TERRAMIN AUSTRALIA limited

Chairman's address to Terramin Australia Limited Annual General Meeting

11:00 am June 15th 2005

Dear Shareholders

While 2004 was a year of marked success for your Company, it is especially pleasing to report major advances since the close of the year.

Recently we announced a $17 million financing deal for the Angas zinc project, and an $8 million dollar injection for the Menninnie lead-zinc project. Both transactions involve companies with substantial balance sheets seeking to secure long-term supplies of zinc and lead concentrates.

The Angas financing due diligence period has concluded, with Sempra Metals and Concentrates Corporation advising they will subscribe for $6.5 million in convertible notes following shareholder approval of the issue at this meeting.

The notes will finance the studies proceeding to a decision to mine at Angas, and importantly, facilitate the placement of forward orders for plant and equipment so we can commence production earlier than would have otherwise been the case. Sempra also participates as an observer in the management of the project, to facilitate its undertaking to guarantee a further $10 million of project construction capital.

Macquarie Bank Limited made $1 million equity injection, and also participates as an observer in the project management with a view to lead managing the project financing. Your Company has initiated these arrangements to ensure a fast transition from design to construction to production aiming to shorten the time to secure adequate capital. We appreciate the cooperation of our partners, Sempra and Macquarie, who are investing time and resources to participate in meetings and assess technical reports in advance of completion of the studies. We welcome their confidence in the project.

Terramin has been building its capability in project development, appointing a team of experienced engineers and geologists. We are very pleased to announce the appointment of Mr Robert Jones as general manager, with overall responsibility for project implementation. Mr Jones has a background in metallurgy and processing, which will complement the mining team. In a long career with CRA and Pasminco, he managed zinc-lead mines, smelters and operations with hundreds of staff in Australia and overseas. While president of Pasminco's US operations, he was responsible for the development of a mine of similar scale to Angas, in addition to overseas mines producing over a million tonnes per year.

We now have the finance, the team, and a robust project that is expected to deliver cash flows of the order of $20 million per annum during full production commencing early 2007. This is an outstanding result when you consider that your Company has only been listed for 18 months.

We expect the Menninnie project to follow close behind this success with financial support by Zinifex Limited. In addition to the $8 million joint venture on the Menninnie tenement, we have been concluding arrangements for a broader exploration alliance with Zinifex, details of which will be announced soon.

Our business development team has also been busy seeking out and negotiating for other projects meeting our criteria of low capital minimal infrastructure requirements leading to the potential for a rapid development path. Our capacity to take on new projects has been enhanced by the equity subscribed by Sempra and Macquarie Bank, and the support of Zinifex.

Before I close, it is appropriate to congratulate PIRSA on their PACE programme initiative which has totally re-invigorated exploration in South Australia.

In conclusion the Company has the treasury funds and the support of substantial financial, mining, smelting and concentrate marketing organizations to markedly advance both Angas and Menninnie.

I expect to be able to report even more growth in your company's assets and wealth as the year progresses.

Kevin Moriarty
Executive Chairman

14 June 2005