



TERRAIN MINERALS

ABN: 45 116 153 514

ASX: TMX

ASX RELEASE

8 December 2016

Drilling Commenced at Great Western

Aimed at Driving Great Western to Mine Approval Stage

Terrain Minerals Limited (ASX: TMX) is pleased to provide the following update on its Great Western Gold Project.

Stage 1: RC drilling has commenced at Great Western

Drilling is aimed at better defining the known mineralisation within the pit shells, model by CSA Global as part of the ongoing scoping study and design.

Stage 1: RC Drilling 1,020m for 21 holes	Commenced
Stage 2: RC with Diamond Tails 1,031m for 9 holes	546m RC & 485m Diamond Total 1,031m

Stage one aims to infill gaps in the eastern end of the pit to lift 42% of the JORC 2012 from Inferred to Indicated status so it can be included in the pre-feasibility models. A seven-hole drill program has been designed totalling ~612m of RC.

The other 14 holes for the remaining ~408m target several open sections within the central and western zones. The top 30m has known mineralisation coming to surface; this material requires more definition drilling and has the potential to have major effect on the projects capital requirements and early cash flow.

Additional works include capturing sufficient sample material for metallurgical analysis and ensuring robust QA/QC protocols and analysis occur. All efforts are now focussing around advancing the Great Western Gold project into production.

| Terrain Minerals Limited | ASX:TMX | ABN 45 116 153 514 |

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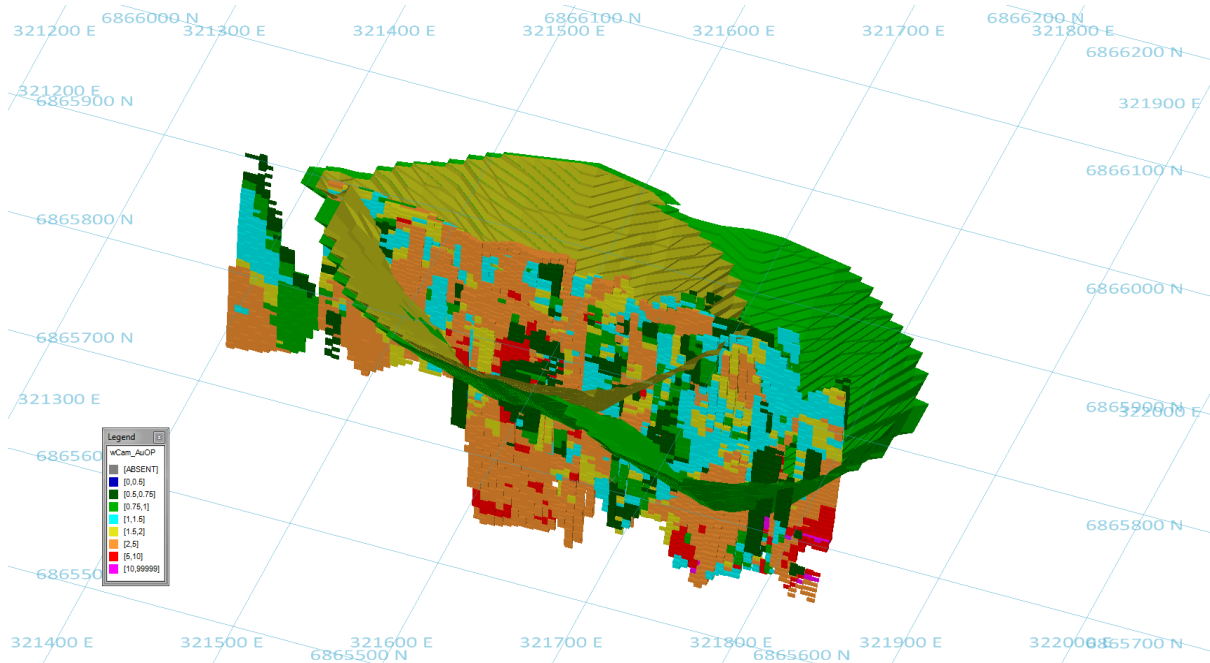


Diagram 1. Two of the proposed pit shells from Scoping study

The above smaller inner pit shell on the left hand side predominately contains the Measured and Indicated classified material. The larger dark green outer pit shell on the right contains the eastern 42% inferred material. As this 42% Inferred represents a large percentage of metal, and now due to the new reporting standards internal confidence in this resource needs to be confirmed before being able to report the findings publicly.

About Great Western:

The 100% owned project is located 68km north of Leonora and 1km from the Goldfields Highway on Weebo pastoral leases and forms part of the historic Wilsons Patch mining area. Terrain considers it as an advanced, ready to mine opportunity which is possibly still open down plunge and along strike. Further exploration has the potential to expand the mine life of the current mining plan of 322,500 tonnes @ 5.14 grams per tonne (Refer to Mining study released 16/02/2010. The resource utilised for this can be found in 2010 annual report release 22/09/2010).

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This information was prepared and first disclosed under the JORC Code 2004. It has since been updated to comply with the JORC Code 2012 as announced on 24/08/2015 and all material assumptions underpinning the JORC 2012 compliant resource estimate continue to apply and have not materially changed. The current scoping studies have been based on a single open pit.

The current model envisages that exploration for the down plunge extensions to the known mineralisation underneath the current pit limits, will most likely be conducted out of cash flow and drilled from the pit floor.

For further information, please contact:

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ABOUT TERRAIN MINERALS LIMITED:

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

- **Great Western 100% TMX** (Au)- near term development opportunity, resource estimation and economic study have shown positive outcomes. Work is now underway to prepare data and work towards getting all mining approvals;
- **Gimlet 100% TMX** (Gold & Ni-Cu)- exploration licence located in the Fraser Range Province. Identified untested Gold auger soil drill target to be tested; and
- **Rembrandt, 100% TMX** (Au)- high grade gold intersected at Monet Prospect. Divestment process has commenced for Rembrandt;