

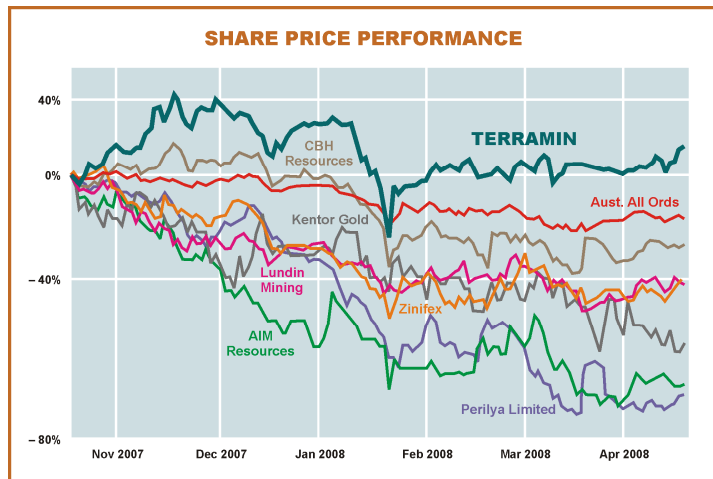
CHAIRMAN'S ADDRESS TO TERRAMIN AUSTRALIA LIMITED ANNUAL GENERAL MEETING

24 APRIL 2008

Dear Shareholders

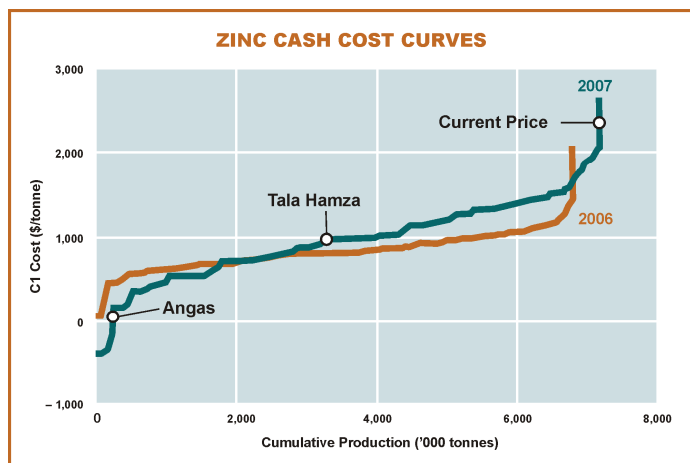
2007 was a year of strong progress on all fronts for Terramin shareholders. Staff levels and competence increased to accommodate major developments. Financing was secured to advance Angas to production, and to commence engineering studies for mining at Tala Hamza. Our metal resources increased nearly sevenfold, laying the foundation for major growth in shareholder value as we develop more mines. Institutional shareholders moved up the register to hold 39% of the stock, and included JPMorgan Chase & Co (London) 8%; Colonial First State, (Australia) 5.6%; and Geologic Resource Funds (USA) 6.5%.

Already, the effects of imminent production at Angas are being reflected in higher share prices that appear to be justified by Angas production alone. Terramin's market capitalisation has been remarkably resilient compared to our peers during the recent market turmoil, and this is undoubtedly due to recognition that the quality and size of our projects will lead to major growth in the future. The chart shows Terramin's share price performance compared to several other zinc focused companies, and is self explanatory.



Our "early-mover" position in Algeria is leading to further opportunities as the country consolidates its transition to a market economy. Algeria has great potential to increase mine production owing to lack of investment in exploration and development during decades of state control and conflict, and the state is now promoting development through partnerships. Capital investment from companies is accepted for its focus on efficiency and productivity.

As with our existing projects, any acquisitions will have infrastructure advantages that translate into low operating and capital costs relative to the scale of mining. The chart below shows that our Angas and Tala Hamza projects are well positioned on the C1 cost curve, ensuring they are profitable whatever the market conditions.



(more)

Our portfolio of low cost projects with large upside is inevitably going to attract attention from other corporates interested in secure cash flows and growth. I can reveal that already one or more companies have bought sizeable shareholdings in Terramin over the past few months. Lundin Mining Corporation of Canada have a 4% stake through an overseas nominee. The same nominee holds another 3.6% and has not disclosed the beneficial owner despite directions from ASIC and enforcement will be pursued.

We are confident that our shareholders are aware of Terramin's success in converting its assets into market value, and will look forward to the same performance over the next few years. It is very unlikely that any takeover offers would lead to the same result for shareholders.

Our view on zinc price outlook is positive since it is clear that the current price levels are dramatically curtailing production growth, to the point where growth of zinc output is falling below demand.

The chart shows that zinc output accelerated in 2006 as prices rose but the price falls through 2007 saw the rate fall to below demand growth of 3-3.5%.

The rising cost of development has caused some new zinc mine projects to be shelved, while increased operating costs mean some mines are making losses and will close early. The latter is causing a near term contraction in output, but the lack of new projects will intensify the shortage of concentrate as many large mines decline or close from late 2009.

Terramin's success owes a lot to the dedication and experience of our staff who are attracted because our projects encompass both growth and cash flows. Terramin's teams now include a broad range of management and technical abilities, in head office, the Angas mine and in Algeria. Your board believes it important to acknowledge the contributions and dedication of its employees at all levels, since mining requires constant attention to manage risk; not just financial risks, but also the safety of its workforce, environment and other stakeholders.

Your team is positioned to continue to perform well in the coming years. I look forward to reporting the first cash flows from Angas from July, and further enhancements to our portfolio through 2008.

Kevin Moriarty
Executive Chairman
24 April 2008

