



10 March 2009

The Manager  
Australian Securities Exchange Limited  
Company Announcements Office  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**RE: TERRAIN MINERALS**

Iron Mountain Mining Limited ("Iron Mountain") has determined to make an off market bid for all shares and options in Terrain Minerals ("Terrain Minerals").

Shareholders of Terrain Minerals will be offered 1 fully paid share in Iron Mountain for every 2 shares held in Terrain Minerals.

No separate offer will be made for Terrain Minerals' listed options (ASX Code: TMXO), with the result that holders of those options will need to exercise them in order to participate in Iron Mountain's offer.

Iron Mountain is in the process of preparing a formal Bidders Statement and will lodge that document with the Australian Securities Exchange and Australian Securities and Investments Commission shortly.

The proposed offers will be subject to a number of conditions. Details of the offer conditions are set out in Annexure A to this letter, which contains an extract from the draft Bidder's Statement.

Yours faithfully

**DAVID ZOHAR**  
Secretary  
Iron Mountain Mining Limited

Level 7 | 231 Adelaide Terrace | Perth | Western Australia | 6000

PO Box 3235 | 256 Adelaide Terrace | Perth | Western Australia | 6832

**t** +61 (8) 9225 6475   **f** +61 (8) 9225 6474   **e** [info@ironmountainmining.com.au](mailto:info@ironmountainmining.com.au)   **www** [ironmountainmining.com.au](http://ironmountainmining.com.au)

# IRON MOUNTAIN MINING LIMITED

## Annexure A

Capitalised terms used in this Annexure have the meanings given to them in the Bidder's Statement to be issued by Iron Mountain Mining Limited in relation to this offer.

**(a) Minimum acceptance condition**

At the end of the Offer Period, Iron Mountain has a relevant interest in more than 50% (by number) of the Terrain Minerals Shares on issue at that time.

**(b) Approvals by Public Authorities**

Before the end of the Offer Period:

- (i) Iron Mountain receives all Approvals which are required by law or by any Public Authority to permit the Offer to be made to and accepted by Terrain Minerals' shareholders in all applicable jurisdictions; and
- (ii) Iron Mountain receives all Approvals which are required by law or by any Public Authority as a result of the Offers or the successful acquisition of the Terrain Minerals' Shares,

and, in each case, those Approvals are on an unconditional basis and remain in force in all respects and there is no notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

**(c) No action by Public Authority adversely affecting the Offer**

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (ii) no action or investigation is instituted, or threatened by any Public Authority; or
- (iii) no application is made to any Public Authority (other than an application by Iron Mountain), in consequence of, or in conjunction with, the Offer, which:
- (iv) restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon:
  - (A) the making of the Offers; or
  - (B) the rights of Iron Mountain in respect of Terrain Minerals or the Terrain Minerals Shares to be acquired under the Offer or otherwise; or
- (v) seeks to require the divestiture by Iron Mountain of any Terrain Minerals Shares, or the divestiture of any assets by Terrain Minerals or Iron Mountain.

**(d) Change of control**

During the Condition Period, every person who has or will have any right (whether subject to conditions or not) under any Material Agreement as a result of Iron Mountain acquiring Terrain Minerals Shares to:

- (i) acquire, or require the disposal of, or require Terrain Minerals or a subsidiary of Terrain Minerals to offer to dispose of, any material asset of Terrain Minerals or a subsidiary of Terrain Minerals; or
- (ii) terminate, or vary the terms or performance of, any material agreement or arrangement with Terrain Minerals or a subsidiary of Terrain Minerals (including without limitation by accelerating any payment required to be made under that agreement or arrangement),

provides in writing an enforceable, irrevocable and unconditional waiver or release of that right to Terrain Minerals, and Terrain Minerals provides a copy of that release or waiver to Iron Mountain.

**(e) Disclosure of the existence of certain rights**

On or before the date that Terrain Minerals sends its Target's Statement in respect of the Offer to shareholders, either:

- (i) Terrain Minerals makes an announcement to the ASX containing details of every right of the kind referred to in paragraph (d), including (to the extent known to Terrain Minerals):
  - (A) the parties, purpose and term of any agreement, arrangement or other matter giving rise to that right;
  - (B) the consequences and potential consequences of an exercise of that right; and
  - (C) the provisions which give rise to that right, those consequences or those potential consequences; or
- (ii) Terrain Minerals makes an announcement to the ASX that there are no rights of the kind referred to in sub-paragraph (i).

**(f) No material transactions**

During the Condition Period, neither Terrain Minerals nor any subsidiary of Terrain Minerals:

- (i) acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$1.0 million;
  - a. disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$1.0 million or makes an announcement in relation to such a disposal;
  - b. enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership or dual listed company structure, involving a commitment of in aggregate greater than \$1.0 million;
  - c. incurs or commits to, or grants to another person a right the exercise of which would involve Terrain Minerals incurring or committing to, any capital expenditure or liability in respect of one or more related items of in aggregate greater than \$1.0 million; or
  - d. discloses (without having disclosed to ASX prior to the Announcement Date) the existence of any matter described in sub-paragraphs (i) to (iv) above, or announces an intention or proposal to do anything described in sub--paragraphs (i) to (iv) above.

**(g) No material adverse change**

During the Condition Period:

- (i) there is no occurrence or matter, including (without limitation):
  - (A) any change in the status or terms of arrangements entered into with Terrain Minerals or any of its subsidiaries or the status or terms of any Approvals which are applicable to Terrain Minerals or any of its subsidiaries (whether or not wholly or partly attributable to the making of the Offer, or the acquisition of Terrain Minerals Shares under the Offer);
  - (B) any liability for duty or tax;
  - (C) any liability resulting from a change of control of Terrain Minerals; or
  - (D) any change in the law (whether retrospective or not),

that (individually or together with others) has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial or trading position, profitability, production or prospects of Terrain Minerals and its subsidiaries taken as a whole; and

- (ii) no occurrence or matter, as described in sub-paragraph (i), which occurred before the Announcement Date but was not apparent from publicly available information before then, becomes public.

**(h) No prescribed occurrences**

None of the following events happens during the period beginning on the date this Bidder's Statement is given to Terrain Minerals and ending at the end of the Offer Period:

- (i) Terrain Minerals converts all or any of its shares into a larger or smaller number of shares;
- (ii) Terrain Minerals or a subsidiary of Terrain Minerals resolves to reduce its share capital in any way;
- (iii) Terrain Minerals or a subsidiary of Terrain Minerals:
  - (A) enters into a buy-back agreement; or
  - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Terrain Minerals or a subsidiary of Terrain Minerals issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option, other than the issue of Terrain Minerals Shares on the exercise of Terrain Minerals Options on issue at the Register Date;
- (v) Terrain Minerals or a subsidiary of Terrain Minerals issues, or agrees to issue, convertible notes;
- (vi) Terrain Minerals or a subsidiary of Terrain Minerals disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Terrain Minerals or a subsidiary of Terrain Minerals charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Terrain Minerals or a subsidiary of Terrain Minerals resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Terrain Minerals or of a subsidiary of Terrain Minerals;
- (x) a court makes an order for the winding up of Terrain Minerals or of a subsidiary of Terrain Minerals;
- (xi) an administrator of Terrain Minerals, or of a subsidiary of Terrain Minerals, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Terrain Minerals or a subsidiary of Terrain Minerals executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Terrain Minerals or of a subsidiary of Terrain Minerals.

**(i) No prescribed occurrences between announcement and service**

None of the events listed in sub-paragraphs (i) to (xiii) of paragraph (h) happens during the period beginning on the Announcement Date and ending at the end of the day before this Bidder's Statement is given to Terrain Minerals.

**(j) No dividends or distributions**

During the Condition Period, either Terrain Minerals nor any subsidiary of Terrain Minerals, declares, distributes, or resolves to pay or provide any dividend, bonus or other share of its profits or assets.

**(k) Conduct of Terrain Minerals' business**

During the Condition Period, neither Terrain Minerals nor any subsidiary of Terrain Minerals:

- (i) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (ii) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (iii) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (iv) conducts its business otherwise than in the ordinary course;
- (v) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including, but not limited to, a petition for winding up or an application for appointment of a receiver or receiver and manager);
- (vi) becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation; or
- (vii) discloses (without having disclosed to ASX prior to the Announcement Date) the existence of any matter described in sub-paragraphs (i) to (vi) above, or announces an intention or proposal to do anything described in sub-paragraphs (i) to (vi) above.

**(l) S&P/ASX200 index**

During the Condition Period, the S&P/ASX 200 Index does not close below 3000 for 3 or more consecutive trading days.

**(m) No material failings in filings**

Iron Mountain does not become aware, during the Condition Period, that any document filed by or on behalf of Terrain Minerals with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.