



ASX Announcement

6 November 2015

Increase in Debt Facilities and Marketing Agreement

Terramin Australia Limited (ASX: TZN) (**Terramin** or the **Company**) is pleased to announce that it and its subsidiary, Terramin Exploration Pty Ltd (**Terramin Exploration**) have entered into an agreement with major shareholder Asipac Group Pty Ltd (**Asipac**) to restructure its existing debt facilities for an increased total amount of \$10.0 million.

Commenting on the this debt facilities restructure, Terramin CEO, Martin Janes said: "This financial restructure together with the recent \$3.0 million capital raising will provide near term funding to advance the Company's projects at a time when they are gaining momentum. We are very pleased with the continued support of Asipac Group."

Extension and Increase of Facilities

The Corporate Facility entered by Terramin (**Corporate Facility**) and the Bird-in-Hand Facility entered by Terramin Exploration (**BIH Facility**) have been increased to \$5.0 million each (from \$4.0 million and \$4.3 million respectively) for a two year term. The terms of these new facilities are on commercial arm's length terms and are broadly on the same terms as the maturing debt facilities. Under the terms of the Facilities, if Terramin raises capital of more than \$3.0 million during the two year term, the borrowers may, upon request by Asipac, apply some of the funds raised above \$3.0 million to repay any of the Facilities. Following repayment Terramin may redraw under the Facilities up to \$8.0 million.

As part of the transaction, Terramin and Terramin Exploration continue to provide securities to secure the repayment of these facilities:

- the Corporate Facility will continues to be secured under the Security Trust Deed held by Investec Bank Plc as trustee for the beneficiaries of the Company's finance facilities;
- the BIH Facility is secured by an existing general charge over the assets of Terramin Exploration and a mortgage over recently acquired land (see ASX announcement dated 4 August 2015).

ASX Waiver

The Company has been granted a waiver from Listing Rule 10.1 to enable the implementation of the security structure without shareholder approval.

The waiver allows:

- Asipac to continue being a beneficiary under existing security trust arrangements between the Company and Investec, in order to secure the payment of debts owed to Asipac following the debt restructure;
- Terramin Exploration to continue granting security over its assets to secure the payment of debt to Asipac under the BIH Facility;

without the need for the Company to seek shareholder approval.

The terms of the waiver are attached to this announcement. The Company expects to be in a position to repay the outstanding debt under the Corporate Facility and the BIH Facility owed to Asipac in accordance with their terms.

Marketing Agreement

Separately from the debt restructure, Terramin Exploration Pty Ltd selected Asipac Capital Pty Ltd, a related party of Asipac Group, as its marketing agent for the sale of gold products in Asian markets and China in particular.

Under the Agreement, Asipac Capital will market gold products to be produced from the Bird-in-Hand Gold Project. This agreement leverages on Asipac's extensive network and present an opportunity for Terramin Exploration to maximise sales for its gold products in the future.

The agreement with Asipac Capital contain terms usual for an agreement of this nature. In consideration for the services, Asipac will receive a marketing fee which is competitive with similar transactions of this type. Under this agreement, Asipac has an option to acquire gold products directly from Terramin Exploration subject to Terramin shareholders approval to ensure compliance with the Corporations Act and the ASX Listing Rules.

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ASX WAIVER

DECISION

Based solely on the information provided, ASX Limited grants Terramin Australia Limited (**Company**) a waiver from listing rule 10.1 to the extent necessary to permit the Company and its subsidiary, Terramin Exploration Pty Ltd (**TZNEX**), to grant security over its assets in favour of Asipac Group Pty Ltd (**Asipac**) whereby Asipac acquires security interest over its assets and property mortgage located at Bird-in-Hand (**Security**) in favour of Asipac Group Pty Ltd (**Asipac**) pursuant to a debt trust facility (**Corporate Facility**) and a financing facility (**BIH Facility**) under which Asipac may provide the Company up to \$5.0 million respectively to the Corporate Facility and BIH Facility without obtaining shareholder approval, on the following conditions.

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 its subsidiaries in full or part satisfaction of the Company's obligations under the Security, or otherwise deal with the assets of Terramin or any of its 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.
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.
3. Any variations to the terms of the Security which is:
 - 3.1 not a minor change; or
 - 3.2 inconsistent with the terms of the waiver,must be subject to shareholder approval.
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.
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.
6. ASX has considered listing rule 10.1 only and makes no statement as to the Company's compliance with other listing rules.