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30 April 2014

The Manager
Company Announcements Platform
Australian Securities Exchange

Dear Sir,

Notice of Annual General Meeting

Please find attached for release to the market a letter from Terramin Australia Limited Chairman, Mr Michael Kennedy, enclosing the 2014 Notice of Annual General Meeting and Form of Proxy.

Notices of Annual General Meeting and Forms of Proxy have been sent to all shareholders today. 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 www.terramin.com.au.

The 2013 Annual Report was also sent by post to those shareholders who elected to receive a hard copy. An electronic copy of the 2013 Annual Report continues to be available on the Company's website.

Yours sincerely,

Stéphane Gauducheau
Company Secretary



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30 April 2014

Notice of Annual General meeting of shareholders

Dear Shareholder,

I am pleased to invite you to attend the 2014 Annual General Meeting of shareholders (**AGM**), which has been scheduled as follows:

Date: Friday, 30 May 2014
Time: 11:00AM (AEST)
Venue: Level 7
342-348 Flinders Street
Melbourne VIC 3000

For the first time the AGM will be held in Melbourne which recognises the significant and increasing number of shareholders based in the State of Victoria.

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 proxy form. Proxies must be received no later than 11:00am (AEST) on Wednesday, 28 May 2014 to be valid for the AGM.

We look forward to seeing you at the AGM.

Yours sincerely,

Michael Kennedy
Chairman



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NOTICE OF 2014 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Terramin Australia Limited (the **Company**) will be held at Level 7, 342-348 Flinders Street Melbourne Victoria 3000 Australia at 11:00AM (AEST) on Friday 30 May 2014.

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

ORDINARY BUSINESS

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 2013.

The Company's 2013 Annual Report is available at www.terramin.com.au

Note: there is no requirement for shareholders to approve the report and accounts and accordingly no resolution will be put to shareholders regarding this item of business.

RESOLUTION 1 - REMUNERATION REPORT – (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 2013 be adopted."

Voting Exclusions

A vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company's key management personnel (KMP), details of whose remuneration are included in the 2013 Remuneration Report, 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 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 does not specify the way the proxy is to vote on resolution 1 and expressly authorises the Chairman to exercise the proxy, even though the resolution is connected directly or indirectly with the remuneration of a KMP.

RESOLUTION 2 - RE-ELECTION OF DIRECTOR

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

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

Mr Kennedy, in accordance with Rule 58 of the Company's Constitution and Listing Rule 14.4, retires and, being eligible, offers himself for re-election.

SPECIAL BUSINESS

RESOLUTION 3 - RATIFICATION AND APPROVAL OF PREVIOUS ISSUE AND ALLOTMENT OF ORDINARY SHARES

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

"That for the purpose of ASX Listing Rule 7.4, the issue of securities, to the persons and on the terms detailed in the accompanying Explanatory Memorandum, is hereby ratified."

Voting Exclusions

The Company will disregard any votes cast on this resolution by a person (and any associates of such a person) to whom the shares listed in the explanatory memorandum were issued.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form; or*
- (b) 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 TO ISSUE AN ADDITIONAL 10% OF ISSUED CAPITAL OVER A 12 MONTH PERIOD

To consider and if thought fit pass the following resolution as a special resolution:

"That for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval be given to issue equity securities (as defined in the ASX Listing Rules) equivalent to an additional 10% of the number of ordinary securities on issue calculated in accordance with the formula in ASX Listing Rule 7.1A.2 and on the terms described in the accompanying Explanatory Memorandum".

Voting Exclusions

The Company will disregard any votes cast on this resolution by a person (and any associates of such a person) who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form; or*
- (b) 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 5 - APPROVAL OF THE ISSUE OF SECURITIES UNDER THE TERRAMIN EMPLOYEE OPTION PLAN

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

"That for the purpose of Exception 9(b) of ASX Listing Rule 7.2, and for all other purposes, approval be given to the issue of securities under the Terramin Employee Option Plan as detailed in the accompanying Explanatory Memorandum."

Voting Exclusions

The Company will disregard any votes cast on this resolution by all Directors and employees who may be potential participants in the Terramin Employee Option Plan and their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form; or*
- (b) 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.*

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on resolution 5 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or*
 - (ii) a Closely Related Party of such a member; and**
- (b) the appointment does not specify the way the proxy is to vote on this resolution.*

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman of the Meeting; and*
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

RESOLUTION 6 – APPROVAL OF ISSUE OF SHARES TO NON-EXECUTIVE DIRECTORS

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue of a maximum of \$35,000 worth of shares in the Company to each of Mr Michael Kennedy, Mr Kevin McGuinness, Mr Feng Sheng and Mr Angelo Siciliano (or their respective nominees) in lieu of cash payment for additional services as detailed in the accompanying Exploratory Memorandum”.

Voting Exclusions

The Company will disregard any votes cast on this resolution by Mr Michael Kennedy, Mr Kevin McGuinness, Mr Feng Sheng and Mr Angelo Siciliano and their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on a valid proxy form; or*
- (b) 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.*

In addition, a person appointed as a proxy must not vote, on the basis of that appointment, on resolution 6 if:

- (a) the proxy is either:
 - (iii) a member of the Key Management Personnel; or*
 - (iv) a Closely Related Party of such a member; and**
- (b) the appointment does not specify the way the proxy is to vote on this resolution.*

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman of the Meeting; and*
- (d) the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

NOTES RELATING TO VOTING

1. Determination of membership and voting entitlement

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 (AEST) on Wednesday 28 May 2014.

2. Proxies:

- (a) 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.
- (b) Where the member is entitled to cast two (2) or more votes, the member may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
- (d) A proxy need not be a shareholder of the Company.
- (e) Proxies given by companies must be executed in accordance with the Corporations Act or by a duly authorised officer.
- (f) 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 11:00AM (AEST) on Wednesday, 28 May 2014.
- (g) Custodian Voting – For Intermediary Online subscribers only (Custodians), please visit www.intermediaryonline.com to submit your voting intentions.
- (h) 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.
- (i) Shareholders may direct the Chairman how to vote by directing the Chairman to vote for or against, or to abstain from voting on each resolution.
- (j) In accordance with sections 250R(4) and (5) of the Corporations Act, the Chairman will not vote any undirected proxies in relation to resolution 1 unless the shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions. Please note that if the Chairman of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly authorise the Chairman to exercise your proxy on resolution 1 even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, which includes the Chairman.
- (k) In accordance with sections 250BD(1) and (2) of the Corporations Act, the Chairman will not vote any undirected proxies in relation to resolutions 5 and 6 unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions. Please note that if the Chairman of the meeting is your proxy (or becomes your proxy by default) and if you do not direct the Chairman how to vote, you must tick the acknowledgement box in the proxy form to acknowledge that you expressly authorise the Chairman to exercise your proxy on resolutions 5 and 6 even though the Chairman has an interest in this resolution and that the votes cast by the Chairman, other than a proxy holder, would be disregarded because of that interest.

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

DATED 28 April 2014

BY ORDER OF THE BOARD



Stephane Gauducheau
Company Secretary

EXPLANATORY MEMORANDUM

ANNUAL REPORTS AND ACCOUNTS

In accordance with section 317 of the Corporations Act, the business of an Annual General Meeting must include the receipt and consideration of the annual report 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 report and accounts.

RESOLUTION 1 - REMUNERATION REPORT (NON-BINDING VOTE)

The Company's Annual Report for the financial year ended 31 December 2013 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 to comment on and ask questions regarding the Remuneration Report at the meeting.

Pursuant to section 250R of the Corporations Act, the vote on the proposed resolution 1 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.

The Board recommends that shareholders vote in favour of this resolution.

RESOLUTION 2 - RE-ELECTION OF DIRECTOR

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 14.4, Mr Kennedy retires and, being eligible, offers himself for re-election at the Annual General Meeting. A brief biography of Mr Kennedy follows.

Mr Michael H Kennedy BComm (Economics)

Mr Kennedy is the non-executive chairman of the Company, a member of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee.

Mr Kennedy has enjoyed a 40 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 1,876,034 fully paid ordinary shares in the capital of the Company. Mr Kennedy does not hold any options or rights in the Company.

The Board (other than Mr Kennedy who has abstained) recommends that shareholders vote in favour of this resolution.

The Chairman intends to vote undirected proxies in favour of resolution 2.

RESOLUTION 3 - APPROVAL OF ORDINARY SHARES ISSUED

ASX Listing Rule 7.1 requires the Company to obtain shareholder approval if it issues, or agrees to issue, securities in the capital of the Company in any 12 month period that aggregate more than 15% in number of the existing ordinary shares in the capital of the Company (**15% Rule**).

ASX Listing Rule 7.4 further provides that an issue of securities that did not breach Listing Rule 7.1 at the time of issue and made without shareholder approval is treated as having been made with approval if the Company's shareholders subsequently approve the issue. This has the effect of allowing securities issued and subsequently approved, not to be counted when calculating the number of securities issued in the 12 month period for the purposes of the 15% Rule.

Approval from shareholders is therefore sought pursuant to ASX Listing Rule 7.4 to the issue of the 53,185,719 shares set out in the table below, in order to renew the Company's capacity to issue up to 15% of the securities of the Company on issue in a 12 month period.

The Company provides the following information in accordance with ASX Listing Rule 7.5.

Person(s) to whom securities were issued	Number of securities issued	Terms
Asipac Group Pty Ltd	10,215,650 fully paid ordinary shares	Shares issued on 10 September 2013 at a price of \$0.0182 per share in satisfaction of interest due on convertible notes on issue to Asipac Group Pty Ltd.
Transaminvest S.A	5,970,069 fully paid ordinary shares	Shares issued on 10 September 2013 at a price of \$0.0206 per share in satisfaction of interest due on convertible notes on issue to Transaminvest S.A.
Maximus Resources Ltd	25,000,000 fully paid ordinary shares	Shares issued on 12 November 2013 at a price of \$0.02 per share as part consideration for the acquisition of the Bird-in-Hand Project and certain tenements pursuant to the terms of a tenement sale and purchase agreement with Maximus Resources Ltd
China Non-Ferrous Metal Industry's Foreign Engineering and Construction Company Ltd (NFC)	12,000,000 fully paid ordinary shares	Shares issued on 24 December 2013 at a price of \$0.05 per share in accordance with the terms of a Technical Cooperation Agreement with NFC

All shares issued since 31 May 2013 rank pari passu with existing fully paid ordinary shares in the capital of the Company.

The Chairman intends to vote undirected proxies in favour of resolution 3.

RESOLUTION 4 - APPROVAL TO ISSUE AN ADDITIONAL 10% OF ISSUED CAPITAL OVER A 12 MONTH PERIOD

Listing Rule 7.1A permits eligible entities that have obtained shareholder approval by special resolution at an AGM to issue an additional 10% of the entity's issued ordinary securities (calculated using the formula set out below). The ability to issue securities under Listing Rule 7.1A is in addition to the Company's ability to issue 15% of its issued capital without security holder approval in a 12 month period, under Listing Rule 7.1.

A listed entity must satisfy both of the following criteria at the time of its AGM in order to be eligible to seek approval under Listing Rule 7.1A:

- it must have a market capitalisation of \$300 million or less; and
- it must not be included in the S&P/ASX300 Index.

At the date of the Notice, the Company satisfied both criteria as the Company is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$50m¹. The number of equity securities that the Company may issue with approval under Listing Rule 7.1A.2 is calculated using the following formula:

$$(A \times D) - E$$

A = the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of shares that became fully paid in the 12 months;
- plus the number of shares issued in the 12 months with approval of shareholders under Listing Rules 7.1 or 7.4;
- less the number of shares cancelled in the 12 months.

$$D = 10\%$$

E = The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

A resolution under Listing Rule 7.1A can only be proposed as a special resolution at an eligible entity's AGM. A special resolution is a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution. Securities issued with approval under Listing Rule 7.1A must belong to a class of equity securities (as defined in the Listing Rules) (**Equity Securities**) already quoted. Listing Rule 7.1A cannot be used for placements of securities in a class that has not yet been quoted.

Shareholders obtained shareholders' approval at the 2013 AGM for such issue of additional 10% of issued capital. No additional shares were issued under this approval since the last AGM approval. The Company has no plans to issue shares under approval however given the current status of the Company's finances and its projects, the Directors believe it is prudent to have such allowance available for the 12 months from the date of the AGM.

The Board recommends shareholders vote in favour of resolution 4.

The Chairman intends to vote undirected proxies in favour of resolution 4.

Information Required by Listing Rule 7.3A

Listing Rule 7.3A prescribes the information that must be included in the Notice in relation to a resolution under Listing Rule 7.1A. This information is as follows:

1. The issue price of securities issued under Listing Rule 7.1A must be no lower than 75% of the VWAP for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were conducted immediately before either:
 - the date on which the price at which the securities are to be issued is agreed; or
 - if the securities are not issued within 5 trading days of the date in paragraph 1.1 above, the date on which the securities are issued.
2. If resolution 4 is approved by shareholders and the Company issues additional Equity Securities there is a risk of economic and voting dilution of the existing shareholders including the risk that:
 - the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
 - the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The table below provides details of the quoted and unquoted classes of Equity Securities the Company has on issue at the date of the Notice.

¹ The market capitalisation is calculated by multiplying the number of shares on issue (1,245,051,770 shares) by the share price (\$0.040 as at 22 April 2014)

Equity Securities	Number of issue
Quoted fully paid ordinary shares	1,245,051,771
Unquoted \$0.53 options expiring 7 April 2016	300,000
Unquoted \$1.17 options expiring on 20 January 2015	1,000,000
Unquoted \$1 Convertible Notes maturing in 31 May 2014	15,050,000
Unquoted A\$2.21 Convertible notes maturing in 31 July 2014	2,263,529
Unquoted US\$1 Convertible Notes maturing in 21 September 2014	10,000,000

The following table illustrates the potential dilution of existing shareholders on the basis of the number of ordinary securities for variable "A" as at the date of this notice ("current variable A") and where variable "A" is 50% and 100% greater than the current variable "A":

	Current variable "A"	50% increase in current variable "A"	100% increase in current variable "A"
	1,245,051,771	1,867,577,656	2,490,103,541
10% voting dilution	124,505,177	186,757,766	249,010,354
Total shares on issue following rule 7.1A placements	1,369,556,948	2,054,335,421	2,739,113,895

Assumptions relevant to the table describing the potential dilution of existing shareholders:

- an additional 10% of the Company's ordinary shares are issued under Listing Rule 7.1A;
- no options are exercised before the date of the issue under Listing Rule 7.1A; and
- the issue under Listing Rule 7.1A consists only of shares.

The following table illustrates the funds raised from the issue of an additional 10% of issued capital under 7.1A, based on:

- the current variable "A" and where variable "A" has increased by 50% and 100%; and
- the share price as at the date of this notice and where the share price has fallen by 50% and increased by 100%.

Rule 7.1A placement details	\$0.02 (50% decrease in share price)	\$0.04 (share price as at 22 April 2014)	\$0.08 (100% increase in share price)
124,505,177 (10% voting dilution based on current variable "A")	\$2,490,104	\$4,980,207	\$9,960,414
186,757,766 (10% voting dilution based on 50% increase in current variable "A")	\$3,735,155	\$7,470,311	\$14,940,621
249,010,354 (10% voting dilution based on a 100% increase in current variable "A")	\$7,968,331	\$9,960,414	\$19,920,828

3. The Company will only issue Equity Securities during the 12 month period after the date of the AGM (30 May 2014). The approval under this resolution 5 for the issue of the Equity Securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (the disposal of the main undertaking).
4. The Company may issue Equity Securities either for non-cash or cash consideration to fund the Company's exploration and development projects and the repayment of debts in the next year.
5. As at the date of this Notice, the Company has not formed any specific intentions regarding who may be offered securities under a placement pursuant to Listing Rule 7.1A. No decision has been made regarding allottees. The allottees may include either existing security holders or new investors who are not related parties or associates of related parties and have not previously been shareholder, or a combination of both.
6. The Company has obtained shareholder approval under Listing Rule 7.1A at its last AGM on 31 May 2013. Since that date, the Company issued 455,869,642 as described below; representing an additional 57.8% of the total number of Equity Securities on issue at 31 May 2013.
 - 10,215,650 fully paid ordinary shares were issued on 10 September 2013 to Asipac Group Pty Ltd at a price of \$0.0182 per share approximately. This issue was made in satisfaction of interest due on convertible notes on issue to Asipac Group Pty Ltd equivalent to \$185,924.23. The issue price was set in accordance with the terms of the Convertible Note Deed Poll and represented a 20% discount (approximately) to the closing share price of the previous trading day.
 - 5,970,069 fully paid ordinary shares were issued on 10 September 2013 to Transaminvest S.A. at a price of \$0.0206 per share. This issue was made in satisfaction of interest due on convertible notes on issue to Transaminvest S.A equivalent to 122,983.42. The issue price was set in accordance with the terms of the Convertible Note Deed Poll and represented a 10% discount (approximately) to the closing share price of the previous trading day.
 - 25,000,000 fully paid ordinary shares were issued on 12 November 2013 to Maximus Resources Ltd at a price of \$0.02 per share as part consideration (equivalent to \$500,000) for the acquisition of the Bird-in-Hand Project and certain tenements pursuant to the terms of a tenement sale and purchase agreement with Maximus Resources Ltd. The issue price was set in accordance with the terms of the tenement sale and purchase agreement and represented an approximate 43% discount to the closing share price of the previous trading day.
 - 402,683,923 fully paid ordinary shares were issued on 25 November 2013 pursuant to the terms of a non-renounceable fully underwritten entitlement offer announced on 11 October 2013 – the entitlement offer, set at a price of \$0.035 per share (an approximate 19% discount on the closing share price of the previous trading day) raised approximately \$14,100,000. The net proceeds of the entitlement offer were used to: (a) repay the balance of the corporate facility (\$6,500,000) to Investec Bank (Australia) Limited; (b) make a partial repayment of \$2,000,000 of the Company loan facilities to Asipac Group Pty Ltd and (c) use the balance (\$5,600,000) to advance the Bird-in-Hand and Tala Hamza Projects and to fund the Company's general working capital requirements;
 - 12,000,000 fully paid ordinary shares were issued to China Non-Ferrous Metal Industry's Foreign Engineering and Construction Company Ltd (**NFC**) on 24 December 2013 at a premium price of \$0.05 per share. The Company issued these shares (for a value of \$600,000) in part consideration of the services provided by NFC in accordance with the terms of a Technical Cooperation Agreement entered with NFC.
7. A voting exclusion statement is included after the text of the proposed resolution. At the date of the Notice the proposed allottees of the securities are not known and identified. Therefore no existing shareholder's votes will be excluded under the voting exclusion in this Notice.

RESOLUTION 5 - APPROVAL OF THE ISSUE OF SECURITIES UNDER THE TERRAMIN EMPLOYEE OPTION PLAN

The purpose of the Terramin Employee Option Plan (**Option Plan**) is to provide Directors and employees of the Company with the opportunity to acquire a financial interest in the Company which will align more closely their interests with those of shareholders and provide greater incentive for them to focus on the Company's longer term objectives.

As noted above, ASX Listing Rule 7.1 requires the Company to obtain shareholder approval if it issues, or agrees to issue, securities in the capital of the Company in any 12 month period that aggregate more than 15% in number of the existing ordinary shares in the capital of the Company. When calculating the number of securities which have been issued in any 12 month period for the purpose of Listing Rule 7.1, a company need not count securities issued pursuant to an exception under Listing Rule 7.2.

Exception 9 of Listing Rule 7.2 provides that an issue of securities under an employee incentive scheme is an exception to Listing Rule 7.1 if, within 3 years before the date of issue, shareholders approved the issue of securities under the scheme.

Shareholders approved the issue of securities under the Option Plan at the Company's AGM in 2008 and this approval was renewed in 2011. The Company now seeks to renew the approval to enable issues of options under the Option Plan made over the next 3 years to be excluded from any calculations made for the purpose of Listing Rule 7.1. If approval is not given, the Company may still issue options under the terms of the Option Plan, however these issues will be taken into account when determining whether the Company has reached the limit for new issues set by Listing Rule 7.1.

For the purposes of Exception 9 of Listing Rule 7.2, the Company confirms that:

- since the Option Plan was approved at the Company's 2011 AGM, no options have been issued pursuant to its terms. As at the date of this Notice of Meeting, 1,300,000 options which were issued under the Option Plan approved in 2008 remain outstanding; and
- set out below is a summary of the key terms of the Option Plan. These terms remain unchanged since the Option Plan was last approved by shareholders in 2011.

A copy of the full terms of the Option Plan can be obtained without charge by request in writing to:

Company Secretary
Terramin Australia Limited
Level 3, 70 Hindmarsh Square
ADELAIDE SA 5000

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;
- period in which the Options can be exercised; and
- any performance, vesting or other criteria that must be satisfied before the Options can be exercised.

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, the Listing Rules or instruments of relief issued by the Australian Securities and Investments Commission relating to employee share schemes.

3. Option terms

Subject to the Listing Rules, unless otherwise determined by the Board, 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 ASX. The Company will make an application to ASX for quotation of Shares issued on the exercise of Options if other Shares are quoted on 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 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.

4. 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.

5. Termination and Suspension of the Option Plan

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

RESOLUTION 6 - APPROVAL OF AN ISSUE OF SHARES TO NON-EXECUTIVE DIRECTORS

This resolution relates to a proposed issue of shares to each of Mr McGuinness, Mr Kennedy, Mr Sheng and Mr Siciliano (**Eligible Directors**) in lieu of cash payment for additional services performed by the Eligible Directors.

During the twelve months leading up to the AGM, the Eligible Directors have provided a number of services additional to their duties as directors of the Company as required by the Board.

The Eligible Directors have performed additional work at the request of the Board which is additional to the standard work performed by company directors including:

- Attending meetings in Algeria with the Company's Joint Venture partner and Algerian government officials to find a way forward and progress the Tala Hamza project. These meetings required the directors to be away for a number of weeks during that period;
- Attending meeting with Company management and NFC to progress the review of the definitive feasibility study produced for the Tala Hamza project;
- Attending the discussions with certain convertible note holders to restructure the Company's unsecured debt;
- Undertaking investor relations activities and source additional source of funds for the Company projects.

In addition, Mr Kennedy and Mr McGuinness served as chair and member respectively of the Due Diligence Committee created by the Board in October 2013 to oversee the preparation of the rights issue documentation, verify its accuracy and ensure compliance of the Company with the requirements of the Corporations Act and the ASX Listing Rules. Mr Kennedy and Mr McGuinness have not been remunerated for that work.

Rule 49 of the Constitution of the Company provides that "any director who serves on any committee, who devotes special attention to the business of the Company, who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a director or who, at the request of the board, engages in any journey on the business of the Company, may be paid extra remuneration as determined by the Board".

Directors fees have been restructured to preserve cash in the last year through:

- the permanent suspension of the Tala Hamza Risk Assessment Committee;
- the amalgamation of the Audit Committee with the Risk and Compliance Committee (resulting in a reduction of committee fees by 33%);
- a reduction of the committees fees by a further 33% from 1 January 2014.

Accordingly, taking into account the above, the Board has resolved that a one-off compensation equivalent to \$140,000 in total (or \$35,000 for each Eligible Director) for the work performed by each of the Eligible Directors during the last 12 months is a fair and appropriate compensation for their time and efforts beyond their director's duties (**Additional Remuneration**). However, to preserve cash for the

Company's operations the Board wishes to issue shares in the Company to the Eligible Directors equivalent to the Additional Remuneration.

Subject to Shareholder's approval of resolution 6, the Board proposes that the Additional Remuneration be paid in shares at a price which will be calculated as follows:

$$X = \$35,000 / \text{VWAP 5}$$

Where:

X = the number of shares to be issued to each Eligible Director (**Directors Shares**) and

VWAP 5= volume weighted average trading price of the company's shares on ASX in the 5 trading day immediately preceding the issue date.

The table provides details of the number of shares to issue to each Eligible Director based on a VWAP 5 equal to \$0.04 (closing price as at 22 April 2013), \$0.02 and \$0.06:

VWAP 5 (examples)	Number of shares to be issued to each Eligible Director	Total number of shares to be issued	Total number of shares issued in percentage in share capital
\$0.04 per share	875,000 shares	3,500,000 shares	0.28%
\$0.02 per share	1,750,000 shares	7,000,000 shares	0.56%
\$0.06 per share	583,333 shares	2,333,333 shares	0.19%

Chapter 2E of the Corporation Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Director Shares constitutes giving a financial benefit and the Eligible Directors are related parties of the Company by virtue of being Directors.

The Board (other than the Eligible Directors who have a material personal interest in the resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Directors Shares because the Directors Shares are proposed to be issued in lieu of cash payment to Eligible Directors and are considered reasonable in the circumstances for the purposes of s.211 of the Corporations Act.

ASX Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As the grant of the Directors Shares involved the issue of securities to a related party the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Board that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to resolution 6:

- (a) the Directors shares will be granted to Mr Michael Kennedy, Mr Kevin McGuinness, Mr Feng Sheng and Mr Angelo Siciliano (or their respective nominees);

- (b) the maximum number of Directors Shares to be issued to each of the Eligible Directors will be calculated in accordance with the formula set out at the top of page 13;
- (c) the Directors Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) subject to the ASX granting a waiver of the application of Listing Rule 10.13.5, the Directors Shares will be issued at an issue price equal to the 5 day VWAP of shares immediately before the date of the issue – The Company is seeking a waiver of Listing Rule 10.13.5 and will advise shareholders of its decision;
- (e) the Directors Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares;
- (f) a voting exclusion statement is included in the Notice of Meeting for resolution 6;
- (g) the Directors Shares will be issued for nil cash consideration, accordingly no funds will be raised.

Approval pursuant to the ASX Listing Rule 7.1 is not required for the grant of the Directors Shares as approval is being obtained under the ASX Listing Rule 10.11. Accordingly, the grant of Directors Shares to the Related Parties (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

ASX means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.

Board means the board of Directors of the Company.

Closely Related Party has the meaning given to that term in the Corporations Act.

Chairman means the chairman at the Annual General meeting.

Company means Terramin Australia Limited ACN 062 576 238.

Corporations Act means Corporations Act 2001 (Cth).

Director means a director of the Company.

Director Shares means the shares to be issued to each Eligible Director as payment for services.

Eligible Directors means Mr Michael Kennedy, Mr Kevin McGuinness, Mr Feng Sheng and Mr Angelo Siciliano.

Explanatory Memorandum means this information attached to the Notice, which provides information to Shareholders about the resolutions contained in the Notice.

Key Management Personnel or **KMP** has the meaning given to that term in the Accounting Standards.

Listing Rules means the listing rules of ASX.

Notice or **Notice of Meeting** means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.

Option Plan means the Terramin Employee Option Plan

Restricted Person means the Key Management Personnel and their Closely Related Parties.

share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of shares.

VWAP means the volume weighted average share price.



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 11:00am (AEST) Wednesday 28 May 2014

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 help tab, "Printable 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:



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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Terramin Australia Limited to be held at Level 7, 342-348 Flinders Street Melbourne Victoria 3000 on Friday 30 May 2014 at 11:00am (AEST) and at any adjournment or postponement of that Meeting. **Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 5 & 6** (except where I/we have indicated a different voting intention below) even though **Items 1, 5 & 6** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For **Items 5 & 6**, this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 5 & 6** by marking the appropriate box in step 2 below.

Important for Items 5 & 6: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on **Items 5 & 6** below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on **Items 5 & 6**, the Chairman of the Meeting will not cast your votes on **Items 5 & 6** and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of **Items 5 & 6** of business.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of **Items 5 & 6** and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

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
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Michael Kennedy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

3 Ratification and Approval of Previous Issue and Allotment of Ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to Issue an Additional 10% of Issued Capital Over a 12 Month Period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of the Issue of Securities Under the Terramin Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of Issue of Shares to Non Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

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 / /