



ASX Announcement

15 July 2016

More High Grade Gold Results for Bird-in-Hand Gold Project

Highlights

- **Significant gold intersections reported in final four holes of drilling program.**
- **BH057 7.4 metres at 41.64 g/t gold.**
- **BH058 1.2 metres at 48.06 g/t gold and 7.4 metres at 41.64 g/t gold.**
- **New assay method reveals potential for under call of gold grades from previous drill programs.**

Terramin Australia Limited (**Terramin**) (ASX:TZN) is pleased to announce that it has received final assay results from the final holes of the drilling programme for the Bird-in-Hand Gold Project (**Project**) which commenced in March 2016.

Drillhole BH057 returned **7.4 metres at 41.64 g/t gold** from 203.7 metres down hole from the Red Reef (Figure 1) including **1.93 metres at 97.01 g/t gold** from 203.7 metres.

Drillhole BH058 returned **1.2 metres at 48.06 g/t gold** from 180.7 metres down hole from the White Reef and **7.4 metres at 41.64 g/t gold** from 207.2 metres from the Red Reef.

In addition, Terramin has re-assayed high grade samples from drillholes BH054 and BH056 utilising the more accurate screen fire assay method¹. This is the first time that screen fire assay methods have been utilised to assay core at the Project. This resulted in the following increase in grades:

Hole	From (m)	Width (m)	New Assay (July 2016)	Previous Assay (June 2016)
BH054	192.90	5.80	42.42 g/t gold	37.43 g/t gold
BH056	187.00	8.00	27.40 g/t gold	26.90 g/t gold

Table A: Upgraded summary assay results.

These new assay results are very significant as they indicate that pre-Terramin assaying, in respect of the Bird-in Hand gold deposit, may have understated gold grades.

These results affirm the exceptionally high grade gold mineralisation of the Bird-in-Hand deposit. It is also notable that most drill holes returned gold intersections significantly higher than originally expected. The Company will be able to upgrade the mineral resource classification for the upper part of the deposit from Inferred to Indicated without additional drilling. The Company expects to release a revised resource statement later this month.

The diamond drillhole programme was designed primarily to provide hydrological, geotechnical and metallurgical data about the Bird-in-Hand gold deposit to enable Terramin to progress the underground mine design and commence layouts of surface facilities. In addition, as part of that programme, six holes were drilled to obtain fresh samples for metallurgical and mineralogical analyses of the gold mineralisation. The results will be included in the draft mining lease proposal which is expected to be completed at the end of this year.

Commenting on these results, Mr Martin Janes, Terramin’s CEO said: “We continue to be very pleased with the outcome of this drilling program, not only were the results better than expected but we have identified that there is potential for a significant understatement of gold grade on previous drill results.”

The Project, located near Woodside in the Adelaide Hills, South Australia has an Inferred Mineral Resource estimate of 557,000 tonnes at 13.0g/t for a contained 233,000 ounces of gold (“Bird-in-Hand Revised Resource Estimate” dated 2 December 2013). As such it represents one of the highest grade gold deposits in Australia. The resource is open at depth and geological setting of the deposit indicates potential for additional high grade shoots to be present along strike within the Mineral Claim.

Hole	East	North	RL	Depth	Dip	Azimuth
BH051	308991.7	6129710	454.54	190.6	-86	340
BH054	309005.9	6129698	455.39	213.9	-86	46
BH056	309004.5	6129694	455.23	218	-90	0
BH057	309041.1	6129653	452.45	225	-86	255
BH058	309003.2	6129693	455.09	246.3	-85	126
BH059	309035.8	6129649	452.19	251.8	-90	0

Table B: Drillhole collar coordinates in MGA Zone 54 (GDA 94).

Hole	From (m)	To (m)	Length (m)	True width (m)	Gold (g/t)	Silver (g/t)	Recovery (%)	Reef
BH051	163.45	164.75	1.30	1.30	13.55	5.2	100	Red Reef
BH054	186.50	187.50	1.00	0.84	4.33	4.3	100	White Reef
BH054	192.90	198.70	5.80	4.88	42.42	6.3	100	Red Reef
Includes	192.90	194.08	1.18	0.99	193.59	25.6	100	Red Reef
BH056	187.00	195.00	8.00	7.31	27.40	8.7	93	Red Reef
Inc.	187.00	189.70	2.70	2.47	70.53	22.5	100	Red Reef
BH057	203.70	211.08	7.38	6.46	41.64	39.8	100	Red Reef
Inc.	203.70	205.63	1.93	1.69	97.01	97.1	100	Red Reef
BH058	180.73	181.95	1.22	0.81	48.06	6.6	100	White Reef
BH058	207.22	214.00	6.78	4.48	33.70	123.2	100	Red Reef
BH059	204.80	206.04	1.24	1.22	7.45	1.7	100	White Reef
BH059	223.00	228.00	5.00	4.92	3.29	1.0	100	Red Reef

Table C: Summary gold assay results.

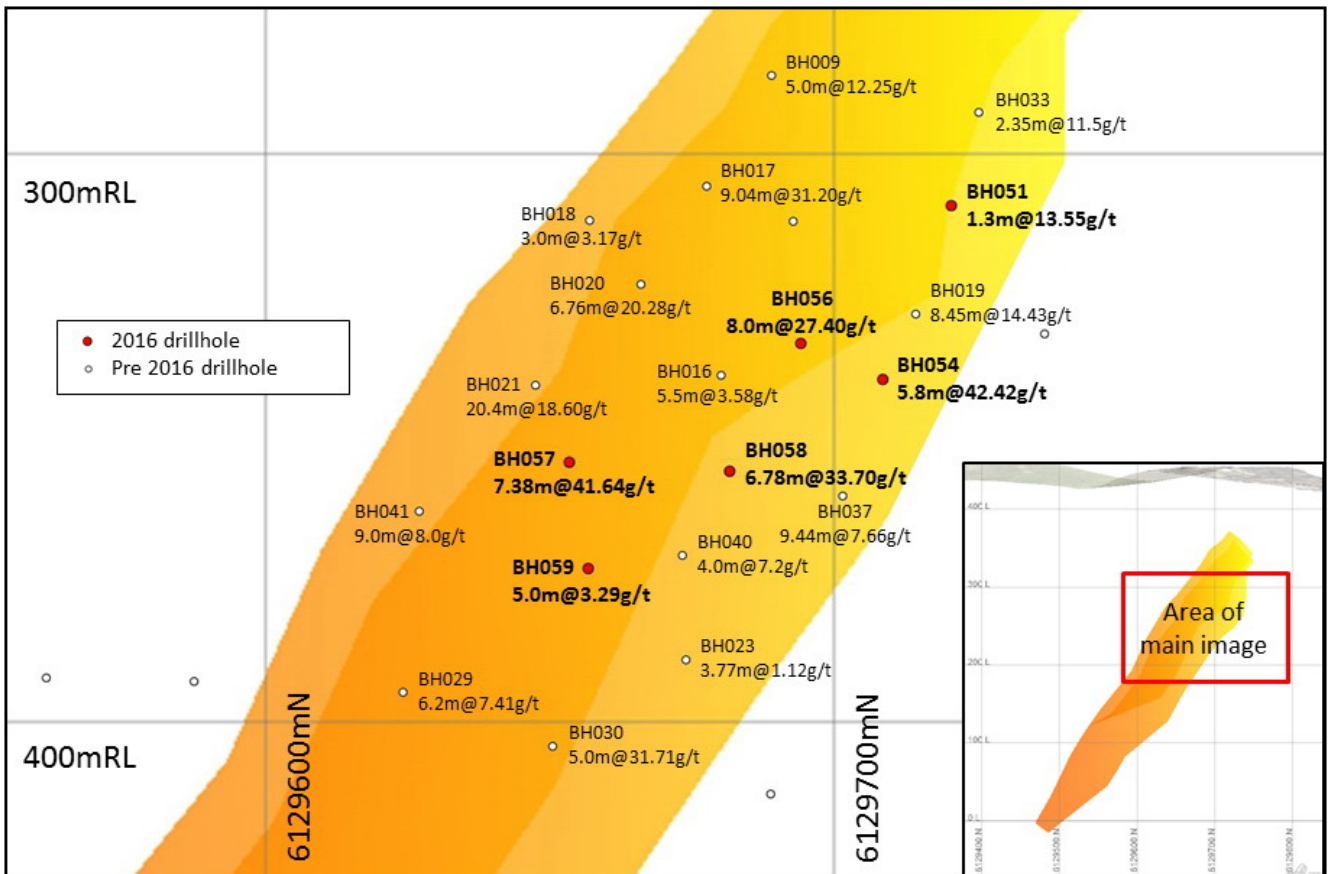


Figure 1: Long section showing drillhole pierce points within the Red Reef on Bird-in-Hand 2013 Resource outline.

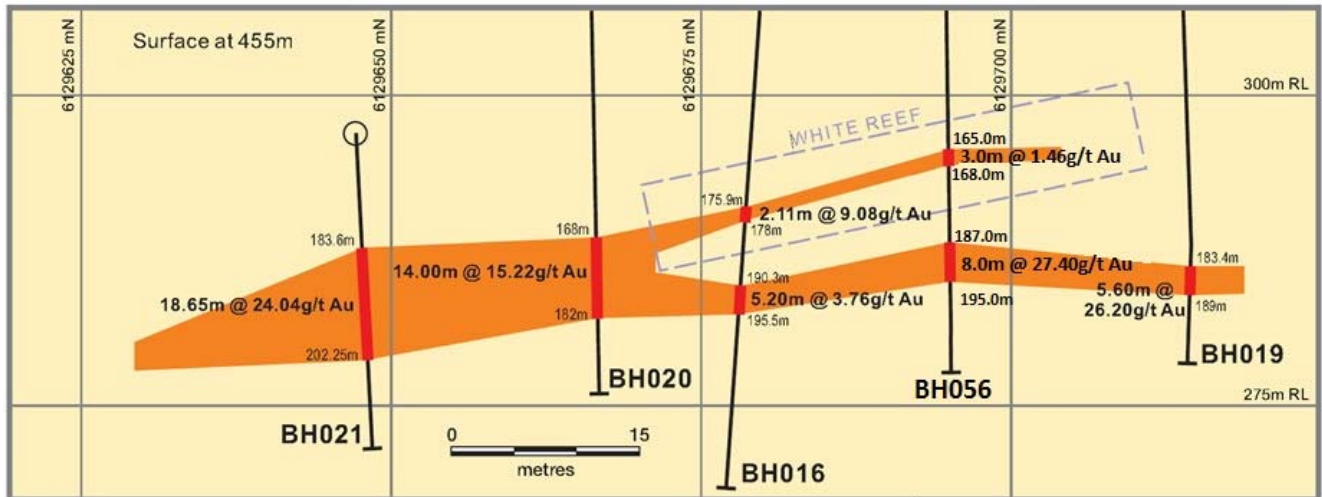


Figure 2: Cross section 309000E (10m window; true widths are approx. 75% of the downhole widths).

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1. Screen fire assays utilise a large sample mass, typically 1 Kg, and are used to quantify the content of samples where high grade or coarse gold is present. Standard fire assaying of samples from high grade gold deposits with distributional heterogeneity of gold can result in a sampling error.

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Eric Whittaker, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whittaker is an employee and Principal Resource Geologist of Terramin Australia Limited. Mr Whittaker has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Whittaker consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table D: Individual gold assay results from sample intervals.

Hole	SampleID	From (m)	To (m)	Length (m)	True width (m)	Gold (g/t)	Silver (g/t)	Reef
BH051	266960	163.45	164	0.55	0.55	0.41	0.8	Red Reef
	266961	164	164.75	0.75	0.75	23.19	8.5	
BH054	266871	186.5	187.5	1	0.84	4.33	14.5	White Reef
BH054	266879	192.9	193.3	0.4	0.34	19.07	7.4	Red Reef
	266880	193.3	193.7	0.4	0.34	19.08	5.2	
	266881	193.7	194.08	0.38	0.32	560.99	66.3	
	266882	194.08	195	0.92	0.77	2.32	1.2	
	266883	195	195.85	0.85	0.72	0.54	0.2	
	266884	195.85	196.5	0.65	0.55	0.33	0	
	266885	196.5	197.3	0.8	0.67	15.42	1.3	
	266886	197.3	197.95	0.65	0.55	0.29	0.3	
266887	197.95	198.7	0.75	0.63	3.05	5.3		
BH056	266896	165	166	1	0.91	3.71	0.5	White Reef
BH056	266911	187	188	1	0.91	75.79	39.6	Red Reef
	266912	188	189	1	0.91	87.45	19.3	
	266913	189	189.7	0.7	0.64	38.85	2.7	
	266914	189.7	191	1.3	1.19	3.95	1.8	
	266915	191	191.5	0.5	0.46	19.25	2.6	
	266916	191.5	192.5	1	0.91	3.41	0.9	
	266917	192.5	193	0.5	0.46	4.13	2.4	
	266919	193	194	1	0.91	5.47	3	
	266920	194	195	1	0.91	3.08	0.4	
BH057	266979	192.25	193.2	0.95	0.83	4.15	2.8	White Reef
	266980	193.2	194	0.8	0.7	0.8	0.2	
	266981	194	195	1	0.88	0.03	0	
	266982	195	195.85	0.85	0.74	0.38	0.1	
	266984	195.85	196.85	1	0.88	2.82	0.4	
	266985	196.85	198	1.15	1.01	1.82	0.1	
	266986	198	198.68	0.68	0.6	0.3	0	
	266987	198.68	199.3	0.62	0.54	7.01	0.5	
BH057	266993	203.7	203.94	0.24	0.21	11.9	2.2	Red Reef
	266994	203.94	205.12	1.18	1.03	119.8	151.2	
	266995	205.12	205.63	0.51	0.45	84.32	16.4	
	266996	205.63	206.06	0.43	0.38	1	1.6	
	266997	206.06	207.22	1.16	1.02	13.4	3.9	
	266998	207.22	207.82	0.6	0.52	1.62	0.4	
	2001818	207.82	208.25	0.43	0.38	0.75	0.2	
	2001819	208.25	209.19	0.94	0.82	1.69	0.3	
	2001820	209.19	209.98	0.79	0.69	26.53	11	
	2001821	209.98	211.08	1.1	0.96	73	83.4	

Table D (continued): Individual gold assay results from sample intervals.

Hole	SampleID	From (m)	To (m)	Length (m)	True width (m)	Gold (g/t)	Silver (g/t)	Reef
BH058	2001832	180.73	181.43	0.7	0.46	82.4	11.2	White Reef
	2001833	181.43	181.95	0.52	0.34	1.84	0.4	
BH058	2002462	207.22	207.85	0.63	0.42	1.45	3.5	Red Reef
	2002463	207.85	208.31	0.46	0.3	84.07	164.3	
	2002464	208.31	209	0.69	0.46	2.46	41.5	
	2002465	209	210.11	1.11	0.73	1.66	5.5	
	2002466	210.11	210.68	0.57	0.38	23.53	252	
	2002467	210.68	211.44	0.76	0.5	7.4	12.4	
	2002468	211.44	212.48	1.04	0.69	31.45	162	
	2002469	212.48	213.1	0.62	0.41	39.21	473.5	
	2002470	213.1	213.65	0.55	0.36	197.92	177.3	
2002471	213.65	214	0.35	0.23	1.19	28.7		
BH059	2002492	204.8	205.64	0.84	0.83	9.87	2.3	White Reef
	2002493	205.64	206.04	0.4	0.39	2.36	0.5	
BH059	266764	223	224.04	1.04	1.02	5.23	1	Red Reef
	266765	224.04	224.87	0.83	0.82	1.17	0.2	
	266766	224.87	225.59	0.72	0.71	5.87	1.9	
	266767	225.59	226.47	0.88	0.87	0.27	0.2	
	266768	226.47	227.24	0.77	0.76	1.46	1.2	
	266769	227.24	228	0.76	0.75	5.85	2	

Notes to Table D

1. Except for samples with visible gold and their adjacent samples, which were submitted to Intertek-Genalysis- for 100um gold screen fire assay, routine samples were submitted for analysis using fire assay.
2. Fire assay samples which returned values greater than 8g/t gold were resubmitted for analysis by screen fire (SF100/OE).
3. g/t (grams per tonne)

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • Sampling was undertaken using standard industry practices including the use of standards at regular intervals. • All sampling of mineralised zones is from either half cut NQ or half cut HQ diamond core. By default sampled at 1m lengths unless over ridden by geological boundaries.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • Sampled intervals from holes BH054 to BH057 were diamond drilled HQ. • Sampled intervals from holes BH051, BH058 and BH059 were diamond drilled NQ.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • Core recovery was measured for each drill run between the driller's marker blocks. • Recovery to ± 0.01 m was recorded on all diamond core. • Core recovery was recorded for each individual sample assayed. • Average core recovery within the mineralised intersections exceeded 90%.
<i>Logging</i>	<ul style="list-style-type: none"> • Geological logging was undertaken by Terramin geologists. • Core was logged directly into laptop computers before data being transferred and validated in a DataShed database. All systems used the same standard codes. • Detailed logging routinely recorded lithology, alteration, mineralisation, veining, structure, and geotechnical datasets. • All drillholes were logged in full. • All drill core was photographed using a digital camera. Photographs were initially transferred to the on-site computer before being transferred to Terramin's secure server situated in Adelaide, South Australia
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • Mineralised intervals were identified by the site geologist who marked up the core sample intervals. Core sampling extends several metres above and below identified mineralised intervals. Sample length interval is nominally 1 metre but varies based on lithology and mineralisation styles. The core was cut on site by Terramin personnel using a diamond bladed core saw. Half of each sample interval was placed into numbered calico bags and all sample intervals and sample numbers were recorded on a standard sample interval sheet. • Half-core samples were sent to a commercial laboratory (Intertek-Genalysis laboratory in Wingfield, South Australia) for sample preparation and assaying. Samples were pulverized to 85% passing $-75\mu\text{m}$. • Except for samples with visible gold and their adjacent samples, which were submitted to Intertek-Genalysis- for $100\mu\text{m}$ gold screen fire assay, routine samples were submitted for analysis using fire assay (FA25/AA). • Fire assay samples which returned values greater than 8g/t gold were resubmitted for analysis by screen fire (SF100/OE).

Criteria	Commentary
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • Drill sample analysis was undertaken by Intertek - Genalysis, Wingfield. NATA accreditation number: 3244, ISO/IEC 17025:2005 which includes 7.03.18 – precious metal ores. • No geophysical tools were used to estimate mineral or element percentages. Terramin utilises hand held XRF analyses to aid geological interpretation. • Certified standards, sourced from Geostats Pty Ltd, were inserted in the drill sample sequence equivalent to 1 in 10 samples. Standards were selected to mimic the expected grade distribution, including the high gold values.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • A Terramin geologist is assigned the task of monitoring QC of drill results. Assay quality was monitored on a batch by batch basis to identify and rectify problems immediately as well as on a six-monthly basis to monitor long term trends. The QC data is stored in Terramin's Maxwell Geoservice's Datashed database and accessed through a linked program QAQCR also from Maxwell Geoservices. All QAQCR reports are stored on the Terramin server. • The QC implemented by Terramin for drilling programs consists of the following: <ol style="list-style-type: none"> 1. Review lab analyses of Terramin's certified standards and Intertek – Genalysis' internal checks 2. Grind sizing checks • In addition to QAQCR analyses, further checks were carried out using: <ol style="list-style-type: none"> 1. Standardised Response Mean (SRM) plots for assays of standards submitted 2. Comparison of the analytical results for the original and duplicate samples by use of scatter and Mean Absolute Paired Difference (MAPD) plots • No twin holes have been drilled by Terramin or previous explorers. • Primary data was collected using a standard set of templates. Data were verified before loading to the database. Geological logging of all samples is undertaken. Features logged include colour, structure, alteration and lithology. • No adjustments or calibrations were made to any assay data reported.
<i>Location of data points</i>	<ul style="list-style-type: none"> • Drillhole collar co-ordinates were recorded and reported in UTM grid (GDA94 Z54) and have been surveyed in using a differential GPS. • Drillholes were surveyed downhole at a nominal 30 metres spacing. • A Ranger survey tool was used to conduct downhole surveys. The Ranger survey tool routinely provides information on the magnetic susceptibility which assists in determining the validity of the survey. Surveys have shown very little variation in the intensity of the magnetic field strength. There is little evidence of magnetic minerals within either the hanging wall or the mineralisation, and the azimuth measurements are generally assumed to be accurate. • Results from a gyro survey of BH057 showed no significant difference to that of the Ranger survey.

Criteria	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Drillhole pierce point spacing between 325m RL and 225m RL is predominantly on a 25 m or better pattern. Beneath the 225m RL drillhole pierce point spacing is in the order of 60m. • Previous drilling had defined an Inferred Mineral Resource of 557,000 tonnes at 13.0g/t for a contained 233,000 ounces of gold. • Sample sizes are considered appropriate for the size and scale of the deposit. • Field sample compositing was not undertaken.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • Overall Bird-in-Hand mineralisation dips 45 degrees towards 100 and plunges 40 degrees towards 125. • Reported Terramin drillholes approximately intersected the mineralisation at 45 degrees. • Intersections are not creating any known bias.
<i>Sample security</i>	<ul style="list-style-type: none"> • Chain of custody is managed by Terramin staff. Drill samples selected for analysis were initially stored on site and then transported by Terramin staff to Intertek-Genalysis at Wingfield, South Australia. • When at the laboratory samples are stored in a locked yard before being processed and tracked through preparation and analysis (Lab-Trak system).
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • No external audits or reviews of modelling techniques and data have been undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • The Bird-In-Hand Gold Project is contained within both EL5469 and MC4113. • In addition to State royalties, Terramin will pay Maximus Resources Ltd a 0.5% royalty if the average sale price for gold is greater than \$1000 per ounce on bullion production after production of the first 50,000 ounces.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • Capricorn Resources NL completed 2 RC drill holes in 1997 and Maximus Resources completed 29 diamond drillholes between 2005 and 2008. All relevant work by these two companies has been thoroughly reviewed by Terramin and is considered to have been carried out to industry standard at that time.
<i>Geology</i>	<ul style="list-style-type: none"> • Bird-In-Hand is a zoned vein deposit where gold mineralisation is associated with quartz + carbonate (\pm pyrite, \pm galena \pm sphalerite) veining hosted by marble (Brighton Limestone) and surrounding metasedimentary rocks.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • Drillhole collar data for reported drillholes are presented in Table B and assays for sample intervals are reported in Table D. • Exploration results previously reported are available from ASX or Terramin website, ASX release "Bird-in-Hand – Revised Resource Estimate" dated 2/12/2013.

Criteria	Commentary
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • Summary intercepts are reported by a “bulk and carry” of better than 1g/t gold, restricted within individual quartz reefs. • All significant new drillhole assay data are reported in this release. • No metal equivalent values have been reported.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • Estimated true widths are reported in Tables C and D.
<i>Diagrams</i>	<ul style="list-style-type: none"> • Figure 1 shows the location of BH051 and BH054 to BH059 pierce points in relation to existing drillhole pierce points within the Red Reef.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • All assays from the 2016 drill programme received from both White and Red Reefs along with their true widths are listed in Tables C and D.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • All new significant data are reported in this release. • All material results from previous drilling have been reported.
<i>Further work</i>	<ul style="list-style-type: none"> • Work is currently focused on collecting data for future feasibility studies. • Samples from recent drilling will be used in mineralogical and metallurgical test work to determine the process for optimum gold recovery. • Hydrological data acquisition and modelling are ongoing. Detailed hydrogeological investigations are required to accurately determine the expected rate of mine inflows, mine dewatering requirements and the likely drawdown impacts on existing groundwater users. The Bird-In-Hand deposit lies within the Western Mount Lofty Ranges region. A moratorium under the Natural Resources Management (NRM) Act now applies to all new and potential users of water resources within this region. • Environmental studies are ongoing. • Geotechnical assessment is ongoing. • The Bird-in-Hand Resource is open at depth and mineralisation located along strike within a few hundred metres of Bird-in-Hand indicate potential for additional high grade shoots to be defined.