

ASX Announcement



28 May 2025

ABN: 45 116 153 514

ASX: TMX
FRA: T4Y

Project Update: Larin's Lane Gallium/REE Project Metallurgical Studies MRIWA Research Project M10528

Terrain Minerals Limited (ASX: TMX) ('Terrain' or the 'Company') is pleased to announce that it's 100% owned Larin's Lane Gallium project in Western Australia (WA) is advancing forward with metallurgical studies now underway. These studies form part of the industry and WA government-funded Minerals Research Institute of WA (MIRWA) research project M10528, and the Curtin University Resources Technology and Critical Minerals Trailblazer program. The work is being run by RSC and Curtin University. The project aims to develop a pathway to market for the development of environmentally sustainable rare earth element (REE) extraction techniques and to assess the long-term production potential to secure a reliable supply of REEs in WA.

Terrain is pleased to advise that RSC has confirmed the receipt of Terrain's sample pulps from ALS Laboratory. These samples have now been submitted to Curtin University for comprehensive metallurgical test work.

The metallurgical studies will focus on the recovery characteristics of gallium and rare earth elements (REE), as well as assess the potential recovery of other associated critical minerals. The program is expected to be completed by the end of calendar year 2025, with interim results to be reported as they become available.

This test work represents a key step in Terrain's strategy to advance the Larins Lane Gallium/REE Oxide Project through to potential concentrate production and industry assessment.

Comments from Our Study Partners:

MRIWA and its industry sponsors are happy that the project M10528 Extraction of Clay-Hosted REE Deposits in Australia is progressing well (www.mriwa.wa.gov.au/research-projects/project-portfolio/extraction-of-clay-hosted-rare-earth-element-deposits-in-australia/) As expected the collaborative approach for the project is giving insight into the economics and benefits to WA of REE extraction as well as strategic minerals as bi products.

RSC confirmed that the flux fusion geochemistry of feed samples is completed. The powder X-ray diffraction (XRD) and scanning electron microscopy (SEM) work is underway.

Curtin University also confirmed that the pulverised samples have been received. The samples will be tested with hydrochloric acid as a control. Subsequently, they will be tested with ammonium sulfate and several organic acids.

Forward Strategy:

Subject to successful outcomes from ongoing metallurgical test work, Terrain's strategic objective is to engage a specialist consulting group to produce a concentrate suitable for customer trials and broader industry evaluation. Developing a saleable end-product is considered a prudent and value-accretive step ahead of any significant resource expansion or infill drilling programs.

The Company is targeting the extensive 27km² sand/clay regolith zone at Larins Lane, which remains largely underexplored. Terrain intends to undertake further drilling to define an Indicated Mineral Resource, as required prior to the commencement of any mining or feasibility studies, in accordance with the JORC Code.

Continues next page:

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Terrain has previously reported that only ~5% of the 27km² target area is currently covered by its Stage 1 JORC-compliant Exploration Target. A number of the 101 drill holes completed to date fall within this zone, providing a solid foundation for future resource development.

The Larins Lane critical minerals target is hosted within a near-surface sand/clay regolith, distinguishing it from traditional hard rock REE deposits typically found in lithologies such as chloritised schist or granite. Importantly, many gallium and REE intersections encountered to date occur at or close to surface. Oxide-hosted REE mineralisation is typically more amenable to cost-effective extraction and processing, and initial observations suggest this may also apply at Larins Lane.

It should be noted that many of the Larins Lane gallium intersections are at surface and or close to surface, i.e. REE in oxide material being in a sand/clay regolith geological setting.

Terrain will continue to advance the project methodically, with the objective of de-risking and unlocking value at Larins Lane through a combination of metallurgical, geological, and economic studies.

The below table for Terrains JORC exploration target report covers 3 areas and is only 5% of current 27km² target area at Larins Lane this target (refer to diagram 2) see ASX release 6 November 2025.

Zone	Tonnage range (million tonnes)	Grade range: TREO (ppm)	Grade range: Gallium (grams per tonne)
South	5 to 7	870 to 760	19 to 21
Central	17 to 20	995 to 945	19 to 21
North	4 to 6	1,050 to 820	19 to 21
Total	25 to 33	980 to 880	19 to 21

Table 5: Phase One Exploration Target for the Larins Lane Project (covers 5% of prospective geology).

Note: All JORC data and tables can be found in ASX released on 06 November 2024.

Cautionary Note:

The Exploration Target quantities and grades are conceptual in nature. Insufficient exploration has been conducted to estimate Mineral Resources and it is uncertain if further exploration will result in the estimation of Mineral Resources.

See Appendix 1 at the end of this report for further Cautionary information.

Other Exciting Updates

Right Issue - Now Open

**PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE – ELIGIBLE SHAREHOLDERS AND
“OPTION TO APPLY FOR ADDITIONAL SHARES”**

The Company is undertaking a pro-rata non-renounceable entitlement issue of one (1) share (**New Shares**) for every 3.7 shares held by eligible shareholders at the record date at an issue price of \$0.003 each to raise up to approximately \$1,800,000 together with one (1) free-attaching option for every one (1) New Share subscribed for and issued which are exercisable at \$0.005 and expiring 17 June 2027 (**New Options**) (**Rights Issue Offer**).

The Rights Issue Offer is open to eligible shareholders who are on the register as of the Ex-Date: Wednesday 14 May 2025. Please refer to the prospectus which was lodged with the ASX/ASIC on 13 May 2025 for terms and conditions. A copy of the prospectus can be found on Terrains website and also on the ASX website.

- **The Offer application packs scheduled to be posted and emailed out on the 21 May 2025.**
- **The Rights Issue Offer is scheduled to close at 5:00pm (WST) on 17 June 2025.**
- **Any shortfall can be placed at the Boards discretion.**

Strong Board Participation and Priority Underwriting.

Board members intend to take up their rights issue allocations totalling approximately \$116,000. In addition, two directors have elected to priority underwrite the rights issue shortfall up to \$115,000. Together, this provides assurance over approximately \$231,000 or 12.8% of funds sought to be raised from the Rights Issue Offer (see ASX release 15 May 2025).

Smokebush Gold Project Update – “Drilling Now”

Terrain announced on the ASX that drilling had commenced on the 20 May 2025.

Terrain’s goal is to achieve an initial Mineral Resource estimate at the Lightning & Monza Gold Prospect for release in early to mid-2026” (see ASX release 20 May 2025).

High-Grade Gold Expansion Drilling

- **Drilling Overview:** ~17 Holes for 3,350 meters RC drilling (full details in ASX release 20 May 2025).
 - **Expanding on these New Exciting High-Grade Results (& Others).**
 - 11 metres @ **6.03 g/t gold** and **43.5 g/t silver** from 75 metres (SBRC063) – Lightning.
 - 3 metres @ **6.12 g/t gold** from 26 metres down hole (SBRC064) – Lightning.
 - 5 metres @ **3.77 g/t gold** from 180 metres down hole (SBRC065) – Monza down dip.
- Note:** refer to ASX release 31 March 2025.

Metallurgical Study Background Information (From ASX 5 Dec 2024)

MRIWA Studies Terrain is excited to have been selected to be part of the phase 2 study which is funded by industry and Western Australian government who see these studies are having high importance to help with developing a rare earth industry in WA to keep our industry at the forefront of technology.

Terrain is excited to be taking part in a phase two Metallurgical study being led by geological consulting group RSC who have been appointed to lead the **Minerals Research Institute of Western Australia (MRIWA) Project M10528**.

MRIWA Project M10528 study overview:

- Samples will be tested with 8 separate solvents (acids as their pH <7).
- Terrain switched the focus of the study goals to also examine Gallium extraction which is a critical metal.
- Results are now expected to be available at the end of the fourth quarter 2025 with interim results along the way.

As a participant in the MRIWA research project M10528, selected samples will also be the subject of a series of extraction processes via Curtin University. The objective of this government-sponsored research project is to optimise the recovery of regolith-hosted REE critical minerals (including Gallium) with a **focus on organic, near pH neutral, solvents**. Results from this research project will be provided to Terrain and will play a significant role in **underpinning any future Mineral Resource calculation** (and Scoping Study) for the Larins Lane Gallium/REE (Specialty metals) Project.

Terrain’s geological team in January 2025 did a twin hole for metallurgical sample material (refer to Diagram 4). The twinned hole sits within Terrain’s recently announced JORC compliant exploration target (refer ASX announcement released on 6 November 2024). This study was compiled by SRK Consulting (Australasia) Pty Ltd (**SRK Consulting**) and defined an initial *Phase One* Exploration Target for the Larins Lane Project located in the Mid-West region of Western Australia (see Diagram 1).

The initial *Phase One* Exploration Target is based solely on the limited air core program completed by the Company in 2023, which appears to **cover less than 5% of the prospective geology at Larins Lane**. (See Diagram 2). It should be noted that both the rare earth element (REE) mineralisation and Gallium covered by this *Phase One* Exploration Target are hosted within the regolith (or oxide) horizon, sitting above the fresh bedrock (see Diagram 3).

To quote SRK Consulting: “SRK has not seen any data to indicate that the drill target areas chosen by Terrain have better prospectivity than the undrilled areas between these drill clusters, and **it is reasonable to expect that mineralisation could be discovered along the undrilled areas** elsewhere along the granite contact”. *But there are no guarantees that future exploration will be successful,”* quoted from ASX release 6 November 2024.

In addition, as part of their report, SRK Consulting also designed a follow-up air core drilling program aimed at **testing an expanded mineralisation footprint** at Larins Lane. This proposed drill program, which comprises 53 holes for an estimated total of 3,500 metres of air-core drilling, is designed to **triple the amount of prospective geology drill tested** by the Company (see Diagram 2).

Commenting on the determination of an initial, Phase One Exploration Target for Larins Lane by SRK Consulting, and now the MRIWA advancement studies Terrain’s Executive Director, Justin Virgin, said:

Justin's Key Highlights:

- We are extremely excited to be at the for front of gallium/REE (critical metals) Exploration here in WA, after continued media around Chinas Gallium & other Critical minerals export bands to the USA.
 - One of the many links about the China/USA gallium export ban;
<https://au.finance.yahoo.com/news/china-targets-critical-metals-tit-102821740.html>
- The MRIWA metallurgical studies gives Terrain the opportunity to economically advance its Larins Lane Gallium project forward. It's the support of the WA Government future leaning funding initiatives that has made this possible.
- **Initial Exploration Target Defined:** SRK Consulting has defined a Phase One Exploration Target at Terrain Minerals' 100%-owned Larins Lane Project, covering only 5% of prospective geology.
- **Rare Earths and Gallium Potential:** Targeted REE and gallium mineralisation are located within the regolith (oxide horizon) above fresh bedrock, which is yet to be tested.
- **Future Exploration Phases:** A Phase Three drilling program has been design to cover the remaining 80% of Larins Lane's geology. Details will be released prior to the commencement of drilling, with a focused on delineating the higher-grade zones.

Selected higher grade holes include: (Refer to ASX announcement 27 May 2024)

Applying: Gallium Oxide (Ga2O3) cut-off 40.32 g/t (ppm)

- 16m @ 53.74 g/t Ga2O3 from 64m - (23SBAC035)
- 20m @ 48.33 g/t Ga2O3 from 4m - (23SBAC045)
- 30m @ 40.32 g/t Ga2O3 from 24m - (23SBAC071)
- 24m @ 46.34 g/t Ga2O3 from 32m - (23SBAC077)
- 8m @ 52.62 g/t Ga2O3 from 20m - (23SBAC080)

"We're very much focused after releasing the Exploration Target for the Larins Lane Project, in November 2024, which marking a pivotal step in unlocking the project's vast potential. The Phase One findings have shown us just a glimpse of what Larins Lane holds, and our planned drilling campaigns aim to substantially increase our understanding of the mineralisation. With less than 5% of the prospective geology covered by this Phase One Exploration Target, the Company expects that this preliminary Exploration Target will grow substantially during the next two phases of drilling."

*SRK has not seen any data to indicate that the drill target areas chosen by Terrain have better prospectivity than the undrilled areas between these drill clusters, and **it is reasonable to expect that mineralisation could be discovered along the undrilled areas** elsewhere along the granite contact". But there are no guarantees that future exploration will be successful.*

"With 95% of the prospective area still to be properly drill tested, this represents an enormous opportunity for the Company and its shareholders alike".

"The Company is pleased with the progress of its on-going discussions with potential international partners in relation of the gallium mineralisation at Larins Lane and the release of this, and subsequent Exploration Targets, play a vital role in advancing these discussions. Terrain looks forward to updating shareholders on these gallium partnership discussions once they develop sufficiently to meet disclosure requirements".

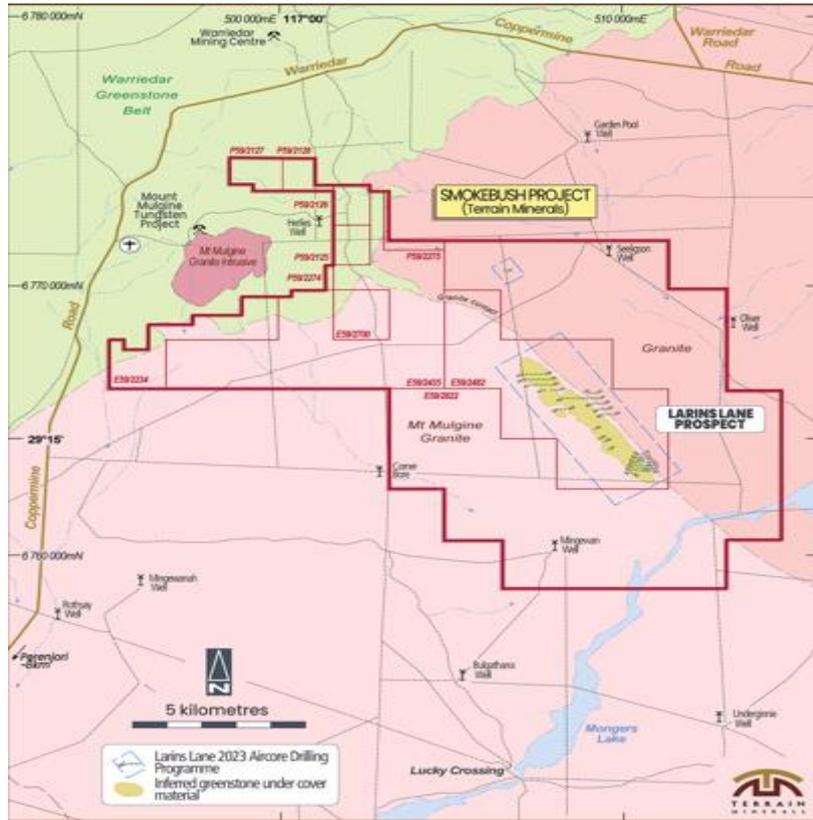


Diagram 1: Smokebush tenement package, refer to the following Diagram 2 (zoom in) which outlines the potential of Larin’s Lane Project and the proposed 3 stages of exploration, outlined in this report.

Larin’s Lane Gallium Project Location and Background

The Larins Lane Project is part of Terrain’s Smokebush project area, which is located in the Mid-West region of Western Australia, approximately 40 kilometres west of Paynes Find, and 350 kilometres northeast of Perth.

In 2023, Terrain conducted a 101-hole air core drilling program at the Larins Lane Project. Elevated concentrations of clay-hosted rare earth element (REE) and gallium (Ga) mineralisation were discovered in the regolith that has developed on an elongated amphibolite body located between adjacent monzogranite bodies.

Terrain engaged SRK Consulting to conduct an interim review of the available geological data with the aim of assessing the likely prospectivity of the area.

Following an initial review of the data, SRK Consulting concluded that there is sufficient data in selected parts of the deposit to define an REE and Gallium Exploration Target, which is also described in ASX release 06/11/2024.

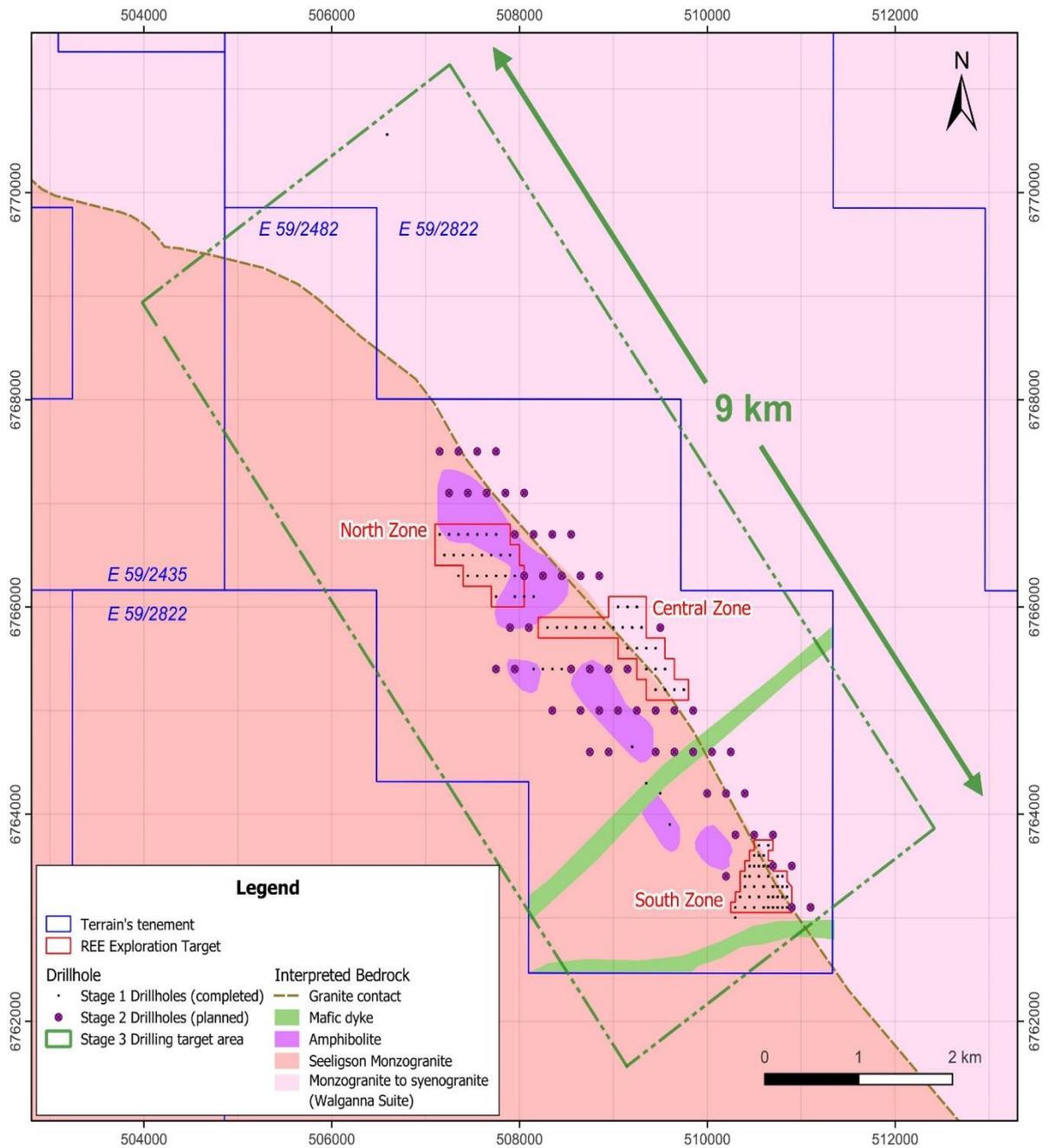


Diagram 2: Indicative area covered by the completed Stage 1 (2023) air core drill program, plus the proposed Stage 2 and Stage 3 drilling programs, highlighted in the legend box.

Notes: JORC tables relating to this diagram in ASX release 06/11/2024 see Appendix 1.

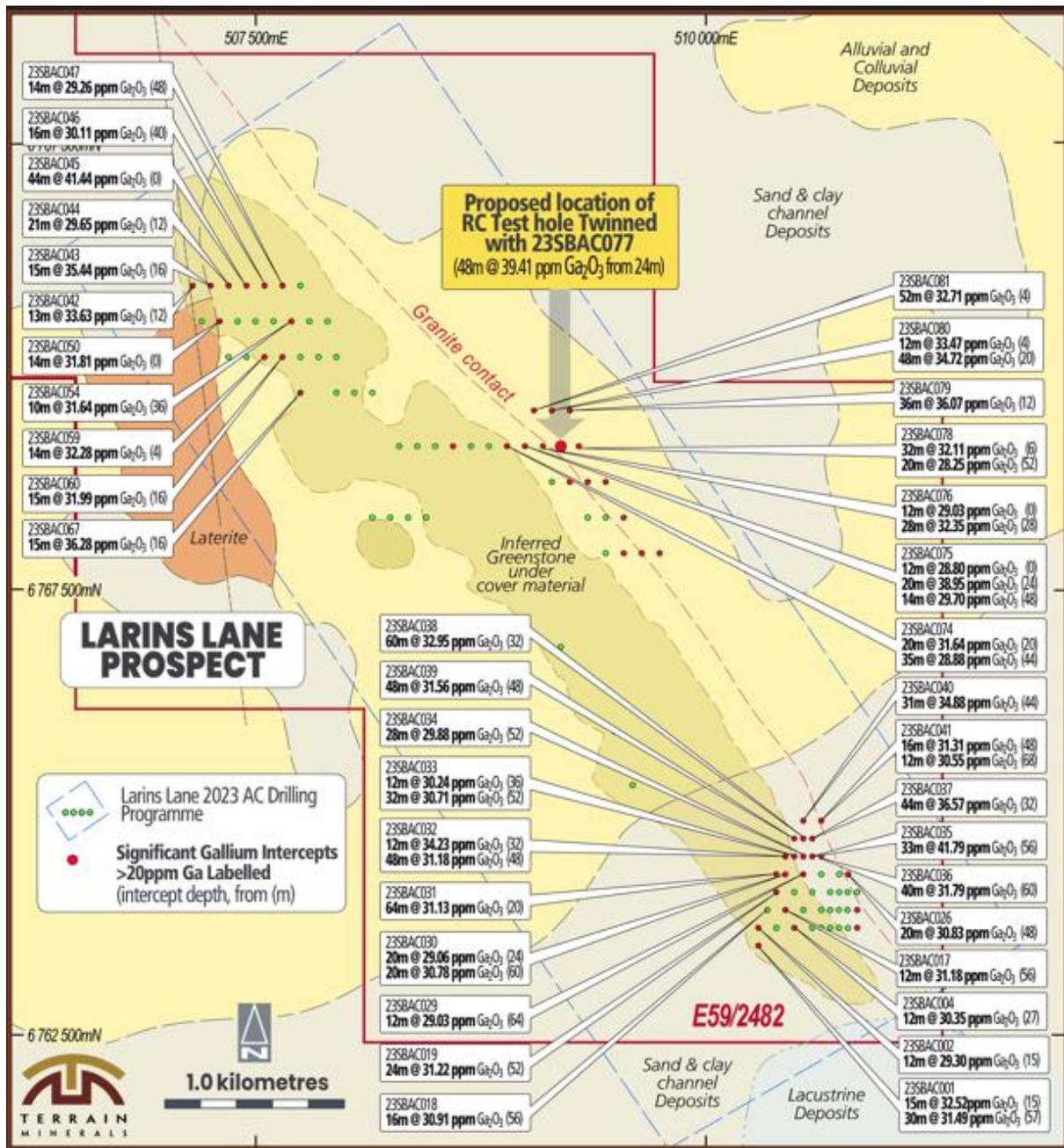


Diagram 4: Larin’s Lane gallium project and planned twin hole of 23SBAC077 for metallurgical testing as part of the MRIWA research pertaining to the M10528 - Extraction of Clay-Hosted Rare-Earth Element Deposits in Australia. Samples will be tested with 8 separate solvents (acids as their pH <7). Terrain has switched the focus of its study goals to target Gallium extraction which is a critical metal. The above drill hole location (not possible to show all) of Terrain’s 2023 air core drill program with selected gallium oxide grades highlighted.

Larin’s Lane JORC Tables and additional project information:

27 May 2024 - Exciting Gallium & REE drilling results at Larin’s Lane.

06 November 2024 - Larin’s Lane Phase One JORC Exploration Target Outlines Potential.

What is Gallium (Ga)

Gallium (GA) atomic number 31, is a soft, silvery metal, at standard temperature and pressure. The elemental gallium is a liquid at temperatures greater than 29.76C (85.57F) (slightly above room temperature), where it becomes silvery white. Source: <https://strategicmetalsinvest.com/gallium-prices/>

Solid gallium alloys are used in optics, electronics, and nuclear engineering because of their non-toxicity and resistance to neutron radiation and beta decay. Used in alloys with other metals such as aluminium, copper, and tin to create gallium arsenide (GaAs) as well as being used in semiconductor fabrication, one of gallium's most important uses. It provides a critical component in multiple steps of the manufacturing process for computer chips and other electronic devices including photovoltaics (solar panels cells due to a recent patent expiring).

Gallium is a critical metal used in the defence industry and computer chips, (Gallium chips will potentially replacing silicon), semi-conductors, transistors, including electronic circuitry.

Gallium nitride (GaN) is another important compound of gallium that has applications in light-emitting diodes (LEDs), laser diodes, power amplifiers, and solar cells. Source: <https://strategicmetalsinvest.com/gallium-prices/>

Gallium increases component speed and miniaturization critical in generative AI (and the associated demand for semiconductor).

Until 1 August 2023 export ban, China was ostensibly the sole supplier to Gallium to the semiconductor industry, producing a staggering ~98% of the world's supply of raw Gallium. It is anticipated that USA, European and Asian, Sovereign states and semiconductor chip makers will actively seek to ensure reliable and secure supply outside of China, with the aim of safeguarding critical manufacturing and in country industrial production into the future.

Note: Gallium - For addition information and references, refer to ASX releases:

16 August 2023 - Gallium (Ga) Discovered at Smokebush RC drilling campaign.

31 October 2023 - Quarterly Activities Report: September 2023.

23 October 2023 - Gallium Clays in drilling at Lort River.

11 March 2024 - Highly encouraging REE & Gallium results at Larins Lane Project, only ~25% of samples assayed to date.

27 May 2024 - Exciting Gallium & REE drilling results at Larin's Lane.

06 November 2024 - Revised Larin's Lane Phase One JORC Exploration Target Outlines Potential.

For further information, please contact:

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ABOUT TERRAIN MINERALS LIMITED:

About Terrain Minerals

Terrain Minerals is a Perth-based mineral exploration company with assets in Western Australia and Queensland, Australia. The Company is listed on the Australian Securities Exchange under the code TMX, with a secondary listing on the Frankfurt Stock Exchange Open Market under the code T4Y.

Trade Opportunities

Consistent with its publicly stated position, Terrain Minerals is, and remains, open to commercial discussions in relation to potentially divesting its interest in any of its assets either via sale (full or partial) or through a joint venture arrangement.

Smokebush Project

100% owned exploration project located within the prospective Yalgoo Mineral Field of Western Australia that neighbours Warriedar Resources Ltd, Golden Range Project and ~50km south of 29 Metals Ltd, Golden Grove (VMS) operation, 10km away from Vault Mining's, Rothsay project and NW of Capricorn metals, Mt Gibson (VMS) operation.

Monza, Lightning and Wildflower Gold prospects

These gold targets are currently the company's main priority after the recent success of the IP survey and following high grader drilling results at Lightning and Monza parallel structures. (refer to ASX release on the 31 March 2025 for details and 20 May 2025, outlining the current drill campaign).

Larin's Lane Gallium & REE prospect

The maiden drilling program in late 2023 intersected broad zones of gallium mineralisation over a 9 kilometre by 3-kilometre area. This mineralisation remains untested along strike and has the potential to grow into a significant clay-hosted gallium and rare earth oxide project.

The project area benefits from year-round access and is within close proximity to established mining infrastructure. Terrain released an Exploration Target, reported in accordance with the JORC Code (2012), for the Larin's Lane Project in September 2024, which it is continuing to test. Terrain has since commenced metallurgical studies, as part of the MIRWA REE study funded by Industry & WA government with work carried out by RSC and Curtin University (see ASX release of 5 December 2024). Also refer to and the above release.

Biloela Copper & Gold Project

This high priority Project was granted during the quarter after ~2 years granting process. The project is located along strike of the Cracow Gold Mine in Queensland (See ASX release dated 21 June 2023 for more information on the rationale, geological setting and walk-up drill targets already identified within this key project area).

Lort River Project

Before progressing any further with other exploration at Lort River Terrain has commenced a selective metallurgical test program these results will most likely determine the projects future. 100% owned exploration project located approximately 50 kilometres northwest of Esperance, Western Australia and is situated within the highly prospective Albany-Fraser Belt. Exciting emerging high-grade clay REE project situated on the edge of a distinctive mafic intrusive feature (see ASX release 26/03/2025).

Pending Applications

Terrain Minerals has several pending tenement applications across Australia. These applications include:

Carlindie Lithium & Gold Project, which is strategically located between Wildcat Resources (ASX: WC8) and Kali Metals (ASX: KM1) tenements in the East Pilbara of Western Australia. The Company has prioritised the granting of its Carlindie tenement package and is continuing to work successfully towards achieving its goal. Several of the Carlindie areas have recently been granted.

Note: Terrain Minerals wishes to advise that the company incurs little, if any, ongoing costs related to tenements prior to being granted. Further, the Board is committed to ensuring that Terrain Minerals continues to possess a strong pipeline of prospective tenements across a broad range of commodities.

Project Review

Terrain Minerals continues to investigate potential projects across various commodities including gold, copper, nickel, and industrial minerals. Whilst Western Australian based projects are the Company's current focus, other parts of Australia are being seriously examined and considered as are other jurisdictions including, but not limited to, Africa, Europe, and the Americas across all commodities.

Authority

This announcement has been authorised for release by the Justin Virgin, Executive Director of Terrain Minerals Limited.

Competent Person's Statement –

From ASX release 06/11/2024 on REE/Gallium exploration target ASX release:

SRK Gallium

The information in this exploration target report is based on information compiled by Mr. Rodney Brown who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Member of the Australian Institute of Geoscientists (AIG). Mr Brown is Principal Consultant (Resource Evaluation) at SRK Consulting (Australia) Pty Ltd and 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. Brown 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 Minerals 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 1

Maiden JORC Exploration Target – Additional Information

Terrain appointed leading mining consulting firm, SRK Consulting (Australasia) Pty Ltd ('SRK Consulting'), to define an initial Phase One Exploration Target for the Company's 100%-owned Larins Lane Project located in the mid-west region of Western Australia (refer to diagrams in ASX release 6 November 2024).

Cautionary Note:

The Exploration Target quantities and grades are conceptual in nature. Insufficient exploration has been conducted to estimate Mineral Resources and it is uncertain if further exploration will result in the estimation of Mineral Resources.

The Exploration Target was defined using data collected from a total of 101 air-core holes that were drilled by Terrain in 2024. The drilling occurs within three clusters straddling a north-westerly trending contact between the Seeligson monzogranite to the northeast and an unnamed syenogranite to the southwest (see Figure 1).

The holes are all vertical and were designed to sample down to the regolith-bedrock interface. The average hole depth was approximately 65m. Elevated concentrations of rare earth elements were identified within the upper to mid- to lower- level saprolite material.

The air-core samples were collected over 1m intervals. Splits were collected from each sample and combined in the field to form 4m composite samples. The composite samples were prepared and assayed by ALS (Perth). Sample preparation included oven-drying to 105 °C, crushing to 90% passing 2 mm, and pulverising to 85% passing 75µm.

The samples were assayed for an extensive suite of analytes, which included all of the rare earth elements, as well as gold. The assaying procedures were tailored for specific groups of analytes and included borate fusion and/or 4-acid digest, with an ICP-MS finish. Fire assay (25 g) was used for gold. Given that this was intended as a reconnaissance program only, no QAQC procedures (additional to the laboratory's internal procedures) were included.

The drilling has provided a uniform coverage in the three target areas along the granite contact (see Figure 1). The nominal spacing within each area is 50–100mE × 200mN, which SRK considers is sufficient for the definition of Exploration Targets. The Exploration Target assessment was primarily based on TREO grades, which have been calculated from the rare earth element grades provided by ALS. The stated TREO grades include yttrium oxide. The TREO grades do not include scandium oxide. The two estimation methods described below were used to define the Exploration Targets, with the resultant grade and tonnage estimates used to define the Exploration Target range.

Estimation Method 1.

Because the drilling has been conducted on a regular grid and the assays were conducted on relatively large composites (3–4 m), a volume of influence was assigned to each composite. A rectangle with dimensions equivalent to the local drill spacing (typically 200 m × 100 m) was defined around each composite. The composite length was used to convert this to a volume estimate, and an assumed dry density of 1.8 t/m³ was used to convert it to a tonnage estimate. The composite grade was assigned as the block grade. The Exploration Target quantities were estimated by summing all blocks with a TREO grade equal to or exceeding 500 ppm.

Estimation Method 2.

A reasonably continuous zone of material with elevated TREO is observed in the lower part of the saprolite zone. A nominal threshold grade of 500 ppm was used to interpret strings representing the upper and lower surfaces of this zone for each drill section. The threshold grade was not used in an overly prescriptive way but was locally adjusted to better capture the continuity evident in the data. The strings were then linked to form surfaces covering the extent of each drill cluster. The composites located between the upper and lower surface were extracted and accumulated to give an average TREO grade and thickness at each drill hole location. An example east–west drill section showing the TREO grades and the domain interpretation is shown in Figure 2.

A perimeter was interpreted around each drill cluster, with the boundary placed approximately half the local drill spacing beyond the outermost holes. The perimeter area and average thickness and grade were used to estimate the volume and grade of each zone. An assumed dry density of 1.8 t/m³ was used to estimate the tonnage. The grade and tonnage estimates for the two estimation methods have been used to define the

Exploration Target range. The differences largely reflect the impact of averaging and assumptions pertaining to grade continuity and data precision. A TREO metal range has also been included to highlight the expectation that the lower end of the tonnage range is likely to correspond to the higher end of the grade range and vice versa. The relative proportions of the individual rare earth elements appear to be quite consistent in the Exploration Target areas. Ce₂O₃ typically represents approximately 40% of TREO and NdPr (Ne₂O₃ + Pr₆O₁₁) typically represents approximately 20% of TREO.

As part of its follow-up investigations, Terrain plans to assess the potential value of gallium and, for this reason, gallium grade ranges have been included in the Exploration Target estimate. These estimates reflect the gallium grades of the material contained in the TREO Exploration Target. There is no significant correlation evident between TREO and gallium, nor strong gallium grade trends within the profile.

Table 1 Larin's Lan Exploration Target

Zone	Tonnage range	Grade range	Metal range	Ga grade range
	(Mt)	TREO (ppm)	TREO (t)	Ga (ppm)
South	5–7	870–760	3.9–5.1	19–21
Central	17–20	995–945	16.5–18.8	19–21
North	4–6	1,050–820	3.7–5.2	19–21
Total	25–33	980–880	24.2–29.2	19–21

