



TRIUMPH TIN LIMITED

ASX Release

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TRIUMPH TIN LIMITED

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Contact

Brian McMaster - Chairman

Directors / Officers:

Brian McMaster
Luis Azevedo
Matthew Wood
Mark Reilly
Jonathan Hart (Company
Secretary)

ASX Code: TRI

Shares on Issue: 254.78M
Options 20.0 million

AZUL TIN PROJECT DIVESTMENT

Triumph Tin Limited ("Triumph" or "the Company") is very pleased to announce it has entered into an exclusive non-binding letter of intent for the sale of its 100% Brazilian subsidiary Triunfo Mineração do Brasil Ltda, the owner of the Azul Tin project to a Canadian company called 2433533 Ontario Inc. (**Purchaser**) an unrelated private company which is proposed, as part of this transaction, to be listed on a recognized stock exchange in Canada.

The transaction is conditional upon the satisfaction of conditions precedent including finalization of a definitive binding agreement. All conditions are summarized below and in **Appendix A**.

The Company and the Purchaser are currently working together to progress the satisfaction of these conditions.

The salient terms of the proposed divestment are as follows:

- Purchaser to pay Triumph a total of CAD3,000,000 by way of issue of shares in Purchaser at the same price per share of Purchaser's proposed equity financing that is expected to close on or before January 31st, 2015; (**the Purchase Price**);
- Purchaser to also pay Triumph a bonus within 45 days after completion of a *Canadian National Instrument 43-101 Technical Report* identifying at least 15,000 tonnes of contained tin in the Measured and Indicated Category. This bonus payment will be either CAD500,000 in cash or CAD1,000,000 in Purchaser shares at the higher of the Purchase Price shares or the 30 day volume-weighted average price if Purchaser's shares are listed. Purchaser retains sole discretion to determine whether this payment will be made in cash or shares.
- The exclusivity period is for a total of 90 days commencing today and includes normal commercial carve out provisions in the event that Triumph receives a superior proposal or takeover proposal.
- Purchaser shall conclude a "going public" process on a recognized stock exchange in Canada within 12 months after execution of the Definitive Agreement, or in a later date to be mutually agreed by the parties. If the going public transaction is not completed by that date, or in a mutually agreed extension of such period, Purchaser shall return the ownership in Triunfo Mineração do Brasil Ltda including the Azul Tin project to Triumph, in good standing along with all data acquired during the period and a cash payment of CAD100,000.

The Board of Triumph considers the divestment of the Azul Tin project in this manner as being an exciting development for shareholders. Triumph has maintained for some time that the Azul Tin project has considerable merit but given Triumph's recent potash and phosphate acquisitions it was clear that a dedicated team was required to progress the Azul Tin strategy. This transaction clearly allows Triumph to maintain a direct and meaningful

exposure to the Azul Tin project as well as freeing up capital to fast track the potash and phosphate assets development.

The Triumph Board believes this strategy places Triumph in a very unique position where it is directly exposed to two of the most in demand commodity sectors in one of the world's best exploration environments.

This transaction, together with the recent acquisition announcements and capital raising have been borne out of the strategic review undertaken by the new Board of Triumph elected in April 2014. Prior to this, Triumph endured a sustained period of relative inactivity which saw little exploration and no strategic direction.

The near term strategy for Triumph will be to focus on the development of its exciting assets.

BRIAN McMASTER
EXECUTIVE CHAIRMAN

Appendix A - Conditions Precedent

In addition to the matters discussed above, the remaining Conditions Precedent are summarised below:

- the transaction terms, results of any due diligence enquiries and the form of Definitive Agreement shall have been approved by the board of directors of each of Triumph and Purchaser to their respective satisfaction;
- the board of directors of Triumph shall unanimously approve the Transaction and resolve to recommend to the Triumph shareholders that they support the transaction;
- the obligations of Purchaser and Triumph to complete the Transaction shall be conditional on:
 - Triumph being the holder of 100% of the issued and outstanding quotas of Triunfo Mineração do Brasil Ltda;
 - all payables on the mining assets held by Triunfo Mineração do Brasil Ltda, including mineral rights, land and tax payments, being in good order at the time of the completion of the Transaction;
 - all governmental, court, regulatory, stock exchange, ASX, shareholder, director, third person and other approvals, consents, waivers, orders, exemptions, agreements and all amendments and modifications to agreements which Purchaser and Triumph shall consider necessary or desirable in connection with the Transaction having been obtained or entered into, as applicable, in form and substance satisfactory to Purchaser and Triumph, acting reasonably;
 - there having been no action taken under any applicable law or by any government or governmental or regulatory authority which:
 - makes it illegal or otherwise directly or indirectly enjoins or prohibits the completion of the Transaction; or
 - results or could reasonably be expected to result in a judgment, order, decree or assessment of damages directly or indirectly relating to the Transaction;
 - no material adverse change shall have occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Triumph and its subsidiaries, financial

or otherwise, between the date hereof and the closing date of the Transaction;

- all directors of Triumph having entered into lock-up or support agreements pursuant to which they agree to vote in favour of the proposed Transaction;
 - Purchaser having completed an equity financing at a minimum size of CAD1.0 million on or before January 31st, 2015; and
 - Triumph entering into lock-up agreement pursuant to which Triumph agrees not to sell, assign, pledge, grant the option to acquire or transfer in any manner, directly or indirectly, any of its Purchaser Shares for a period of 18 months after the completion of the Transaction, except pursuant to a change of control event;
- customary non-solicitation provisions;
 - customary legal opinions including title opinions in respect of the material properties, mineral and surface rights of Triumph, closing certificates and other usual closing documents;
 - Triumph not to enter into any transaction or material contract not in the ordinary course of business and not to engage in any business enterprise or activity different from that carried on as of the date hereof, unless written approval of Purchaser is obtained;

Triumph will pay a termination fee of USD100,000 upon the occurrence of customary triggering events (including if Triumph's board of directors changes its recommendation in support of the proposed transaction or recommends an alternative transaction).