

8 Oct 2024

Exploration Drilling programme commenced at the SGRP

HIGHLIGHTS

Terramin Australia Limited and Japan Organization for Metals and Energy Security have commenced a new phase of exploration drilling at the South Gawler Ranges Project.

Terramin Australia Limited (ASX: TZN) (Terramin or the Company) is pleased to advise that exploration drilling has commenced at the South Gawler Ranges Project (SGRP or Project).

These exploration activities are being operated under Terramin's \$10.5 million exploration agreement with Japan Organization for Metals and Energy Security (JOGMEC). To date, JOGMEC has expended in excess of \$1.5 million under the agreement and has earned a 30% interest option in the SGRP tenements.

The exploration drilling program comprises three diamond drillholes:

- MD131 located on EL 5949 (Menninnie Dam) approximately 2km south-southeast of the Menninnie Central Ag-Pb-Zn deposit, and 600 metres south-southeast of the Viper Ag-Pb-Zn lodes. It is anticipated that this drillhole will be drilled to a depth of approximately 1,000 metres. It is targeting skarn-hosted Cu/Au mineralisation.
- BC3E01 located on EL 6413 (Kolendo), targeting coincident gravity and EM anomalies that potentially host Iron Oxide Copper Gold (IOCG) mineralisation. BC3E01 will be drilled to a depth of approximately 800 metres.
- BC1S01 located on EL 6412 (Mt Ive South) to test for IOCG mineralisation in dense conductive rocks beneath an epithermal quartz-hematite vein array. BC1S01 will be drilled to a depth of approximately 600 metres.

These activities are expected to be completed by mid to late November 2024.

Background

On the 15 March 2022, Terramin announced that it had entered into an agreement with JOGMEC for exploration of the SGRP which covers approximately 4,524 km² and is located c.100kms west of Port Augusta and 185kms southwest of BHP Limited's Carrapeteena Copper-Gold Mine.

JOGMEC is a Japanese government Independent Administration Institution tasked to ensure a stable supply of mineral resources for Japan. JOGMEC has a demonstrated track record of participating in the Australian mineral exploration industry. Further details about JOGMEC can be found on its website: <http://www.jogmec.go.jp/english/index.html>.

The SGRP is an underexplored, highly prospective multi-commodity asset with potential to host significant Iron Oxide Copper Gold (IOCG) mineralisation alongside epithermal Ag-Pb-Zn deposits, tin-tungsten and copper gold skarns along with potential porphyry systems. Hematite-rich hydrothermal breccias comparable to those in the Olympic Dam IOCG deposit crop out at several localities in the SGRP.

The material terms of the SGRP exploration agreement are:

- JOGMEC to fund A\$7,500,000 in exploration expenditure across a three (3) stage earn-in:
 - **Stage 1:** JOGMEC will have the option to acquire a 30% interest in the Project by sole funding A\$1,500,000 up to the period ending 31 March 2024. This has been satisfied.
 - **Stage 2:** JOGMEC will have the option to acquire a further 21% interest in the Project (total 51% interest) by sole funding an additional A\$2,000,000 up to the period ending 31 March 2026
 - **Stage 3:** JOGMEC will have the option to acquire a further 19% interest in the Project (total 70% interest) by sole funding an additional A\$4,000,000 up to the period ending 31 March 2028 (collectively referred to as the JOGMEC Earn-in Option).
- JOGMEC must sole fund A\$500,000 exploration expenditure on account of its Stage 1 Earn-in obligation by 31 March 2023 (Minimum Expenditure Commitment). This has been satisfied.
- Within 365 calendar days of JOGMEC completing Stage 3 of the JOGMEC Earn-In Option, JOGMEC can elect to purchase an additional 6% interest in the Project (total 76% interest), by paying A\$3,000,000 and granting a 0.5% net smelter royalty (NSR) to Terramin (Purchase Option). JOGMEC can elect to buyback the 0.5% NSR by paying Terramin A\$1,500,000 within 365 calendar days of JOGMEC exercising the Purchase Option.
- Terramin assumes Operatorship of the Project during the Stage 1 and Stage 2 Earn-in Period. The Management Committee will appoint the Operator of the Project during the Stage 3 Earn-in Period.
- If Terramin's or JOGMEC's interest in the Project dilutes to below 10%, this converts to a 1% NSR royalty.

This release has been authorised by the Terramin Australia Limited Board.

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