

The Announcements Platform
ASX Limited
20 Bridge Street
Sydney NSW

For Immediate Release

12 August 2015

Potential Sale of Shareholding by Majority Shareholder

The Company has been informed by its largest shareholder , DCM DECOMetal GmbH (DCM) , that it has entered into a Terms Sheet which , if it was to proceed to completion , would result in , amongst other things , the sale of DCM's 72.39% shareholding in the Company .

The Company is informed that the Terms Sheet is subject to a number of conditions being fulfilled , including formal documentation , due diligence , approvals of each party's investment committee , approval of the Company's shareholders and various requirements with respect to progress of the WIM150 Project having been met.

The Company is also informed that the entry into the Terms Sheet does not give rise to any restrictions on DCM (or the Company) in continuing to negotiate and , if appropriate , entering into any alternative , preferred transaction with any other parties and that DCM is , in consultation with the Company , continuing with alternative negotiations to procure financing for the development of the WIM 150 Project. The Company is informed by DCM that if any such alternative negotiations were to result in agreement being arrived at, the Terms Sheet would be terminated.

DCM has noted to the Company that it will keep the Company informed on the progress with the conditions of the Terms Sheet and if it wants the Company to seek necessary shareholder approval.

Yours sincerely,

Jeremy D Shervington
Chairman

for and on behalf of
Australian Zircon NL

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