

TERRAMIN AUSTRALIA LIMITED
ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS
17 MAY 2017

Welcome

Good morning, Ladies and Gentlemen, my name is Michael Kennedy and I am the Deputy Chairman of Terramin Australia Limited and I will chair today's Annual General Meeting. On behalf of the Board of Directors, I warmly welcome you all to the 2017 Terramin Annual General Meeting.

Introduction of Directors and Company Secretary

I would like to introduce the Board of Terramin and senior management of the Company here today. The full details of their background and experience are included in the Annual Report and on the Company website.

- Mr Feng Sheng, the Chairman of the Company. Mr Sheng is also a principal of the Company's major shareholder, Asipac Group.
- Mr Angelo Siciliano who is a representative of Asipac Group and is a member of the Audit and Risk Committee and of the Nomination and Remuneration Committee.
- Mr Kevin McGuinness who is the chair of the Audit and Risk Committee and the chair of the Nomination and Remuneration Committee. Kevin is an independent non-executive director.
- Mr Wang Xinyu who represents China Non Ferrous Metals Industry's Engineering & Construction Co Ltd (NFC) on the Board of Terramin.

Also attending the AGM and representing management:

- Mr Martin Janes, the Chief Executive Officer of the Company;
- Mr Stéphane Gauducheau, the Legal Counsel and Company Secretary;

Mr Joe Ranford, our Chief Technical Officer is unavailable due to commitments with the Bird-in-Hand Gold Project.

I would also like to welcome Justin Humphrey, the audit partner of Grant Thornton, the Company's auditors.

This Annual General Meeting will proceed in four parts:

- Firstly, I will provide a short address highlighting key points for the year 2016;
- Secondly, Martin will review the operational developments of the Company for the past year and will talk about our expectations and plans for the future;
- Then shareholders will be able to ask questions about the Company, my address or Martin's presentation;
- This will be followed by the formal business of the meeting, at which time I will take your questions specifically regarding each of the proposed resolutions.

As advised to the market earlier today, the Board has decided to withdraw Resolutions 5 to 10.

Resolution 5 related to the approval to issue an additional 10% of issued capital over a 12 months period. This resolution is withdrawn as the Company is no longer eligible to seek approval under Listing Rule 7.1A since its market capitalisation has exceeded \$300 million.

Resolutions 6 related to the approval of issue of options (and shares) under the Terramin Employee Option Plan. Resolutions 7 to 10 related to an issues of shares to directors of the Company who had elected to take shares in lieu of cash as payment for directors fees.

The Board has decided to withdraw Resolutions 6 to 10 following feedback recently received from some shareholders expressing their views about the issue of securities both as an incentive and compensation measure. The Board acknowledges these views and will continue to engage with shareholders to ensure remuneration and incentives to employees and the directors achieve broader shareholder support.

Without pre-empting Martin's presentation regarding Terramin's progress over the past year, the status of our assets and positive outlook for the future, I would like say a few words about the progress of the Company's projects as well as our views on the Company's prospects in the near term.

Ladies and gentlemen I would like to take you back 4 years ago when the Company's position and outlook were vastly different to what it is now. At that time, Terramin had:

- a mine that was on the verge of closing with looming rehabilitation obligations;

- a world class project that was going no-where as a result of a disagreement and breakdown in relationship with its Algerian joint venture partner and with the only prospect to recoup its investment was through a protracted and costly arbitration process;
- Some attractive exploration assets but no way to monetise these as a result of a shortage of cash;
- Circa \$35 million of debt required to be repaid with 12 months;
- A share price at approximately \$0.02 a share.

After 4 years the situation of the Company is significantly different with:

- the world class Tala Hamza project on track to obtaining approval, with a very supportive Algerian government and partner;
- A 252,000 ounces gold project at Bird-in-Hand which is also on the approval path;
- A debt level reduced to \$12 million thanks to the Asipac group, a very supportive main shareholder and debt holder;
- A share price at nearly \$0.20 a share (market capitalisation of \$340 million).

This is a significant turn-around for a company like Terramin and I am pleased to be able to report today on the further progress accomplished in the past year towards the development of our key projects, the Tala Hamza Zinc Project and the Bird in Hand Gold Project.

Regarding the Tala Hamza Zinc Project, Terramin has continued to work very closely with its Algerian partners to finalise the studies on the Tala Hamza project to enable the preparation and lodgement of the mining lease application.

These studies have enabled the partners to agree on a new project design which has resulted in the surface infrastructure (including the processing plant), tailings storage and related mining infrastructure being placed into one valley system. This constitutes a very significant reduction in the footprint of the project which, consequently, results in an important reduction in upfront capital costs (including the projected land acquisition costs) and improved environmental outcomes. This design should facilitate an easier path to approval and acceptability by the local population.

Terramin, in agreement with its partners is working to complete the geotechnical and hydrological drill campaign. The geotechnical drilling conducted by ORGM, an Algerian Government owned entity (and partner) has been completed. The hydrological drilling has necessitated a significant amount of work to be able to provide access to the drill rig. As is often the case with mining projects, this involved a large amount of community negotiation

and cutting a number of new tracks in the mountains near the Tala Hamza settlement before the actual drilling could start. The work is now complete and the hydrological drilling is under way with first hole completed on the weekend of 13 and 14 May. In the meantime the drafting of the revised feasibility study and the mining lease application have progressed well.

Subject to a decision to mine of the joint venture partners the mining lease application will be lodged together with the environmental impact statement. Then will follow a period of review by the Algerian Ministry of Mines. The Algerian regulator, ANAM and the Ministry of Mines have recently agreed to establish a working group which will review portions of the mining lease application as they are completed to facilitate the rapid approval of the project. Following recent discussions with the Algerian Mining Ministry, ENOF and ANAM, Terramin is confident that the Algerian parties will undertake all efforts to get the project approved as soon as possible.

The Board is also pleased with the substantial progress that has also been made with the Bird-in-Hand Gold Project. The diamond drilling program completed in May 2016 was an important step to gather hydrological, geotechnical and metallurgical data about the deposit to enable Terramin to progress the underground mine and surface facilities design. As part of that program, fresh samples were acquired for metallurgical and mineralogical analyses of the gold mineralisation. The assays returned very high grade gold results which confirmed the exceptionally high grade gold mineralisation of the Bird-in-Hand deposit. These assays confirmed that the Bird-in-Hand deposit is one of the highest grade gold deposit in Australia. This drilling program allowed an upgrading of the Resources for the upper part of the deposit from Inferred to Indicated. The new resource is now estimated at 588,000 tonnes at 13.3g/t gold for 252,000 ounces of gold. At this stage the Bird-in-Hand deposit is expected to have a 6 year mine life. We are confident there is more ore at depth and along strike and possibly in the vicinity of the deposit which could see the operation last well beyond the proposed 6 years.

The focus of the project team is to get the approval process underway. The team continued the water studies which confirm that the proposed mine will have no material impact on the quality and quantity of water available to other users in the area. In addition, a number of studies have been undertaken to pre-feasibility standard in respect of ventilation systems, mining equipment requirements, material handling, backfill, traffic and storm water.

Again, Martin will provide an update on the Bird-in-Hand Gold Project.

On the corporate side, the Company welcomes a new investor who participated in a placement this year raising a total of \$4 million which has been used towards the Company's

projects and as working capital. The Board is pleased with the continued strong relationship with the Asipac Group. In this context, the Company has recently secured an additional \$1 million facility from Asipac for the purpose of completion of the work currently underway in Algeria and for working capital.

Given Terramin's focus on progressing the Tala Hamza Zinc Project and the Bird-in-Hand Gold Project, exploration has been limited in the last year. However, the Company has been actively discussing joint venture exploration opportunities within the Gawler Craton tenements in particular the northern tenements which have seen little exploration thus far. These discussions have progressed well and the Board is hopeful that a transaction regarding the project is closed to be finalised.

Ladies and gentlemen, I sincerely believe that the progress made at the Bird-in-Hand Gold Project and the Tala Hamza Zinc Project are significant in our effort to advance the business of the Company and deliver value for shareholders. We look forward to updating you on further advances regarding the Company's projects.

I will now handover to the Company's CEO, Mr Martin Janes.

I would like to thank you all for attending this year's AGM and thank shareholders for their continuing support for the Company. I would also like to thank the Board, management and employees for their continued dedication.

Michael Kennedy
17 May 2017