

Fax Transmission

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225 George Street
Sydney NSW 2000
Australia

www.bdw.com

Tel + 61 2 9258 6000

DX 355 Sydney

Fax + 61 2 9258 6999

BLAKE DAWSON WALDRON

L A W Y E R S

Date 8 May 2007

Our reference
02 1389 5028

From Byron Koster
Tel: 02 9258 6733
Email: byron.koster@bdw.com

Rupert Nolan
Tel: 02 9258 6495
Email: rupert.nolan@bdw.com

To Company Announcements Office
Australian Stock Exchange Limited
Fax: 1900 999 279

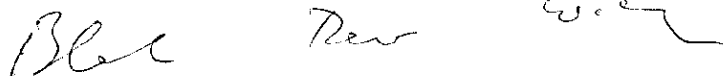
Terramin Australia Limited (ASX" TZN) – Notice of Initial Substantial Holder

We act for Geologic Resource Fund Ltd and Geologic Resource Fund LP.

We **attach** a substantial holder notice which is given on behalf of our clients and certain other entities.

A copy of this Notice was given to Terramin Australia Limited today.

Yours faithfully



SYDNEY
MELBOURNE
BRISBANE
PERTH
CANBERRA
PORT MORESBY
SHANGHAI

Associated Office
JAKARTA

Number of pages including this cover sheet 8/23

Please check that you have received this document in full.
If not, please telephone the sender or call + 61 2 9258 6000.

Confidentiality

This document is confidential and may contain legally privileged information. If you are not a named or authorised recipient you must not read, copy, distribute or act in reliance on it. If you have received this document in error, please telephone our operator immediately on + 61 2 9258 6000 and return the document by mail.

Prof ID 8282

Doc ID 202350351_1

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Terramin Australia Limited

ACN/ARSN

062 576 238

This notice is given by each of Geologic Resource Fund, Ltd, Geologic Resource Fund LP, Drawbridge Global Macro Master Fund LTD, GF Aurum Partners LTD, GF Aurum Offshore Partners Ltd, Geologic Resource Partners LLC and GRI Holdings LLC (together, the GR Group), George Ireland and each of the GRI Holdings LLC and Ring Partners LP (together, GI Associates), and Peter Palmedo and each of Sun Valley Gold LLC, Sun Valley Gold, LP and SV Absolute Precious LP (together PP Associates).

1. Details of substantial holder (1)

Name

Each Member of GI Associates, PP Associates and the GR Group

ACN/ARSN (if applicable)

n/a

The holder became a substantial holder on

10/4/2007

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder were 6,000,000 (8.86%) and now are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	4,795,695	4,795,695	5.42%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Geologic Resource Fund, Ltd	Beneficial owner of 3,133,345 ordinary shares.	3,133,345 ordinary shares
Geologic Resource Fund LP (by its managing partner Geologic Resource Partners LLC)	Beneficial owner of 1,108,738 ordinary shares	1,108,738 ordinary shares
Geologic Resource Partners LLC	Taken under section 608(3)(b) of the Corporation Act to have a relevant interest by reason of having control of Geologic Resource Fund, Ltd and Geologic Resource Fund LP	4,242,083 ordinary shares
Drawbridge Global Macro Master Fund LTD (by its managing partner GRI Holdings LLC)	Beneficial owner of 276,807 ordinary shares	276,807 ordinary shares
GF Aurum Partners Ltd (by its managing partner GRI Holdings LLC)	Beneficial owner of 239,936 ordinary shares	239,936 ordinary shares
GF Aurum Offshore Partners Ltd (by its managing partner GRI Holdings LLC)	Beneficial owner of 36,869 ordinary shares	36,869 ordinary shares
GRI Holdings LLC	Power to control the exercise of the right to vote or right to dispose of ordinary shares by reason of having control of investment decisions as general partner of Drawbridge Global Macro Master Fund LTD, GF Aurum Partners LTD and GF Aurum Offshore Partners Ltd; and taken under sections 608(3)(a) and (b) of the Corporation Act to have a relevant interest by reason of having voting power of greater than 20% in and control of Geologic Resource Partners LLC	4,795,695 ordinary shares

GI Associates	Taken under section 608(3)(a) of the Corporation Act to have a relevant interest by reason of having voting power of greater than 20% in Geologic Resource Partners LLC	4,795,695 ordinary shares
PP Associates	Taken under section 608(3)(a) of the Corporation Act to have a relevant interest by reason of having voting power of greater than 20% in Geologic Resource Partners LLC.	4,242,083 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Each Member of GI Associates, PP Associates and the GR Group	HSBC Custody Nominees (Australia) Limited	The beneficial owners indicated in section 3	4,795,695 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
Each Member of GI Associates, PP Associates and the GR Group	(See annexure B)	(See annexure B)	(See annexure B)

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
George Ireland	Each of the GRI Holdings LLC and Ring Partners LP are controlled by George Ireland
Peter Palmado	Each of Sun Valley Gold LLC, Sun Valley Gold LP and SV Absolute Previous LP are controlled by Peter Palmado
Geologic Resource Partners LLC	Geologic Resource Fund Ltd and Geologic Resource Fund LP are each controlled by Geologic Resource Partners LLC

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
See annexure A	See annexure A

Signature

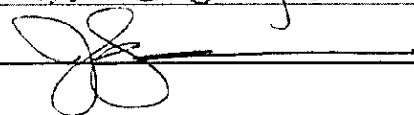
print name

Julie Siegel

capacity

Controller

sign here



date

7/5/2007

DIRECTIONS

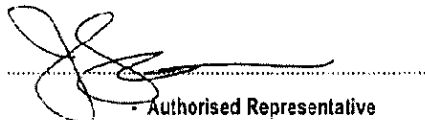
- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

-
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
-

Annexure "A"

This is the Annexure of 2 pages marked "A" referred to in the form 603 Notice of initial substantial holder

Signed by me and dated 7 May 2007



Authorised Representative

Geologic Resource Partners LLC

1. GI Associates

Name	Address
George Ireland	535 Boylston Street Boston, MA 02116 USA
Ring Partners LP	535 Boylston Street Boston, MA 02116 US

2. PP Associates

Name	Address
Peter Palmedo	PO Box 2211, 620 Sun Valley Road, Ketchum, ID 83340
Sun Valley Gold LLC	PO Box 2211, 620 Sun Valley Road, Ketchum, ID 83340
Sun Valley Gold, LP	PO Box 2211, 620 Sun Valley Road, Ketchum, ID 83340
SV Absolute Precious LP	PO Box 2211, 620 Sun Valley Road, Ketchum, ID 83340

3. GR Group

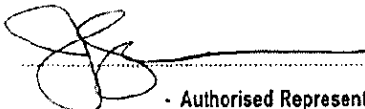
Name	Address
Geologic Resource Partners LLC	535 Boylston Street Boston, MA 02116 USA
GRI Holdings LLC	535 Boylston Street Boston, MA 02116 US
Geologic Resource Fund, Ltd	c/o Goldman Sachs (Cayman) Trust, Limited 2nd Floor, Harbour Centre, N. Church St, PO Box 896 George Town, Grand Cayman, Cayman Islands, BWI
Geologic Resource Fund LP	535 Boylston Street Boston, MA 02116 USA
Drawbridge Global Macro Master Fund LTD	c/o M+C Corporate Services Limited Ugland House, South Church Street George Town, Grand Cayman, Cayman Islands, BWI
GF Aurum Partners LTD	c/o M+C Corporate Services Limited Ugland House, South Church Street George Town, Grand Cayman, Cayman Islands, BWI

GF Aurum Offshore Partners Ltd	c/o M+C Corporate Services Limited Ugland House, South Church Street George Town, Grand Cayman, Cayman Islands, BWI
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Annexure "B"

This is the Annexure of 1 page marked "B" referred to in the form 603 Notice of initial substantial holder

Signed by me and dated 7 May 2007



- Authorised Representative
Geologic Resource Partners LLC

Detail of Consideration

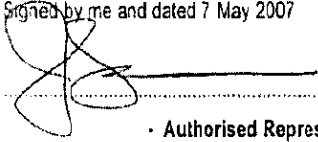
Date	Transaction	Holder of relevant interest	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
14/11/2006	Private Placement	Geologic Resource Fund, Ltd	Private placement at AUD 1.65	2,317,073 ordinary shares	2,317,073
2/1/2007	Fund rebalance	Geologic Resource Fund, Ltd	Transfer to Geologic Resource Fund LP	95,000 ordinary shares	95,000
27/2/2007	Fund rebalance	Geologic Resource Fund, Ltd	Transfer from Geologic Resource Fund LP	29,000 ordinary shares	29,000
14/3/2007	Acquisition	Geologic Resource Fund, Ltd	A\$363,459.23	232,272 ordinary shares	232,272
10/4/2007	Private Placement	Geologic Resource Fund, Ltd	Private placement at AUD 1.65 (see annexure C)	650,000 ordinary shares	650,000
14/11/2006	Private Placement	Geologic Resource Fund LP	Private placement at AUD 1.65	731,707 ordinary shares	731,707
2/1/2007	Fund rebalance	Geologic Resource Fund LP	Transfer from Geologic Resource Fund, Ltd	95,000 ordinary shares	95,000
27/2/2007	Fund rebalance	Geologic Resource Fund LP	Transfer to Geologic Resource Fund, Ltd	29,000 ordinary shares	29,000
14/3/2007	Acquisition	Geologic Resource Fund LP	A\$126,797.31	81,031 ordinary shares	81,031
10/4/2007	Private Placement	Geologic Resource Fund LP	Private placement at AUD 1.65 (see annexure C)	230,000 ordinary shares	230,000
4/1/2007	Acquisition	Drawbridge Global Macro Master Fund Ltd	A\$148,302.22	70,958 ordinary shares	70,958
8/1/2007	Acquisition	Drawbridge Global Macro Master Fund Ltd	A\$267,500.00	125,000 ordinary shares	125,000
14/3/2007	Acquisition	Drawbridge Global Macro Master Fund Ltd	A\$432,624.52	20,849 ordinary shares	20,849
10/4/2007	Private Placement	Drawbridge Global Macro Master Fund Ltd	Private placement at AUD 1.65 (see annexure C)	60,000 ordinary shares	60,000
4/01/2007	Acquisition	GF Aurum Partners Ltd	A\$128,957.18	61,702.00 ordinary shares	61,702
8/01/2007	Acquisition	GF Aurum Partners Ltd	A\$232,609.44	108,696.00 ordinary shares	108,696
14/03/2007	Acquisition	GF Aurum Partners Ltd	A\$28,069.38	17,938.00 ordinary shares	17,938

Date	Transaction	Holder of relevant interest	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
10/04/2007	Private Placement	GF Aurum Partners Ltd	Private placement at AUD 1.65 (see annexure C)	51,600.00 ordinary shares	51,600
4/01/2007	Acquisition	GF Aurum Offshore Partners Ltd	A\$19,342.95	9,255 ordinary shares	9,255
8/01/2007	Acquisition	GF Aurum Offshore Partners Ltd	A\$34,890.56	16,304 ordinary shares	16,304
14/03/2007	Acquisition	GF Aurum Offshore Partners Ltd	A\$4,553.57	2,910 ordinary shares	2,910
10/04/2007	Private Placement	GF Aurum Offshore Partners Ltd	Private placement at AUD 1.65 (see annexure C)	8,400 ordinary shares	8,400

Annexure "C"

**The following 14 pages are the Annexure marked "C" referred
to in the form 603 Notice of initial substantial holder**

Signed by me and dated 7 May 2007



A handwritten signature in black ink, consisting of a large, stylized 'S' or 'B' shape followed by a horizontal line extending to the right. The signature is positioned above a horizontal dotted line.

**- Authorised Representative
Geologic Resource Partners LLC**



Austock Corporate Finance Limited
 ABN 26 101 074 015

Melbourne Office
 Level 3, 350 Collins Street Melbourne VIC 3000
 Phone: 61 3 8601 2000 Fax: 61 3 9670 1057

Sydney Office
 Level 29, 20 Bond Street Sydney NSW 2000
 Phone: 61 2 9233 9600 Fax: 61 2 9272 9194

Brisbane Office
 Level 3, 100 Eagle Street Brisbane QLD 4000
 Phone: 61 7 3361 3300 Fax: 61 7 3229 4305

Toll Free: 1800 806 362
 Email: corporate@austock.com.au
 DX 30995 Stock Exchange

www.austock.com.au

*An authorised representative of Austock Securities Limited
 (AFSL No. 244410)*

29 March 2007

George Ireland
Geologic Resource Partners LLC

E-mail:
privateplacements@grfunds.com

Dear George

PLACEMENT CONFIRMATION LETTER

TERRAMIN AUSTRALIA LIMITED (ABN 67 062 576 238)
PLACEMENT OF 3,525,600 FULLY PAID ORDINARY SHARES AT
\$1.65 PER SHARE (Shares or Securities) TO RAISE A\$5,817,240
OFFER OF SECURITIES WITHOUT DISCLOSURE DOCUMENT

Introduction

Austock Corporate Finance Limited (Austock or us) has been appointed by Terramin Australia Limited (Company or Terramin) to place (Placement) 3,525,600 newly issued fully paid ordinary shares in the Company (Placement Shares) at an issue price of A\$1.65 per Placement Share (Placement Price) to raise gross proceeds of A\$5,817,240. The Placement is not underwritten (Offer).

Terramin also intends to undertake a Share Purchase Plan (SPP) of \$5,000 to each eligible shareholder to raise A\$5m. The SPP will be underwritten by Austock. Details of the SPP will be announced shortly.

Use of proceeds

Net funds raised by the Offer will provide funding for general working capital of the Company and will be used in particular to fund (a) drilling and pre-feasibility work on Oued Amizour with a focus on the Tala Hamza Deposit, (b) development costs on the Angas Zinc project including further payments on advanced lead time items and commencement of the box cut earthmoving contract, (c) project evaluation, (d) administration.

Placement Offer

You are hereby offered the following participation in the Placement (your Placement Allocation), subject to the terms set out below in this letter (Placement Confirmation Letter).

Austock would like to confirm the terms on which Geologic Resource Partners LLC (you) have agreed to accept a placement of Shares the subject of the Placement (Firm Commitment) and offers you the following irrevocable and firm allocation of Placement Shares to you.



TZR100	No. of Placement Shares	Total Amount	Settlement Date
Placement Shares at A\$1.65 per share	1,000,000	A\$1,650,000.00	Thurs 5 April 2007

The Company and Austock have entered into a mandate letter in relation to the Placement (Placement Agreement) pursuant to which Austock has agreed to use its best endeavours to procure subscribers on the Company's behalf on a private placement basis for the Placement Shares. The Placement Agreement contains various conditions precedent and rights of termination substantially as summarised in Schedule A hereto.

The rights of termination may be exercised by Austock at its absolute discretion. If Austock terminates (or is taken to have terminated) its obligations in accordance with the Placement Agreement, or if the conditions precedent are not satisfied or waived by Austock and/or the Company (as the case may be), before completion of the subscription of Placement Shares, you will have no further obligations to the Company to subscribe for your Placement Shares and no right to receive your Placement Shares (if they have not already been issued to you). Equally, if Austock and/or the Company (as the case may be) waive those rights, you will be bound by their decision and will be obliged to subscribe for your Placement Shares and have no right to terminate your obligations to subscribe for your Placement Shares.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Placement, including the merits and risks involved.

AUSTRALIA

Investors in or resident in Australia may only submit bids to participate in the Placement if they are persons to whom offers and issues of the Placement Shares can be made by the Company without the need for a disclosure document to be lodged with ASIC, pursuant to section 708(8), 708(10) or 708(11) of the Corporations Act 2001 (Cth) (Exempt Investors). The offer is not made in Australia to, and is not capable of acceptance in Australia by, any other person. No disclosure document will be issued by the Company in connection with the Placement.

OTHER JURISDICTIONS

France

The Placement Shares will not be offered under a disclosure document approved by the Autorité des marchés financiers. French investors may only participate insofar as they act on their own behalf. The on-sale or diffusion of the acquired Placement Shares may only be performed in compliance with public offer requirements, as stated in articles L. 412-1 and L.621-8 of the Code Monétaire et Financier.

Germany

The Placement Shares may not be offered or sold in Germany by means of any document sent to persons who are qualified investors and the issuer confirms that it will not seek to have the securities admitted to quotation on a regulated German market. Qualified Investors are those investors qualifying under § 2 No. 6 of the German Securities Prospectus Act (Wertpapierprospektgesetz). The Placement Shares may only be disposed of to persons outside Germany or only to other qualified investors within the meaning of § 2 No. 6 of the German Securities Prospectus Act.

Hong Kong

The offer of Placement Shares in this letter is being made only to 'professional investors' as defined in the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong and subsidiary legislation made thereunder. This letter is not intended to be distributed to any person who is not a 'professional investor' and



does not constitute or contain any offer, invitation, advertisement or similar communication to the public in Hong Kong.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer of Placement Shares. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Italy

The offer of Placement Shares in Italy or to a resident of Italy is limited to institutional investors as defined by Article 31(2) of CONSOB Regulation No 11522 of 1 July 1998 as amended, and in compliance with the forms and procedures provided therein and the offer will be conducted only by banks, investment firms (as defined in Legislative Decree No. 58 of 24 February 1998, as amended) or financial companies enrolled in the special register provided for by Article 107 of the Legislative Decree No. 385 of 1 September 1993, as amended, to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in Italy in accordance with the relevant provisions of Legislative Decree No. 58 of 24 February 1998, as amended;

New Zealand

The offer of Placement Shares is made in New Zealand only to "habitual investors" whose principal business is the investment of money or who in the course of and for the purposes of his or her business, habitually invests money.

Singapore

No document has been or will be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Placement Shares may not be offered or sold, or be made the subject of an invitation for subscription or purchase, nor may any document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Placement Shares be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than to institutional investors, relevant persons and persons acquiring the Placement Shares as principal as defined and in accordance with the Securities and Futures Act (Cap 289) of Singapore. It may not otherwise be made to any member of the public in Singapore. Statutory liability under the Securities and Futures Act (Cap 289) of Singapore in relation to the form and content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you and where in doubt, you should consult your own professional advisers. The Placement Shares may only be disposed of to persons outside Singapore for a period of six months or only to exempt investors within the meaning of the Securities and Futures Act (Cap 289) of Singapore.

Switzerland

The Placement Shares are offered in Switzerland only to a limited group of persons within the meaning of Art. 652a (2) of the Swiss Code of Obligations of 30 March 1911. This letter does not constitute a prospectus within the meaning of Art. 652a (2) of the Swiss Code of Obligations and neither this letter nor the Placement Shares has been or will be approved by any Swiss authority.

United Kingdom

The offer of Placement Shares is made only to potential investors who are qualified investors in the United Kingdom (which includes Scotland but not Jersey) for the purposes of the Financial Services and Markets Act 2000 and the FSA Prospectus Rules. In addition, the offer of the Placement Shares and its distribution in the United Kingdom are each made only to persons in circumstances where that will not constitute the communication of an invitation or inducement to engage in investment activity for the purposes of section 21 of the Financial Services and Markets Act 2000 (FSMA) as a result of the exemptions contained in the FSMA (Financial Promotion) Order 2001 ("UK Exempted Person").

Ireland

The offer of Placement Shares is made only to potential investors who are qualified investors in Ireland as defined by Regulation 9(1)(a) of the Prospectus (Directive 2003/71/EC) Regulations 2005 ("Irish Regulations") as amended, and in compliance with the forms and procedures provided therein or in compliance with



Regulation 9(1)(c) of the Irish Regulations in which case the offer to each investor in Ireland will be at least €50,000.

Bermuda

The offer of Placement Shares is made in Bermuda only in circumstances where the Bermuda Investment Business Act 2004 does not apply and in circumstances in which no securities under the Placement need be offered under a prospectus because:

- (a) The Placement Shares are listed on an appointed stock exchange and the rules of the appointed stock exchange do not require the Company to lodge a prospectus in respect of the Offer to Exempt Investors; and
- (b) The company is subject to the rules and regulations of a competent regulatory authority and such rules or regulations do not require the Company to publish or lodge a prospectus in respect of the Offer to Exempt Investors in Australia.

United States of America

The Placement Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (Securities Act), or under the securities laws of any state of the United States. Accordingly, the Placement Shares may not be offered or sold, directly or indirectly, within the United States or to U.S. persons (each as defined in Regulation S under the Securities Act) with certain exceptions.

Accordingly, Geologic Resource Partners LLC confirms that its subscription for Shares is on the basis that it is a *Major U.S. Institutional Investor* (within the meaning of Rule 15a-6(b)(4) being a U.S. institutional investor that has, or has under management, total assets in excess of US\$100 million or an investment adviser registered with the Commission under section 203 of the Investment Advisers Act of 1940 that has total assets under management in excess of US\$100 million.

General

The Placement Shares may not be offered or sold in any other jurisdiction by means of this Placement Confirmation Letter or otherwise, except in accordance with the laws of such jurisdictions as may apply to the offer and sale of the Placement Shares.

CORPORATIONS ACT – ON SALES

No formal offering memorandum, prospectus or other disclosure document has been prepared in connection with the offering of the Placement Shares.

The Placement will be made to a limited number of institutions and other exempt investors in accordance with Chapter 6D of the Corporations Act. For the purposes of this letter, an exempt investor is a person to whom an offer of securities can be made without disclosure in accordance with sub-sections 708(8) (sophisticated investors), 708(10) (offers through a financial services licensee), 708(11) (professional investors) of the Corporations Act or possibly to certain investors outside Australia to whom the Placement Shares could lawfully be offered under the laws of the relevant jurisdictions.

Investors should be aware of the on sale prohibition in section 707(3) of the Corporations Act which has the effect of restricting investors from on selling the Placement Shares within 12 months of their respective issues (Relevant Period) unless the on sale is to another Exempt Investor or a prospectus is utilised to offer the relevant securities or the Company has complied with section 708A of the Corporations Act.

The Company has authorised us to inform you that the Placement Shares will not be issued unless the Company is able to issue a notice in compliance with section 708A of the Corporations Act (Cleansing Statement) which will have the effect of allowing an on sale of the Placement Shares to non-exempt investors immediately following the filing of the Cleansing Statement.



The Company has also confirmed to us that it is issuing the Placement Shares for the purpose referred to in the paragraph headed "Use of Proceeds" above, and is not issuing the Placement Shares for the purpose of the persons to whom they are issued selling or transferring them, or granting, issuing or transferring interests in, or options or warrants over, them to other persons.

Austock is not responsible for the accuracy or completeness of, and accepts no obligation to enforce, the representations and warranties given by the Company. Austock and the Company take no responsibility for any loss, direct or indirect, or damage suffered by any person in the event that any of the Placement Shares are, or become, subject to transfer restrictions in any jurisdiction.

Timetable

The Placement timetable is as follows:

Event	Date
Acceptance and CARD forms due	By 5pm on Thurs 29 March
Transaction announced and trading halt ends	Fri 30 March (pre market)
DvP settlement (Closing Date)	Thurs 5 April
Expected trading of Shares	Tues 10 April
Public Holidays:	
Easter	Fri, 6 – Mon, 9 April
Anzac Day	Weds, 25 April

Please note that the above timetable may change without consultation with you and, subject to the terms of this Placement Confirmation Letter, if you decide to participate in the offering of the Placement Shares you will be bound by the agreement arising from your acceptance of the offer notwithstanding any such changes to the timetable.

Rights Attaching to the Placement Shares

The Placement Shares will rank *pari passu* with the Company's existing ordinary shares from the date of issue. The Company has agreed to apply to ASX for official quotation of the Placement Shares on ASX. Please note that Trading Participants (as defined in the ASX Market Rules) cannot deal in the Placement Shares either as principal or agent until quotation is granted by ASX.

Insider trading

You are and will be in compliance with all relevant laws and regulations in relation to your Placement Allocation and acceptance of the Placement Allocation (including, without limitation, the prohibitions on insider trading in section 1043A of the Corporations Act) and the constitution of the Company and will not cease to be in compliance with any of them if you take up your Placement Allocation.

Offer Personal

The offer of Placement Shares and the agreement arising from acceptance of the offer is personal to you and does not constitute an offer to any other person or to the public generally, in Australia or anywhere else. You may not assign, transfer, or in any other manner, deal with your rights or obligations under the agreement arising from the acceptance of this offer, without the prior written agreement of Austock and in accordance with all relevant legal requirements.

Where you are accepting this offer on behalf of your clients you must ensure that any such client performs its obligations under this offer and that if the client is in Australia, that it is a Sophisticated Investor within the meaning of section 708(8) or a Professional Investor within the meaning of section 708(11) of the Corporations Act or the offer is made in accordance with section 708(10) (offers through a financial services licensee), or if such client is outside Australia, that it is a person to whom an offer under this letter can lawfully



be made under all applicable laws, and to whom the Placement Shares can lawfully be issued under all applicable laws, without the need for any registration, lodgement or other formality.

Representations, Warranties and Agreements by Investors

By accepting this offer of Placement Shares, you represent, warrant and agree for the benefit of the Company, Austock and their respective related bodies the representations, warranties and agreed matters as set out in Schedule B attached to this letter. You also agree that at the time you return your Placement Acceptance Advice, and at the date of allotment of the Placement Shares, you will be deemed to have further represented, warranted and agreed as set forth in Schedule B attached to this letter.

Indemnity

You must indemnify and keep indemnified the Company, Austock and their respective related bodies corporate, and any directors, officers, employees and advisers of any of the Company, Austock and their respective related bodies corporate (each an Indemnified Party) against all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, fees, expenses or disbursements of any kind whatsoever (plus all goods and services tax for them) which may be imposed on, incurred by or assessed against an Indemnified Party in any way relating to or arising out, directly or indirectly, out of any breach by you of your acknowledgements, representations, warranties and agreements under this Placement Confirmation Letter. The Company and Austock, respectively, hold the benefit of your indemnity for each other Indemnified Party.

Governing Law and Jurisdiction

The agreement between us arising out of acceptance of the terms of this offer and the subscription for and issue of the Placement Shares shall be governed by the laws of Victoria, Australia and if you accept this offer you agree to submit to the jurisdiction of the courts of that State.

Entire Agreement

The terms contained in this Placement Confirmation Letter including, without limitation, your executed Placement Acceptance Advice, constitute the entire agreement among the Company, Austock and you as to the Placement and your participation in the Placement to the exclusion of all prior representations, understandings and agreements among the Company, Austock and you. Any variation of the terms of this agreement (including, without limitation, your executed Placement Acceptance Advice) must be in writing signed by each of the Company, Austock and you.

Notices

Any notice to be given relating to the offer of Placement Shares or your acceptance of the offer may be sent by facsimile to the facsimile number of the party to whom the notice is sent and will be deemed to have been given on the successful transmission to that facsimile number.

Acceptance of Offer

Each investor who accepts an offer of Placement Shares will be required to execute and deliver a Placement Acceptance Advice (attached) which incorporates by reference and confirms the representations, warranties and agreements set out in Schedule B to this Placement Confirmation Letter.

The Company has instructed Austock not to direct the Company to allot and issue Placement Shares to any investor who has failed to execute and deliver to Austock a Placement Acceptance Advice.

To confirm your irrevocable acceptance of the terms set out in this Placement Confirmation Letter, the Placement Acceptance Advice must be signed and returned to Austock Corporate Finance Limited by fax, Attention: Kylie Toomey on or before 5pm, Thursday 29 March 2007 (AEST).



Settlement

On receipt of your Placement Acceptance Advice, completed Application Form and subject to the matters set out in Schedule A, Austock will instruct the Company to issue the Placement Shares in respect of your allocation as advised to you (subject to receipt of subscription moneys in cleared funds, as set forth below).

You are required to remit or procure the remittance of the amounts set out below (in cleared funds) and deliver completed application form(s) (including the allocation sheet) to Austock's Melbourne office by no later than the times set out in the table below:

	<u>No. Placement Shares</u>	<u>Total Amount</u>	<u>Settlement Date</u>
Placement Shares at A\$1.65	1,000,000	A\$1,650,000.00	5 April 2007

Application monies can either be way of cheque made payable to Austock Securities Limited or direct deposit, bank details below;

National Australia Bank Limited
 Austock Securities Trust Account
 271 Collins Street, Melbourne
 BSB: 083-004
 A/C: 516 419 099

(Please insert reference no. TZR100 when direct depositing for easy recognition).

Settlement by DvP

You may indicate in your Acceptance Advice that you intend to settle your application for Shares via the CHES DvP settlement service scheduled to occur on the dates noted in the table above.

As at the settlement date Austock requires you to remit or to procure the remittance (in same day funds) of an amount equal to the number of Shares which you have accepted multiplied by the issue price of A\$1.65 per Share (Application Monies).

In order for Austock to allocate Shares to your clients via CHES on a delivery versus payment basis (DvP), we will need account details and quantities for allocation to you at least 2 business days prior to the settlement date. Actual DvP settlement will need to be effected by you.

You are required to submit a completed CARD form by 5pm, Thursday 29 March 2007 (AEST).

For and on behalf of
 Austock Corporate Finance Limited

James Andronis
 Director



Schedule A

Termination Events and Conditions Precedent

- (A) The Placement Agreement may be terminated by Austock prior to the Closing Date where:
- (a) the Australian equity capital market conditions and/or ASX trading conditions are such that they are not, in the bona fide judgement of Austock, conducive to the successful completion of this mandate or other events beyond the control of Austock are so material and adverse as to make it impracticable or inadvisable to proceed with the Placement on the terms and in the manner contemplated herein;
 - (b) there is a material adverse change in the assets, liabilities, financial position or prospects of the Company as disclosed publicly and/or to Austock;
 - (c) there is a false or misleading statement in the material or information supplied to Austock or a material omission in the material supplied to Austock;
 - (d) any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any material adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that, it is impracticable to market the Placement or to enforce any contract to issue and allot the Placement Shares or that the success of the Placement is likely to be adversely affected;
 - (e) there are proceedings commenced or threatened by any securities regulatory authority in relation to the Company or any one of the officers or directors of the Company;
 - (f) any order to cease trading the securities of the Company is made by a securities regulatory authority, other than a trading halt or suspension of less than 5 Business Days voluntarily requested by the Company with the consent of Austock (such consent not to be unreasonably withheld or delayed);
 - (g) the Company is in breach of a material term, condition or covenant of the mandate letter and such breach is not remedied within 5 Business Days of Austock's written request for the breach to be remedied, or any material representation or warranty given by the Company herein becomes or is false in a material respect;
 - (h) during the Placement, there occurs or commences, or is publicly announced or threatened, any inquiry, action, suit, investigation or other proceeding (whether formal or informal), or any order is issued by any Governmental Authority, or any law or regulation is promulgated, changed or announced, which in any such case, is expected to prevent or materially restrict the trading in or the distribution of the Ordinary Shares or would be expected to have a material adverse effect on the market price of the securities of the Company;
 - (i) the Company commits a material breach of, or materially fails to comply with, the Corporations Act, the Listing Rules or its constitution;



- (j) approval is refused or not granted, other than subject to customary conditions, to the official quotation of all of the Placement Shares on the ASX, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
 - (k) the office of a director of the Company is vacated by force of section 206C of the Corporations Act; or
 - (l) any director of the Company is charged with an indictable offence relating to a financial or corporate matter.
- (B) The obligations of Austock to complete the Placement shall be subject to the fulfilment at or before the Closing Date of the following conditions:
- (b) the Company shall have obtained all requisite regulatory and shareholder approvals required to be obtained by the Company in respect of the Placement in all relevant jurisdictions (including the US);
 - (c) no objection is raised by the ASX to the admission of the Placement Shares to quotation on the ASX;
 - (d) no event occurs which would prevent the Company from being able to satisfy the requirements of sections 708A(1)(c) and 708A(5)(b) of the Corporations Act in respect of the issue of the Placement Shares or otherwise issue a cleansing statement in accordance with section 708A of the Corporations Act;
 - (e) the Company must use its best endeavours to cause its security registry to do, everything required on its or its security registry's behalf to facilitate settlement of the subscriptions to be settled in accordance with this Agreement, on the Closing Date;
 - (f) the Company must issue a Cleansing Statement in accordance with section 708A of the Corporations Act on the date that the Placement Shares are issued and on the date that the SPP shortfall shares are issued to Austock as underwriter of the SPP;
 - (g) the Company must provide Austock with an up to date share registry analysis; and
 - (h) the minimum amount raised under the Placement is A\$5.0m or such other amount as agreed between Austock and the Company.



Schedule B

Representations, Warranties and Agreements

1. You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of a subscription for Placement Shares for yourself and each other person (if any) for whose accounts you are subscribing for any Placement Shares and you have determined that the Placement Shares are a suitable investment for yourself and each other person (if any) for whose accounts you are acquiring any Placement Shares, both in nature and the number of Placement Shares being acquired.
2. You and each other person (if any) for whose account you are acquiring any Placement Shares have the financial ability to bear the economic risks of the investment in the Placement Shares.
3. You acknowledge that you have not subscribed for the Placement Shares as a result of any general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine, on a web site or any similar media, or broadcast over radio or television or any seminar or meeting whose attendees have been invited by general solicitation or advertising.
4. You confirm that you are and will be in compliance with all relevant laws and regulations (including, without limitation, the requirements of the Australian Foreign Acquisitions and Takeovers Act 1975 and section 1043A of the Corporations Act (insider trading)) in relation to the Placement Shares, receipt of an invitation or offer in respect of Placement Shares, acceptance of an invitation or offer of Placement Shares and if you take up your Placement Shares.
5. If you are in Australia, you and each person, if any, for whom you are acquiring the Placement Shares are also one of the following:
 - (a) a sophisticated investor within the meaning of section 708(8) of the Corporations Act and either the amount payable for Placement Shares is at least \$500,000 or the amount payable for Placement Shares and amounts previously paid for Terramin Shares is at least \$500,000 or a qualified accountant has issued a certificate, no more than two years before the offer to subscribe for the Notes was made, from which it would appear that you had net assets of over \$2.5 million or gross annual income for each of the last two years in excess of \$250,000); or
 - (b) a person that Austock is satisfied has relevant experience in investing in securities as set out in section 708(10) of the Corporations Act (an experienced investor) and who has received a written statement from Austock setting out the reasons why Austock is satisfied that the person is an experienced investor. If Austock has formed the view that you are an experienced investor, then a written statement of their reasons is enclosed with this document as Schedule C; or
 - (c) a professional investor within the meaning of section 708(11) of the Corporations Act (for example, you are a financial services licensee acting as principal or you are a person who controls at least \$10 million for the purposes of investment in securities).
6. If you are in France, you may only participate insofar as you act on your own behalf.
7. If you are in Germany, you confirm that an offer can be lawfully made to you without disclosure under the German Securities Prospectus Act because you are a professional investor who falls under § 2 No. 1 of the German Securities Prospectus Act (Wertpapierverkaufsprospektgesetz) or belong to a defined group of investors within the meaning of § 2 No. 2 German Securities Prospectus Act to which an offer can be lawfully made without being an offer to the public in Germany within the meaning of the German Securities Prospectus Act.
8. If you are in Hong Kong, you confirm that you are a 'professional investor' as defined in the Securities and Futures Ordinance (Cap 571) of the laws of Hong Kong and subsidiary legislation made thereunder.
9. If you are in Italy, you confirm that you are an institutional investor (as defined in Article 31, paragraph 2, of CONSOB Regulation no. 11522 of 1 July 1998) in compliance with the applicable laws and regulation.
10. If you are in New Zealand, you confirm that you are a person whose principal business is the investment of money and/or a person who, in the course of and for the purposes of its business, habitually invests money within the meaning of section 3(2)(a)(ii) of the Securities Act 1978 (New Zealand).



11. If you are in Singapore, you warrant that you are an institutional investor / relevant person / person acquiring securities as principal as defined in the Securities and Futures Act (Cap. 289) of Singapore (Singapore Act). You further warrant that you will not dispose of the Placement Shares during the six months following your initial acquisition unless as prescribed by Section 276 of the Act.
12. If you are in Switzerland, you confirm that you are participating in the Placement strictly on your own behalf.
13. If you are in the United Kingdom, you are a Qualified Investor for the purposes of the Financial Services and Markets Act 2000 and the FSA Prospectus Rules.
14. If you are in Ireland, you are a qualified investor as defined by Regulation 9(1)(a) of the Prospectus (Directive 2003/71/EC) Regulations 2005 (Irish Regulations) as amended.
15. If you are in Bermuda, no securities under the Placement need be offered under a prospectus.
16. You are not in the United States nor are you a U.S. Person (as defined in Regulation S under the Securities Act), or acting for the account or benefit of a U.S. Person unless a relevant exception applies.
17. Geologic Resource Partners LLC confirms that its subscription for Shares is on the basis that it is a Major U.S. Institutional Investor (within the meaning of Rule 15a-6(b)(4) being a U.S. institutional investor that has, or has under management, total assets in excess of US\$100 million or an investment adviser registered with the Commission under section 203 of the Investment Advisers Act of 1940 that has total assets under management in excess of US\$100 million.
18. If you are in any jurisdiction other than Australia you confirm you are a person to whom an offer can lawfully be made under applicable laws and to whom the Placement Shares can lawfully be issued under all applicable laws, without the need for any lodgement, registration or other formality of any disclosure or other document and the offer of, or invitation to subscribe for, Placement Shares to you by this letter is in compliance with all applicable laws.
19. You are not engaged in the business of distributing securities or, if you are, you agree that you will not offer or sell in the United States or to, or for the account or benefit of, U.S. Persons (1) any Placement Shares you acquire in the Placement or (2) any ordinary shares of the Company you acquire other than in the Placement, in each case until 40 days after settlement of those shares in CHESS. Notwithstanding the foregoing, you may sell ordinary shares of the Company in standard transactions on the ASX if neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been prearranged with, or that the purchaser is, a U.S. Person.
20. You have not purchased the Placement Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) of Regulation S under the Securities Act).
21. You confirm that it is your present intention to be an investor in the Placement Shares and to remain so for at least the medium term (i.e. longer than 12 months). This confirmation is understood to be a statement by you of present intention only but not an undertaking not to sell, particularly where your investment objectives or market conditions change.
22. You acknowledge that no formal offering memorandum, prospectus or other disclosure document has been or will be prepared or delivered to you in connection with the Placement under the Corporations Act or any other law or regulation of any jurisdiction.
23. You have informed yourself as to the terms of section 708A of the Corporations Act. In particular, you confirm that you understand that there may be restrictions on resale of the Placement Shares without a disclosure document within 12 months of issue if section 708A does not apply or ceases to apply.
24. You acknowledge and agree that Austock is not responsible for the accuracy or completeness of, and have no obligation to enforce, the representations and warranties given by the Company to them in the Placement Agreement.
25. You have had access to all information that you believe is necessary or appropriate in connection with, and for an adequate time prior to, your subscription for the Placement Shares and have been given the opportunity to ask such questions of and receive answers from, representatives of the Company, so as to be able to make an informed investment decision with respect to an investment in the Placement Shares. You acknowledge and confirm that you have received a copy of this Placement Confirmation Letter. You acknowledge and agree that you will not hold Austock or any of its respective affiliates and related bodies corporate responsible for the accuracy,



- relevance or completeness of, or any misstatements in, or omissions from, the information you have had access to or any information concerning the Company or the Placement Shares, whether publicly available or otherwise.
26. You acknowledge that no person is authorised to give any information or make any representations in respect of the Placement Shares and, if given or made, such information or representations will not be relied on as having been authorised by the Company, Austock, their respective affiliates or related bodies corporate or any other person, nor will any such person have any liability or responsibility for them.
 27. You have made and relied entirely on your own assessment of, and have conducted your own independent investigation with respect to, the Company and the Placement Shares, including, without limitation, the particular tax consequences of subscribing for, owning or disposing of or otherwise dealing in the Placement Shares in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.
 28. You have not relied on any investigation that Austock or any affiliates of Austock or any persons acting on its or their behalf may have conducted with respect to the Placement Shares or the Company. None of such persons has made any representation to you, express or implied, with respect to the Placement Shares or the Company.
 29. You acknowledge that this offer does not constitute a securities recommendation or personal advice with respect to securities and that Austock and the Company have not had regard to your particular objectives, financial situation or needs.
 30. You acknowledge that an investment in the Placement Shares involves risk and confirm that you have considered such risk in deciding whether to purchase any Placement Shares.
 31. You acknowledge and agree that you will accept the decisions and actions of the parties to the Placement Agreement in respect of the exercise of their rights under that document and your acceptance of the offer of Placement Shares does not oblige those parties to consult with you as to any matter or qualify the exercise or non-exercise of their rights under the Placement Agreement in any way, including in particular the exercise of any right of termination.
 32. You acknowledge and agree that any issue of Placement Shares to you pursuant to the acceptance of this offer of Placement Shares is subject to the Placement Agreement not being terminated and the conditions precedent to the Placement Agreement being satisfied or waived on or prior to the Settlement Date.
 33. You are not a Related Party (as defined in section 228 of the Corporations Act of Australia or the ASX Listing Rules) of the Company.
 34. You agree to accept any Placement Shares issued to you on the terms set out in this Placement Confirmation Letter and subject to the constitution of the Company as amended from time to time.
 35. If you are subscribing for any Placement Shares for an account of one or more investors, you have full power to make the acknowledgements, representations, warranties and agreements set out in this schedule on behalf of each such investor and you will take all reasonable steps to ensure that each such person will comply with its obligations set out in this Placement Confirmation Letter.
 36. Except to the extent that liability cannot by law be excluded, you acknowledge that none of Austock, the Company nor any of their respective related bodies corporate, or any directors, officers, employees or advisors of any of them, accept any form of liability (including for negligence) in relation to the Placement. You agree to release Austock, the Company and any of their respective related bodies corporate, and any directors, officers, employees and advisors of any of them, from all claims, demands and proceedings which you may have or claim to have against Austock, its related bodies corporate, or the Company in connection with the Placement.
 37. You are aware that publicly available information about the Company can be obtained from the Australian Securities and Investments Commission and ASX (<http://www.asx.com.au>).
 38. You agree to be bound by the constitution of the Company, as amended from time to time.
 39. No acquiescence, waiver, variation or other indulgence granted to you or any other party shall in any way discharge or relieve you from any of your obligations under the agreement arising from your agreement to purchase Placement Shares.
 40. You acknowledge that the Company, Austock and their respective related bodies corporate are entitled to, and will, rely on the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements.



41. You will make full payment for the Placement Shares allocated to you in accordance with the terms set out in this Placement Confirmation Letter.



Schedule C - Statement of Reasons

Section 708(10) of the Corporations Act

This statement relates to a Placement Confirmation Letter from Austock Corporate Finance Ltd (Austock) to Geologic Resource Partners LLC (you) dated 29 March, 2007 (Letter of Offer). Terms defined in the Letter of Offer have the same meaning in this statement.

Austock has previously asked you to provide details of:

- **your relevant educational qualifications;**
- **your general experience in investing in securities; and**
- **your previous experience in investing in securities without disclosure (such as placements and underwriting).**

Based on the information which you have provided to us and our own records of your investment history, Austock is satisfied that you have previous experience in investing in securities and that your experience allows you to assess:

- **the merits of the Offer;**
- **the value of the securities the subject of the Offer;**
- **the risks involved in accepting the Offer;**
- **your own information needs in respect of the Offer; and**
- **the adequacy of the information that we have provided to you in respect of the Offer.**

If there is material information relevant to your investment history that you have not informed Austock about and that you believe may cause Austock to reassess whether you are a person with previous experience in securities investment, please notify Austock immediately. Similarly, if any of the information set out above is materially inaccurate, please let us know immediately and we will withdraw the Offer.