



## ASX Announcement

21 July 2015

### Termination of Menninnie Dam Joint Venture

Terramin Australia Limited (**Terramin**) (ASX:TZN) is pleased to announce that it has entered into an agreement with Musgrave Minerals Limited (**Musgrave**) (ASX:MGV) for the termination of the Menninnie Dam Mining Farm-In and Joint Venture Agreement (**JV Agreement**).

The termination of the JV Agreement means that Terramin will retain 100% of the Menninnie Dam Project (**Project**) with Musgrave relinquishing its farm-in rights.

In consideration of Musgrave relinquishing its rights, Terramin has agreed to pay Musgrave a Net Smelter Royalty (**NSR**) of 1.0% in respect of tenements EL 5039 and EL 4813. Terramin will have the right (but not the obligation) to buy back 50% of the NSR (being 0.5%) for \$1,250,000 within 60 days of receiving product sale proceeds from these tenements.

The Project is located in the southern Gawler Ranges, part of the Gawler Craton of South Australia that is increasingly becoming recognised as an under-explored region with high discovery potential. Terramin's tenements (Figure 1) have a combined area of 4754km<sup>2</sup> and contain the Menninnie Dam deposit, the largest Lead/Zinc undeveloped deposit in South Australia. The deposit consists of two main mineralised zones: the Menninnie Central zone and the nearby Viper zone. The lodes at Menninnie Central and Viper have been combined to estimate a JORC 2004 compliant Inferred Resource totalling: 7.7Mt @ 3.1% Zn, 2.6% Pb and 27g/t Ag, at a 2.5% Pb+Zn cut-off (ASX: TZN 1<sup>st</sup> March 2011).

Terramin is currently developing an exploration strategy for the Project which it will announce to the market in due course.

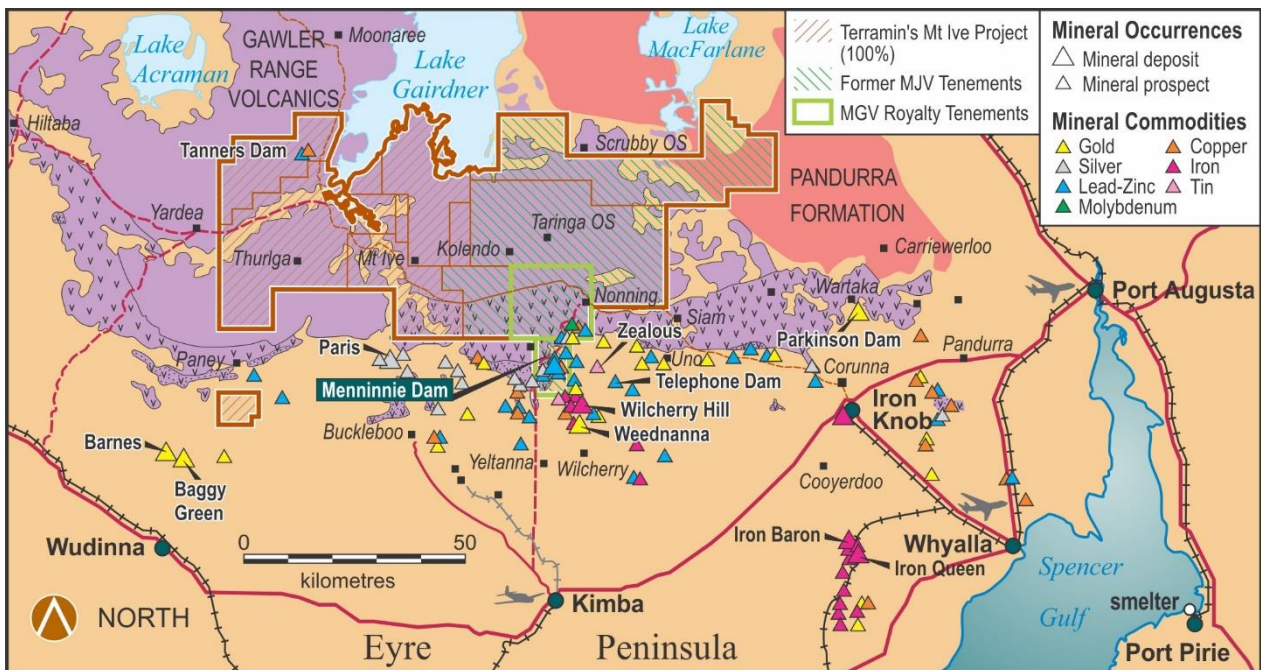


Figure 1: Project Tenements (in brown outline).

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