



ASX Announcement

12 November 2013

Terramin Completes Acquisition of Bird-in-Hand Gold Project

Terramin Australia Limited (ASX: TZN) is pleased to announce that its subsidiary, Terramin Exploration Pty Ltd has completed the acquisition of the high grade Bird-in-Hand Gold Project and 5 regional exploration tenements from Maximus Resources Limited (ASX: MXR) (**Acquisition**).

The completion follows Ministerial approval of the Acquisition under the Mining Act (SA).

As part of the consideration for the Acquisition, Terramin Exploration has paid the first tranche of \$1.5 million and Terramin has issued 25 million ordinary shares to Maximus. These shares are subject to escrow until 5 November 2014.

In the period leading up to completion of the Acquisition, Terramin has progressed a scoping study to assess the technical and economic viability of the development of the Bird-in-Hand deposit. The preliminary assessment of the project indicates strong economics which, in the directors' view, justifies proceeding with pre-feasibility work, in particular hydrology studies. As announced in the recent quarterly report it is expected that this scoping study will be completed and the outcome released before the end of November.

The Acquisition has been funded by drawing down on a \$1.8 million debt facility (**Facility**) provided by Terramin's major shareholder, the Asipac Group. As announced on 8 August 2013, the Facility has been provided to Terramin Exploration 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).

As part of the financing, the Facility will be secured by a general security over the assets of Terramin Exploration. Terramin has applied to the ASX and has been granted a waiver from Listing Rule 10.1 to enable Terramin Exploration to grant this security without the need to seek Terramin shareholders' approval. The terms of the waiver are set out in the attachment to this announcement.

The Company expects to be in a position to repay the outstanding debt under the Facility.

For further information, please contact:

Martin Janes
Chief Executive Officer
Terramin Australia Limited
+61 8 8213 1415
info@terramin.com.au

Level 3
70 Hindmarsh Square
Adelaide
SA
5000

ATTACHMENT – ASX WAIVER

1. *Based solely on the information provided, ASX Limited (“ASX”) grants Terramin Australia Limited (the “Company”) a waiver from listing rule 10.1 to the extent necessary to permit the Company and its subsidiaries (“Subsidiaries”) to grant security over their assets in favour of Asipac Group Pty Ltd (“Asipac”), pursuant to which Asipac acquires security interests over certain assets of the Company and its Subsidiaries (the “Security”), as part of debt facility agreement whereby Asipac agrees to provide to Terramin Exploration Pty Ltd (a subsidiary of the Company) up to \$1.8 million, without shareholder approval, on the following conditions.*
 - 1.1. *The Security includes a term that if an event of default occurs and Asipac exercises its rights under the Security, neither Asipac nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or the Subsidiaries in full or part satisfaction of the Company’s or Subsidiaries’ obligations under the Security, or otherwise deal with the assets of the Company or the Subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by Asipac exercising its power of sale under the Security and selling the assets to an unrelated third party on arm’s length commercial terms and conditions and distributing the cash proceeds to Asipac in accordance with its legal entitlements.*
 - 1.2. *A summary of the material terms of the Security is made in each annual report of the Company during the term of the Security.*
 - 1.3. *Any variations to the terms of the Security which is:*
 - 1.3.1. *not a minor change; or*
 - 1.3.2. *inconsistent with the terms of the waiver,**must be subject to shareholder approval.*
 - 1.4. *The Company must seek to discharge the Security when the funds advanced under the Security are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further loan facility amount.*
 - 1.5. *The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company’s plans with respect to the repayment of the funds advanced under the Security and the discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur.*
2. *ASX has considered listing rule 10.1 only and makes no statement as to the Company’s compliance with other listing rules.*