



15 Mar 2022

## Terramin Executes A\$10.5M Exploration Agreement with JOGMEC on South Gawler Ranges Project

### HIGHLIGHTS

- Exploration Agreement signed with Japan Oil, Gas and Metals National Corporation (JOGMEC) on the South Gawler Ranges Project (SGRP or Project) in South Australia
- The agreement is staged in expenditure commitments with JOGMEC having the right to earn 70% by expending A\$7.5M over a 6-year period (JOGMEC Earn-in Option)
- On completion of the JOGMEC Earn-in Option, JOGMEC will be entitled to purchase an additional 6% interest in the Project for A\$3.0M and granting of a 0.5% NSR (Purchase Option)
- Terramin to retain up to a 24% interest in SGRP following completion of the JOGMEC Earn-in and Purchase Option
- This transaction unlocks latent value from SGRP, and provides non-dilutive exploration funding and technical expertise to advance the Project through a strategic partnership with globally recognised natural resources corporation, JOGMEC

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Terramin Australia Limited (ASX: TZN) (**Terramin or the Company**) is pleased to announce that it has entered into an agreement with JOGMEC for exploration of the South Gawler Ranges Project (**SGRP or the Project**) which covers approximately 4,524 km<sup>2</sup> and is located c.100km west of Port Augusta (Figure 1) and 185kms southwest of OZ Minerals Limited's Carrapeteena Copper-Gold Mine that hosts 950Mt at 0.75% Copper and 0.25g/t gold.

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. The Project includes the Menninnie Dam and Viper Deposits which hosts a JORC 2004 compliant inferred resources totaling 7.7Mt at 5.7% Zn+Pb and 27g/t Ag at a 2.5% Zn-Pb cut-off and remains open at depth and along strike (ASX announcement 1<sup>st</sup> March 2011).

Hematite-rich hydrothermal breccias comparable to those in the Olympic Dam IOCG deposit (Figure 2) crop out at several localities in the SGRP and are yet to be drill tested.

Commenting on the Agreement, Terramin's Executive Officer Martin Janes, said:

*"The Terramin Exploration team is excited that JOGMEC shares our vision on the potential of the South Gawler Ranges Project where geochemically anomalous epithermal alteration, veins and breccia outcrops, and associated geophysical features, indicate the potential for near-surface large tonnage IOCG deposits comparable in size to*

*Carrapeteena. The increased exploration funding enables an accelerated exploration program on the Project, thereby maximising the chances of a significant return to Terramin from this non-core asset. The ability for Terramin to attract a quality partner such as JOGMEC supports Terramin's approach to early-stage exploration and prospect generation."*

## SGRP EXPLORATION AGREEMENT MATERIAL TERMS

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
  - **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**).
- 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.
- JOGMEC's participation in the exploration agreement is subject to Foreign Investment Review Board approval.

## ABOUT JOGMEC

Japan Oil, Gas and Metals National Corporation 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>.

Discovery Capital Partners acted as advisor to Terramin in respect of the transaction.

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

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Figure 1. Terramin's South Gawler Ranges Project tenement package

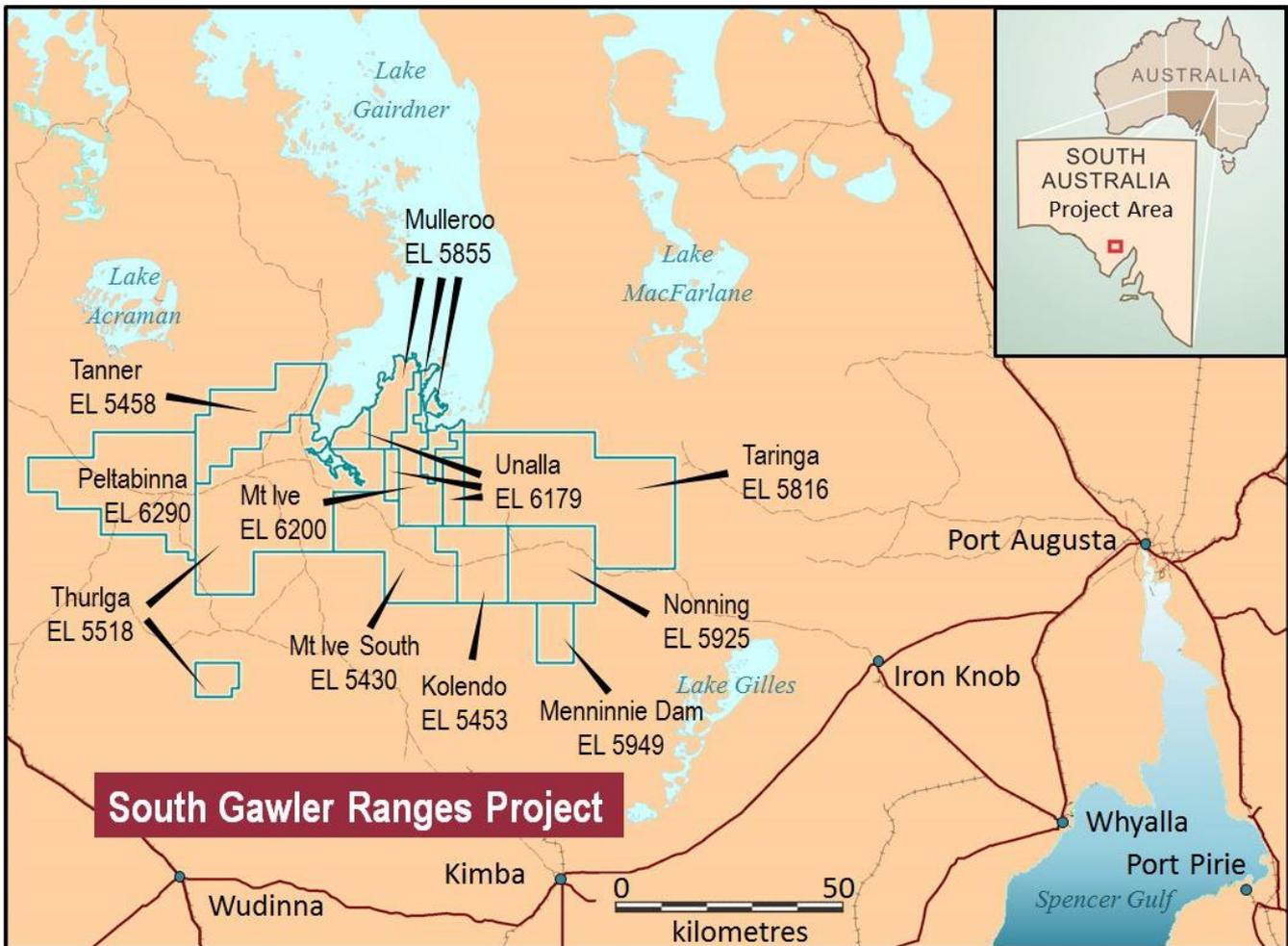


Figure 2. Olympic Dam and South Gawler Ranges hematite-rich hydrothermal breccias



Olympic Dam - underground



Gawler Ranges - outcrop