

26 February 2016

## **Sale of Australian Zircon's 80% interest in WIM150**

The directors of Australian Zircon NL (AZC) wish to advise shareholders that the company has entered into a Terms Sheet with a Hong Kong incorporated entity which will purchase the 80% Joint Venture Interest that AZC has in WIM150 from AZC free of encumbrances.

The parties are to negotiate a formal Sale & Purchase Agreement to reflect more fully the Terms Sheet.

A \$2 million deposit has been paid by the Purchaser.

It is anticipated that, under the Sale & Purchase Agreement, "Completion" of the sale and purchase of the 80% Joint Venture Interest will be subject to AZC obtaining any necessary approval of its shareholders for the sale, Orient Zirconic Resources (Australia) Pty Ltd waiving its right to exercise its pre-emptive right to acquire the 80% Joint Venture Interest pursuant to the current Joint Venture Agreement, the Purchaser obtaining any necessary FIRB/Foreign Takeovers Act approvals or providing evidence that no such approvals are required and the obtaining of any necessary approvals under the relevant Victorian minerals exploration Legislation.

The directors of AZC have resolved to call a general meeting of shareholders to consider the sale of the 80% Joint Venture interest as soon as a meeting can be arranged.

Full details of the sale proposal will be included in the Notice of meeting.

On behalf of the Board

For further information, contact:

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