



RIGHTS ISSUE

Entitlement Offer Booklet

Terramin Australia Limited

ABN 67 062 576 238



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ENTITLEMENT OFFER BOOKLET

For a pro rata non-renounceable Entitlement Offer of approximately 623,200,457 (circa 623 million) New Shares at an issue price of \$0.035 (3.5 cents) each on the basis of one (1) New Share for every three (3) Ordinary Shares held to raise up to approximately \$21.8 million (before issue costs). No lower limit has been set.

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your financial or other professional adviser.

Please read the instructions on the accompanying Entitlement and Acceptance Form if you wish to subscribe for the New Shares.

CORPORATE DIRECTORY

Directors

Feng (Bruce) Sheng (Executive Chairman)

Michael Kennedy (Non-Executive Deputy Chairman)

Kevin McGuinness (Non-Executive Director)

Angelo Siciliano (Non-Executive Director)

Wang Xinyu (Executive Director)

Chief Executive Officer and Company Secretary

Richard Taylor

Stock Exchange Listing

Australian Securities Exchange

ASX Code: TZN

Registered Office

Unit 7, 202 – 208 Glen Osmond Road

FULLARTON SA 5063

Enquiries Telephone – (08) 8213 1415

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Share Registry

Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street

Adelaide, South Australia 5000

Enquiries (within Australia): 1300 850 505

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IMPORTANT NOTICES

This Offer Booklet is dated 30 October 2019. This Offer Booklet is not a prospectus and has not been lodged with ASIC. This Offer Booklet does not contain all the information that an investor would find in a prospectus or on which an investor would expect to make an informed decision as to whether or not to accept the Offer.

This Offer is being made without a disclosure document in accordance with section 708AA of the Corporations Act.

This is an important document. Before deciding to apply for New Shares you should consider whether they are a suitable investment for you. Persons wishing to subscribe for New Shares should carefully read this Offer Booklet and consult their professional advisers for the purpose of evaluating whether or not to participate in the Entitlement Offer.

Representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Booklet. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with the Offer.

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, sent to Eligible Shareholders with this Offer Booklet.

Overseas Shareholders

No action has been taken to permit the offer of New Shares under this Offer Booklet in any jurisdiction other than Australia, New Zealand, Singapore, Hong Kong, China and British Virgin Islands. The distribution of this Offer Booklet in any jurisdiction other than Australia, New Zealand, Singapore, Hong Kong, China and British Virgin Islands may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

This Offer Booklet does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Offer Booklet or make such an offer.

Pursuant to section 615 of the Corporations Act and ASX Listing Rule 7.7 the Company has appointed CPS Capital Group Pty Ltd as the Company's foreign holder nominee for the Offer (Nominee) to sell the Entitlements of Ineligible Foreign Shareholders. The Company has applied to ASIC to approve the appointment of the Nominee. As at the date of the Offer Booklet, ASIC's decision regarding the appointment of the Nominee is pending. The Company will pay set up and transaction fees to the Nominee of \$6,000 as described in section 1.15 below.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

Forward looking statements

This Offer Booklet may contain forward looking statements, based on information and assumptions the Company knows now. They are subject to risks and uncertainties, many of which are outside the Company's control. Actual results may differ from the forward looking statements in this Offer Booklet. For example, the Company's results will be affected by the risks referred to in section 3.

Information publicly available

Information about the Company can be obtained from the Company's website and www.asx.com.au. The contents of any public filing do not form part of this Offer Booklet; however, this Offer Booklet is intended to be read in conjunction with information lodged by the Company with ASX.

Glossary

Terms used in this Offer Booklet are defined in the glossary contained in section 5.

DEPUTY CHAIRMAN'S LETTER

30 October 2019

Dear Shareholder,

Non-Renounceable Entitlement Offer

On behalf of the Directors of Terramin, I wish to invite you to participate in a 1 for 3, non-renounceable, pro-rata entitlement offer of new fully paid ordinary shares in Terramin at an issue price of \$0.035 per Share (**Issue Price**) (**Entitlement Offer**). The Issue Price represents a discount of approximately 30% to the 5-day volume weighted average price of Terramin shares ending on 16 October 2019, the last day on which shares were traded before the Entitlement Offer was announced. Entitlements will be determined on the basis of Shares held by Eligible Shareholders at 7:00pm (AEDST) on 4 November 2019. The Entitlement Offer is non-renounceable, which means that Entitlements may not be traded or transferred if you do not wish to take up some or all of the New Shares to which you are entitled.

Terramin's high grade gold assets in South Australia are entering exciting times with the AUD gold price at sustained record levels. Terramin lodged its Mining Lease Application (MLA) for the Bird in Hand Gold Project (BIHGP) and Miscellaneous Purposes Lease (MPL) for the Angas processing facility on 21 June 2019. The public consultations closed on 20 September 2019 and a government decision on the MLA and MPL is expected to follow in H1 2020. Terramin has received non-binding Letters of Intent from streaming and trading companies offering debt financing in exchange for offtake commitments for the majority of BIHGP construction costs.

Terramin is undertaking this Entitlement Offer to restructure short term debt facilities and ensure along with specific project financing, working capital is sufficient between now and first cash-flow from BIHGP which is anticipated in 2021. Working capital will also ensure the maintenance of Terramin's interest in the Algerian Tala Hamza Project held through a 65% interest in the joint-venture vehicle Western Mediterranean Spa (**WMZ**).

The rights issue is not underwritten. Major shareholder, Asipac Capital Pty Ltd (**Asipac**) has indicated it will take up its full allocation. All Terramin Directors who are Eligible Shareholders intend to participate in the Entitlement Offer.

The Offer Booklet sets out full details of the Entitlement Offer and should be read in its entirety before deciding whether or not to participate in the Entitlement Offer.

Section 2 sets out instructions on how to accept all or part of your Entitlement under the Entitlement Offer. The Board is also offering Eligible Shareholders the opportunity to apply for New Shares in addition to their Entitlement. Applications for additional Shares will be satisfied in the event of and to the extent that Eligible Shareholders do not take up their Entitlements in full and otherwise in accordance with the policy set out in Section 1.12.

The information in this Offer Booklet is relevant to your decision whether to participate in the Entitlement Offer. You are encouraged to read this Offer Booklet in detail before determining whether or not to participate in the Entitlement Offer, in particular sections 1.1, 1.5 and 3 of this Offer Booklet as it sets out the background of the offer, the potential implications on the Company's shareholding register and the key risks affecting the Company.

You should obtain any professional advice you require to evaluate whether to participate in the Entitlement Offer.

If you have any further questions in relation to the Entitlement Offer please call Terramin on +61 8 8213 1415 between 9:00am and 5:30pm (AEDST) Monday to Friday during the period in which the Entitlement Offer is open or contact your stockbroker or other professional adviser.

The closing date for return of completed Entitlement and Acceptance Forms and payment is 2 December 2019.

On behalf of Directors, I invite you to consider this investment opportunity and thank you for your support of Terramin.

Yours faithfully,

A handwritten signature in black ink, appearing to read "M. Kennedy".

Michael Kennedy
Deputy Chairman

SUMMARY OF IMPORTANT DATES

Event	Date
ASX announcement of Entitlement Offer and lodgement of Appendix 3B, Cleansing Notice and Offer Booklet with ASX	Wednesday, 30 October 2019
Despatch of notices to shareholders informing them of the Offer	Thursday, 31 October 2019
Securities quoted on an ex-basis	Friday, 1 November 2019
Record Date to determine entitlements to New Shares	Monday, 4 November 2019
Despatch of Offer Booklet and Entitlement and Acceptance Forms	Thursday, 7 November 2019
Offer Opens	Thursday, 7 November 2019
Offer Closes	Monday, 2 December 2019
New Shares quoted on a deferred settlement basis	Tuesday, 3 December 2019
Company notifies shortfall to ASX	Thursday, 5 December 2019
Issue date for New Shares	Monday, 9 December 2019
Deferred settlement trading ends	
Normal (T+2) trading starts	Tuesday, 10 December 2019

NOTE

These dates are indicative only. The Company reserves the right to vary the above dates subject to the Corporations Act, ASX Listing Rules and other applicable laws.

1. INVESTMENT OVERVIEW AND KEY TERMS OF THE ENTITLEMENT OFFER

1.1 Investment Overview

Terramin Australia Limited engages in the exploration, evaluation and development of base and precious metal projects in Australia and overseas.

Terramin has a clear focus on growing a production pipeline of base and precious metal projects close to infrastructure and with low capital and operating costs. Consistent with this focus, the Group holds a number of highly prospective mineral deposits and exploration tenements across South Australian and Algerian locations.

Projects include the flagship Tala Hamza Zinc Project, which is located on the Mediterranean coast of Algeria and is a joint venture with two Algerian government-owned companies, as well as the Bird-in-Hand Gold Project, Angas Zinc Mine, the Kitticoola joint venture, the Kapunda joint venture, the Wild Horse and South Gawler Ranges joint venture with Freeport MacMoRan and the Adelaide Hills tenements in South Australia. In total, the Group has access to 3 billion pounds of zinc, 265,000 ounces of gold and 260 million pounds of copper in situ.

The Tala Hamza Zinc Project is 100% owned by Western Mediterranean Zinc Spa (WMZ). Terramin has a 65% shareholding in WMZ. The remaining 35% is held by two Algerian Government owned companies: Enterprise National des Produits Miniers Non-Ferreux et des Substances Utiles Spa (ENOF) (32.5%) and Office National de Recherche Géologique et Minière (ORGM) (2.5%). WMZ was formed following a resolution of the State Participation Council (CPE) to create a legal entity between ENOF and Terramin for the development and mining of the Tala Hamza zinc-lead deposit.

During 2018, Terramin and WMZ completed the revised Definitive Feasibility Study (DFS) and engaged in detailed technical and financing meetings with Algerian authorities. The Company compiled the final documentation for the mining lease application which incorporates recent project enhancements such as the dry stacking of tailings and the relocation of the processing plant. The documentation for the mining lease application also includes the delivery of an Environmental Impact Assessment. Terramin was informed in December 2018 that all technical matters were now finalised and the focus would now be on commercial and financing matters. The partners are working together to provide all the required information to the Algerian regulator in the format that the regulator requires for the mining lease application and will submit once it is endorsed. Progress is subject to resolution of the current period of political uncertainty in Algeria.

The Bird-in-Hand Gold Project is located approximately 30km north of Terramin's existing mining and processing facilities at the Angas Zinc Mine in Strathalbyn. The project has a high grade Resource of 265,000 ounces of gold at 12.6g/t, which is amenable to underground mining. Terramin announced the results of an updated Scoping Study in October 2018. Subject to required regulatory approvals, the Bird-in-Hand material will be processed utilising the facilities at Angas which can be modified to process gold-bearing material. The existing tailings dam at Angas has the capacity to hold all the Bird-in-Hand tailings.

The Angas Zinc Mine and Processing Facility is located 2 km outside the town of Strathalbyn, 60 km south east of Adelaide. The mine is currently in care and maintenance pending the resumption of exploration at depth and near mine, in addition to evaluation of the development of the Bird-in-Hand Gold Project. The site remains in compliance with the lease conditions on all levels.

In 2018 the Company released a scoping study, which included an updated Mineral Resources Statement, as well as project economics based on the most current project planning, as reflected in the Mining Lease Application which was lodged in June 2019. The Bird-in-Hand deposit has a global Mineral Resource Estimate of 650 Kt (at a cut off of 1.0 g/t) including an Indicated Resource of 432 Kt. Total material mined (at a project evaluation cut-off grade of 1.0 grams per tonne) is 595 Kt at 11g/t (76% Indicated and 24% Inferred) with an average mine production rate of 150 Ktpa and mine life of 4 years (5 years incl. pre-production and final backfilling).

1.2 The Offer

The Company is making a pro rata non-renounceable Entitlement Offer of approximately 623,200,457 New Shares to Eligible Shareholders at an issue price of \$0.035 (3.5 cents) per New Share on the basis of one (1) New Share for every three (3) Ordinary Shares held at the Record Date.

1.3 Use of Funds

The Company is seeking to raise up to \$21,812,015 (before issue costs). Based on current information and budgets, the Company intends to apply the money raised from the Offer under this Offer Booklet as outlined in the table below.

Use of proceeds if full amount is raised	Amount
Costs related to the Entitlement Offer	\$93,000
Principal repayment of the Company's short term debt facilities with Asipac	\$7,300,000
General working capital requirements, including holding costs of WMZ in Algeria, funding for final approval phases of Bird in Hand Project and further exploration and development of Terramin tenements	\$14,419,000
Total	\$21,812,000

If less than \$21,812,015 is raised, it is intended that the gross proceeds of the Offer will be used in accordance with the table set out below.

Use of proceeds if less than the full amount is raised	Amount
Costs related to the Entitlement Offer	\$93,000
General working capital requirements	The first \$2,000,000
Principal repayment of debt facilities (reflecting recent Angas environment guarantee increase)	The next \$5,300,000
Principal repayment of other short term debt facilities	The next \$2,000,000
Further working capital requirements including holding costs of WMZ in Algeria, funding for final approval phases of Bird in Hand Project and further exploration and development of Terramin tenements	Balance of funds

Note: Amounts in the above tables have been rounded to nearest \$1,000.

The above tables are a statement of current intentions as at the date of this Offer Booklet. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the proceeds are ultimately applied. The Directors reserve the right to alter the way proceeds are applied on that basis.

1.4 Fractional entitlements

Fractional entitlements will be rounded up to the nearest whole number of New Shares.

1.5 Effect of the Offer on the Capital Structure of the Company

On the basis of the Company's capital structure as at 30 October 2019, the capital structure of the Company following completion of the Offer (assuming 623,200,457 New Shares are issued under the Offer) will be as follows:

Shares	Number
Shares on issue at 30 October 2019	1,869,601,371
New Shares issued under the Offer	623,200,457
Total Shares on issue at completion of the Offer	2,492,801,828

In addition to the Shares on issue as at the date of this Offer Booklet, there are 10,000,000 unlisted options on issue, which were granted to the Company's Chief Executive Officer, Richard Taylor in 2018. The options are exercisable as follows:

- 2,500,000 options have an exercise price of \$0.20 per option vesting 12 months from the date of issue;
- 2,500,000 options have an exercise price of \$0.25 per option vesting 12 months from the date of issue;
- 2,500,000 options have an exercise price of \$0.32 per option vesting 24 months from the date of issue; and
- 2,500,000 options have an exercise price of \$0.40 per option vesting 36 months from the date of issue.

All options were issued on 2 August 2018 and expire 2 August 2023.

On the basis of the Company's cash balance as at 29 October 2019, the pro-forma cash balance of the Company following completion of the Offer (assuming the Offer is fully subscribed) will be as follows:

Item	Cash A\$'000
Cash at 29 October 2019	\$5,822
Proceeds of Entitlement Offer (net of costs of the Offer)	\$21,719
Cash following Entitlement Offer	\$27,541

Cash at 29 October 2019 includes \$5.3M restricted cash in the form of a bank guarantee that supports rehabilitation bonds required by the South Australian Government over Mining Lease 6229.

1.6 Underwriting

The Offer is not underwritten.

1.7 Entitlements and Acceptance

The right of Eligible Shareholders to participate in the Offer will be determined on the Record Date. The number of New Shares to which you are entitled is shown on the Entitlement and Acceptance Form accompanying this Offer Booklet. If you do not take up all or part of your Entitlement by the Closing Date your Entitlement will lapse.

The Entitlement Offer is non-renounceable meaning there will be no rights trading on the ASX and you may not dispose of your Entitlement to any other party.

Further details in respect to actions required by Eligible Shareholders are outlined in section 2.

1.8 Opening and Closing Dates

The Entitlement Offer will open for receipt of acceptances on 7 November 2019 and will close at 5:00 pm (Adelaide time) on 2 December 2019. The Directors reserve the right to close the Entitlement Offer early or to extend the Closing Date, subject to the ASX Listing Rules. Investors are urged to lodge their Entitlement and Acceptance Forms as soon as possible.

1.9 ASX Quotation

Application has been made for the New Shares offered under this Entitlement Offer to be granted Official Quotation by the ASX. The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares offered for subscription.

1.10 Register

The Company will not be issuing certificates to investors. Instead, investors will be provided with a statement that sets out the number of New Shares allotted to them under this Offer Booklet. The notice will also advise holders of their Holder Identification Number (HIN) or Shareholder Reference Number (SRN).

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.11 Minimum Capital Raising

There is no minimum amount of capital to be raised under the Offer.

1.12 Shortfall in subscription

A shortfall will arise at the Closing Date if valid applications received for New Shares under the Offer are less than the number of New Shares offered under this Offer Booklet.

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Offer Booklet. Eligible Shareholders who wish to subscribe for New Shares above their Entitlement are invited to apply for additional New Shares by completing the appropriate section on their Entitlement and Acceptance Form. Any additional New Shares issued under the Shortfall Offer will, in accordance with the ASX Listing Rules, be issued within 3 months after the Closing Date and will be issued at a price not less than the issue price of the New Shares under the Offer.

The Shortfall Offer gives Eligible Shareholders (and other parties selected by the Directors) the opportunity to apply for any New Shares not taken up under the Offer. There is however no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders as this will depend on the level of acceptance of Entitlements by Eligible Shareholders and will otherwise be determined by the Directors at their discretion. While the Directors have a discretion in respect of determining the allocation of Shortfall Shares, they have agreed on the following allocation policy:

- firstly, to existing Shareholders who are not related parties of the Company who apply for Shares in excess of their Entitlement; and
- secondly, to other parties selected by the Directors who are not existing Shareholders and who are not related parties of the Company.

In accordance with the ASX Listing Rules, Directors and related parties of the Company (including Asipac, which is controlled by Mr Sheng who is the Executive Chairman of the Company) will not be issued any New Shares issued under the Shortfall Offer without the prior approval of Shareholders. No New Shares will be issued to an applicant under this Offer Booklet or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act.

1.13 Rights Attaching to Shares

The New Shares issued will rank equally with existing Ordinary Shares on issue. The rights and liabilities attaching to the New Shares are set out in the Constitution of the Company and in the Corporations Act.

1.14 Ineligible Foreign Shareholders

This Offer is only being extended to Shareholders with registered addresses in Australia, New Zealand, Singapore, Hong Kong, China and British Virgin Islands. All other Shareholders (Ineligible Foreign Shareholders) will not be offered Entitlements under this Offer. The Company has determined, in accordance with the Corporations Act and the ASX Listing Rules, that it would be unreasonable to make the Offer to Ineligible Foreign Shareholders having regard to:

- 1.14.1 the number of Shareholders in the places where the offer would be made;
- 1.14.2 the number and value of the rights that would be offered; and
- 1.14.3 the cost of complying with the legal requirements in those places.

No Entitlement and Acceptance Forms are being sent to Ineligible Foreign Shareholders. This Offer Booklet or a summary of the details of the Offer may be sent to Ineligible Foreign Shareholders for information purposes only.

Neither this Offer Booklet nor the Entitlement and Acceptance Form constitute an offer of, or an invitation by or on behalf of the Company to subscribe for or purchase any of the New Shares in any jurisdiction or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Offer Booklet and Entitlement and Acceptance Form, and the offering of New Shares, in certain jurisdictions may be restricted by law. Persons into whose possession such documents come should inform themselves about and comply with those restrictions.

Schedule 1 of this Offer Booklet provides further details in relation to the restrictions of accepting the Offer presented in this Offer Booklet in the overseas jurisdictions referred to in this section 1.14.

1.15 Appointment of Ineligible Foreign Holder Nominee

Pursuant to section 615 of the Corporations Act and for the purposes of Listing Rule 7.7, the Company has appointed CPS Capital Group Pty Ltd as the Company's foreign holder nominee (Nominee). The Company has applied to ASIC to approve the appointment of the Nominee. As at the date of this Offer Booklet, ASIC has not approved the appointment of the Nominee. Pursuant to the arrangement with the Nominee, the Nominee will subscribe for the New Shares which Ineligible Foreign Shareholders would be entitled to if they were eligible to participate in the Offer (Nominee Shares). The Nominee will then sell the Nominee Shares and remit the net proceeds from the sale of the Nominee Shares (if any) to the Ineligible Foreign Shareholders in proportion to their respective shareholdings. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Shares must be sold and the manner of any such sale. Any interest earned on the proceeds of the sale of the Nominee Shares will firstly be applied against expenses of the sale, including brokerage, and any balance will form part of the proceeds payable to the Ineligible Foreign Shareholder (if any). The Company will forward the proceeds of the sale of the Nominee Shares (if any) as soon as reasonably practicable to the Ineligible Foreign Shareholders in proportion to their respective shareholdings (after deducting the subscription price, brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would

be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Notwithstanding that the Nominee must sell the Nominee Shares, Ineligible Foreign Shareholders may nevertheless receive no net proceeds if the subscription price plus costs of the sale is greater than the sale proceeds. The Company will pay the Nominee \$6,000 plus GST. Both the Company and the Nominee take no responsibility for the outcome of the sale of the Nominee Shares.

1.16 Taxation

Taxation implications may vary depending upon the particular circumstances of individual Eligible Shareholders. Eligible Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Booklet.

1.17 Notice to nominees

Nominees and custodians may not distribute any part of this Offer Booklet, and may not permit any beneficial Shareholder to participate in the Offer, in any country outside Australia, the British Virgin Islands and Singapore except, with the consent of the Company, to beneficial Shareholders resident in certain other jurisdictions where the Company may determine it is lawful and practical to make the Offer.

1.18 Enquiries

Enquiries concerning the Entitlement and Acceptance Form or this Offer Booklet can be made by contacting the Company by telephone on (08) 8213 1415.

2. HOW TO PARTICIPATE IN THE ENTITLEMENT OFFER

2.1 What you may do

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. You may:

- 2.1.1 take up all of your Entitlement;
- 2.1.2 take up all of your Entitlement and apply for any Entitlement not taken up by other Shareholders;
- 2.1.3 take up part of your Entitlement and allow the balance to lapse; or
- 2.1.4 not take up any of your Entitlement and allow it to lapse.

2.2 Payment methods

If you are paying for your New Shares by cheque, send your completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable to reach the Company's share registry by 5:00 pm (Adelaide time) on the Closing Date.

Your cheque must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. Your payment must be for the full amount required to pay for the New Shares applied for. Payments in cash will not be accepted. You should be aware that receipt of mail by post now takes up to 10 business days which means that if payment is not received by 5.00 pm (Adelaide time) on the Closing Date your application will be rejected.

Cheques must be made payable to "Terramin Australia Limited" and crossed "Not Negotiable". You must ensure your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. The Company will not re-present any dishonoured cheques.

For payment by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form. Please note that should you choose to pay by BPAY®, you do not need to submit the personalised acceptance form but are taken to have made the declarations on that Entitlement and Acceptance Form. Your BPAY® payment must be received by 5.00pm (Adelaide time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times in regard to electronic payment and you should take this into account when making payment.

Entitlement and Acceptance Forms must be accompanied by payment of A\$ 0.035 (3.5 cents) per Share. Receipts will not be issued.

2.3 Lodgement methods

If you are making payment by cheque you must deliver your Entitlement and Acceptance Form, together with a cheque, bank cheque or bank draft, by post (during normal business hours) to the Company's share registry, to be received no later than 5:00 pm (Adelaide time) on the Closing Date at the following address:

Terramin Australia Limited Entitlement Offer
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001, Australia

Completed Entitlement and Acceptance Forms and application monies will not be accepted if sent to another address.

3. SUMMARY OF RISKS

Set out below is a summary of the key risks that Terramin Shareholders will continue to be exposed to if they take up the offer and/or retain their current investment in Terramin Shares. The risks identified in this Section are not an exhaustive list of all of the risks relevant to Terramin, including its 65% equity investment in the WMZ joint venture. No assurances or guarantees are given as to Terramin's future performance, profitability or dividend payments.

Terramin Specific Risks	
Current and future funding arrangements	<p>Terramin's operations involve capital investment and financial risk.</p> <p>Terramin's realisation of the value of its investments in South Australia and WMZ depends on Terramin's ability to obtain funding as and when required, whether through internal positive cash flows, debt financing, equity funding or other financing means. No assurance can be given that any financing arrangements will be available or available on terms acceptable to Terramin. If such alternatives are not available, Terramin may be required to deliver all or a portion of its assets to Terramin's lenders as satisfaction of any outstanding amounts due.</p> <p>Terramin has been supported by debt provided by major shareholder Asipac on competitive terms, including the recent refinance of the \$5.3m Angas closure guarantee previously provided by Investec and extension of debt facilities. However, Asipac's continued support, financial market appetite and operational outcomes are subject to change and may impact upon Terramin's future ability to refinance in a similar manner. All of Asipac's facilities (A\$26.05m) were recently extended until 30 April 2021.</p>
Cash flow risk	<p>If Terramin is unable to meet its financial obligations either through cash flow generation or its ability to secure finance, it may need to seek financial support from its shareholders (including Asipac).</p> <p>In addition to these general cash flow risks, certain specific risks outlined in this Section have the potential to generate a cash flow shortfall at the Terramin level that may require funding from third party financiers or its shareholders. There can be no assurances that Terramin will not be required to contribute further funding to WMZ to assist with meeting any cash flow shortfalls associated with these specific risks. Additionally, there is no guarantee that WMZ will have sufficient capital to meet its ongoing joint venture obligations. Terramin may need to raise additional funds, which would have a consequential impact on the share capital structure of WMZ.</p>
Commodity price risk	<p>The prices for gold, silver, zinc and lead fluctuate widely and are affected by numerous factors beyond the control of Terramin including, but not limited to: supply/demand balances, strategies of major producers, worldwide inflation and deflation, interest and currency exchange rates, price and availability of substitutes, actions taken by governments and global economic and political developments. Future production from Terramin's mining and processing assets is primarily dependent upon the prices for gold, silver, zinc and lead being adequate to make these operations economic. There is no assurance that a profitable market will exist for them.</p>
Demand fluctuations	<p>Terramin is reliant on demand for its products. Changes in demand due to economic downturn or customers sourcing alternative suppliers, amongst other factors, could adversely impact financial performance.</p>

Terramin Specific Risks	
Uncertainty of resource and reserve estimates	Mineral resource and reserve estimates are estimates only, and no assurance can be given that: anticipated tonnages and grades will be achieved; the indicated level of recovery will be realised; or reserves can be mined or processed profitably. Assumptions informing reserve estimates may change over time resulting in revisions to their economic viability and a consequent need to restate.
Asset realisation risk	Terramin's capacity to realise the value of its investment in South Australia and Algeria is dependent on the proposed projects operating successfully and generating forecast cash flow.
Dependence on key personnel	Terramin and WMZ's business activities (including studies) are reliant on key personnel (either employed or engaged), the loss of whom may have a material adverse impact on operational and financial performance of Terramin and WMZ. Failure to recruit and retain qualified, high-performing personnel at Terramin and WMZ's operations may impact on Terramin's performance.
Employment and labour relations	Terramin and their employees may be affected by changes in labour laws and regulations which may be introduced by governments in jurisdictions of operation. Such changes may adversely affect business activities. Terramin and WMZ may experience difficulties in employing and retaining suitably qualified personnel, particularly given the location of current operations. Pandemics may also impact on operations and the ability to maintain sufficient numbers of a skilled workforce. Labour disputes, resulting in strike action or work stoppages, may result in decreased production and increased costs. Labour agreement renegotiations may also result in elevated operating costs.
Inadequate insurance coverage	<p>Terramin is exposed to a number of business risks and insurance may not be sought, obtainable or adequate for all risks. In addition, insurance coverage may not be sufficient to cover business interruption losses or liability. The manifestation of an inadequately insured risk could adversely impact Terramin's business.</p> <p>Some key Terramin and WMZ assets, in particular Tala Hamza in Algeria, North Africa, are located in countries where political risks are potentially higher than in more developed regions. The Terramin Board has considered the benefits and cost of political risk insurance and has determined that, at this time, Terramin will not maintain political risk insurance on the equity component of its investment in Terramin or its interest in Algeria or any of its other assets or interests.</p>
Input costs, inflation and foreign exchange rates	Changes to input costs, inflation and foreign exchange rates could increase Terramin's operating and capital costs. While in some cases such cost increases may be controlled or offset by increased selling prices, there is no assurance that this will eventuate. Operating margins and necessary capital costs may be adversely impacted by a failure to contain unanticipated cost increases.
Repatriation of earnings	There is no assurance that Algeria or any other foreign country where Terramin has interests will not impose restrictions on the repatriation of earnings to foreign entities.

Terramin Specific Risks	
Licences and permits	<p>Terramin's exploration, mining and processing activities are dependent upon the granting, maintenance and renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn, not granted or made subject to limitations or new conditions. Risks regarding licences and permits that may impact on Terramin may have a material adverse impact on Terramin.</p> <p>Nine tenements in South Australia are in the process of being renewed or are due for renewal in the next 12 months (being EL 5469, EL 5518, EL 5662, EL 5846, EL 6154, EL 6179, EL 6198, EL 6200 and EL 6267). Terramin anticipates that these tenements will be renewed in the ordinary course.</p> <p>New legislation, amendments to existing legislation, changes to administrative or regulatory practices by governments or regulators, or developments or changes in the interpretation of civil or common law in any of the legal jurisdictions in which Terramin operates, could impact on the assets, operations and/or financial performance of Terramin, and therefore on the Share price.</p> <p>Western Mediterranean Zinc (WMZ), the JV vehicle operating the Tala Hamza project, has completed an application for a Mining Lease for Oued Amizour. The Oued Amizour Exploration Licence has expired. The application for the Oued Amizour mining licence will be assessed by the Algerian regulator. WMZ has satisfied all legal requirements for a mining lease to be granted and on this basis has reasonable grounds to expect the mining lease to be granted. However, the approval of the Oued Amizour mining lease is dependent on government approval and the resolution of political changes taking place in Algeria. Accordingly, the Company cannot guarantee that a satisfactory outcome will be reached. An inability to obtain the Oued Amizour mining licence would impede WMZ's ability to develop the project.</p>
Native title, Aboriginal heritage and indigenous claim risks	<p>The Native Title Act 1993 (Cth) (Native Title Act) recognises native title and establishes processes relating to the grant of certain interests in land (including mining tenements). Indigenous Australians have registered native title claims and native title determinations which overlap with mining tenements in which Terramin has an interest. Registered native title claimants may be entitled to participate in the Native Title Act procedures in respect of the grant of any pending tenement applications or any future mining tenements should they be required. This process may cause delays in the grant of the current tenement applications or any future tenements, or tenements may be granted subject to conditions that are unfavourable to Terramin. Additionally, Terramin's ability to gain access to those tenements may be adversely affected.</p> <p>In addition, there may be registered Aboriginal heritage sites on the areas of land covered by some of the tenements in which Terramin has an interest and further Aboriginal sites may be discovered in areas material to Terramin's development and operation. The presence of sites of indigenous heritage significance on tenements in which Terramin has an interest may limit or preclude mining or construction activity within the sphere of influence of those sites, and delays and expenses may be experienced in obtaining clearances and approvals. Failure to resolve issues associated with sites of indigenous heritage significance could result in delays in the development of Terramin's projects and could have a material adverse effect on the business, results of operations, financial position and prospects of Terramin.</p> <p>As at the date of this Offer Booklet, Terramin is not aware of any native title rights or Aboriginal heritage rights which it expects to materially or adversely impact on its projects. However, no guarantee can be provided that such native title claims, or Aboriginal heritage rights will not be raised in the future.</p>

Specific Risks	
Health, safety, security, environment and community	<p>Terramin's sustainable development policies and activities, covering health, safety, security, environment and community issues, are subject to government laws, regulations and standards as well as stakeholder expectations. These regulatory frameworks and expectations may change over time and may have a material adverse effect on Terramin's operations and reputation.</p> <p>Failure to comply with applicable health, safety, security, environment and community laws, regulations and permitting requirements may result in enforcement actions including fines, penalties, compensation claims, corrective measures requiring capital expenditure, or the ceasing of operations, amongst others.</p> <p>Environmental hazards may exist on Terramin or WMZ properties which are currently unknown, and which could have been caused by previous owners or operators. It is possible that Terramin and/or WMZ would be required to remedy such hazards or that such hazards may affect Terramin's future operations.</p>
Closure, reclamation and rehabilitation costs	<p>While currently expected closure, reclamation and rehabilitation works necessary to return operating sites to local communities are budgeted for, where required, changes over time to legislation, standards and techniques or the introduction of new legislation, standards and techniques may result in unanticipated or higher than expected costs. Over time, events may arise, or changes may occur that vary the life of an operation and, consequently, the timing of expenditure with respect to closure, reclamation and rehabilitation of operating sites may also change.</p>
Political and foreign operations risks	<p>The operations of Terramin are currently conducted in Algeria and Australia and, as such, are exposed to various levels of political, economic and other natural and man-made risks and uncertainties over which Terramin has limited or no control.</p> <p>These risks and uncertainties may include, but are not limited to: economic, social or political instability; terrorism; hostage taking; military repression; labour unrest; community disputes; the risks of war or other forms of civil unrest; expropriation and nationalisation; renegotiation, nullification or adoption of new laws or regulations concerning existing concessions, licences, permits and/or contracts; high rates of inflation; changes in taxation policies; restrictions on foreign exchange and repatriation; validity of export rights and payment of duties; changing political conditions; currency controls; customs regulations policies; changes or adoption of new laws affecting foreign ownership; government participation or control of working conditions; changes to regulations associated with greenhouse gas emissions and the introduction of carbon pricing mechanisms; and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.</p> <p>Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in the loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and, even whether covered in whole or in part by insurance, could have an adverse effect on the operations of Terramin or profitability of Terramin.</p>

Specific Risks	
Joint venture risks	<p>A breakdown in the WMZ joint venture relationship with ENOF and/or ORGM or a contravention of the Terramin shareholders' agreement could have a material adverse effect on Terramin's investment in the WMZ joint venture. Additionally, the joint venture structure impacts on Terramin's capacity to manage, mitigate or avoid Terramin's risks independently.</p> <p>A breakdown in any of the other joint-venture relationships related to exploration assets, including the joint-ventures with ECR (Kapunda), Kiticooler Holdings Ltd (PM53) and Freeport MacMoRan (Wild Horse and South Gawler Ranges) could have a material adverse impact on the value attributable to those projects and impact on Terramin's capacity to manage, mitigate or avoid Terramin's risks independently.</p> <p>In addition, Terramin's joint-venture with Freeport-MacMoRan is subject to certain conditions and due diligence requirements that have yet to be satisfied. Satisfaction of these conditions are at the sole discretion of Freeport MacMoRan and no assumption can be made as to the likelihood, or not, of these conditions being met.</p>
Litigation risks	<p>Terramin may be the subject of complaints or litigation by customers, suppliers, employees or officers, shareholders, government agencies, regulatory authorities or other third parties. Changes in laws and regulations can heighten litigation risk. Litigation and other proceedings may be taken against Terramin that could divert management's attention from the business and materially adversely affect the business or financial performance or condition of Terramin or WMZ. If such proceedings were brought against Terramin or WMZ, considerable time and cost may be incurred to defend those proceedings (even if successful), with the potential for damages and costs awarded against Terramin if unsuccessful.</p>
Security	<p>There are political and safety risks in operating a project in Algeria. Whilst Algeria has seen political protests in 2019 these have been predominantly peaceful. However, there are still risks of social unrest due to the economic and social conditions in the country. In addition, there is the potential for acts of terrorism to be perpetrated in that country. These acts may affect the Terramin's ability to pursue its project in Algeria.</p>
Constraints on capital growth	<p>Terramin's ability to grow its existing capacity and extend the life of Terramin's operations is dependent on a number of factors which may or may not materialise as expected or planned. Additionally, Terramin competes with other companies for future business opportunities.</p>
Strategic investments, acquisitions or divestitures	<p>No assurance can be given that Terramin's current or possible future investments, acquisitions or divestitures can or will be completed successfully or favourably. Terramin may be liable for past acts as well as anticipated and unanticipated liabilities procured through Terramin's acquisition or investment activities.</p>

General Risks	
General economic climate	Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. Terramin's future income, asset values and share price can be affected by these factors and, in particular, by the market price for any products or services that Terramin may acquire or sell.
Government policy changes	Any material adverse changes in government policies or legislation of any countries in which Terramin may operate may affect the viability and profitability of Terramin.
Foreign currency and exchange rate fluctuations	Revenue, expenditure, interest, dividends and loan receipts of Terramin may be domiciled in currencies other than Australian dollars and, as such, expose Terramin to foreign exchange movements which may have a positive or negative influence on the Australian dollar. Terramin will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist managing these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose Terramin to related risks.
Taxation	<p>Future changes in Australian taxation laws, including changes in interpretation or application of laws by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Terramin Shares, or the holding and disposal of those shares.</p> <p>Further changes in tax law or changes in the way tax law is expected to be interpreted in the various jurisdictions in which Terramin, and/or WMZ operates, may impact the future tax liabilities of Terramin.</p>
Stock market conditions	Terramin Shares are listed on the ASX, where their price may rise or fall. The market price of Terramin Shares may fluctuate due to various factors including the risk factors outlined above. These factors are not an exhaustive list of risks faced by Terramin or by investors in Terramin. The above factors, and others not referred to in this Offer Booklet, may in the future materially affect the financial performance of Terramin. The market for mining industry securities has historically experienced significant fluctuations in price and trading volumes which may be unrelated to the performance of individual companies. Terramin securities carry no guarantee in respect of profitability, dividends, return of capital, liquidity or the price at which they may trade on the ASX. The stock market has in the past and may in the future be affected by a number of matters including market confidence; supply and demand for money; and currency exchange rates.
Risks Specific to the Offer	
Dilution Risk	If you decide to take up only part of your Entitlement or not to accept any of your Entitlement, your Entitlement will lapse, and your ownership of the Company will be diluted to that extent.

4. ADDITIONAL INFORMATION

4.1 Reliance on Offer Booklet

This Offer Booklet has been prepared pursuant to section 708AA of the Corporations Act for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Booklet was lodged with the ASX on 30 October 2019.

Section 708AA of the Corporations Act requires companies to lodge with the ASX a Cleansing Notice. The Company lodged a Cleansing Notice with the ASX on 30 October 2019.

In deciding whether or not to accept the Offer, you should rely on your own knowledge of the Company, refer to the documents lodged and the disclosures made by the Company on the ASX (which are available for inspection on the ASX website at www.asx.com.au) and seek advice from your financial or professional adviser.

4.2 Control implications of the Entitlement Offer

The potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the demand from existing Shareholders. The primary consequences are that:

- if all Eligible Shareholders take up their entitlement to New Shares, the Entitlement Offer would have no effect on the control of the Company because the Eligible Shareholders would continue to hold the same percentage interest in the Company;
- if some Eligible Shareholders do not take up their full entitlement, such Shareholders' voting power would be diluted relative to those who did take up their full Entitlement.

The substantial Shareholders in the Company as at 30 October 2019 as well as their respective Entitlements are set out below:

Name	Number of Shares Held	Issued shares % Pre-Offer	Entitlement
Asipac Group Pty Ltd	620,267,260	33.18%	206,755,754
Tronic Enterprise Development Limited	198,636,923	10.62%	66,212,308

Asipac Group Pty Ltd

Asipac Group Pty Ltd (Asipac) is controlled by Mr Sheng who is the Executive Chairman of the Company. The potential effect that the issue of New Shares to Asipac under the Offer will have on the control of the Company is set out in this section.

Table 1 illustrates the potential effect of the Offer on Asipac's voting power in scenarios where the Offer is 50%, 75% and fully subscribed and in the unlikely event that no other Shareholders take up their Entitlement under the Offer. These scenarios are based on the assumption that Asipac takes up its full Entitlement under each scenario. For example, the reference to the Offer being 50% subscribed refers to 50% of the rights being subscribed inclusive of Asipac taking up its rights in full. The actual effect of the Offer on the voting power in the Company of Asipac will depend on the level of subscription by Eligible Shareholders to the Offer.

Table 1

Event	Shares held by Asipac at completion of the Offer	Total shares on issue at completion of the Offer	Voting power of Asipac at completion of the Offer
Offer fully subscribed with no shortfall	827,023,014	2,492,801,828	33.18%
Offer 75% subscribed	827,023,014	2,337,001,714	35.39%
Offer 50% subscribed	827,023,014	2,181,201,600	37.92%
No other Shareholders take up their Entitlement	827,023,014	2,076,357,125	39.83%

As illustrated in Table 1, if Asipac was to take up its full Entitlement, and no other Eligible Shareholder took up their Entitlement, then Asipac's voting power would increase by approximately 6.65% from 33.18% to 39.83%. The Nominee has been appointed for Ineligible Foreign Shareholders under section 615 of the Act (refer to section 1.15 of this Offer Booklet) and accordingly, Asipac can rely on the rights issue exception in item 10 of section 611 of the Corporations Act to take its voting power up to 39.83% without breaching section 606 of the Corporations Act.

The Company is not aware of any other Eligible Shareholder that by virtue of their participation in the Offer (including the shortfall) could contravene the takeover prohibition in section 606 of the Corporations Act.

Tronic Enterprise Development Limited

The potential effect that the issue of New Shares to Tronic under the Offer will have on the control of the Company is set out in this section.

Table 2 illustrates the potential effect of the Offer on Tronic's voting power in scenarios where the Offer is 50%, 75% and fully subscribed and in the unlikely event that no other Shareholders take up their Entitlement under the Offer. These scenarios are based on the assumption that Tronic takes up its full Entitlement under each scenario. For example, the reference to the Offer being 50% subscribed refers to 50% of the rights being subscribed inclusive of Tronic taking up its rights in full. The actual effect of the Offer on the voting power in the Company of Tronic will depend on the level of subscription by Eligible Shareholders to the Offer.

Table 2

Event	Shares held by Tronic at completion of the Offer	Total shares on issue at completion of the Offer	Voting power of Tronic at completion of the Offer
Offer fully subscribed with no shortfall	264,849,231	2,492,801,828	10.62%
Offer 75% subscribed	264,849,231	2,337,001,714	11.33%
Offer 50% subscribed	264,849,231	2,181,201,600	12.14%
No other Shareholders take up their Entitlement	264,849,231	1,935,813,679	13.68%

In the unlikely event no Shareholders other than Asipac and Tronic take up their Entitlement under the Offer, there would be 2,142,569,433 Shares on issue at completion of the offer, of which Asipac would hold 38.60% and Tronic would hold 12.36%.

Table 3 illustrates the potential effect of the Offer on Tronic's voting power in scenarios where the Offer is 25%, 50% and 65% subscribed. These scenarios are based on the assumption that Tronic takes up its full Entitlement under each scenario and Asipac does not take up any of its Entitlement. For example, the reference to the Offer being 50% subscribed refers to 50% of the rights being subscribed inclusive of Tronic taking up its rights in full and Asipac not taking up any of its Entitlement. The actual effect of the Offer on the voting power in the Company of Tronic will depend on the level of subscription by Eligible Shareholders to the Offer.

Table 3

Event	Shares held by Asipac at completion of the Offer	Voting power of Asipac at completion of the Offer	Shares held by Tronic at completion of the Offer	Voting power of Tronic at completion of the Offer	Total shares on issue at completion of the Offer
Offer 65% subscribed	620,267,260	27.27%	264,849,231	11.64%	2,274,681,668
Offer 50% subscribed	620,267,260	28.44%	264,849,231	12.14%	2,181,201,600
Offer 25% subscribed	620,267,260	30.62%	264,849,231	13.08%	2,025,401,485
No Shareholders other than Tronic take up their Entitlement	620,267,260	32.04%	264,849,231	13.68%	1,935,813,679

4.3 Director's Interests in Securities

The securities of the Company in which Directors and their associates have a relevant interest are:

Director	Shares	Entitlement to New Shares under the Offer
Feng (Bruce) Sheng	620,713,916	206,904,639
Michael Kennedy	3,934,580	1,311,527
Kevin McGuiness	2,023,580	674,527
Angelo Siciliano	9,923,168	3,307,723
Wang Xinyu	Nil	Nil

4.4 Expenses of the Offer

On the assumption that the Offer is fully subscribed, the total expenses connected with the Offer, including legal and other advisory fees, listing, printing and other miscellaneous expenses are estimated to be approximately \$93,375 excluding GST comprised as follows:

Expenses	Cost
Legal fees	\$30,000
ASX listing fee, printing, postage and share registry	\$53,888
Nominee fee	\$6,000
ASIC fee for application for approval of Nominee	\$3,487
Total estimated costs	\$93,375

4.5 Privacy

The Company will collect information about each Shareholder who accepts the Entitlement Offer provided on the Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the Shareholder's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing information to the Company (directly or through the Company's share registry). The Company will collect, hold and use that information to assess your application. The Company may disclose your personal information for purposes related to your shareholding in the Company, including its share registry, agents, contractors and third party service providers, and to the ASX and regulatory bodies. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through its share registry.

4.6 Governing Law

The Entitlement Offer and contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law in force in South Australia. Each shareholder submits to the exclusive jurisdiction of the courts of South Australia.

4.7 Exploration Results and Resource Estimates

With reference to the information in this Offer Booklet that relates to previously disclosed exploration results and mineral resources, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the exploration results and resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement. The original announcements are ASX 30 October 2018 Bird-in-Hand Scoping Study and Bird-in-Hand Resources Statement and ASX 29 August 2018 Tala Hamza FS Completed and Tala Hamza Resources and Reserves Statement.

5. GLOSSARY

In this Offer Booklet, unless the context otherwise requires:

\$ means Australian dollars (and references to cents are to Australian cents);

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited or the Australian Securities Exchange operated by it (as the context requires);

ASX Listing Rules means the Listing Rules of ASX;

Board means the board of directors of the Company;

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a Business Day;

Cleansing Notice means the cleansing notice to be lodged by the Company pursuant to section 708AA(2)(f) of the Corporations Act;

Closing Date means the closing date of the Offer, which is 2 December 2019 (unless extended);

Company or **Terramin** means Terramin Australia Limited (ABN 67 062 576 238);

Constitution means the constitution of the Company;

Corporations Act means Corporations Act 2001 (Cth);

Directors mean the Directors of the Company;

Eligible Shareholders means on the Record Date, Shareholders recorded on the register of members of the Company as holders of ordinary shares, that have registered addresses in Australia or one of the jurisdictions referred to in section 1.14 of this Offer Booklet;

Entitlement means the right of an Eligible Shareholder to apply for a number of New Shares under the Entitlement Offer;

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Booklet;

Ineligible Foreign Shareholders has the meaning given in section 1.14;

New Shares means Ordinary Shares in the Company issued pursuant to the Entitlement Offer;

Official List means the Official List of ASX;

Official Quotation means the grant by ASX of "Official Quotation" (as that term is used in the ASX Listing Rules) of all the New Shares when allotted which if conditional may only be conditional on the allotment of the New Shares;

Offer or **Entitlement Offer** means the offer of New Shares under the Entitlement Offer;

Offer Booklet means this document, including the Entitlement and Acceptance Form;

Ordinary Shares means fully paid ordinary shares in the Company;

Record Date means the record date to determine the Shareholders entitled to participate in the Entitlement Offer, being 7.00pm (AEDT) on 4 November 2019;

Shareholder means a holder of Ordinary Shares;

Shares means fully paid Ordinary Shares in the Company.

6. Schedule 1

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless the Company or any person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. The Company is not licensed to carry on business in the British Virgin Islands. The securities may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

