:

1. The estimate is based on the resource model as at 1 Jan 2013 with the Reserve cut-off date as at 1 Jan 2013.
2. Indicated Resource and Probable Reserve grades are quoted at two decimal places (except silver). Inferred Resource grades and totals including Inferred are rounded to one decimal place (except silver). All tonnages are rounded to the nearest 10,000 tonnes.
3. The Indicated Resource is exclusive of those Resources converted to Probable Reserve.
4. The Probable Reserve change between July 2012 and January 2013 is summarised as follows:
 - a. Mining depletion accounted for -0.22Mt;
 - b. Rib and sill pillars left in situ because they are sterilised by adjacent mining accounted for -0.02Mt;
 - c. Changes in cut-off grade accounted for -0.08Mt. A combined cut-off grade for stoping of 7.26%Pb+Zn and 3.33%Pb+Zn for development was used for February 2013 as compared with 4.8% and 3.25% respectively for July 2012;
 - d. Removal of the Crown Pillar outlined above accounted for -0.11Mt;
 - e. Additional information from underground mining and development has been utilised, leading to revision of the geological model. This accounted for -0.02Mt; and
 - f. The total change between July 2012 and January 2013 was therefore -0.44Mt.
5. Reserve estimation assumptions are unchanged from the previous estimate in July 2012 except for metal prices (USD) used for the Reserve estimate, in line with average forecast pricing from CBA, BNP Paribas and GS Commodity Research Forecast (January 2013) Zn \$2,152/t, Pb \$2,369/t, Cu \$8,169/t, Ag \$28/oz, Au \$1,800/oz. An exchange rate of USD/AUD 1.04 was used.
6. Resource modelling assumptions are essentially unchanged from the previous estimate in April 2012; except that extensive underground mapping and additional sample data obtained from sludge drilling was used to assist with defining mineralisation wireframes. The analytical data obtained from this sampling was not used in the Mineral Resource estimate.
7. In addition to Reserves the current approved mine plan includes a portion of the Resource, additional to the Reserve. The additional mining inventory is included in the mine plan due to the information in the company's internal models based on underground sampling, or "sludge" drilling. The approved mine plan currently includes an additional 0.06Mt based on budget costs and forecast metal prices. The mine plan is constantly under review and the opportunity to include additional material is based on economic analysis of each mining block considering prevailing prices at the time of mining.

Competent Persons' Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Thomas Denver and Mr Eric Whittaker. The information that relates to Ore Reserves is based on information compiled by Mr Andrew Harris. Mr Denver, Mr Whittaker and Mr Harris are Members of The Australasian Institute of Mining and Metallurgy. Mr Denver is Senior Mine Geologist and Mr Harris is Mine Manager of Angas Zinc Mine and both are full time employees of Terramin Australia Limited. Mr Whittaker is a consultant to Terramin Australia Limited. All have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Denver, Mr Whittaker and Mr Harris consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.