



TERRAMIN AUSTRALIA LIMITED

ASX Announcement

3 December 2013

Clarification – Bird-in-Hand Project Scoping Study

Terramin Australia Limited (“Terramin” or the “Company”) refers to the results of the scoping study (“Scoping Study”) for its Bird-in-Hand gold project (“Bird-in-Hand” or the “Project”) released to the Australian Securities Exchange on 2 December 2013 (“Announcement”).

The purpose of the scoping study was to assess the potential viability of options for the development of gold mining, processing and logistic operations at Bird-in-Hand which is located approximately 30km north of the Company's Angas Mine existing mining and processing facilities.

The Scoping Study was produced by Terramin with the assistance of a number of independent consultants and is based on the revised Inferred Mineral Resources estimate released by Terramin on 2 December 2013. The Scoping Study presents an initial assessment of the commercial parameters and direction for the Project and contains estimates regarding the potential production targets, mine life and economic viability of the Project. These estimates and the results of the Scoping Study based on the Inferred Mineral Resources released are not sufficient to imply economic viability to the standard required by the ASX Listing Rules. Investors should note that to establish economic viability, the Company will need to define sufficient Indicated Mineral Resources and consider further mining, processing, metallurgical, infrastructure, economic, marketing, environmental, legal, governmental and social factors. A possible outcome of these more detailed considerations is that some of the economic assumptions included in the Scoping Study may not be realised.

Accordingly, the Company retracts the statements made in the Announcement in respect of economic viability, production target and mine life and warns investors against using these statements as a basis for investment decisions in the Company's securities.

The Company confirms (as set out in the Announcement) that, based on the results of the Scoping Study, the Company has started a pre-feasibility study to further evaluate and develop the Bird-in-Hand Project. This is expected to include a drilling programme to establish an Indicated Mineral Resource.

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