

3 Nov 2022

EXPLORATION ACTIVITIES COMMENCE AT SGRP

HIGHLIGHTS

- Terramin and Japan Oil, Gas and Metals National Corporation (JOGMEC) have commenced ground exploration activities at the South Gawler Ranges Project.
- Simultaneous Gravity and Induced Polarisation Survey programmes have commenced.

Terramin Australia Limited (ASX: TZN) (**Terramin or the Company**) is pleased to advise that major ground exploration activities have commenced at the South Gawler Ranges Project (**SGRP or Project**).

These exploration activities are being operated under Terramin's exploration agreement with Japan Oil, Gas and Metals National Corporation (JOGMEC).

The exploration activities consist of the following:

1. A regional gravity infill survey covering approximately 2,925 km² with gravity measurements taken on a 1km x 1km grid pattern. The survey is being undertaken by Daishsat Geodetics utilising a helicopter carrying a technician to take measurements at each data point. The gravity survey will result in the SGRP having modern gravity data coverage at station spacings of 1km or less over approximately 95% of the SGRP exploration tenements. The gravity data will be utilised to better define and prioritise areas known to be prospective for IOCG deposits and to identify new areas on which to focus exploration efforts.
2. Utilising induced polarisation (IP) technology provided by JOGMEC, two localised surveys are being undertaken to test the effectiveness of the equipment for detecting deep zones of base metal sulphide mineralisation.

These activities are expected to be completed in the next two weeks.

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

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.

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

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