

ASX Announcement



27 January 2023

ABN: 45 116 153 514

ASX: TMX

Quarterly Activities Report: December 2022

Terrain Minerals Limited (ASX: TMX) (Terrain) is pleased to provide the following update on its activities for the December 2022 quarter:

HIGHLIGHTS:

Smokebush – Gold & Lithium - Exploration Project

- New Acquisitions & Consolidation:
 - 80/20 JV tenements, 20% remaining acquired – Total project area now 100%
 - Tenement acquired E59/2700 – small strategic area secured
- 'Pegmatite' Swarms Identified (~20+) - Samples testing for Lithium
- Planning for next phase of exploration underway, including drilling on Gold & Lithium

Lort River Project – Rare Earth Elements (REE)

- Engagement of WA based Cube Consulting Pty Ltd (Cube) to assist with strategic exploration planning targeting REE's
- Approvals for a large Air core program underway over the 320km² holding
- Gold & Base metal potential also being assessed

Calytrix & Wildviper – Other Exploration Projects

- Advancement activities continue

Corporate Update

- Successful raised \$800,000 via a corporate placement
- Announcement of share purchase plan (SPP) to existing shareholder
 - **SPP Currently Open, Closing 31st January 2023**
 - Eligible Directors have indicated they will participate
- Investments 650,000 shares in Red5 Ltd (ASX: RED)
 - Current value (at 0.25c) = \$162,000 (not include in cash amount)
- New opportunities continue to be applied for and reviewed
- Promotional activities commence – Conference schedule for 2023

The market will continue to be updated on the development of all of Terrain's projects.

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Smokebush Project

Terrain has had an exciting Quarter at Smokebush, securing the remaining 20% of the JV tenement and as such now owns 100% of the Smokebush Project, as well as secured another smaller strategic tenement at the same time.

Terrain's new senior geologist has been undertaking a detailed project review and identified 20+ pegmatites during several site visits. These samples are being tested for the existence of Lithium ore with result expected sometime in February 2023.

This Project review process has once again highlighted the gold targets at Paradise City, Wild Flower and Hurley have new exploration programs being finalised and Larin's Lane area is also being advanced. The market will be updated accordingly.

Project Consolidation - Two key deals executed

First Acquisition:

Terrain has successfully acquired the outstanding 20% of the Smokebush joint venture (JV) tenements (being the prospecting and exploration licenses P59/2125, P59/2126, P59/2127, P59/2128 & E59/2234) and, as such now owns 100% of the highly prospective Smokebush Project (refer to diagram 1).

The purchase price and terms of this first acquisition are as follows:

- Terrain issued the vendor ten million (10,000,000) fully paid ordinary shares ASX:TMX (equating to approximately \$70,000 at \$0.007 per share) on 6 December 2022
- 1% Net Smelter Royalty (NSR; standard royalty definitions) on the first 100,000 ounces of gold or to the equivalent value on other minerals.

New agreement cancels out the existing JV and all outstanding liabilities:

- Future Payments of up to \$500,000 in cash or shares based on milestone – **Cancelled.**
- Vendor's previous 20% free carry interest until completion of feasibility study – **Cancelled.**
- Vendor's previous 20% free carried interest converts to a 1% capped NSR – **Cancelled & Replaced.**

Refer to ASX release for the original farm in agreement: 2 December 2019 - Farm-in Agreement for the Smokebush Gold Project at Mt Mulgine, 65km West of Paynes Find WA.

Second Acquisition:

During the Quarter, Terrain acquired a 100% interest in a small exploration tenement E59/2700 which is surrounded by Terrain's existing Smokebush tenements. The corner of E59/2700 divided the structure that runs between the Rabbit Warren target and the Larin's Lane structure, which Terrain is planning to explore further as part of its 2023 air core drilling campaign (refer to diagrams 2 & 3).

E27/2700 was acquired for a total of \$20,000 comprising \$10,000 cash and \$10,000 of fully paid ordinary shares in Terrain (equating to 1,428,571 shares at \$0.007 per share) which were issued on 6 December 2022.

Pegmatite Swarms Identified & Samples for Lithium

Recent mapping over Smokebush by Terrain geological team has identified up to twenty (20) pegmatites, all sampled and submitted for analysis.

Pegmatites are the preferred host lithology of lithium mineralisation across Western Australia (refer foot note 1). Terrains geological team have taken rock chip samples from these pegmatites which are being tested for lithium mineralisation (refer to diagram 1 & foot note 2). Assay results from this sampling program are anticipated to be received by Terrain in February 2023.

Terrain is encouraged that the Smokebush pegmatites are located within the so-called "goldilocks zone" being the distance between two and six kilometres from a granite intrusive (in this case, the Mt Mulgine granite intrusive (refer to diagram 3) immediately west of the Smokebush tenements), which is interpreted as being the most prospective zone within a pegmatite for lithium mineralisation (refer to foot note 3).

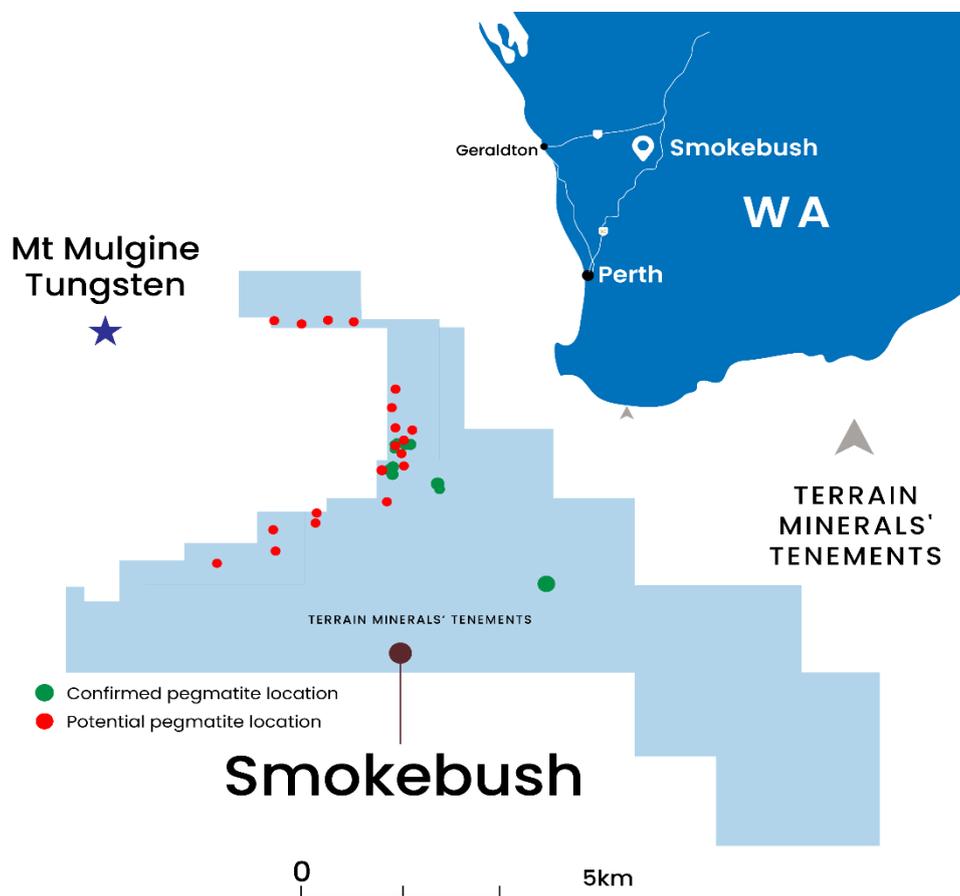


Diagram 1: Smokebush Project Location. Red and Green indicate location of known pegmatites.

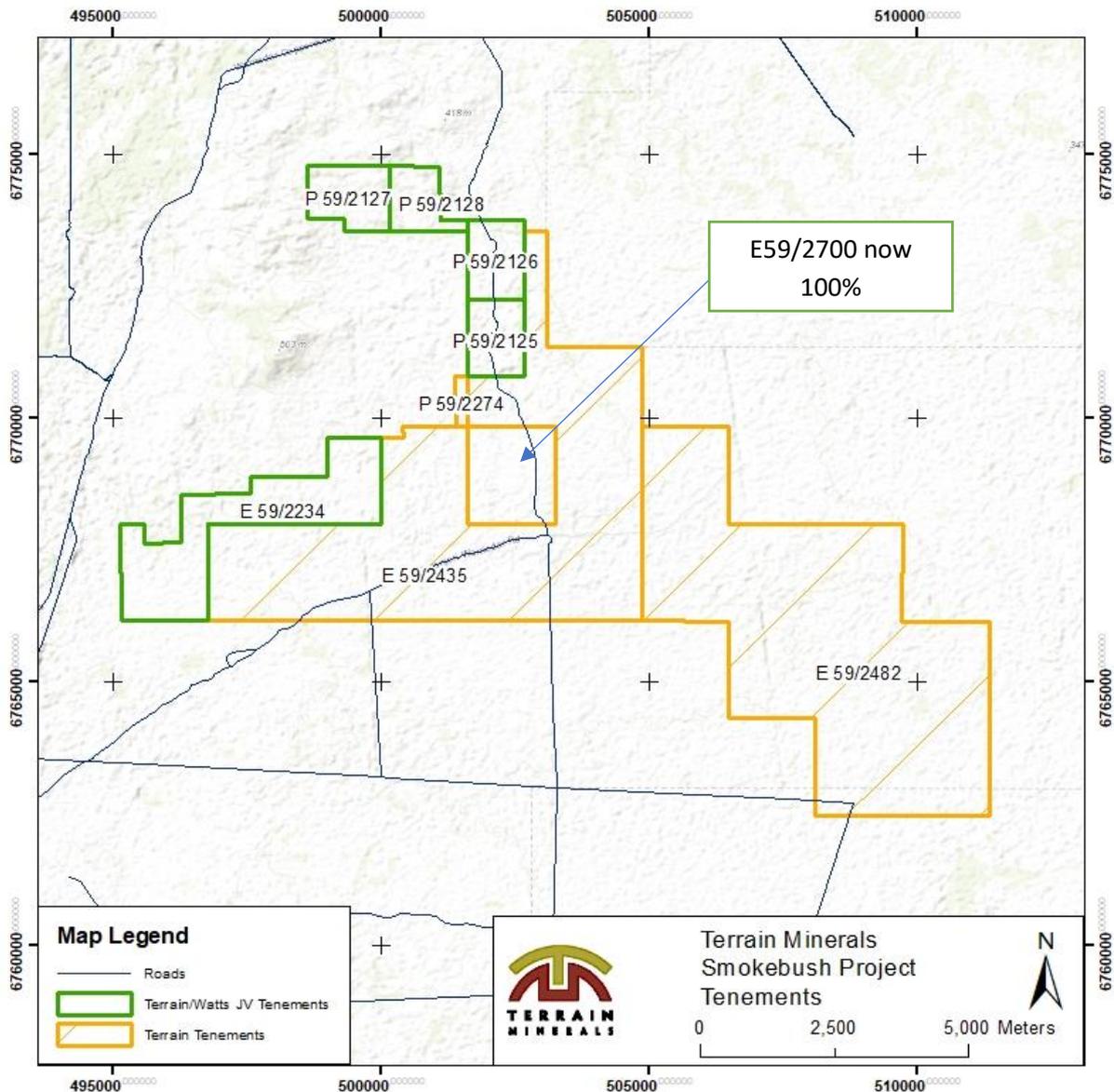


Diagram 2: Smokebush Project Location (tenements outlined in Green previously 80% now 100% being the same as the orange outlined tenements. E59/2700 was previously not owned by Terrain and is strategically situated along the structure that runs between Rabbit Warrens and down to Larin’s Lane (refer to Diagram 3)).

Foot Notes:

- 1 – Refer to:** Two examples of pegmatite geology hosting lithium mineralisation within WA;
 - Red Dirt Metals Ltd (ASX: RDT) announcement on 8 April 2022.
 - Global Lithium Resources Ltd (ASX: GL1) announcement on 1 August 2022.
- 2 -** There is no guarantee that the pegmatites at Smokebush are mineralised for lithium.
- 3 - Refer to:**
 - Hannans Ltd (ASX: HNR) announcement of 17 October 2022 for further information on lithium “goldilocks zone”.

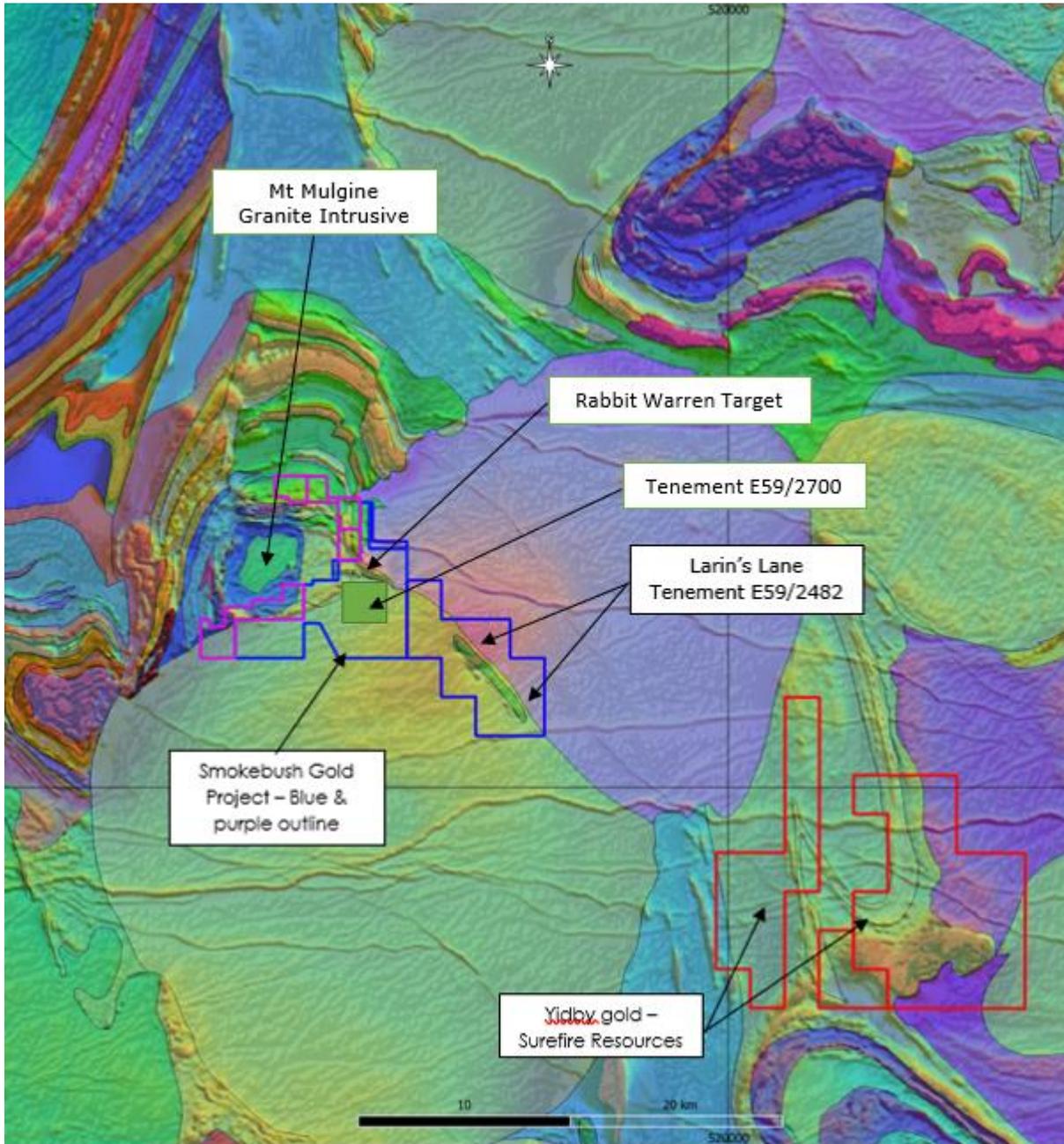


Diagram 3: Smokebush Project Location: The Mt Mulgine granite intrusive can be identified and shows that Terrain pegmatites are in the so-called Goldilocks zone for potential lithium mineralisation. The area also hosts Terrains new Larin's Lane gold target a ~4.5km long by 200-300m wide untested and undercover greenstone that is wedged between two granites. The total area is now 100% held by Terrain with E59/2700 tenement also included following the recent transaction that consolidated the area.

Location & Access

The Smokebush Project area is located approximately ~350km from Perth Western Australia and 85 kilometres east northeast of the Perenjori township and 65 kilometres west of Paynes Find within the Yalgoo Mineral Field. The tenements can be accessed via the unsealed Perenjori - Warriedar Road, and thence via extensive historical exploration grid lines, station tracks and fences lines.

The now 100% owned project consist of Prospecting Licenses (P59/2125, 2126, 2127, 2128 & 2774) and Exploration Licence E59/2234, 2435, 2482 & 2700 (refer to diagram 2).

The geology of the area consists predominantly of a complexly folded, regionally metamorphosed Archaean greenstone sequence at the southern end of the Yalgoo Singleton Greenstone Belt that has been subjected to multi-phase granitoid intrusion. Located adjacent to a large tungsten resource at Mt Mulgine (Tungsten Mining NL) and a number of recently developed gold open pit mines (Minjar Gold Pty Ltd).

Note: For additional information refer to ASX announcement:

- **2 December 2019** - Farm-in Agreement for the Smokebush Gold Project at Mt Mulgine, 65km West of Paynes Find WA.
- **18 December 2019** - Smokebush Exceptional Historic Drilling Results Identified During Project Due Diligence.
- **3 March 2020** - Exciting Results from Smokebush Gold Project.
- **08 October 2020** - High Grade Rock Chips at Smokebush Gold Project.
- **12 October 2020** - Exciting Drilling Results at Smokebush Gold Project.
- **3 December 2020** - New Application Granted with Exciting Historic Results at the Paradise City Gold Prospect - Smokebush Gold Project.
- **12 February 2021** - Ground Geophysics & Mapping Refines Targeting Matrix at Smokebush Gold Project.
- **17 March 2021** - Drilling & Project Update - Smokebush Gold Project.
- **22 April 2021** - 2,100m RC Drilling Program Commenced at the Smokebush Gold Project.
- **27 May 2021** - New Rock Chip Samples & Drilling Update Smokebush Gold Project.
- **19 July 2021** - Positive First Pass Drilling Results Smokebush Gold Project.
- **13 September 2021** - New Geological Interpretation (Monza) & Exploration Update, Smokebush Gold Project.
- **23 August 2022** - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates.
- **2 December 2022** - Acquisition Smokebush JV Tenement Now 100% owned.
- **6 December 2022** - Smokebush - Pegmatite Swarms Identified, Sampling for Lithium Mineralisation Underway.

Lort River - Rare Earth Project

Terrain has previously announced that clay type rare earth elements (**REE**) have been discovered over large areas within its 100% owned Lort River Project. The tenements cover a total area of 320km² of highly prospective exploration acreage for REE within the now tightly held and emerging southern Esperance clay hosted REE province of Western Australia (refer to diagram 4). The project areas are predominately situated over freehold agricultural land and located within 50km of the town and port of Esperance and located between other ASX explorers who have already demonstrated the existence of clay hosted REE within the region (Refer to Diagram 6 to 8).

Key Consultant Appointed

Terrain has engaged WA based Cube Consulting Pty Ltd (**Cube**) to assist with strategic exploration planning with the goal of compiling a maiden resource at Lort River as soon as possible. Cube has extensive REE experience and corresponding resource modelling and will assist Terrain to achieve its objectives ensuring all activities are executed effectively and carried out to a standard to support the reporting of any future Mineral Resource Estimates.

Cube's scope of work includes:

- Plan first pass drill program across Terrain tenements to support reporting of an Exploration Target.
- Provide recommendations on processes and procedures for drilling to ensure information is collected at a standard to support future Mineral Resource Estimates in line with the requirements of the JORC Code.
- Preparation of maps for a Program or works (POW) application.

Terrain intends to conduct wide spaced air core drilling over all areas in the first half of 2023 with the aim of being able to bring all data into a resource as soon as possible, assuming the clay zones are continuous and hold grade. If this is the case the study will identify how to best execute a cost-

effective drilling campaign over the Lort River tenure. It is believed that this planning will also greatly assist in reducing the overall time and lowering the costs to any future discoveries.

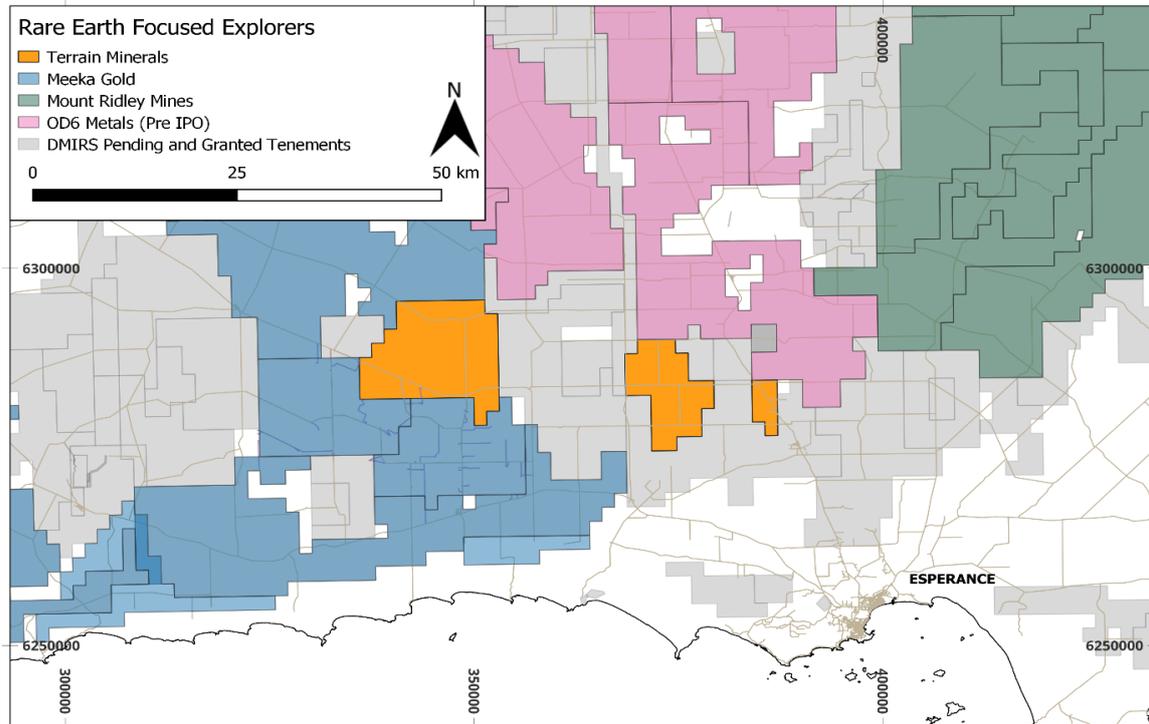


Diagram 4: Terrain granted Lort River, REE exploration tenements in orange.

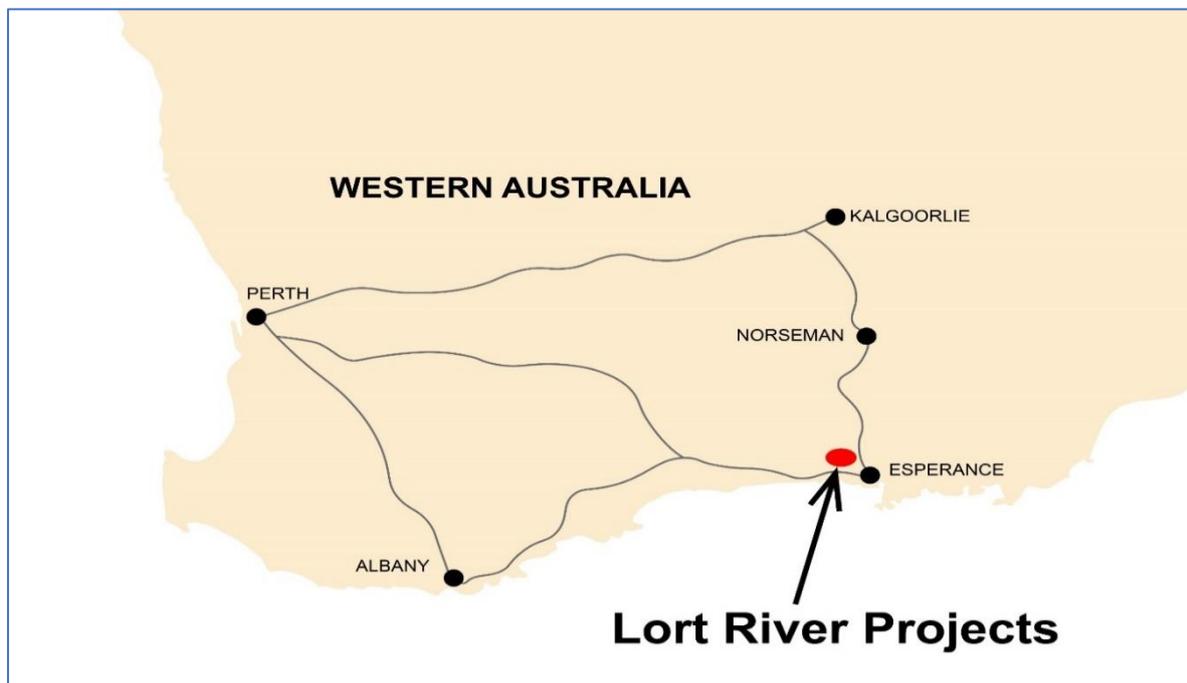


Diagram 5: Location of Lort River Project (TMX 100%) where surface REE clay type anomaly has been identified.



Diagram 6: Higher-grade rare earth surface sample locations (road side sampling).

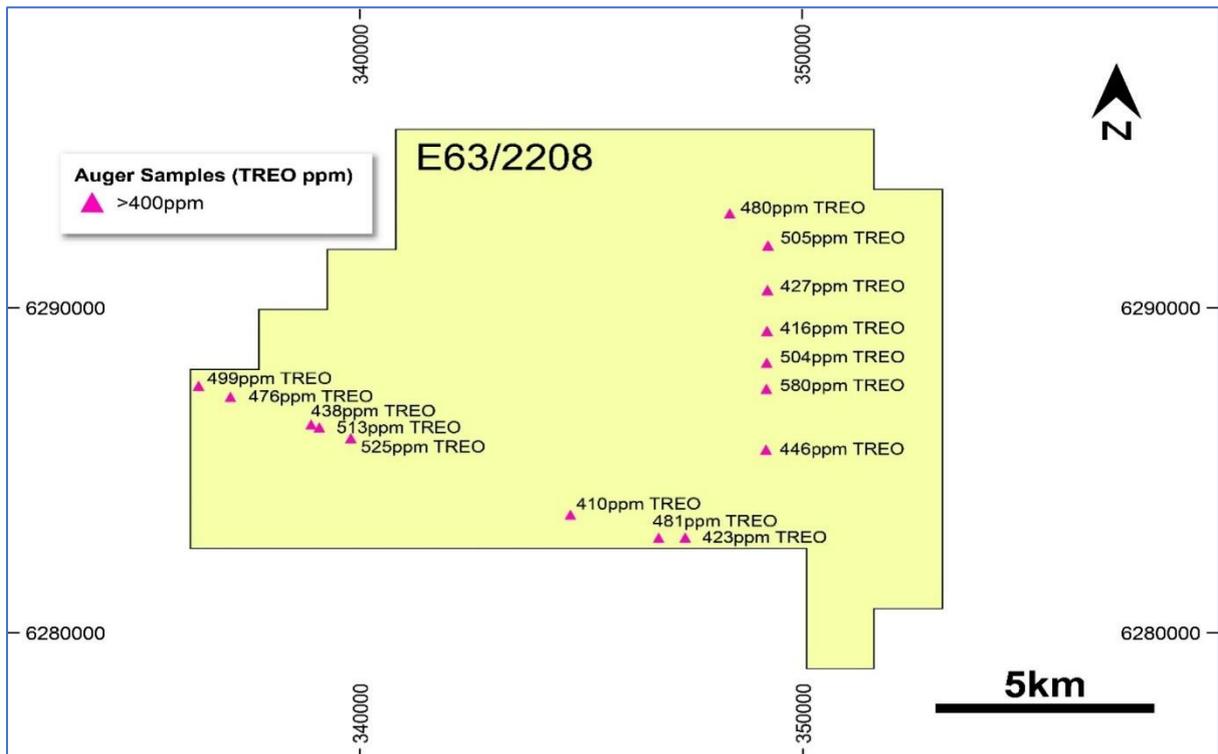


Diagram 7: Some of the Higher-grade rare earth surface assays (roadside sampling) within this large tenement E63/2208.

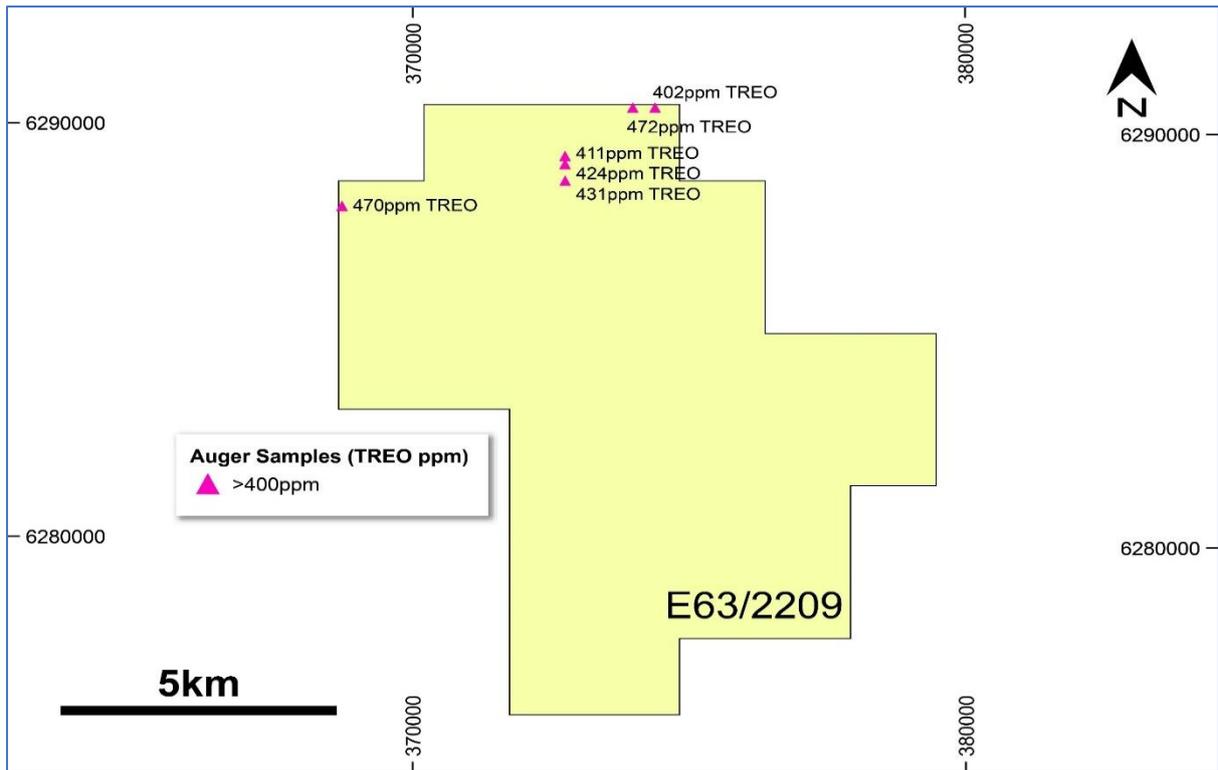


Diagram 8: Higher-grade rare earth surface assays within E63/2209 (roadside sampling).

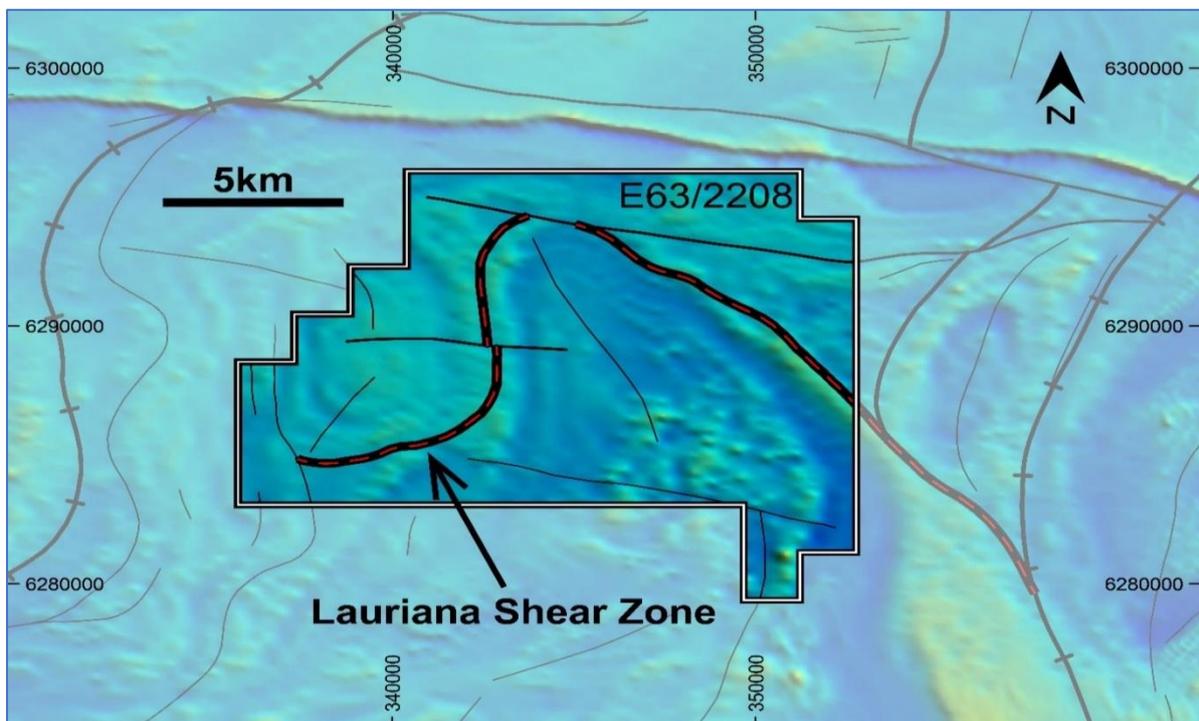


Diagram 9: E63/2208 tenement boundary (TMX 100%) overlaid on regional magnetics showing highly prospective Lauriana Shear Zone and second order structures.

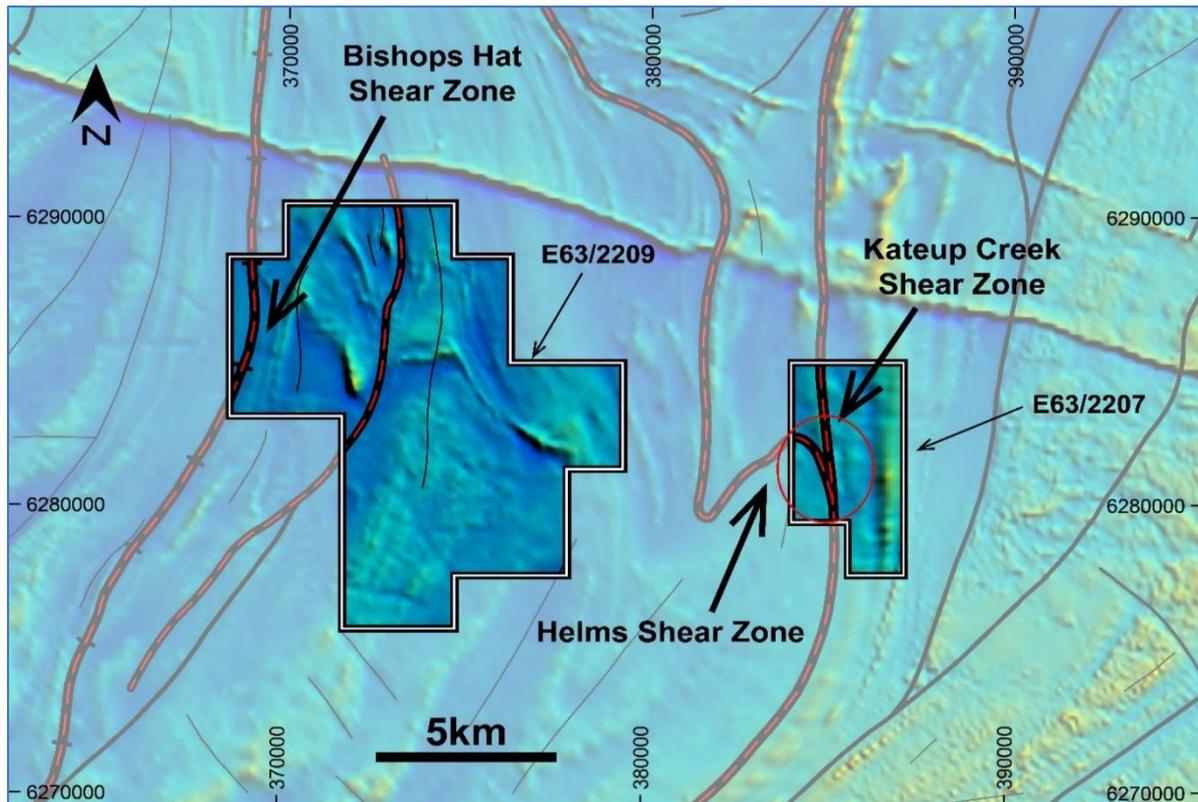


Diagram 10: E63/2207 and E63/2209 tenement boundaries (TMX 100%) overlaid on regional magnetics showing highly prospective regional shear zones and second order structures.

Lort River Project - Historic Data Review

Terrains review of historic auger drilling data at its 100% owned Lort River Project with high-grade clay type REE soil anomaly identified over large areas.

High-Grade Rare Earths Soil Anomalies Identified

- Assays show a **high percentage of valuable magnet rare earth elements** (up to 35% of the total grade).
- **The shallow auger samples returned Total Rare Earth Oxide (TREO) grades of:**
 - 580 ppm TREO in VKU28733 (25% Magnet REO of total grade)
 - 525 ppm TREO in VKU28802 (27% Magnet REO of total grade)
 - 513 ppm TREO in VKU28806 (28% Magnet REO of total grade)
 - 505 ppm TREO in VKU28712 (35% Magnet REO of total grade)
 - 504 ppm TREO in VKU28729 (29% Magnet REO of total grade)

Refer: Collar and Drilling Tables 1 and 2 in ASX release: 30 May 2022 - High-Grade Clay Type Rare Earths (REE) Soil Anomaly Identified at Lort River Project.

- Assays also show high Scandium (Sc) grades, a valuable metal and potentially important addition to the high-grade rare earth mineralisation.
- **Terrain intends to advance exploration at Lort River, targeting the underlying clay horizon** below the shallow soil anomaly.

- The tenure also covers the Kateup Creek, Helms, Bishops Hat and Lauriana Shear Zones that are also prospective for gold and base metals (refer to diagram 9 & 10) in addition to the shallow, high-grade, high value rare earth mineralisation already identified.

The exciting REE results are from historic shallow auger samples taken ~1m below surface and appear to have been taken along road reserves relating to early-stage gold exploration activities.

Terrain will target the more prospective underlying clay horizon where it is hoped that grades will improve within larger zones. The high-grade soil results span Terrains two western tenements (E63/2208 and E63/2209), over 300km². The Company's eastern tenement (E63/2207) has never been explored for rare earth mineralisation and is also considered prospective for further REE soil anomalies (Refer to Diagram 6).

In addition to the high-grade rare earth soil anomalism spread across large areas of the Lort River Project, the tenure covers significant sections of major regional shear zones. This includes the Kateup Creek and Helms Shear Zone, the Bishops Hat Shear Zone and the Lauriana Shear Zone, positioned on the western side of a major bifurcation in the red island shear zone where both the Belgian and Lauriana Shears splay off to the west. In addition to rare earth targets, these shear zones present significant untested and highly prospective targets, for gold and base metals.

Note: For additional information refer to ASX announcement:

- **5 May 2022** - Lort River (320km²) Rare Earth Project Highly Prospective Tenements Granted
- **30 May 2022** - High-Grade Clay Type Rare Earths (REE) Soil Anomaly Identified at Lort River Project
- **21 Nov 2022** - Rare Earths (REE) Exploration Planning for 2023 has Commenced at Lort River

Calytrix Exploration Project

The now fully granted Calytrix exploration package comprises of four tenements comprising 222 blocks and covers ~668 square km. The tenements are prospective for base metals and gold and located to the north of Terrain's Smokebush project.

Calytrix is located approximately 40km south-east from the township of Yalgoo, 50km north of the Smokebush project and 500km north-east of Perth and is accessible by local roads.

It is geologically situated within a large structurally complex igneous area amongst historic gold prospects with large areas undercover. Calytrix has seen little to no exploration activities for an area that is located near to historic goldfields and operating major base metals mines including Golden Grove and 29 Metals. (Refer to Diagram 11).

Following up from last quarters mapping and sampling activities (Refer to Diagram 12), Terrain's geological team is currently preparing to go back to site to conduct a large (ionic leach) infill soil program between two lines that are 1.6km apart and situated over an interesting geological structure. The infill program will be spaced 100m by 50m and testing for continuity between the existing two soil sampling traverses. The market will be updated accordingly.

Note: For additional information refer to ASX announcement:

- **23 August 2022** - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates.

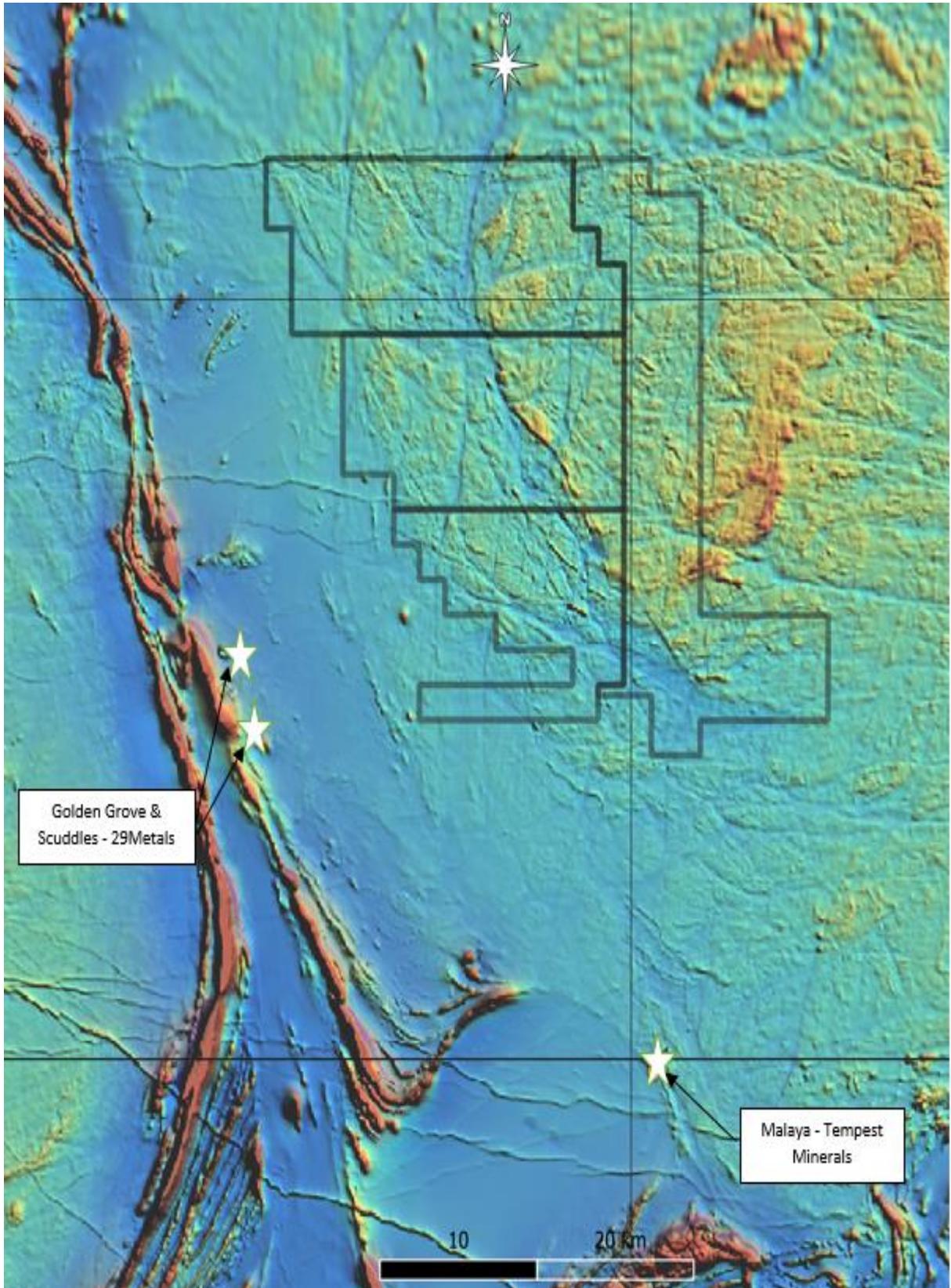


Diagram 11: Terrain new Calytrix exploration project now fully granted.

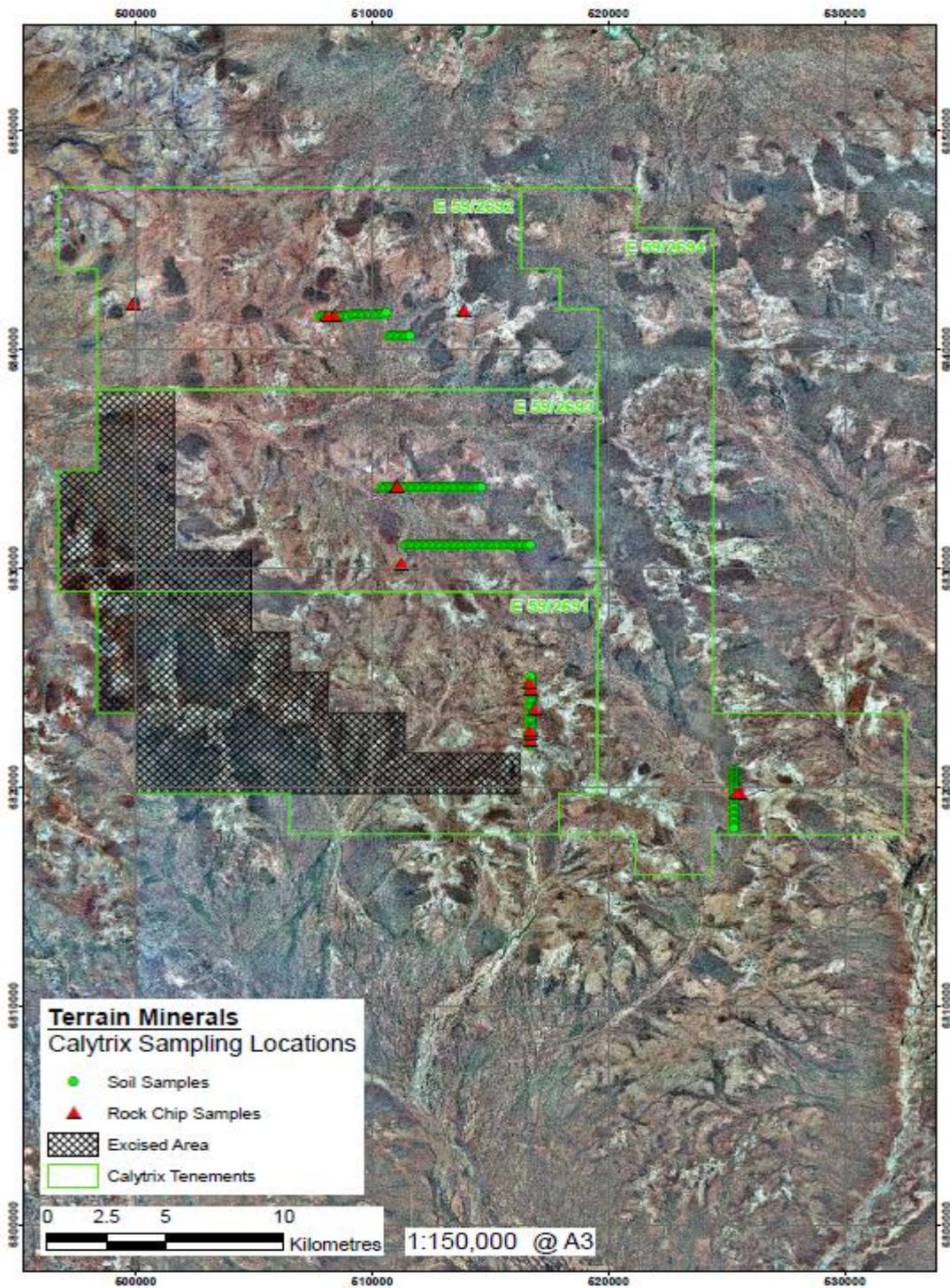


Diagram 12: The above diagram identifies the sample lines taken during the recent site visit.

Wild-viper Gold Exploration Project

During the quarter, Terrain continued to advance the project and Terrain new geologist intends to visit site in the first quarter 2023, prior to updating the market on the next phases of exploration.

Terrain is current planning is to conduct the next drill program between the old Bundarra home stead area and the currently shallow excavated pit located at Great Western deposit.

Note: Terrain is currently at the warden court dealing with a special prospecting licence (SPL) application from an opportunistic prospector who is seeking to have an area granted which is in the proximity of Terrain’s proposed drilling program and so delaying ground activities. Terrain intends to defend its mineral rights within its granted tenement area, which has been systematically exploring and meeting all its expenditure obligations.

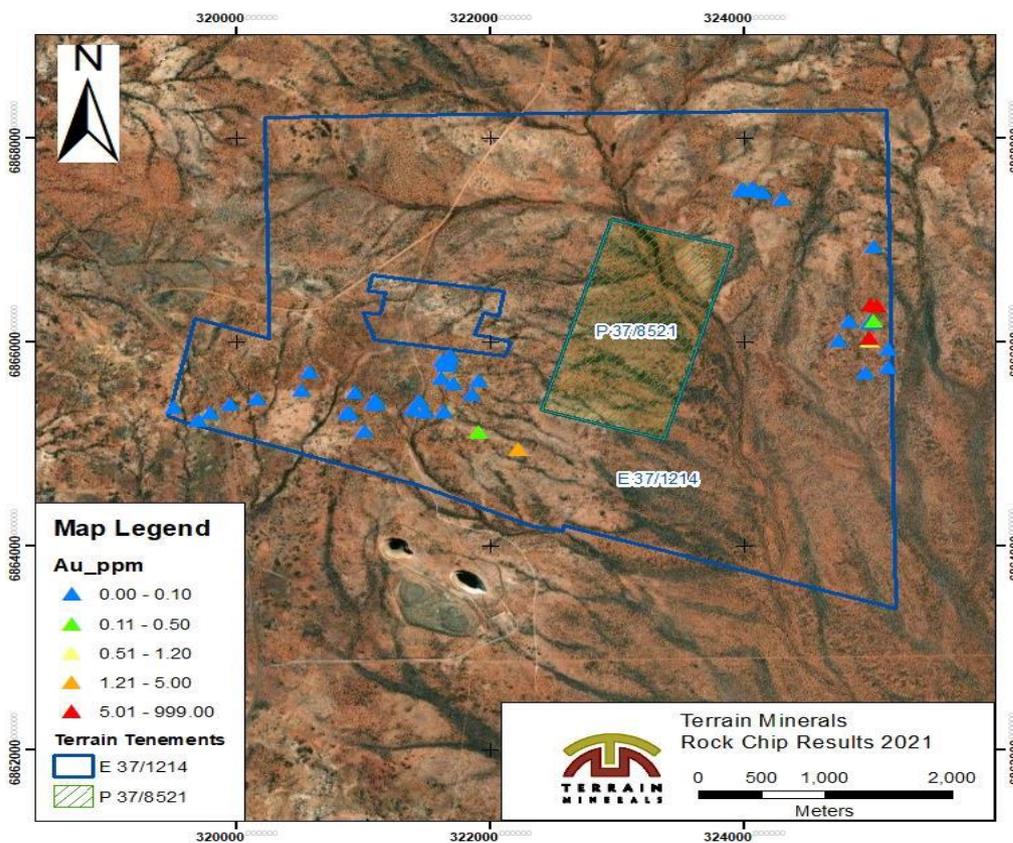


Diagram 13: Wild Viper Project, P37/8521 Terrain has the right. Other Blue cut of is RED 5 Ltd Great Western gold mine.

About Wild-viper Gold Project

The 100% owned Gold exploration project is Located 68 km north of Leonora and adjacent to the Goldfields Highway and is situated on the Weebo pastoral leases and forms part of the historic Wilsons Patch mining area. Terrain considers this project an exciting exploration opportunity that has seen limited modern exploration. This Strategically located package is surrounded by the Great Western Gold Project (now 100% owned & being mined by Red5 Ltd - ASX: RED) and is also adjacent to Northern Star Resources (ASX: NST) Bundarra gold deposits as well the historic Black Cat workings. The newly secured Wilson Patch tenement is also under explored and is highly prospective due to being held in private hands for several decades.

Note: For additional information refer to ASX announcement:

- **22 June 2020** - Wild-viper & Smokebush Gold Projects Update.
- **29 June 2020** - Strategic Acquisition at Wild-viper Gold Project "The Missing Piece of the Puzzle" & New Targets.
- **07 October 2020** – Wild-viper Gold Exploration Project Update.
- **05 November 2020** - Commencement of 2,650m drill program at Wild-viper Gold Project & Smokebush Gold update.
- **02 February 2022** - High Grade Rock Chips from New Areas at Wild Viper Gold Project.
- **23 August 2022** - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates.

Corporate

Placement

On 14 December 2022, Terrain announced that it had received firm commitments to raise \$800,000 through a placement of shares at an issue price of \$0.006 per share (**Placement**). The Placement received strong demand from institutional and sophisticated investors who are mostly existing long-term shareholders and supporters of the Company.

Funds raised from the Placement will be used to undertake accelerated drilling activities at the Company's Lort River (Rare Earth Elements (REE)) and Smokebush (Gold and Lithium) projects, as well as for general exploration purposes and working capital.

The Placement was completed and shares were issued on 19 December 2022.

Share Purchase Plan (SPP)

On 14 and 20 December 2022, Terrain announced that it will be offering a SPP to its existing eligible shareholders to provide them with the opportunity to acquire additional share in the Company. Directors of the Company, as eligible shareholders, have indicated that they will participate in the SPP.

The SPP shares are being offered at the same issue price of shares offered under the Placement, being \$0.006 per share. The Company is targeting to raise \$800,000 under the SPP however may accept applications that result in the SPP raising more or less than \$800,000.

The SPP is **currently open** with a **closing date of 31 January 2023** as outlined below (the timetable is indicative only and may vary subject to demand and the boards discretion):

Event	Date
Record date for eligibility to participate in the SPP	4.00pm (AWST), 19 December 2022
Dispatch of SPP offer Documents and SPP offer open	10 January 2023
SPP closing Date	31 January 2023
Announcement of SPP Participation Results	3 February 2023
Issue of new shares under the SPP	6 February 2023

The Company dispatched the SPP documentation on 10 January 2023 to all eligible shareholders however if you require another copy of the SPP offer letter a copy can be found at:

- Downloading a copy from the Computershare website (www.investorcentre.com); or
- Requesting a copy from your stockbroker; or
- By e-mailing Terrain@terrainminerals.com.au.

Annual General Meeting

On 17 November 2022, the Company held its annual general meeting (**AGM**) of shareholders. All resolutions were carried at the AGM.

Share Investment

As at the date of this announcement, Terrain holds 650,000 Red5 Ltd shares (ASX: RED) from the sale of the Great western deposit.

- Current value (at 25c) = \$162,000 (not include in cash amounts)

New Opportunities & Project Review

Terrain continues to search, assess potential 'company making' projects including Gold, Copper, Nickel, REE's Lithium and industrial minerals in Australia, Europe, and other regions. Several jurisdictions of interest have been identified. All economic commodities are being considered as indicated in previous Quarterly reports.

Geological assessment and discussion are ongoing on several opportunities and new areas has also been pegged, opportunities are located within Western Australia which remains the company's focus at this point of time.

2023 Promotional Activities Commence – Conference Schedule

Terrain intends to increase investor engagement activities throughout 2023, due to the quality of the Company's new portfolio and planned exploration activities.

As part of this strategy, key team members will attend promotional events throughout the year, with the aim of reaching new investors throughout key mining jurisdictions to attract new interest in Terrain and to expand the Company's share register base.

Terrain will be presenting at the 121 Mining conference in Cape Town, South Africa in early February 2023 followed immediately by the Mining Indaba conference also in Cape Town. Terrains event calendar at both of these events is currently fully booked. Terrain is pleased that is has been able to attract and secure key meetings with international mining specialists which include international commodities trading houses, fund managers and family offices, many who have sought meetings with Terrain and are attending this event from North America, UK, EU and Southeast Asia.

Justin Virgin
Executive Director

For further information, please contact:

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Phone: +61 8 9381 5558

ABOUT TERRAIN MINERALS LIMITED:

Terrain Minerals Limited (ASX:TMX) is a minerals exploration company with a Western Australian based asset portfolio consisting of:

- **Investments:** As of the date of this announcement Terrain holds 650,000 Red 5 Limited shares (ASX: RED) from the GW sale.
- **Lort River** – WA Rare Earth Elements exploration project 100% owned. Covering 320km² of highly prospective exploration acreage for REE within the now tightly held and emerging southern Esperance clay hosted REE province of Western Australia Cube Consulting has been appointed to ensure that all exploration drilling is compliant with JORC code. Terrain is currently planning for a large wide spaced 8,500m 1600m by 1600m, 60m deep air core program over tenement package under way. All holes will be drilled to be JORC compliant. Drilling aims to test two targets: Firstly: Shallow clay REE and Secondly: Bottom of hole samples will be testing for Tropical style gold and Nova style base metal targets.
- **Smokebush (SB)** - WA Gold exploration Project 100% owned – Terrain has identified multiple drill targets along with several other prospective areas. Terrain executed its extraordinarily successful maiden RC drill program in 2020, which followed up on historic drilling and extended mineralisation a further 400m, (now 700m in length). As well as identifying a new zone Monza Norths that appears to be on a different orientation. Planning is underway for further exploration at Larin’s Lane, Paradise City, Hurly and other areas.
- **SB – Lithium** - ~20+ pegmatites identified to date, ranging from 5m to 30m wide and up to 200m long until appearing to go under cover. These areas have been sampled and results are expected first Q 2023. Terrain intends to drill these pegmatites subject to sample results identify Lithium mineralisation.
- **Wild-viper** - WA gold exploration Project 100% owned – which incorporates the strategic land holding known as Wilson Patch (WP). Wild-viper tenement package is strategically located and surrounds Red5 Ltd - Great Western Project (GW) as well as being adjacent to Northern Stars (ASX: NST) Bundarra gold deposits.
- **Calytrix Exploration Project** – Base metals and gold Exploration project, first pass filed exploration program was conducted and results are currently being assessed.
- **Project Review** - Terrain Minerals continues to investigate potential projects across various commodities including Gold, Copper, Nickel, and other industrial minerals, REE and the platinoids groups of metals in Australia and in other jurisdictions like Africa, Continental Europe, and the Americas.

Authority

This announcement has been authorised for release by the Board of Director of Terrain Minerals Limited.

Related Party Transactions

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associated during the quarter totalled \$69,000. Terrain advises that this relates to Executive Director salaries and entitlements and Non-Executive Director fees. Please refer to the Remuneration Report in the Annual Report for further details on Director remuneration.

Competent Person Statement:

The information in this report that relates to historic exploration activities are based on information compiled by Mr. S Nicholls, who is a Member of the Australian Institute of Geoscientists and full time employee of Apex Geoscience Australia Pty Ltd. Mr Nicholls has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Nicholls consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ASX Listing Rule 14.3

In accordance with ASX Listing Rule 14.3 and its Constitution, the Company advises that valid nominations for the position of director remain open throughout the year.

Compliance Statement:

The Company notes that within the announcement all the information is referenced directly to the relevant original ASX market releases of that technical data.

Terrain would like to confirm to readers that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of the estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Disclaimer:

Information included in this release constitutes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue" and "guidance" or other similar words, and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate environmental conditions including extreme weather conditions, staffing and litigation

Forward looking statements are based on the company and its management's assumptions made in good faith relating to the financial, market, regulatory and other relevant environments that exist and effect the company's business operations in the future. Readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements are only current and relevant for the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or advise of any change in events, conditions or circumstances on which such statement is based.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Terrain Minerals Limited

ABN

45 116 153 514

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(259)	(382)
(b) staff costs	(69)	(138)
(c) administration and corporate costs	(119)	(205)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other - Net GST	-	8
1.9 Net cash from / (used in) operating activities	(445)	(714)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(c) property, plant and equipment	-	-
(d) investments net sale of Red 5 shares	-	101
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	-	101
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	800	800
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(52)	(52)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	748	748
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	917	1,085
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(445)	(714)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	101
4.4 Net cash from / (used in) financing activities (item 3.10 above)	748	748
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,220	1,220

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	1,220	917
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,220	917

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	69
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(445)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(445)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,220
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,220
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.74
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Schedule of Exploration Tenements held as at 31 December 2022 - Listing Rule 5.3.3

Interests in Mining Tenements

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Wild Viper E37/1214	Western Australia	100%		
Smokebush E59/2435 E59/2482 E59/2274 E59/2234 P59/2125 P59/2126 P59/2127 P59/2128 E59/2700 P59/2275*	Western Australia	100%	Acquired remaining 20% of: E59/2234 P59/2125 P59/2126 P59/2127 P59/2128 Acquired 100% of E59/2700	
Calytrix E59/2692 E59/2694 E59/2744 E59/2745 E59/2730*	Western Australia	100%	E59/2730*	
Lort River E63/2007 E63/2008 E63/2009	Western Australia	100%		
Mukka E70/6352* E70/6380* E70/6381* E70/6382* E70/6383* E70/6384* E77/3043*	Western Australia	100%	E70/6352* E70/6380* E70/6381* E70/6382* E70/6383* E70/6384* E77/3043*	

* Application pending

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Wilson Patch P37/8521	Western Australia	100% with royalty		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 January 2023

Authorised by:
Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.