

Terramin forms JV with Musgrave Minerals for Menninnie Dam zinc and lead deposit on South Australia's Eyre Peninsula

- by: *Chief Business Reporter Cameron England*
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Terramin workers at the mine entrance in Strathalbyn, SA. Picture: Brodie Campbell Source: The Advertiser

TERRAMIN Australia has signed a joint venture deal which will restart exploration at its Menninnie Dam zinc and lead deposit on the Eyre Peninsula.

Terramin will team up with fellow Adelaide exploration company Musgrave Minerals, which will spend at least \$1 million at the project over the next year.

Drilling is expected to restart before the end of the year, targeting shallow mineralisation.

Terramin has been carrying out a strategic review of its assets since December last year, in what has been a challenging time for the company, which also operates the Angas zinc mine at Strathalbyn.

Managing director Nic Clift said the JV was a good outcome for the company.

"Given the current market conditions, this is a very good opportunity for Terramin and Musgrave to advance and develop the resources on Menninnie Dam and other prospects with free carry rights, whilst retaining exposure to exploration prospects of the project," Mr Clift said.

"The board has carefully considered a number of options for the development of the Menninnie project and is pleased that this stage of the strategic review undertaken in May 2012 enabled this JV opportunity with Musgrave."

Musgrave has to spend \$1 million in the first year, then has four years to spend another \$5 million to earn a 51 per cent stake in the project.

The project includes five exploration licences covering 2471sq/km, and a 7.7 million tonne inferred resource, grading 3.1 per cent zinc and 2.6 per cent lead has so far been delineated.

Drilling can start as soon as the appropriate approvals are granted.

"Initial planning for a substantial drilling programme on Menninnie Dam prospects and regional targets was finalised in early 2012, and has formed the basis for presentation to joint venture partners," Terramin said.

"Exploration drilling planned on the Menninnie Dam tenement will target high priority induced polarisation/soil anomalies at Mannequin, Phone Hill, and Tank Hill, as well as testing the extent of shallow mineralisation known near Menninnie Central.

"These targets are drill-ready and Musgrave has indicated that it intends to commence drilling on these in the December 2012 quarter."

Terramin was advised by Adelaide corporate advisory firm Fortis Ago.