



## ASX Announcement

2 August 2017

### New Copper Joint Venture Development

- **New joint venture established to investigate the development of low cost insitu recovery copper project.**
- **Early Project expenditure to be funded by partner.**

Terramin Australia Limited (ASX:TZN) (**Terramin**) is pleased to announce that Terramin Exploration Pty Ltd (**TEL**), a wholly owned subsidiary of Terramin, has entered into a binding term sheet agreement (**Agreement**) in respect of the potential development of a low cost insitu recovery (**ISR**) copper project near Kapunda, South Australia, approximately 90 km north of Adelaide.

The joint venture will be investigating the potential to extract through ISR the copper from shallow oxide ores in and around the historic Kapunda Mine workings. If field leaching tests are successful, then a feasibility study of the project to produce copper (and possibly gold) at low capital and operating cost will be commissioned.

The Kapunda copper workings was comprehensively drill tested over an extended period of time, however a JORC compliant resource estimate has not been published in recent years. The joint venturers are in the process of estimating a resource with potential for exploitation via insitu-recovery. This resource is expected to be released in the coming weeks.

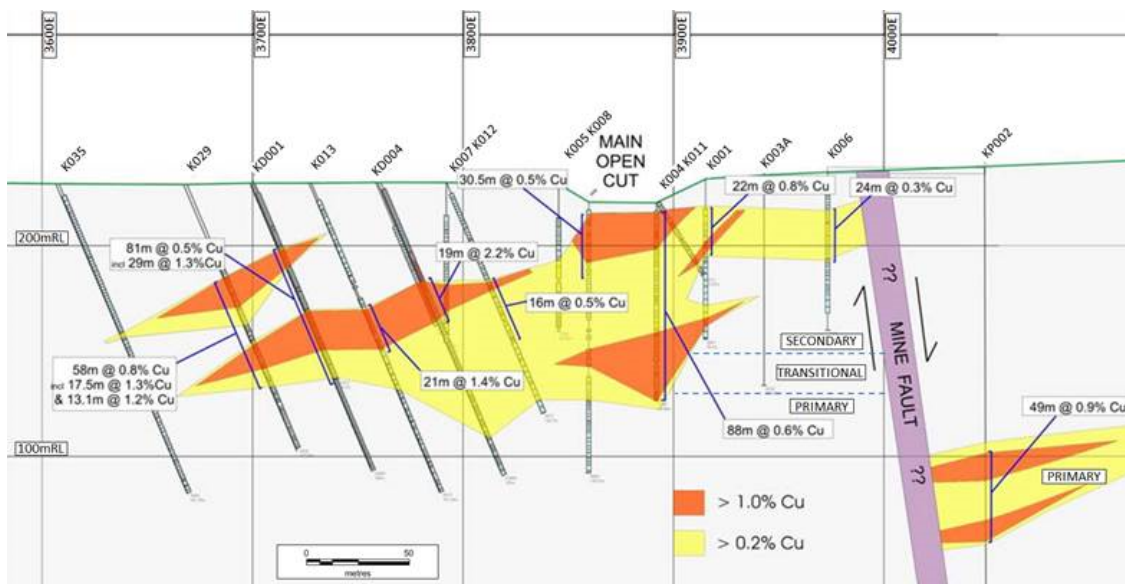


Figure 1: Attached cross section 8300N at Kapunda Copper compiled by Copper Range Ltd (now Weststar Industrial Ltd (ASX:WSI)) which was released to the ASX on the 19/12/2007

The joint venture partner is Environmental Copper Recovery Pty Ltd (**ECR**), a team of senior mining professionals with extensive experience in mine development and operations, including a background in ISR production in South Australia. ECR have a relationships with the several research organisations including the Australian government owned Commonwealth Scientific and Industrial Research Organisation (**CSIRO**) that are developing new suites of environmentally benign “lixiviants” for use in low impact ISR operations. ECR are working in partnership with ASX/AIM listed Thor Mining Plc (ASX:THR).

ISR is a common extraction method in uranium production (more than 50% of current world uranium production is via ISR), and has also been successful (where conditions are suitable), in copper production, in the USA and Russia. ISR production of copper at the San Manuel mine in the USA lasted 15 years and amounted to over 250 million pounds of copper during its lifetime.

ISR uses solutions pumped through boreholes into the mineralised body to dissolve the desired metals, this metal laden solution is then extracted from nearby boreholes and processed in a recovery plant at the surface. It requires that the minerals be soluble (in this instance near surface copper oxides and chalcocite), and that the mineralised body be permeable. The process is managed such that the solutions do not contaminate groundwater away from the deposit and that groundwater is remediated after the process. It is a low cost and low environmental impact process, with a very small footprint compared to conventional mining.

Commenting on the Agreement, Terramin’s CEO Martin Janes, said:

*“We are very pleased to add this new joint venture to Terramin’s suite of advanced projects. This opportunity will give Terramin the ability to focus on its flagship, Tala Hamza Zinc Project and high grade Bird-in-Hand Gold Project whilst leveraging off its portfolio of other valuable assets.”*

The key terms of the Agreement are:

- ECR can earn a 50% interest in the project after spending A\$2 million on field trials and associated studies;
- ECR can earn an additional 25% interest in the project by spending a further A\$4 million
- Subject to the completion of the expenditure by ECR as detailed above, TEL will retain a minimum 25% contributing interest and will retain a 1.5% net smelter royalty in respect of all metals extracted from the joint venture area.;
- ECR have agreed to a minimum spend of A\$300,000 within the first year and each subsequent year of the joint venture.

For further information, please contact:

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