



ASX Announcement

28 September 2018

Finance Facility Update

Increased Liquidity and Restructuring of Finance Facilities

Terramin Australia Limited (ASX: TZN) (**Terramin** or the **Company**) has been working with major shareholder Asipac Group Pty Ltd (**Asipac**) on increasing the size and restructuring its debt facilities which fall due for renewal on 31 October 2018. Terramin and Asipac have agreed to increase the size of the Facilities by \$1 million to continue to provide necessary working capital to Terramin whilst extending the debt facilities for another year. This is the 3rd time the facilities have been extended and demonstrates Asipac's continued support for Terramin's future financing needs.

Commenting, Terramin CEO, Richard Taylor said: "Asipac has shown its continued support for Terramin and confidence in the Company's strategy to take forward its base and precious metals business. The agreement puts Terramin on a solid footing to implement its 2019 growth and development plans."

Terramin is pleased to announce that its subsidiary, Terramin Exploration Pty Ltd has increased its Stand-by Term Facility (**Stand-by Facility**) limit by \$1 million, from \$5.25 million to \$6.25 million. The limit increase will enable the Company to finalise its long-term financing arrangements.

In addition to the Standby Facility limit increase of \$1 million, the term of this facility, the \$5 million Corporate Facility and \$6 million Bird-in-Hand Facility (together the **Facilities**) has been extended by 12 months to 31 October 2019.

Under the terms of the extended Facilities:

- The Company has negotiated an arrangement whereby upon next capital raise of more than \$3 million, part of the proceeds will be utilised to partially repay the amounts outstanding under the Facilities.
- The repayment obligation in respect of proceeds from the next capital raising relates predominantly to the Stand-by Facility and is determined by a repayment schedule, which is directly correlated to the size of any capital raised greater than \$3 million.
- In the event that after the next capital raising the Company raises additional capital, the proceeds of such a capital raising will first be applied to repay remaining amounts outstanding under the Stand-by Facility. Once the Stand-by Facility is repaid, any remaining proceeds (subject to a \$3 million threshold) may (if required by Asipac) be applied to repay amounts owing under the Corporate Facility and Bird-in Hand Facility.

The variations to the Facilities will take effect on and from 31 October 2018.

In consideration of Asipac agreeing to extend and amend the Facilities, an extension fee will be payable by the Company (being 2.5% of the facility limits).

The Company will be seeking a waiver from ASX Listing Rule 10.1 in connection with the renegotiation of the Facilities in respect of the requirement to obtain the approval of shareholders.

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