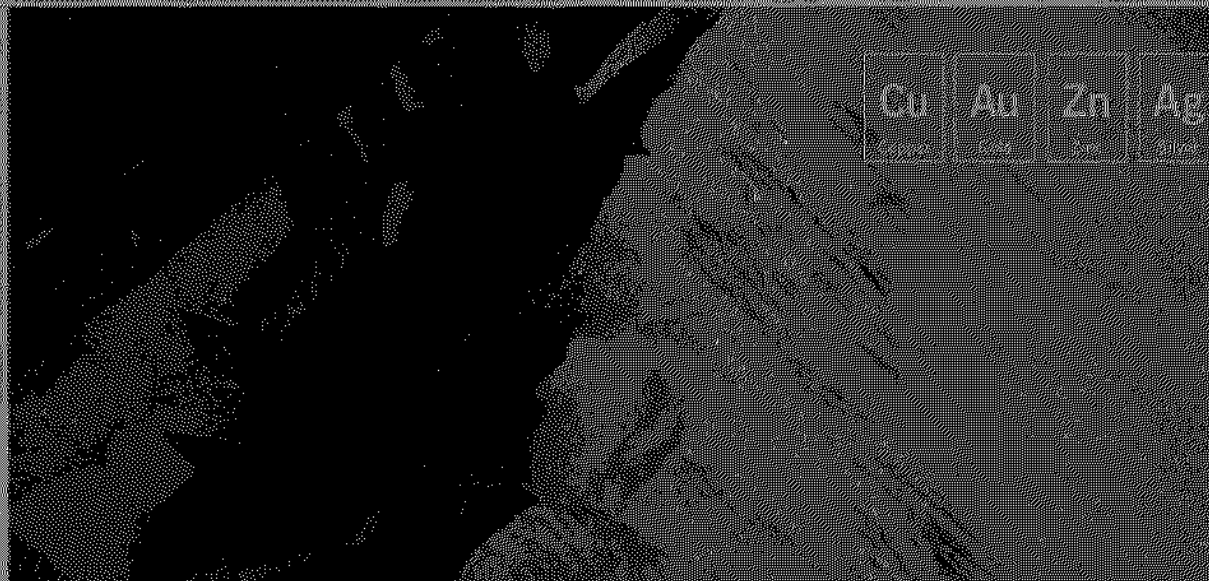




Lafayette Mining Limited



General Meeting Update to Shareholders

25 January 2006

Agenda

- Recent capital raising
- Share Purchase Plan
- Current issues / situation
- What are we doing?
- Where to from here?
- Summary

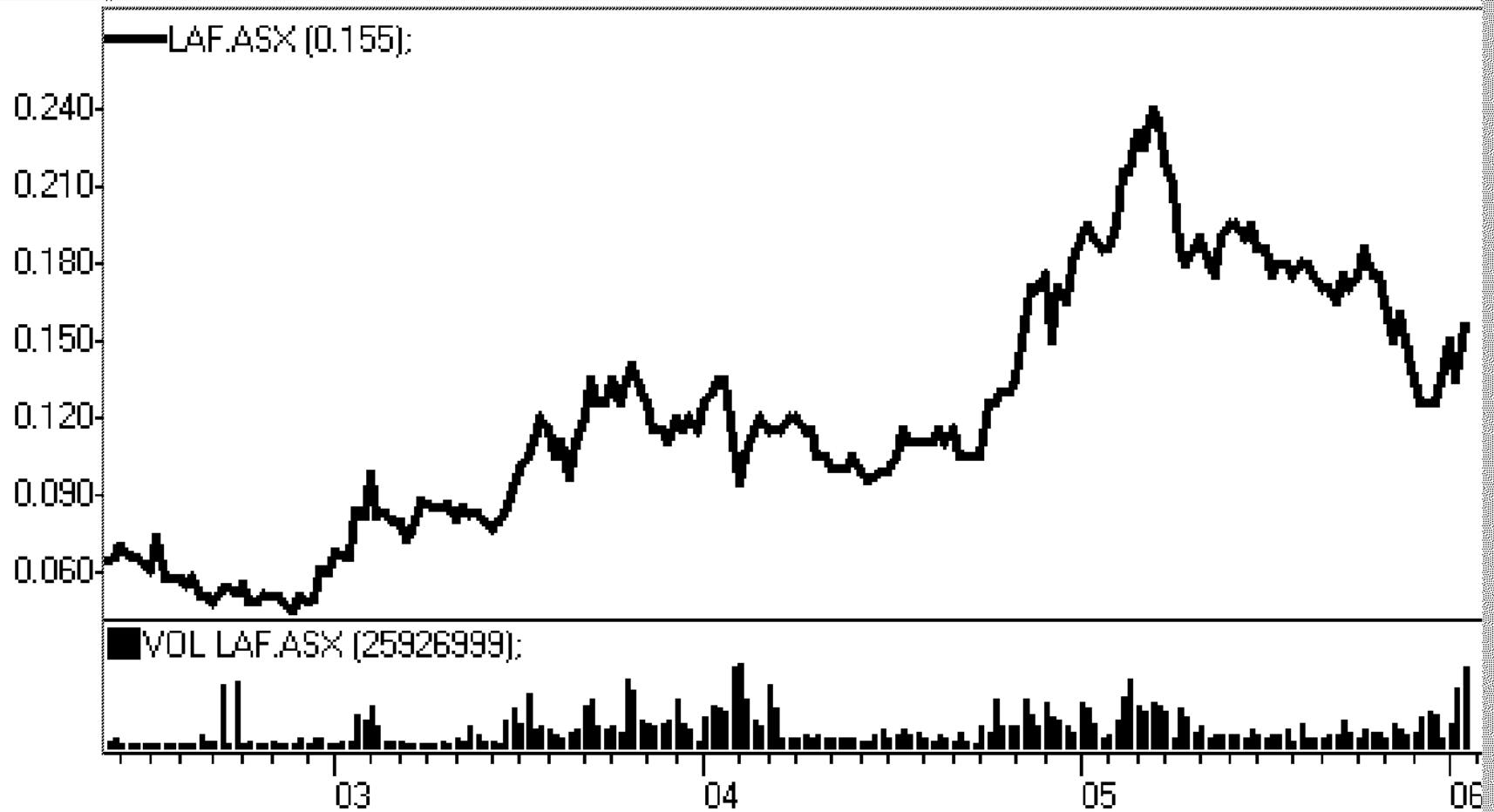
Recent capital raising

- Share placement raised A\$8.4m @ 11 cps
- AuSelect to invest A\$2m @ 11cps
- Shareholder Purchase Plan – expect A\$3–5m
- Current spend ~US\$2m/month
 - (Assuming full operational status)

Share Purchase Plan

- Offered under ASIC class order 02/831
- Priced at 11 cps
- Record date - 13/12/2005
- Closing date - 17/02/2006
- Up to \$5,000 per eligible shareholder

Share Price History



Source: IRESS

Current Issues

- **Production suspension**
 - Waste water discharges
 - Procedural failure
- **Seasonal rainfall**
 - 94% highest recorded
- **Tailings storage facility – capacity**

Community

- **Local - Barangays**
 - No direct impact
 - Continued full support
- **Regional - Provincial**
 - Mercury accusations unfounded
 - Governor fully supportive

Current Situation

- **Regulators**
 - Engaged as “partners” in project
- **Production delayed - not “lost”**
- **Fines and conditions imposed**
 - Appeal lodged
- **Project’s financiers fully informed**
- **Plant complete**
- **TSF work ongoing**

What are we doing

- Restructured LML Board
- Securing Project re-start
- Philippine Management
 - Local partner / management team
 - Strengthening Philippine relationships
- Philippines media
- Engaging community

Where to from here

- Continue working with regulator
- Re-establish “showcase” status
- Base Metal Plant commissioning
 - Revenue, high commodity prices
- New management team
- Other opportunities

Summary

- Share Purchase Plan
- Managing current issues
- Rebuilding relationships
- Moving to Base Metals production

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Thank you

www.lafayettemining.com