TERRAMIN AUSTRALIA LIMITED
Focus on Zinc

Chairman's address to Terramin Australia Limited Annual General Meeting
10:30 am, 3 May 2007

Looking back over the past year you will see that Terramin has not only made solid progress toward production, it now has the asset base to develop into a significant zinc miner with a growing international focus.

As the Angas Zinc Project, near Strathalbyn, is firmly on track to provide our first cash flows, we are now focussing on strategies to advance the Oued Amizour project in Algeria toward early production, while maximising our equity in the project.

Net cash flow from Angas at current prices is about A$70 million per year, meaning it can finance the development of the Tala Hamza deposit at Oued Amizour in 2009-10. We expect that prices will be firm despite some analysts' forecasts of weakness in 2008-9. These forecasts assume there will not be production shortfalls and they also tend not to account for the high marginal cost of production from China and other sources. The recent setback to the plans at the McArthur River mine underscore my point. Zinc prices have moved up sharply in response.

Tala Hamza is expected to start production in 2010 at an initial rate of up to 1.5Mtpa ramping up in later years to 3 or 5Mtpa. This makes it one of only a few projects starting production in the short term as many mines, including major ones such as Century in Queensland, are in decline.

It is interesting to consider the impact of Tala Hamza relative to Angas. Whereas Angas revenues at current prices are US$95 million per annum, Tala Hamza revenues are projected at US$330 million for a 1.5MTpa operation, for a capital cost estimated at US$150 million.

The presentation given after this address highlights the potential for extensive additional resources on the Oued Amizour project, and of particular note are the targets immediately surrounding the Tala Hamza deposit. Sparse drilling of the Tala Hamza South prospect has outlined more than 20 million tonnes of zinc mineralisation, while a drill hole has intersected zinc-bearing alteration in a possible mirror image deposit to the north. This project has the promise to be very significant on a world scale.

There has been an unexpected benefit for our Menninnie zinc project, near Port Augusta, arising out of the work on Tala Hamza.

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The Tala Hamza deposit is significant because it will be the first example of a world class mine based on an epithermal zinc deposit. Up to now these types of deposits have not featured in the lists of large mines, so when Terramin's geologists revealed that much of the mineralisation at Menninnie was also of this category, the potential for a mineable resource was discounted by other explorers. Tala Hamza has turned that perception around, and importantly the Menninnie alliance with Zinifex is well positioned to benefit.

The Menninnie programme is operated by Terramin and funded by Zinifex, which are earning an interest. The zinc-rich structures in the Central Zone from which we have reported quite significant intersections are now shown to extend well to the south. We have also identified large lower-grade haloes that could be exploited in a large operation. So our experience from Tala Hamza is helping to build a better idea of the extent and controls on the Menninnie mineralisation.

The joint venture plans to investigate the greater Menninnie potential in a new drill programme beginning this month that will also follow-up on the significant intersections obtained under induced polarisation anomalies late last year.

This is not all – to the west is what looks like a repeat of the Central-South Zones. The figure below shows lead (Pb) surface anomalies that provide a good guide to zinc-lead mineralisation in the Central-South Zone (outlined in black). The pattern highlights the potential for more sizeable deposits to the west and east within the tenement.

Terramin has a major growth path before it. The foundation for this growth is Terramin's philosophy of acquiring advanced projects close to infrastructure to keep capital costs and development time to a minimum. The driving force is Terramin's portfolio of outstanding assets. Its resource base attracts development funding from smelter and concentrate marketers. Its production will provide cash flows for sustainable growth. Its team has been enhanced lately with the addition of experienced senior management.

I would like to thank shareholders for the remarkable response to the recent SPP. We expected 10-20% uptake, which is the usual market response. Instead we had 50% uptake and raised a total of $6,710,539. Obviously the underwriting agreement was not activated!

Thank you for your support and I look forward to reporting another year of milestones and market acceptance in 2007.

Kevin Moriarty
Executive Chairman
3 May 2007

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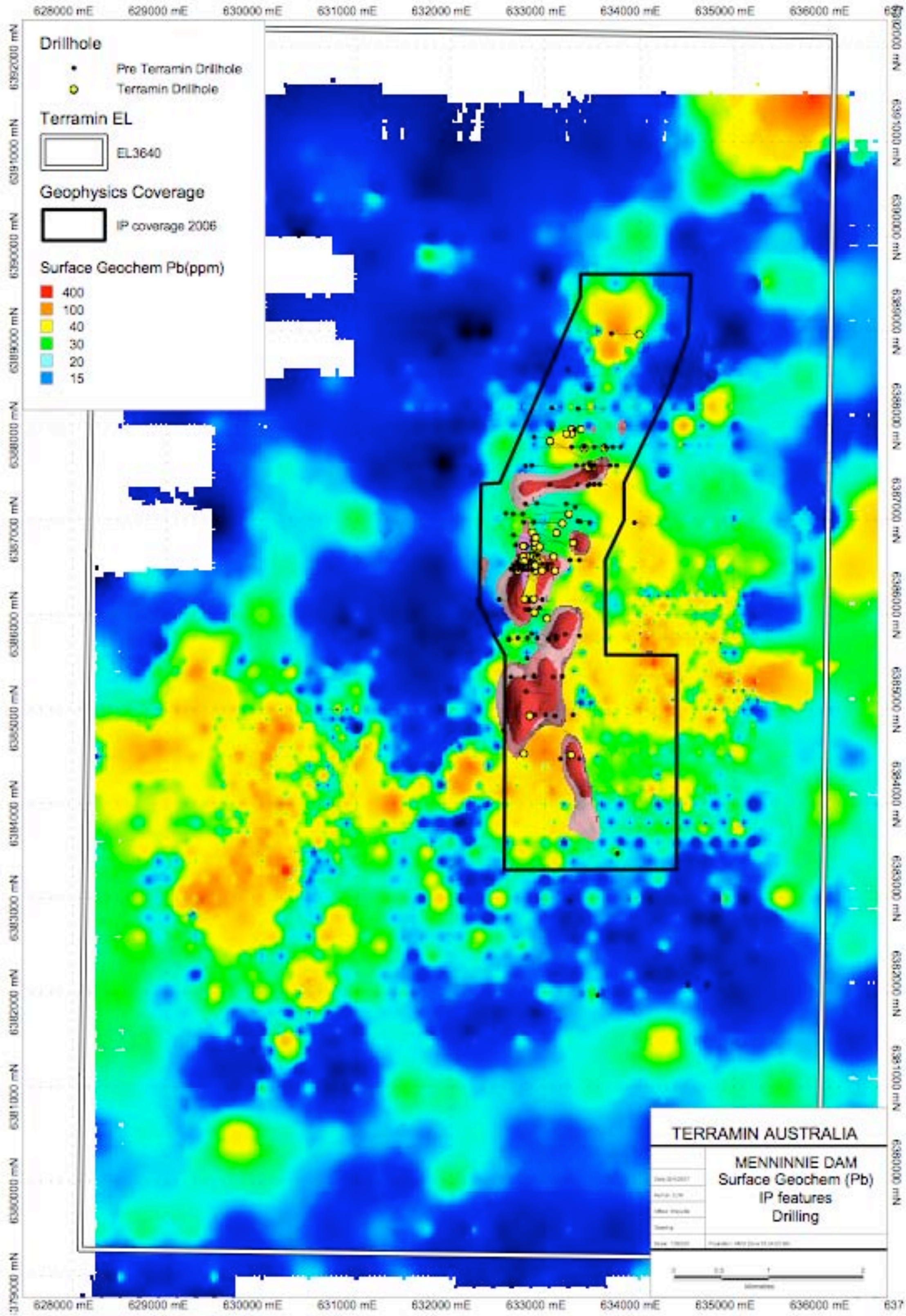

Menninnie Dam Tenement