



ASX Shareholder Report

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Terramin is a dedicated
base metals company
focused on developing
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Terramin Announces Financial Restructure and \$14.1 Million Fully Underwritten Entitlement Offer

Highlights

- **Fully underwritten non-renounceable 1 for 2 Entitlement Offer at \$0.035 per share to raise approximately \$14.1 million**
- **Major shareholder Asipac Group to underwrite the Entitlement Offer**
- **Restructure of Debt Facility with Investec and Asipac Group – Asipac Group acquires \$4million of debt facility**
- **Continued support from the Company's financiers through restructure and repayment of facility in parallel with capital raising**



Terramin Australia Limited (ASX:TZN) today announced a significant financial restructure consisting of:

- the intention to undertake a non-renounceable, 1 for 2 Entitlement Offer at \$0.035 per new share, fully underwritten by the Asipac group to raise approximately \$14.1 million . This Entitlement Offer is expected to be launched to eligible shareholders in the coming week.
- a restructure of the Company's \$10.5 million secured debt, repayment of which was due to Investec Bank (Australia) Ltd on 30 September 2013.

Terramin's Chief Executive Officer, Mr Martin Janes said: "The capital raising initiative will provide the Company with adequate near-term funding to repay debts, to advance the Bird-in-Hand and Tala Hamza projects and pursue other corporate opportunities".

Commenting on the debt restructure and capital raising, Terramin's Chairman Mr Michael Kennedy said: "The Board is pleased with the continued support of its major shareholder, the Asipac group of companies and its secured debt financier, Investec Bank (Australia) Ltd".

\$14.1 Million Capital Raising

A non-renounceable Entitlement Offer of 1 new share for every 2 existing shares held by eligible shareholders will be launched in the coming days at a price of \$0.035 per share to raise approximately \$14.1 million. The offer price represents a discount of approximately 19% to the closing price of Terramin shares on 30 September 2013 being \$0.043 per share.

The Entitlement Offer will be fully underwritten by the Asipac Group.

The funds, net of the costs of the Entitlement Offer, will be used to:

- progress the Bird-In-Hand project, the Tala Hamza project and advance the Company's other South Australian exploration interests;
- repay debt to Investec and Asipac; and
- provide working capital for the Company.

Details of the potential effect that the Entitlement Offer may have on the Company's shareholding structure will be set out in the Cleansing Notice and the Offer Booklet which will be released to the ASX in the coming days.



Debt Restructure

Terramin has entered into an agreement to restructure the Company's debt facilities with Investec as follows:

- Asipac has agreed to acquire \$4 million of the outstanding \$10.5 million Investec debt facility - \$2 million of this facility will be repaid upon completion of the Entitlement Offer and the remaining \$2 million will be due by 30 September 2015, subject to certain conditions;
- Investec has agreed to defer repayment of the balance of the debt facility (\$6.5 million) to 20 December 2013, which will be repaid by the funds raised under the Entitlement Offer;
- Availability of the \$2.5 million short term facility with Investec has been extended to 15 October 2013 and will be novated to Asipac. This facility will be undrawn at the time of novation;
- The \$5.3 million guarantee facility which supports the rehabilitation obligations of the Angas Zinc Mine has been extended by Investec to 31 March 2015, subject to certain conditions.

As part of the transaction, all amounts owing by Terramin to Asipac will be secured under the Security Trust Deed held by Investec as trustee for the beneficiaries of the Company's finance facilities. The Company applied to the ASX for, and has been granted, a waiver from Listing Rule 10.1 to enable the implementation of this element of the broader debt restructure without shareholder approval.

ASX Waiver

The ASX has advised that it has granted a waiver of Listing Rule 10.1 to the Company. The waiver allows Asipac to become 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 without the need for the Company to seek shareholder approval. The terms of the waiver are set out in the attachment to this announcement.

The Company expects to be in a position to repay the outstanding debt under the corporate facility and, if it were to be drawn down, the stand-by facility owed to Asipac in accordance with their terms. The outstanding convertible notes may be repaid or converted to shares under their terms and conditions and subject to shareholder approval.



ATTACHMENT – ASX WAIVER

1. *Based solely on the information provided, ASX Limited (“ASX”) grants Terramin Australia Limited (the “Company”) a waiver from listing rule 10.1 to the extent necessary to permit the Company and its subsidiaries (“Subsidiaries”) to grant security over their assets in favour of Asipac Group Pty Ltd (“Asipac”), pursuant to which Asipac acquires security interests over certain assets of the Company and the Subsidiaries by becoming a beneficiary under the existing security trust deed that relates to the Company and the Subsidiaries (the “Security”), as part of the restructure of the Company’s finance arrangements with Investec Bank (Australia Limited) (“Investec”) whereby Asipac will: (a) assume approximately \$4 million of debt under the corporate revolving facility owed by the Company to Investec, (b) assume a standby loan facility of up to \$2.5M (undrawn) provided by Investec to the Company and (c) have all its unlisted convertible notes in the Company secured under the Security, without shareholder approval, on the following conditions.*
 - 1.1 *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 the Subsidiaries in full or part satisfaction of the Company’s obligations under the Security, or otherwise deal with the assets of the Company or the 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.*
 - 1.2 *A summary of the material terms of the Security is made in each annual report of the Company during the term of the Security.*
 - 1.3 *Any variations to the terms of the Security which is:*
 - 1.3.1 *not a minor change; or*
 - 1.3.2 *inconsistent with the terms of the waiver,*

must be subject to shareholder approval.
 - 1.4 *The Company must seek to discharge the Security when the amounts secured under the Security are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further amount or amounts owed by the Company to Asipac.*
 - 1.5 *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 amounts secured under the Security and the discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur.*
2. *ASX has considered listing rule 10.1 only and makes no statement as to the Company’s compliance with other listing rules.*