



30 October 2019

Cleansing Notice Under Section 708AA(2)(f) of the Corporations Act 2001 (CTH)

This notice is given by Terramin Australia Ltd (ABN 67 062 576 238) (ASX code: TZN) (**Terramin** or **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**).

Terramin has today announced a pro-rata non-renounceable entitlement offer of 623,200,457 fully paid ordinary shares in Terramin (**New Shares**) on the basis of 1 New Share for every three (3) Terramin shares held at 5.00pm (AEST) on 4 November 2019 to shareholders with a registered address in Australia, New Zealand, Singapore, Hong Kong (subject to certain restrictions), China (subject to certain restrictions) and British Virgin Islands (**Entitlement Offer** or **Offer**). Each New Share is being issued at an issue price of \$0.035 (3.5 cents) to raise approximately \$21.8 million.

Terramin advises that:

1. the New Shares to be issued pursuant to the Entitlement Offer will be offered for issue without disclosure under Part 6D.2 of the Act;
2. this notice is being given under section 708AA(2)(f) of the Act;
3. as at the date of this notice, Terramin has complied with:
 - 3.1 the provisions of Chapter 2M of the Act as they apply to Terramin; and
 - 3.2 section 674 of the Act;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice; and
5. the potential effect of the Entitlement Offer will have on the control of Terramin is as follows (based on the issued share capital of Terramin as at the date of this notice):
 - 5.1 if all shareholders take up their entitlements under the Entitlement Offer, the Entitlement Offer will have no effect on the control of Terramin;
 - 5.2 any eligible shareholders not taking up their full entitlements in the Entitlement Offer will have their interest in Terramin diluted; and
 - 5.3 the proportional interests of shareholders with a registered address outside of Australia, New Zealand, Singapore, Hong Kong, China and British Virgin Islands will be diluted because such shareholders are not entitled to participate in the Entitlement Offer;
6. 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	Percentage of issued shares pre Offer	Entitlement
Asipac Group Pty Ltd	620,267,260	33.18%	206,755,754
Tronic Enterprise Development Ltd	198,636,923	10.62%	66,212,308

Asipac Group Pty Ltd (Asipac)

7. 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 below.
8. 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.

9. 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 the 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 Act.

Tronic Enterprise Development Limited (Tronic)

10. 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.
11. 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.

12. **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%.

13. The consequences of the potential effect on control of Terramin referred to in paragraphs 7 - 12 above will be an increase in the voting power of the parties referred to in those paragraphs by an amount equal to the percentage increase in their interest in Terramin's undiluted share capital. Given the maximum interest that Tronic will have post the offer is approximately 13.68% (based on the issued share capital of Terramin as at the date of this notice), the Board is of the view that Tronic will not control Terramin within the meaning of section 50AA(1) of the Act.

Richard Taylor
Chief Executive Officer and Company Secretary