



ASX Shareholder Report

8 August 2013

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Terramin is a dedicated
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Terramin Secures Finance to Acquire High Grade Bird-in-Hand Gold Project

Terramin Australia Limited (ASX: TZN) is pleased to announce that it and its subsidiary Terramin Exploration Pty Ltd have executed a committed letter of offer for the provision of \$1.8 million debt facility by its major shareholder, the Asipac Group. These funds will be utilised to fund the purchase of the Bird-in-Hand Gold Project from Maximus Resources Limited (ASX: MXR) and to fund studies on the development of the project.

The short term facility has been provided for a term of 18 months from first drawdown on commercial arm's length terms including an interest rate of 7% p.a. (payable in cash or Terramin shares subject to the provisions of the ASX Listing Rules and the Corporations Act).

The provision of the loan facility means that Terramin has satisfied the financing condition for the acquisition of the Bird-in-Hand Gold Project. Subject to the satisfaction of standard conditions precedent, the transaction is expected to complete at the end of the current quarter.

The Bird-in-Hand Gold Project

The Bird-in-Hand Gold Project is located approximately 30 km north of Terramin's existing mining and processing facilities at the Angas Zinc Mine. The project has a high grade Resource¹ of 598,000 tonnes at 12.3 grams per tonne for 237,000 ounces which is amenable to underground mining.

It is anticipated that, subject to the required regulatory approvals, the Bird-in-Hand ore will be processed utilising the facilities at Angas which can be modified to process gold ore. The existing tailings dam at Angas has the capacity to hold all the Bird-in-Hand tailings.

¹ Resource estimated by Maximus in 2008 in accordance with the JORC 2004 Code.



Terramin believes that processing of Bird-in-Hand's high grade ore utilising the existing Angas facilities will create a low capital and low cost gold operation.

The Bird-in-Hand Gold Project and Exploration Potential

The Adelaide Hills exploration tenements acquired from Maximus cover 1,510 square kilometres, immediately north of Terramin's Fleurieu tenements and upon granting of application ELA2012/00315 will form a contiguous block of exploration tenements covering 3,750 square kilometres (Figure 1). DMITRE records show over 250 historic gold mines and diggings on these tenements. These were mostly worked during the late 1800's, but several (including Bird-In-Hand) were intermittently operated to the mid 1900's. The majority of these workings can be grouped together into six main goldfields (Figure 1) that form the central part of the Adelaide Hills Gold Province.

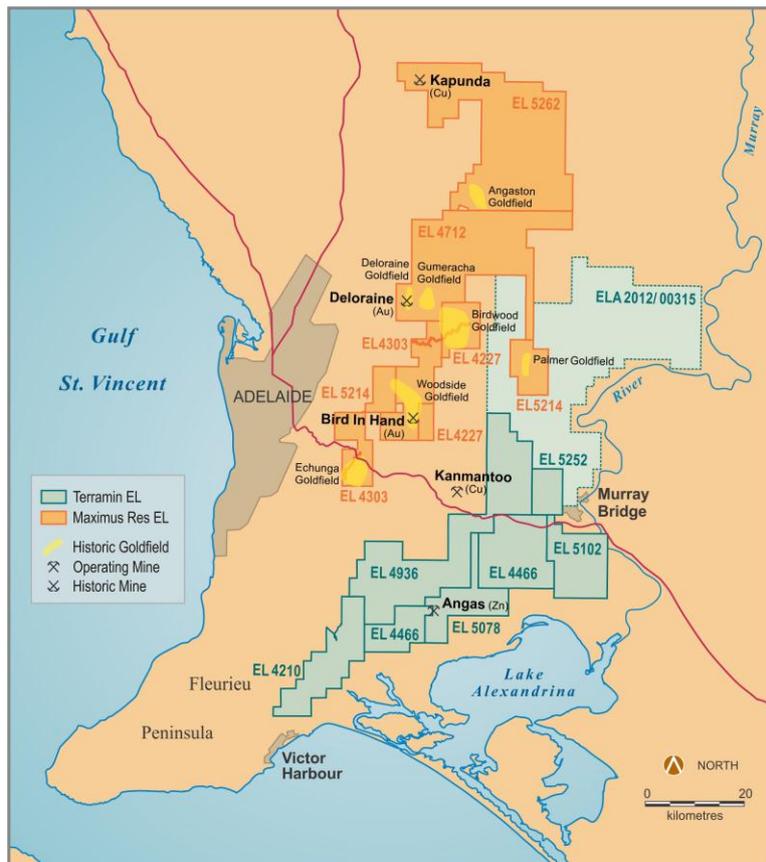


Figure 1. Terramin's current Fleurieu tenements and Maximus' Adelaide Hills tenements



In 2008 Maximus defined a combined Indicated and Inferred Resource containing 237,000 ounces of gold. Terramin considers that there is good potential to increase the Resource through depth extension of the orebody and drill testing along strike for additional high grade shoots.

* JORC 2004 compliant Indicated and Inferred Resource for the Bird-In-Hand deposit was reported by Maximus on 8th August 2008

Classification	Bulk Density ¹	Average Width ²	Tonnes	Grade (g/t gold)	Contained Gold (ounces)
Indicated Main Reef	2.78	6.65	160,000	13.6	70,000
Inferred Main Reef	2.78	7.48	406,000	11.7	153,000
Inferred White Reef ³	2.78	2.44	32,000	13.6	14,000
Total⁴			598,000	12.3	237,000

Table of Mineral Resources, 100 to 430 metres vertical depth, Bird-in-Hand Gold Mine, Woodside, South Australia. As at 1 August 2008.

1. Density value is based on average measurements of the mineralised zone.
2. Horizon width based on lode dipping approximately 50 degrees to east.
3. Resource limited to 125 to 220 metres below surface.
4. Totals rounded to nearest thousand (tonnage/contained ounces) or first decimal place (grade).

Competent Person's Statement

The information that relates to Mineral Resources for Bird-In-Hand is based on information compiled by Mr Douglas McLean. Mr McLean is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr McLean was a consultant to Maximus Resources Limited at the time of his estimate. Mr McLean has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McLean consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled and thoroughly reviewed by Mr Eric Whittaker. Mr Whittaker is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whittaker is a consultant geologist for Terramin Australia Limited. Mr Whittaker has sufficient industry experience relevant to the style of mineralisation and type of deposit under consideration and activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whittaker consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.