



# TERRAMIN AUSTRALIA LIMITED

## ANNUAL GENERAL MEETING

### CHAIRMAN'S ADDRESS

#### 21 May 2020

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#### **Welcome**

Good morning, Ladies and Gentlemen, my name is Feng Sheng and I am the Chairman of Terramin Australia Limited. On behalf of the Board of Directors, I warmly welcome you all to the 2020 Terramin Annual General Meeting.

I am now going to hand over to Mr Michael Kennedy who has agreed to chair this meeting at the request of the board.

In 2019, Terramin has maintained a steadfast focus on pursuing the development of its major projects, the Bird in Hand Gold Project and the Tala Hamza Zinc Project.

We are pleased to advise that there has been considerable progress in respect of the Bird in Hand Project with the completion of all on ground studies and extensive technical work culminating in the lodgement of the mining lease application in June 2019. The SA government completed its review of this document in early February 2020 and has issued a request for a formal response, which included additional questions and the outcomes from a formal community consultation process held in late 2019. Terramin is advancing the complete lodgement of a formal response to all the questions raised by the government in their request for response document as well as formal responses to the community consultation process.

The Terramin management team have also been advancing the finalisation of the Definitive Feasibility Study (DFS) for the Bird in Hand Project. All substantive work on this study has been completed and the focus is now on reviewing and optimising aspects of the project. Our work to date on the DFS, has confirmed the outcome of the previous scoping study that the project will yield very substantial returns to Terramin shareholders with these returns being enhanced by the record Australian gold price.

The Terramin board has been very encouraged by the level of interest from third parties wishing to invest or fund the Bird in Hand Gold Project. This interest reflects the strong economics of the project due to the low capital requirements and its very high gold grade. On that note, I would like to draw your attention to the recent takeover by Ramelius Resources of Spectrum Metals which owns a comparable undeveloped Australian gold project that sets a benchmark valuation of \$650 per ounce of gold in resource. Applying this valuation to the Bird in Hand Gold Project, gives a valuation in excess of \$170 million without allowing for the fact that Bird in Hand is more advanced and we already own a processing plant.

We remain very optimistic about our prospects at Bird in Hand and look forward to positive developments in the coming months.

As we advised in our annual report, the approval process for the Tala Hamza Zinc Project has been slowed in 2019 as Algeria negotiated its way through a challenging political transition which resulted in the appointment of a new President and the formation of a new Government. This period of transition started in March 2019 with the new government established in December 2019 with the Algerian Government being essentially in caretaker mode throughout that period.

However, we are pleased that discussions have now resumed on a positive footing with our Algerian partners recently reaffirming their approval of all technical aspects of the project as well as agreeing the basis on which the financial assessment of the project will be undertaken. As a result of these discussions, Terramin has just completed a study to optimise the project and is just about to present the outcomes to our partners. The directors are confident of a positive outcome and that we are closing on approval for the project. We note that only in recent days, a statement by the Algerian President indicating that Algeria must work quickly with its foreign partners to facilitate the development of mining projects to counter the effects of the dramatic fall in oil prices on the Algerian economy. Tala Hamza remains a very significant asset for Terramin to develop a large zinc mine on the doorstep of Europe which will be in the top ten producers in the world with a mine life over approximately 20 years. This is a rare asset.

We have continued to work our exploration portfolio in South Australia with the use of joint venture partners, however we were very pleased to obtain the rights of the historic Kitticoola Copper Gold Mine which had a history of producing high grade gold and copper ore. Any ore produced at Kitticoola could be transported to the Angas processing facilities through the existing road network. Unfortunately, exploration has been delayed due to Covid-19 restrictions but we hope to commence exploration later in the year.

I believe that Terramin, after a number of years of hard work, is poised for some very exciting developments in respect of its projects in the coming months.

I would like to thank shareholders for their continuing support for the Company. I would also like to thank the Board, management and employees for their continued dedication.

This announcement was approved by the Board.

Feng (Bruce) Sheng  
21 May 2020