



Level 22, Westpac House, 91 King William Street, Adelaide, South Australia 5000
t +61 8 8213 1415 f +61 8 8213 1416 e info@terramin.com.au w www.terramin.com.au

30 April 2012

The Manager
Company Announcements Platform
Australian Securities Exchange

Dear Sir

2012 Annual General Meeting Documents

Please find attached for release to the market a letter from Terramin Australia Limited Chairman, Mr Bryan Davis, enclosing the 2012 Notice of Annual General Meeting and Form of Proxy.

Notices of Annual General Meeting and Forms of Proxy have today been sent to all shareholders. An electronic copy of the Chairman's letter, Notice of Annual General Meeting and Form of Proxy are available on the Company's website at <http://www.terramin.com.au>.

The 2011 Annual Report was also sent by post to those shareholders who have previously elected to receive a hard copy. An electronic copy of the 2011 Annual Report continues to be available on the Company's website at <http://www.terramin.com.au>.

Yours sincerely,

Stéphane Gauducheau
Company Secretary



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30 April 2012

Notice of Annual General Meeting of shareholders

Dear Shareholder,

I am pleased to invite you to attend the 2012 Annual General Meeting of shareholders (**AGM**), which has been scheduled as follows:

Date: Thursday, 31 May 2012
Time: 2:00pm (Adelaide time)
Venue: Rendezvous Hotel
55 Waymouth Street
Adelaide SA 5000.

The business to be dealt with at the AGM is provided in the following pages of this Notice of Meeting.

If you are able to attend the AGM, please bring the enclosed proxy form with you to facilitate registration at the AGM.

If you do not plan on attending the AGM, you are encouraged to appoint a proxy to attend and vote on your behalf by completing the enclosed proxy form and returning it in the envelope provided. Instructions on how to appoint a proxy are detailed on the back of the proxy form. Proxies must be received no later than 2:00pm (Adelaide time) on Tuesday, 29 May 2012 to be valid for the AGM.

We look forward to seeing you at the AGM.

Yours sincerely

Bryan Davis
Chairman



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Terramin Australia Limited (the **Company**) will be held at the Rendezvous Grand Hotel, 55 Waymouth Street, Adelaide, South Australia at 2.00 pm (Adelaide time) on Thursday 31 May 2012. A copy of the Company's 2011 Annual Report can be found on the Company's website at www.terramin.com.au

Please advise us via email to info@terramin.com.au or by calling (08) 8213 1415 if you will be attending.

ORDINARY BUSINESS

1. ANNUAL REPORT AND ACCOUNTS

To receive and consider the Company's Financial Report and reports of the Directors and auditors in respect of the financial year ended 31 December 2011.

2. REMUNERATION REPORT – ORDINARY RESOLUTION 1 (NON-BINDING RESOLUTION)

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That the Company's Remuneration Report for the year ended 31 December 2011 be adopted."

3. RE-ELECTION OF DIRECTORS – ORDINARY RESOLUTION 2

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Michael H Kennedy be re-elected as a Director of the Company."

Mr Kennedy, in accordance with Rule 58 of the Company's Constitution and ASX Listing Rule 14.5, retires and, being eligible, offers himself for re-election.

SPECIAL BUSINESS

4. APPROVAL OF THE ACQUISITION OF SECURITIES BY MR NICHOLAS CLIFT UNDER THE TERRAMIN LONG TERM INCENTIVE SHARE PLAN – ORDINARY RESOLUTION 3

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval be given to authorise the acquisition by Mr Nicholas Clift, of a maximum of 1,142,857 performance rights (and ordinary shares in the Company upon vesting of those performance rights), under the Terramin Long Term Incentive Share Plan as detailed in the accompanying Explanatory Memorandum."

5. APPROVAL OF THE ACQUISITION OF SECURITIES BY MR NICHOLAS CLIFT UNDER THE TERRAMIN EMPLOYEE OPTION PLAN – ORDINARY RESOLUTION 4

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval be given to authorise the acquisition by Mr Nicholas Clift of 600,000 unlisted options over unissued, fully paid, ordinary shares in the capital of the Company under the terms of the Terramin Employee Option Plan as detailed in the accompanying Explanatory Memorandum."



Notes

Determination of membership and voting entitlement for the purpose of the meeting:

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member and the holder of shares in the capital of the Company if that person is registered as a holder of those shares at 7:00pm (Sydney time) on Tuesday 29 May 2012.

Proxies:

- 1 A member entitled to attend and vote is entitled to appoint a person or body corporate as proxy to attend and vote for the member.
- 2 Where the member is entitled to cast two (2) or more votes, the member may appoint two (2) proxies. Where more than one proxy is appointed the appointor may:
 - (a) specify the proportion or number of votes each proxy is appointed to exercise, but if the appointor does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes; and
 - (a) neither proxy shall have the right to vote on a show of hands (but each may vote on a poll).
- 3 A proxy need not be a shareholder of the Company.
- 4 Proxies given by companies must be executed under seal, in accordance with the Corporations Act or under the hand of a duly authorised officer.
- 5 To be effective, a form appointing a proxy and the power of attorney (if any) under which it is signed or an attested copy thereof must be delivered to Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001 Australia, or alternatively you can fax your form to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia), not later than 2.00pm (Adelaide time) on Tuesday 29 May 2012.
- 6 Custodian Voting – For Intermediary Online subscribers only (Custodians), please visit www.intermediaryonline.com to submit your voting intentions.

A form of proxy accompanies this Notice of Annual General Meeting.

DATED this 30th day of April 2012
BY ORDER OF THE BOARD

Stephane Gauducheau
Company Secretary

EXPLANATORY MEMORANDUM

ANNUAL REPORTS AND ACCOUNTS

Under the Company's Constitution, the business of an Annual General Meeting must include the receipt and consideration of the annual reports and accounts required by law for the past financial year. There is no requirement for Shareholders to approve these reports. However, the Chairman of the meeting will allow a reasonable opportunity to ask questions about and make comments on these reports and accounts.

RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING VOTE)

The Company's Annual Report for the financial year ended 31 December 2011 contains a Remuneration Report (within the Directors' Report) which sets out the remuneration policy and practices of the Company and reports on the remuneration arrangements in place for the Company's Directors and Specified Executives. Shareholders will have a reasonable opportunity at the meeting to comment on and ask questions regarding the Remuneration Report.

Pursuant to section 250R of the Corporations Act 2001 (Cth), the vote on the proposed Resolution in Item 2 of the Notice of Annual General Meeting is advisory only and will not bind the Directors or the Company. The Board will, however, take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Resolution 1 – Voting Exclusion Statement

A vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company Group's key management personnel, details of whose remuneration are included in the Remuneration Report (**KMP**), or a closely related party of a KMP (**Restricted Person**), whether the votes are cast as a shareholder, proxy or in any other capacity.

However, a vote may be cast by a Restricted Person if:

- the vote is cast as a proxy; and
- the proxy appointment is in writing and it specifies how the proxy is to vote on this Resolution 1; and
- the vote is not cast on behalf of a Restricted Person.

Further, the Company need not disregard a vote cast by the Chairman as a proxy if the appointment expressly authorises the Chairman to exercise the proxy, even though the resolution is connected directly or indirectly with the remuneration of a KMP.

If a Shareholder grants an undirected proxy to the Chairman in respect of this Resolution 1, that vote will be disregarded. Shareholders may direct the Chairman how to vote by either:

- directing the Chairman to vote for or against, or to abstain from voting on, this Resolution 1; or
- by marking the separate box on the proxy form regarding this Resolution 1, directing the Chairman to vote in accordance with the Chairman's voting intention (as set out below).

The Chairman intends to vote in favour of this Resolution 1.

Shareholders may grant an undirected proxy to anyone that is not the Chairman, a KMP or a closely related party of a KMP.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each Resolution by marking the appropriate boxes on the proxy form.

"Key management personnel" are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of key management personnel include its directors and certain senior executives.

A "closely related party" of a member of the key management personnel means any of the following:

- (a) a spouse, child or dependant of the member;
- (b) a child or dependant of the member's spouse;
- (c) anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- (d) a company the member controls; or
- (e) a person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation).

RESOLUTION 2 – RE-ELECTION OF MR MICHAEL KENNEDY

In accordance with the provisions of ASX Listing Rule 14.5, the Company is required to hold an election of Directors each year. In accordance with Rule 58 of the Company's Constitution and ASX Listing Rule 14.5, Mr Kennedy retires and, being eligible, offers himself for re-election at the 2012 Annual General Meeting. Information regarding Mr Kennedy follows:

Mr Michael H Kennedy BComm, (Economics)

Mr Kennedy is the Chair of the Risk and Compliance Committee and a member of the Audit Committee and Nomination & Remuneration Committee.

Mr Kennedy has enjoyed a 35 year career in the mining industry and has held a number of senior marketing and logistics roles with CRA; managed raw material sales from the Broken Hill, Cobar and Woodlawn mines; managed raw material supply into Port Pirie lead smelter, Budel zinc smelter (Netherlands) and the Avonmouth (UK) and Cockle Creek (Newcastle) zinc/lead smelters. He was resident Director of the Korea Zinc group of companies in Australia from 1991 until early 2005.

Mr Kennedy was appointed to the Board of Terramin on 15 June 2005. Mr Kennedy has not held any other directorships during the last 3 years. Mr Kennedy has a direct interest in 403,448 fully paid ordinary shares in the capital of the Company.

RESOLUTION 3 – APPROVAL OF ACQUISITION BY MR NICHOLAS CLIFT OF SECURITIES UNDER THE TERRAMIN LONG TERM INCENTIVE SHARE PLAN

At the Company's Annual General Meeting in May 2011, the Company's shareholders approved the issue of securities under the Terramin Long Term Incentive Share Plan (**Share Plan**). At the time that approval was sought, the Company had not yet appointed its current Managing Director and Chief Executive Officer, Mr Nicholas Clift. As announced to the ASX on 1 September 2011, the terms of Mr Clift's appointment include, subject to the approval of shareholders, an entitlement to annual awards of long term performance-based incentives valued up to \$400,000 on achievement of key performance indicators as determined by the Board.

ASX Listing Rule 10.11 provides that, unless one of the exceptions in ASX Listing Rule 10.12 applies, an entity must not issue or agree to issue equity securities to a related party of the entity (including a director) without the approval of holders of ordinary securities.

Exception 4 to ASX Listing Rule 10.12 provides that an entity may issue equity securities to a director of the entity if they receive the securities under an employee incentive scheme where approval to the issue has been given by ordinary shareholders under ASX Listing Rule 10.14.



ASX Listing Rule 10.14 provides that an entity must not permit a director of the entity (or an associate of a director) to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities.

In light of Mr Clift's appointment as Managing Director and Chief Executive Officer in September 2011, the Company's Board now wishes to obtain the approval of shareholders to permit Mr Clift to acquire performance rights (**Performance Rights**), entitling Mr Clift (subject to satisfaction of performance conditions) to be issued with fully paid ordinary shares in the capital of the Company (**Shares**), pursuant to the terms of the Share Plan.

Set out below is a summary of the key terms of the Share Plan to assist shareholders in their consideration of this Resolution 3.

Summary of Key Terms of the Share Plan

1. Grant of Performance Rights

The Board may invite an "Eligible Employee" to participate in the Share Plan and apply for Performance Rights entitling the holders (subject to performance conditions) to be issued with Shares.

The invitation will specify, amongst other things, the following matters which will be determined by the Board:

- number of Performance Rights available to the Eligible Employee;
- the performance criteria that must be satisfied before the Performance Rights can be converted into Shares (Performance Criteria); and
- the performance period in which the Performance Criteria must be satisfied (Performance Period).

An "Eligible Employee" means the following persons whom the Board determines to be eligible to participate in the Share Plan:

- a permanent full-time or permanent part-time employee of the Company or an associated company;
- a person who provides services to the Company or an associated company; or
- a director of the Company or an associated company.

but does not include any person where that person either directly or indirectly holds or control, or would hold or control as a result of any further acquisition of shares or rights in the Company under the Share Plan, 5% or more of the issued capital of the Company (including the voting rights that relate to those shares).

Following receipt by an Eligible Employee of an invitation, the Eligible Employee may apply for Performance Rights by completing an application form. Following receipt of an application form, the Company may grant the Performance Rights to the Eligible Employee, who will become a "Participant" of the Share Plan.

2. Performance Right and Share limits

No Performance Right or Share may be issued under the Share Plan if to do so would contravene the Corporations Act 2001 (Cth), the Listing Rules or instruments of relief issued by the Australian Securities and Investments Commission relating to employee share schemes.

3. Performance Rights terms

Subject to the Listing Rules, unless otherwise determined by the Board, each Performance Right is granted on the terms set out below.

a. Entitlement

Each Performance Right entitles the Participant, on satisfaction of the Performance Criteria during the Performance Period, to be issued with one Share for no consideration.

Shares issued under a Performance Right will rank equally with existing Shares from the date of issue.

b. Performance Criteria and Vesting

The Performance Criteria will be determined by the Board in its discretion and notified to the Eligible Employees at the time they receive their invitation.

In addition to the specific Performance Criteria notified to an Eligible Employee, for any of the Performance Rights to be converted to Shares, individuals must also continue to be employed by the Company until the relevant Share Issue Date. Individuals who leave the Company's employment or the employment of an associated company before a Share Issue Date will forfeit all entitlements to have Performance Rights converted into Shares, subject to the Board's discretion to permit a Participant to retain Performance Rights if they cease to be an employee of the Company or an associated company by reason of death, total and permanent disablement, retirement or redundancy.

c. Dealing

Participants must not assign, transfer, sell, encumber or otherwise deal with a Performance Right.

d. Quotation

Performance Rights will not be quoted on the Australian Securities Exchange (**ASX**). The Company will make an application to the ASX for quotation of Shares shortly following each Share Issue Date.

e. New Issue of Shares

Participants will not be entitled to participate in any new issue of Shares as a result of holding Performance Rights unless they have become entitled to be issued with Shares under their Performance Rights under the Share Plan prior to the record date for the determination of entitlements to the new issue and participate as a result of being a holder of Shares.

f. No Dividends

The Performance Rights do not in themselves entitle Eligible Employees to receive dividends, however, if they become a shareholder upon conversion of Performance Rights they will be eligible to receive dividends declared by the Company in respect of any Shares they hold.

g. No Voting

Being a holder of Performance Rights does not confer on Eligible Employees a right to attend and vote at general meetings, however, if they become a shareholder upon conversion of Performance Rights they will be eligible to vote at general meetings in respect of any Shares they hold.

h. Reconstruction of Capital

In the event of any reorganisation of the issued share capital of the Company, the rights attaching to the Performance Rights must be changed to comply with the ASX Listing Rules applying to that reorganisation.

4. Amendment to the rules of the Share Plan

Subject to the requirements of the ASX Listing Rules, the Board may amend the rules of the Share Plan. However, except in certain circumstances, if any amendment reduces any of the Participant's rights in respect of their Performance Rights, the Board must obtain the prior written consent of at least 75% of the Participants affected by the proposed change. The imposition of Performance Criteria is not a reduction of the rights of Participants.

5. Termination and Suspension of the Share Plan

Subject to the requirements of the ASX Listing Rules, the Board may suspend or terminate the Share Plan at any time.

Summary of Terms of Performance Rights to be Issued

1. Number of Performance Rights

It is not presently possible to ascertain the precise number of Performance Rights to be issued to Mr Clift. Subject to achievement of the specified Performance Criteria described below, it is proposed that the Performance Rights will be granted to Mr Clift on 31 December 2012 (**Grant Date**), with the precise number of Performance Rights to be issued to be determined by dividing \$400,000 (being the sum equal to 100% of Mr Clift's base remuneration package) by the volume weighted average price of the Company's shares on the ASX over the 20 trading days immediately preceding the grant of the Performance Rights. The following formula will be used to determine the number of Performance Rights to be granted:

$$PR = \frac{400,000}{VWAP20}$$

Where:

PR = the number of Performance Rights to be issued; and

VWAP20 = the volume weighted average price of the Company's shares on the ASX over the 20 trading days immediately preceding 31 December 2012.

For example, if on 31 December 2012, the VWAP20 for the Company's shares equals \$0.38, the number of Performance Rights to be granted by Mr Clift is calculated as follows:

$$PR = \frac{400,000}{0.38}$$

$$PR = 1,052.632$$

2. Performance Criteria

The Performance Rights granted will be tested on the Grant Date against a set of specified Performance Criteria, described below. The Performance Period is the period from 1 January 2012 to 31 December 2012.

Subject to achievement of the specified Performance Criteria, 25% of the Performance Rights will vest immediately and be converted into Shares within 1 month of vesting. The balance of 75% of the Performance Rights will vest on, and be converted into Shares within 1 month of 31 December 2014, provided that Mr Clift continues to be employed by the Company

at that date. All Shares will be able to be traded by Mr Clift immediately upon their issue, subject to compliance with the terms of the Company's share trading policy. To the extent that the Performance Criteria is not satisfied, no Performance Rights will be granted.

In relation to all Performance Rights proposed to be issued to Mr Clift, the following Performance Criteria will apply:

- (a) the Company achieving completion in respect of a transaction for the disposal of the Company's interest in the Tala Hamza project (Transaction) by no later than 30 September 2012, where the terms of the Transaction:
 - have been recommended by the Board to the Company's shareholders; and
 - have been approved by the Company's shareholders at general meeting for the purposes of the ASX Listing Rules and for all other purposes;
- (b) in relation to the Company's operations at the Angas Zinc Mine:
 - production exceeding the budgeted amount for the 2012 calendar year;
 - actual site operating expenditure being below budgeted levels for the 2012 calendar year;
 - achieving a 25% improvement in average safety performance for the 2012 calendar year; and
- (c) in relation to the Menninnie Zinc Project, the formalisation of a joint venture arrangement to finance a drilling programme determined by the Board for the 2013 calendar year by 31 December 2012.

In all cases, the Performance Rights proposed to be issued to Mr Clift are subject to the volume weighted average price of the Company's shares on the ASX for the period of 20 trading days immediately preceding 31 December 2012 equalling or exceeding \$0.35 per share (**Share Price Criteria**).

Each of the Performance Criteria set out in paragraphs 2(a) – (c) will be individually weighted such that, assuming the Share Price Criteria is met, if some Performance Criteria are met, while others are not, a partial vesting of the total number of Performance Rights granted may still be achieved. The Performance Criteria set out in paragraphs 2(a) and 2(b) will carry a weighting of 37.5% each, and the Performance Criteria set out in paragraph 2(c) will carry a weighting of 25%.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires that a notice of meeting to obtain approval for an issue of securities under that rule must comply with either ASX Listing Rule 10.15 or 10.15A.

Listing Rule 10.15 requires that, in addition to the information presented above, the following information must be provided to shareholders in respect of the resolution in Item 4:

1. The maximum number of Performance Rights and, consequently, Shares that Mr Clift may acquire under the Share Plan is 1,142,857. The precise number of Performance Rights and Shares which may be issued to Mr Clift under the Share Plan will be determined at the Grant Date having reference to the VWAP20 for the Company shares as at the Grant Date.
2. If the Performance Criteria (including the Share Price Criteria) are satisfied, the Performance Rights will be granted and, subsequently Shares will be issued, to Mr Clift for no monetary consideration.
3. No person has previously been issued with Performance Rights or Shares under the Share Plan.
4. Subject to the grant of the approval sought, Mr Clift will be the only director of the Company entitled to participate in the Share Plan.
5. The Company will not provide Mr Clift with a loan in connection with his acquisition of Performance Rights and Shares under the Share Plan.
6. Details of any Performance Rights and Shares issued under the Share Plan will be published in each annual report of the Company relating to a period in which Performance Rights or Shares have been issued, and that approval for the issue of the Performance Rights and Shares was obtained under ASX Listing Rule 10.14.
7. Any additional persons who become entitled to participate in the Share Plan after this resolution is approved and who are not named in this notice of meeting will not participate in the Share Plan until approval is obtained under ASX Listing Rule 10.14.
8. Subject to satisfaction of the Performance Criteria, the last date on which the Shares will be issued to Mr Clift will be 31 January 2013, being the date that is one month after the Grant Date.



Resolution 3 – Voting Exclusion Statement

The Company will disregard any votes cast in relation to Resolution 3 by:

- any director of the Company, except one who is ineligible to participate in any employee incentive scheme; and
- any associate of those directors.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on that proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 – APPROVAL OF ACQUISITION OF SECURITIES BY MR NICOLAS CLIFT UNDER THE TERRAMIN EMPLOYEE OPTION PLAN

The Company's shareholders refreshed their prior approval of the issue of securities under the Terramin Employee Option Plan (Option Plan) at the Company's Annual General Meeting in 2011.

As outlined above in relation to Resolution 3, ASX Listing Rule 10.11 prohibits the issue of equity securities to a director without the approval of holders of ordinary securities. ASX Listing Rule 10.14 deals with the issue of securities to a director under an employee incentive scheme.

As for Resolution 3, and for the purposes of ASX Listing Rule 10.14, the Company's Board now wishes to obtain the approval of shareholders to permit Mr Clift to acquire unlisted options over unissued ordinary shares in the capital of the Company (**Options**), pursuant to the terms of the Option Plan.

Set out below is a summary of the key terms of the Option Plan to assist shareholders in their consideration of this Resolution 4.

Summary of Key Terms of the Option Plan

1. Grant of Options

The Board may invite an "Eligible Employee" to participate in the Option Plan and apply for options (Options) to subscribe for fully paid ordinary shares in the capital of the Company (Shares). The invitation will specify, amongst other things, the following matters which will be determined by the Board:

- number of Options available to the Eligible Employee;
- any fee which is payable by the Eligible Employee on applying for Options;
- price payable per Share on exercising the Options (i.e. the exercise price);
- period in which the Options can be exercised (i.e. the exercise period); and
- any performance, vesting or other criteria that must be satisfied before the Options can be exercised (i.e. relevant requirements).

An "Eligible Employee" means the following persons whom the Board determines to be eligible to participate in the Option Plan:

- a permanent full-time or permanent part-time employee; or
- a director,

of the Company or an associated company.

Following receipt by an Eligible Employee of an invitation, the Eligible Employee may apply for Options by completing an application form. Following receipt of an application form, the Company may grant the Options to the Eligible Employee, who will become a "Participant" of the Option Plan.

2. Option limits

No Option may be offered under the Option Plan if to do so would contravene the Corporations Act 2001 (Cth), the ASX Listing Rules or instruments of relief issued by the Australian Securities and Investments Commission relating to employee share schemes.

3. Option terms

Unless otherwise determined by the Board (and in all cases subject to the requirements of the ASX Listing Rules), each Option is granted on the terms set out below.

a. Entitlement

Each Option entitles the Participant, on exercise of the Option, to subscribe for and be issued one Share at the exercise price.

Shares issued on the exercise of Options will rank equally with existing Shares from the date of issue.

b. Exercise of Options

Subject to the satisfaction of any relevant requirements, an Option which has not lapsed is exercisable during the exercise period.

c. Lapse of Options

An Option will lapse on the earliest of the date that:

- is the end of the exercise period;
- the Board determines that the Eligible Employee has, in the Board's opinion:
 - been dismissed with cause;
 - committed any act of fraud, theft or gross misconduct in relation to the affairs of the Company; or
 - brought the Company into disrepute;
- the Board determines that any relevant requirement cannot be satisfied; and
- the Board determines that a breach or occurrence of any condition or event contained in the invitation requires the lapse of the Options.

d. Dealing

Participants must not assign, transfer, sell, encumber or otherwise deal with an Option.

e. Quotation

Options will not be quoted on the ASX. The Company will make an application to the ASX for quotation of Shares issued on the exercise of Options if other Shares are quoted on the ASX at that time.

f. Reconstruction of Capital

In the event of any reorganisation of the issued share capital of the Company, the rights attaching to Options must be changed to comply with the ASX Listing Rules applying to that reorganisation.

g. New Issue of Shares

Participants will not be entitled to participate in any new issue of Shares as a result of holding Options unless they have become entitled to exercise their Options under the Option Plan and do so prior to the record date for the determination of entitlements to the new issue and participate as a result of being a holder of Shares.

h. Other Securities

If the Company offers shareholders other securities, the Board will determine whether the other securities are to be offered to Participants on the exercise of Options or whether any other equivalent securities, interest or rights will be offered to them if the other securities are not available, and the basis thereof, to the intent that on the exercise of Options the Participants will be treated whenever possible as if they were shareholders at the date that the Options are granted to the Participant.

i. Amendment to the Rules

The Board may amend the Rules. However, except in certain circumstances, if any amendment reduces any of the Participant's rights in respect of their Options, the Board must obtain the prior written consent of at least 75% of the Participants affected by the proposed change.

j. Termination and Suspension of the Option Plan

The Board may suspend or terminate the Option Plan at any time.

Summary of Terms of Options to be Issued**1. Number of Options and issue price**

Mr Clift will be issued 600,000 Options for no monetary consideration.

2. Exercise Price

The Exercise Price for each Option is \$0.35.

3. Relevant Requirements

The Relevant Requirements for the vesting of the Options are that Mr Clift remain an employee of the Company on each of the first, second and third anniversaries of the issue date of the Options (each a Vesting Date). Subject to satisfaction of the Relevant Requirement on a Vesting Date, on that date one third of the Options (200,000 Options) will vest:

Any unvested Options will be cancelled upon Mr Clift ceasing to be employed by the Company.

4. Expiry Date

The expiry date of the Options will be the earlier of 5 years from the date of issue of the Options and 6 months after Mr Clift ceases employment with the Company.

ASX Listing Rule 10.14

As noted in relation to resolution 3 above, ASX Listing Rule 10.14 requires that a notice of meeting to obtain approval for an issue of securities under that rule must comply with ASX Listing Rule 10.15 or 10.15A.

Listing Rule 10.15 requires that, in addition to the information presented above, the following information must be provided to shareholders in respect of the resolution in Item 5:

1. The maximum number of Options, and subsequently Shares, that Mr Clift may acquire under the Option Plan is 600,000.
2. Subject to the Options vesting in accordance with their terms, Shares will be issued to Mr Clift upon exercise of the Options and upon payment of the issue price of \$0.35 per Share.

3. No director, nor any associate of a director, has previously been issued with Options under the Option Plan.
4. Subject to the grant of the approval sought, Mr Clift will be the only director of the Company entitled to participate in the Option Plan.
5. The Company will not provide Mr Clift with a loan in connection with his acquisition of Options under the Option Plan.
6. The last date on which the Options will be issued to Mr Clift will be 30 June 2012, being one month after the Annual General Meeting.

Resolution 4 – Voting Exclusion Statement

The Company will disregard any votes cast in relation to Resolution 4 by:

- any director of the Company, except one who is ineligible to participate in any employee incentive scheme; and
- any associate of those directors.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on that proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



TERRAMIN AUSTRALIA LIMITED

Level 22, Westpac House
91 King William Street
Adelaide, 5000
South Australia
t: +61 8 8213 1415
f: +61 8 8213 1416
e: info@terramin.com.au
w: www.terramin.com.au



Terramin Australia Limited

ABN 67 062 576 238

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 2:00pm (Adelaide time) Tuesday 29 May 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Terramin Australia Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Terramin Australia Limited to be held at the Rendezvous Grand Hotel, 55 Waymouth Street, Adelaide, South Australia 5000 on Thursday 31 May 2012 at 2:00pm (Adelaide time) and at any adjournment of that meeting.

Important for Item 2 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 2 as set out below and in the Notice of Meeting.

If you do not mark this box, and you have not directed your proxy how to vote on Item 2, the Chairman of the Meeting will not cast your votes on Item 2 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Item 2).

The Chairman of the Meeting intends to vote all available proxies in favour of each resolution, including in respect of Item 2 of business.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 2 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Item 2 Remuneration Report (Non-binding vote)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Mr Michael Kennedy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

	For	Against	Abstain
Item 4 Approval of acquisition by Mr Nicholas Clift of securities under the Terramin Long Term Incentive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Approval of acquisition of securities by Mr Nicholas Clift under the Terramin Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /