

CHAIRMAN'S ADDRESS TO TERRAMIN AUSTRALIA LIMITED

ANNUAL GENERAL MEETING

23 APRIL 2010

Dear Shareholders

Terramin has successfully transitioned from exploration start-up to producer over the past seven years. Considered in the light of the gyrations of markets and regulatory obtuseness, this has been a remarkable achievement and we now own a mine that reached nameplate capacity on schedule and within budget.

We have also advanced another major project that will deliver a zinc mine in the top ten and possibly even top five zinc producers in the world. The Tala Hamza project is about to conclude the feasibility stage and enter into the permitting and financing phase. Yet another remarkable achievement, especially considering it is on the other side of the globe, in a country which, although it has a sophisticated oil and gas industry, is still in the early stages of building a mining infrastructure. It is, however, a project with some almost unique advantages, being possibly the only major mine within 10 kms of a deepwater port.

Your company is, therefore, once again undergoing a transition, this time to a substantial producer with at least two mines. We are also working to advance and diversify our portfolio, either near-mine or through new opportunities. Our recent copper-gold discoveries demonstrate that there is untapped potential for other metals on our existing exploration ground. They are particularly significant given their proximity to our operating Angas mine, and the Kanmantoo copper mine that is proposed for redevelopment by our neighbours. Subject to any potential regulatory approval, the excess capacities built into the Angas plant could be used to process higher grade copper-gold ore. Our corporate capacity to enter into advanced copper, lead or zinc projects is growing, particularly when our strategic partners or potential new parties may be involved.

Angas is now delivering expanding cash flows that the Company intends to use to develop the Tala Hamza project, thereby securing even greater capital growth for our shareholders. The cash flows are underpinned by our mill that is performing above design, and a mine with increasing grade profile in future years. The plant has excess capacity in crushing, grinding and tails storage that represents sunk capital that could be leveraged as we develop further resources in and around the mine.

Sempra were the supportive cornerstone investor and offtake partner that made Angas a success in the early days when zinc was relatively unfavoured as an investment. They and our shareholders benefited in the upswing that followed and which is still continuing. It's worth recalling that zinc prices at the time were around 1,200 dollars per tonne and are around twice that level now. Sempra has promised continuing support for Terramin and its projects.

Our transition has necessitated the appointment of directors with an impressive background in project delivery and management, backed by management with similar capabilities. I have devoted considerable effort to accomplish this, and not been deterred by the negative sentiment after the financial crisis, nor naïve perceptions of some investors about the future for zinc. Our new CEO and myself are now working to build our corporate capability to undertake these new challenges.

I want to pay tribute to the team that have achieved so much over the years. I want to record the Company's particular appreciation to Mr David Paterson. David was foundation director and sometime Chairman from the company's formation through the float in 2003 and up until 2009. As is typical in start-ups, Mr Paterson oversaw diverse facets ranging from record keeping to managing drill programs.

Now, I want to note the appointment of several key team members to oversee the next expansion phase in the company. In particular, Terramin now has its first dedicated Chief Executive Officer in Mr Greg Cochran. Mr Cochran has an impressive mining career beginning with BHP Billiton and working in countries and joint ventures with similarities to Terramin's projects. Mr Cochran also has a strong background in corporate development and, when the time is suitable, we can expect that he will be planning the best growth opportunities for your company. In the immediate future he is focused on achieving our operational objectives, particularly strengthening the operation at Angas and therefore its cash flows, and taking the Tala Hamza project through its financing and development phase.

It is the board's view that the interests of shareholders and a major uplift in market acceptance will follow the completion of the definitive feasibility studies at Tala Hamza. Mr Cochran will be working closely with our partners in Algeria over the coming months to ensure a timely consideration and move to decision to mine. Our team have had lengthy discussions with our partners, the banks and ministry in Algeria and our current understanding is that financing for a substantial portion of the capital will be available to WMZ from local banks.

Your directors have provided strong guidance and assistance to management since the Company's IPO in 2003, perhaps more than is usual for a smaller company during its growth. This is continuing, but with the emphasis on oversight and risk management as our projects grow. It is therefore reassuring to work with so many directors with major project and operations experience.

My role as Executive Chairman is also in transition. The timing of my move to a non-executive role is governed by the intensive role I have played in initiating and managing Terramin's growth projects and strategic relationships thus far. There are many complex issues underlying Terramin's successful growth and the board are aware that the transition carries some risks and imponderables, so they expect I remain involved for some time yet.

Nevertheless, I can assure you that this transition is well in train, and I am looking forward to the time when I can devolve all of the executive trials and tribulations to Greg.

Liaising with governments and joint venture partners is an important focus, because projects like Tala Hamza are considered of national significance. This is especially so in Algeria, where established personal relationships are pivotal.

Communicating to investors remains a prime focus, particularly the outlook for zinc in context with our growing portfolio. My team and I have conducted many road shows, not just in Australia but to the USA, Europe and Asia, where the significance of the Company's international asset portfolio is well received. I am also increasingly being invited to address conferences, thereby raising the profile of the Company and the imminent Tala Hamza development. Our CEO is expected to gradually assume responsibility for these matters.

While our CEO is necessarily focused in the near term on operational performance to improve cash flows and ensure earliest start-up on the Tala Hamza project, he also needs to lift Terramin's corporate capability to manage development and operations on Tala Hamza and potential new projects. These objectives are achievable because he has a core team of professionals and staff that have proven themselves in building Angas to a successful operation, and maturing the Tala Hamza project.

Terramin's market performance has not been stellar in the past year, despite intensive marketing of its operational achievements and extraordinary growth portfolio.

Our debt has reduced considerably over the past two years, and much of it is in the form of convertible notes held by our strategic partners and have extended terms. They should more correctly be considered as future equity in any assessment. They were also no deterrent when Terramin was bid up to \$4 per share more than two years ago.

Most analysts have a very bullish outlook for zinc prices in the longer term, so further performance in the market is expected to follow release of the definitive feasibility study and financing in mid-year.

Your board is encouraging management to look at potential opportunities in our current portfolio that will build value, such as the recent copper and gold discoveries. A major focus is also on adding to Angas mine life through exploration, both on and offsite. You may expect considerable activity in that area in coming months.

To conclude, let us review Terramin's status: the Angas mine is operating at or above capacity, and cash flow outlook is very positive at current metal price levels. Analysts forecast metal prices to rise over the coming years. We are investing in initiatives, already yielding encouraging results, aimed at expansion of Angas operations in coming years, further strengthening revenue expectations. The Tala Hamza definitive feasibility studies are close to completion, and favourable finance has been identified. Your board has ample experience to oversee all aspects of our projects, large and small. Your management team is strong and its capability being extended.

Your company has emerged even stronger from a difficult transitional year and we are well positioned for the future as markets once again reward commodity exposure.

Kevin Moriarty
Executive Chairman
23 April 2010

The information in this report that relates to Exploration Results, Mineral Resources is based on information compiled by Mr. Robert Singer a Member of The Australasian Institute of Mining and Metallurgy. Mr Singer is Chief Geologist of Terramin Australia and is 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 Exploration Results, Mineral Resources or 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.