



Level 3, 70 Hindmarsh Square, Adelaide, South Australia 5000
t +61 8 8213 1415 f +61 8 8213 1416 e info@terramin.com.au w www.terramin.com.au

27 April 2015

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 2015 Notice of Annual General Meeting and Form of Proxy.

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

The 2014 Annual Report was also sent by post to those shareholders who elected to receive a hard copy. An electronic copy of the 2014 Annual Report continues to be available on the Company's website at <http://www.terramin.com.au/2015/04/09/2014-annual-report/>.

Yours sincerely,

Stéphane Gauducheau
Company Secretary



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April 2015

Notice of 2015 Annual General Meeting

Dear Shareholder,

I am pleased to invite you to attend the 2015 Annual General Meeting of shareholders (**AGM**), which has been scheduled as follows:

Date: Friday, 29 May 2015
Time: 11:00AM (AEST)
Venue: Level 7
342-348 Flinders Street
Melbourne VIC 3000

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 11:00am (AEST) on Wednesday, 27 May 2017 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 2015 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 29 May 2015.

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 2014.

The Company's 2014 Annual Report is available at <http://www.terramin.com.au/2015/04/09/2014-annual-report/>

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 2014 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 2014 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:

- (a) the vote is cast as a proxy; and*
- (b) the proxy appointment is in writing and it specifies how the proxy is to vote on Resolution 1; and*
- (c) 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 Yaheng Xie be re-elected as a Director of the Company."

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

The Board, other than Mr Xie, recommends that shareholders vote in favour of this resolution.

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.*

The Board, other than Mr Xie, recommends that shareholders vote in favour of this resolution.

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.*

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

RESOLUTION 5 - APPROVAL OF ISSUE AND ALLOTMENT OF ORDINARY SHARES

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 ordinary shares to Asipac Group Pty Ltd in lieu of payment of interest due in accordance with the terms of two facility agreements as detailed in the accompanying Explanatory Memorandum.”

Voting Exclusions

The Company will disregard any votes cast on this resolution by Asipac Group Pty Ltd (and any associates of Asipac Group Pty Ltd).

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.*

The Board (other than Mr Sheng and Mr Siciliano) recommends that shareholders vote in favour of this resolution.

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 27 May 2015.

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, 27 May 2015.
- (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.

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

DATED 23 April 2015

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'S. Gauducheau', written over a horizontal line.

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 2014 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.

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

Mr Yaheng Xie

Mr Xie is Vice-President of NFC and Chairman of Guangdong Zhujiang Rare Earth Co., Ltd, a company in which NFC holds a 72% interest. Mr Xie's first degree is in Electrical Engineering and he was a senior electrical engineer at the Design Institute. Mr Xie has further degrees in Finance and Business Administration, and project management experience at zinc and copper mines in Mongolia, Zambia and Vietnam.

The Board (other than Mr Xie 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 securities 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
China Non-Ferrous Metal Industry's Foreign Engineering and Construction Company Ltd (NFC)	18,000,000 fully paid ordinary shares	Shares issued on 19 September 2014 at a price of \$0.05 per share in accordance with the terms of a Technical Cooperation Agreement with NFC dated 18 December 2013. The Shares were issued in payment of the second instalment fee due after the completion of the revised feasibility study regarding the Tala Hamza project in accordance with the Technical Cooperation Agreement.
Rainbow Worldwide (Rainbow) Dream Corp.	110,000,000 fully paid ordinary shares	Shares issued on 4 February 2015 at a price of \$US0.10 per share (\$0.1306 per share at the time of issue) following the exercise by Rainbow of its right to convert 110,000,000 convertibles notes under a convertible notes deed poll with Rainbow dated 24 November 2014. The convertibles notes were issued to Rainbow at a price of US\$0.10 per note on 24 November 2014 and raised US\$11,000,000. The funds raised were used to redeem the convertibles notes held by Transaminvest SA and for working capital purposes.
	1,083,558 fully paid ordinary shares	Shares issued on 4 February 2015 at a price of \$0.1453 per share to Rainbow in payment of interest due for the period from 24 November 2014 to 4 February 2015 in accordance with the terms of a convertible notes deed poll with Rainbow dated 24 November 2014.

All shares issued since 17 September 2014 rank pari passu with existing fully paid ordinary shares in the capital of the Company.

The Board (other than Mr Xie who has abstained) recommends shareholders vote in favour of resolution 3.

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 \$189m¹. The number of equity securities that the Company may issue with approval under Listing Rule 7.1A.2 is calculated using the following formula:

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

¹ The market capitalisation is calculated by multiplying the number of shares on issue (1,515,092,595 shares) by the share price (\$0.12 as at 10 April 2015)

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 2014 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.

Equity Securities	Number of issue
Quoted fully paid ordinary shares	1,515,092,595
Unquoted \$0.53 options expiring 7 April 2016	300,000
Unquoted \$0.135 options expiring on 19 December 2017	1,750,000
Unquoted \$0.135 options expiring on 19 December 2018	1,750,000
Unquoted A\$0.065 Convertible notes maturing in 30 October 2016	249,825,703

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"
	1,515,092,595	2,272,638,893	3,030,185,190
10% voting dilution	151,509,259	227,263,889	303,018,519
Total shares on issue following rule 7.1A placements	1,666,601,854	2,499,902,782	3,333,203,709

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	\$0.06 (50% decrease in share price)	\$0.12 (share price as at 10 April 2015)	\$0.24 (100% increase in share price)
151,509,259 (10% voting dilution based on current variable "A")	\$9,090,555	\$18,181,111	\$36,362,222
227,263,889 (10% voting dilution based on 50% increase in current variable "A")	\$13,635,833	\$27,271,667	\$54,543,333
303,018,519 (10% voting dilution based on a 100% increase in current variable "A")	\$18,181,111	\$36,362,222	\$72,724,445

3. The Company will only issue Equity Securities during the 12 month period after the date of the 2015 Annual General Meeting (29 May 2015). The approval under this resolution 4 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 (specifically the Bird-in-Hand and Tala Hamza 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 Annual General Meeting on 30 May 2014. Since that date, the Company issued 270,040,825 fully paid ordinary shares as described below; representing an additional 21.69% of the total number of Equity Securities on issue at 30 May 2014.
- 13,830,327 fully paid ordinary shares were issued on 7 June 2014 to Asipac Group Pty Ltd at an issue price between \$0.0345 per share and \$0.0386 per share. This issue was made in satisfaction of interests due on convertible notes (approved by shareholders on 24 April 2008) on issue to Asipac Group Pty Ltd equivalent to \$508,200. The issue price was set in accordance with the terms of the convertible notes deed poll and represented a 20% discount (approximately) to the closing price on the date of issue.
 - 3,581,480 fully paid ordinary shares were issued on 7 June 2014 to Mr Kennedy, Mr McGuinness, Mr Siciliano and Mr Sheng (**Eligible Directors**) as a one-off payment of additional Directors' fees. This payment representing a \$35,000 payment to each Eligible Directors was approved by shareholders at the last Annual General Meeting on 29 May 2014. The issue price of these shares was calculated on the basis of a 5 days VWAP prior to the date of issue and represented an 18% discount (approximately) to the closing price on the date of issue.
 - 13,711,152 fully paid ordinary shares were issued to Asipac Group Pty Ltd at an issue price of \$0.0547 per share as consideration for a restructure fee of \$750,000 regarding the restructure of the convertible notes held by Asipac Group Pty Ltd. This issue was completed with shareholder approval provided on 17 September 2014. The issue price represented a discount of 0.5% (approximately) to the closing price on the date of issue.
 - 23,529,412 fully paid ordinary shares were issued to Asipac Group Pty Ltd at an issue price of \$0.0425, a 15% discount to the closing share price of the trading prior to the announcement of the placement (29 July 2014) and a 21% discount to the closing price on the date of issue. This placement was completed after shareholder approval was granted on 17 September 2014. This placement raised \$1,000,000 which was used to advance the Bird-in-Hand project and as working capital.
 - 18,000,000 fully paid ordinary shares were issued to China Non-Ferrous Metal Industry's Foreign Engineering and Construction Company Ltd (**NFC**) on 19 September 2014 at a price of \$0.05 per share. The issue price represented a discount of 7.4% (approximately) to the closing price on the date of issue. The Company issued these shares (for a value of \$900,000) in payment of the second instalment fee due after the completion of the revised feasibility study regarding the Tala Hamza project in accordance with the Technical Cooperation Agreement entered with NFC on 18 December 2013.
 - 84,615,384 fully paid ordinary shares were issued to New Asia Wealth Investment Holding (SG) Pte Ltd on 18 December 2014 in conversion of convertible notes of a value of \$5,500,000. The shares were issued with Shareholder approval granted on 17 September 2014 at a price of \$0.065 per share (representing the face value of the convertible notes) in accordance with the convertible notes deed poll entered into on 31 July 2014. The issue price determined in accordance with the convertible notes deed poll represented a 48% discount to the closing price on the date of issue. The Convertible Notes were issued on 31 July 2014 to facilitate the redemption of \$5 million worth of convertible notes held by an institutional investor.
 - 110,000,000 fully paid ordinary shares were issued on 4 February 2015 to Rainbow Dream Worldwide Corp. in conversion of convertible notes of a value of US\$11,000,000. The shares were issued as at a price of US\$0.10 per share (or A\$0.1306) representing the face value of the convertible notes, in accordance with the convertible notes deed poll entered into on 26 November 2014. The issue price was determined in accordance with the convertible notes deed poll and represented a 7% discount (approximately) to the closing price on the date of issue. The Convertible Notes were issued on 26 November 2014 to facilitate the redemption of US\$10 million worth of convertible notes held by Transaminvest SA. In addition, 1,083,558 fully paid ordinary shares were issued on the same day as payment of interest due under the above mentioned convertible notes. These shares were issued at an issue price of \$0.145 per share which was calculated in accordance with the term of the convertible notes deed poll entered on 26 November 2014. The issue price was similar to the market price on the date of issue.

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 shareholders' votes will be excluded under the voting exclusion in this Notice.

RESOLUTION 5 - APPROVAL OF ISSUE AND ALLOTMENT OF ORDINARY SHARES

This resolution relates to a proposed issue of 2,682,566 ordinary fully paid shares (**Interest Shares**) by the Company to Asipac in lieu of payment of interest under:

- a \$4 million corporate loan facility entered by the Company and Asipac on 30 September 2013 (**Corporate Facility**); and
- a \$2.8 million loan facility entered by Terramin Exploration Pty Ltd (a wholly owned subsidiary of the Company) on 25 October 2013 (as amended) to acquire and develop the Bird-in-Hand project (**BIH Facility**).

Background

Under the terms of the Corporate Facility:

- the Company owes \$69,041.10 for the interest period from 29 March 2014 to 25 September 2014 (**Interest Period 1**); and \$69,041.10 for the interest period from 26 September 2014 to 25 March 2015 (**Interest Period 2**);
- If the Company elects to pay interest due in shares, the share price for such issue of shares will be calculated by dividing the amount of interest payable by the VWAP of the 20 trading days to the interest payment date;
- The Company has elected to pay the interest owed for the Interest Periods 1 and 2 in shares;
- The Company proposes to issue 1,243,984 shares at an issue price of \$0.0555 per share for the Interest Period 1 and 536,786 shares at an issue price of \$0.1286 per share for the Interest Period 2.

Under the terms of the BIH Facility:

- the Company owes \$72,179.59 for the interest period from 11 May 2014 to 7 November 2014 (**BIH Interest Period**);
- If the Company elects to pay interest due in shares, the share price for such issue of shares will be calculated by dividing the amount of interest payable by the VWAP of the 20 trading days to the interest payment date;
- The Company has elected to pay the interest owed for the BIH Interest Period in shares;
- The Company proposes to issue 901,796 shares at an issue price of \$0.08 per share for the BIH Interest Period.

Shareholder approval for the issue of the Interest Shares is required for the purposes of ASX Listing Rule 10.11.

Chapter 2E of the Corporations Act

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

- (a) obtain the approval of the 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.

Asipac is a related party of the Company by virtue of being controlled by Mr Feng Sheng, a director (and therefore a related party) of the Company. The issue of the Interest Shares to Asipac constitutes giving a financial benefit under section 229 of the Corporations Act. Accordingly, unless the issue of shares to Asipac falls within one of the exceptions set out in section 210 to 216 of the Corporations Act, shareholder approval for that issue would be required for the purposes of Chapter 2E of the Corporations Act.

The Board (other than Mr Feng Sheng and Mr Angelo Siciliano) considers that the issue of the Interest Shares results from the terms of the Corporate Facility and the BIH which have both been negotiated at arm's length terms and falls within the exception in section 210 of the Corporations Act. The Board notes that the terms of the Corporate Facility and the BIH Facility (including the applicable interest rate and VWAP calculation period) are reasonable and comparable to terms applicable in the current market or more advantageous to the Company than those that would be applied by third party financiers. In particular the Board notes that a 20 days VWAP calculation from the interest payment date is reasonable in the circumstances.

ASX Listing Rule 10.11

ASX 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 issue of the Interest Shares constitutes an issue of securities to a related party of 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.

The Company provides the following information in accordance with ASX Listing Rule 10.13:

Person(s) to whom securities will be issued	Asipac Group Pty Ltd
Number of securities to be issued or formula for calculating number of securities and Issue Price	A total of 2,682,566 ordinary fully paid shares as follows: <ul style="list-style-type: none">• 1,243,984 shares at an issue price of \$0.0555 per share regarding the Interest Period 1;• 536,786 shares at an issue price of \$0.1286 per share regarding the Interest Period 2; and• 901,796 shares at an issue price of \$0.08 per share for the BIH Interest Period.
Date by which securities will be issued	No later than one month following the date of the meeting
Related party relationship	Asipac is controlled by Mr Feng Sheng. Mr Sheng is a director of the Company and, in accordance with section 228(2) of the Corporations Act, is a related party of the Company. Under section 228(4) of the Corporations Act, an entity which is controlled by a related party of a public company is also a related party of that public company. Accordingly, Asipac is a related party of the Company and Shareholders approval is required before securities in the Company can be issued to it.
Terms	The Interest Shares will rank pari passu with existing fully paid ordinary shares in the capital of the Company.
Use of funds	The Interest Shares will be issued as consideration for payment of interest under the Corporate Facility and the BIH Facility.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Interest Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Interest Shares to Asipac will not be included in the calculation 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.

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.

Remuneration Report means the remuneration contained within the 2014 Company's Annual Report.

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.

Specified Executive has the meaning given to that term in the Accounting Standards.

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 27 May 2015

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 or abstain as they choose (to the extent permitted by law). 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:

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.



IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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 29 May 2015 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 **Item 1** (except where I/we have indicated a different voting intention below) even though **Item 1** connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: 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 **Item 1** by marking the appropriate box in step 2 below.

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 Yaheng Xie 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 Issue and Allotment of 2,682,566 Ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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 / /

T Z N