



Extraordinary General Meeting – 28 March 2012

Chairman's Address

Ladies and gentlemen,

Before we get into the business of the meeting I would like to provide some updates on Terramin.

Firstly I will turn my attention to Tala Hamza. At the end of last year, Terramin received an official response from ENOF, its Algerian Tala Hamza joint venture partner, to the Definitive Feasibility Study, which was completed in 2010. A follow up work-shop was conducted in Algeria last October, which identified a number of areas, on which the parties disagree. Discussions have continued since that time on those issues. The CEO and a board delegation will now be meeting with our partners and representatives from government next week to discuss the path forward with the project.

I understand there is frustration among our shareholders over Tala Hamza and the time it has taken to get further movement on this project. We will provide an update to the market when material information becomes available.

I will now move onto our South Australian based mining operation, the Angas mine. Shareholders would have noted that despite some setbacks last year, the mine achieved its highest quarterly zinc and lead concentrate production in the December 2011 quarter. Over the next 12 months a rework of the mine plan has allowed the mine to target record production for the year 2012. Performance to date shows that this is achievable.

In terms of exploration activity across Terramin's tenements, the Company has reduced its exploration activities in order to conserve cash. The exploration programmes will be rapidly

advanced when the Company is better placed to allocate discretionary expenditure to drilling, which is anticipated in the second half of 2012.

I wish now to turn my attention to Terramin's share price. The Terramin share price has come under considerable pressure over the last months associated with the Tala Hamza timetable not meeting expectations combined with a continued volatile investment climate that impacted on world markets from last September.

As shareholders are aware it was during this period that Terramin conducted a two-tranche capital raising achieving approximately \$3 million in fresh capital. During this period the Company has managed its cash position prudently and focused its attention on managing the areas where the Company has direct control, particularly improving performance of its Angas mine.

Given all of the above the Board announced late last year that it is undertaking a strategic review to develop options to unlock shareholder value. That review is currently underway and when the Company is in a position to make announcements on preferred options, shareholders will be informed. It is anticipated that an announcement will be made in the second quarter 2012.

Bryan Davis

Chairman

28 March 2012