



## ASX Announcement

29 July 2014

### Debt Funding Increase

Terramin Australia Limited (ASX: TZN) announces that its subsidiary, Terramin Exploration Pty Ltd has agreed to increase the debt facility provided by Terramin's major shareholder, the Asipac Group from \$1.8 million to \$2.8 million (**Facility**). The additional \$1 million loan will be used to progress the Bird-in-Hand project and as working capital.

Other than the Facility limit, there are no other changes to the terms of the Facility announced on 12 November 2013.

The Facility will continue to be secured by a general security over the assets of Terramin Exploration. Terramin had received a waiver from Listing Rule 10.1 to enable Terramin Exploration to grant this security without shareholders' approval in respect of the new Facility limit. The ASX waiver has been granted in similar terms as the waiver granted in November 2013 which are annexed to this announcement.

The Company expects to be in a position to repay the outstanding debt under the Facility in accordance with its terms and discharge the security thereafter.

For further information, please contact:

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## **ANNEXURE – ASX WAIVER**

1. *The decision made by ASX Limited (“ASX”) dated 11 November 2013, in relation to a waiver granted to Terramin Australia Limited (the “Company”)* is rescinded and replaced as follows.
2. *Based solely on the information provided, ASX grants Company a waiver from listing rule 10.1 to the extent necessary to permit the Company and its subsidiary, Terramin Exploration Pty Ltd (“TZNEX”) to grant security over their assets (“Security”) in favour of Asipac Group Pty Ltd (“Asipac”), pursuant to a short term financial facility (“Facility”) whereby Asipac may provide TZNEX up to AUD2.8 million pursuant to the Facility, without obtaining shareholder approval, on the following conditions.*
  - 2.1. *The Security includes a term that if an event of default occurs and Asipac exercises its rights under the Security, neither Asipac nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or the Subsidiaries in full or part satisfaction of the Company’s or Subsidiaries’ obligations under the Security, or otherwise deal with the assets of the Company or the Subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by Asipac exercising its power of sale under the Security and selling the assets to an unrelated third party on arm’s length commercial terms and conditions and distributing the cash proceeds to Asipac in accordance with its legal entitlements.*
  - 2.2. *A summary of the material terms of the Security is made in each annual report of the Company during the term of the Security.*
  - 2.3. *Any variations to the terms of the Security which is:*
    - 2.3.1. *not a minor change; or*
    - 2.3.2. *inconsistent with the terms of the waiver,**must be subject to shareholder approval.*
  - 2.4. *The Company must seek to discharge the Security when the funds advanced under the Security are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further loan facility amount.*
  - 2.5. *The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company’s plans with respect to the repayment of the funds advanced under the Security and the discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur.*
3. *ASX has considered listing rule 10.1 only and makes no statement as to the Company’s compliance with other listing rules.*