



## ASX Announcement

18 October 2011

Enquiries on this announcement may be directed to:

**Mark Gell**  
*Investor Relations*  
+ 61 0419 440 533

Website Address:  
[www.terramin.com.au](http://www.terramin.com.au)

Terramin is a dedicated base metals company focused on developing zinc mines close to infrastructure.

**TERRAMIN  
Australia Limited**  
ABN 67 062 576 238

**Address**  
Level 22, Westpac House  
91 King William Street  
Adelaide SA 5000  
Australia

**Telephone**  
+61 8 8213 1415

**Facsimile**  
+61 8 8213 1416

## Terramin Undertakes Two Tranche Capital Raising

Terramin Australia Ltd (ASX:TZN) Managing Director, Mr Nic Clift, today announced details of a two-tranche capital raising. The raising has been initiated with consideration of the alternatives given the Company's short-term capital requirements, the current market volatility and risk aversion. The two tranches offered at the same share price combine:

- A placement of further shares to an existing strategic investor; and
- A Share Purchase Plan ("SPP") giving all shareholders the opportunity to participate in the capital raising.

Funds raised by the issue of new shares under the capital raising will be applied to:

- Further Angas exploration targeted at extending mine life, including deep drilling below the deposit;
- Tala Hamza and Menninnie expenditure to further advance both projects; and
- General working capital and principal debt repayment.

Mr Clift commented, "The capital raising is aimed at putting Terramin on a stronger financial footing to continue to advance a number of projects and meet the company's strategic priorities that were outlined in September".

In developing the approach to the capital raising, we were cognisant of the views expressed by shareholders at the Terramin AGM in May 2011 to provide existing retail shareholders the opportunity to participate in the growth of the Company under the same terms made available to institutional investors," Mr Clift said.

*(continues on next page)*

## Tranche 1 – Placement to strategic investor Transamine

Transamine have demonstrated their continuing strong support for the Company by subscribing for 13.5 million fully paid ordinary shares at 14.5c per share, raising a total of \$2.0m. The issue price for these shares represents an 18.2% discount to the prevailing 5 day Volume Weighted Average Price ("VWAP") for Terramin shares, and a 17.1% discount to the last closing price for the Company's shares prior to the announcement of a trading halt on 14 October 2011, being 17.5c. The placement will increase Transamine's interest in Terramin from 6.2% to approximately 12.4% (prior to the impact of the SPP), thereby becoming the Company's second largest shareholder. The issue of shares to Transamine is made pursuant to the Company's 15% new issue capacity under ASX Listing Rule 7.1.

## Tranche 2 – Share Purchase Plan

Under the SPP, eligible shareholders will be able to apply for up to \$15,000 in new shares at an issue price of 14.5c per new share. The SPP will raise up to a maximum of \$8.3m.

The issue price offered under the SPP is the same price offered to Transamine and represents a discount of 18.2% to the 5 day VWAP recorded prior to the date of this announcement.

The SPP will only be available to shareholders on Terramin's register on the record date for the SPP (below), having a registered address in Australia and New Zealand.

Full details of the SPP, including offer information and personalised application forms will be released to the ASX and sent to eligible shareholder shortly.

An indicative timetable for the SPP follows:

Date	Event	
17 October 2011	Record Date	The date on which Terramin determines Eligible Shareholders
21 October 2011	Opening Date	SPP Opens
24 November 2011	Closing Date	SPP Closes. Applications must be received by 5.00pm ACST
2 December 2011	Allotment Date	Shares allotted. Trading is expected to commence on ASX on next Trading Day

Please note that these dates are indicative only and, subject to the *Corporations Act* and the ASX Listing Rules, may be changed by Terramin.