

ASX Announcement



27 July 2017

ABN: 45 116 153 514

ASX: TMX

Quarterly Activities Report: June 2017

Terrain Minerals Limited (ASX: TMX), is pleased to provide the following updates on its activities for the June quarter,

HIGHLIGHTS

- **Board Appointments**

- **Great Western Studies**
 - Scoping Study Update
 - Great Western & Regional Exploration

- **Project Review**

- **Corporate Update**

Address: Suite 2, 28 Outram Street, West Perth WA 6005 **Postal:** PO Box 79, West Perth, WA 6872

T: +61 8 9381 5558 **E:** terrain@terrainminerals.com.au **W:** www.terrainminerals.com.au

New Board Appointments

Terrain was pleased to announce the appointment of two new Non-Executive Directors to the Board of Directors during the Quarter. Mr Trevor Bradley (Geologist) and Mr Johannes Lin (long-term investor in the Company).

These appointments will greatly assist with advancing the Great Western Gold project and the execution of the Company's corporate strategies.

Concurrently, Mr Jonathan Lim has retired from the Board. The Board wishes to thank Mr Lim for his considerable efforts during his time with the Company and wish him all the best with his future endeavours.

Myself and the Chairman Mr Dickson congratulate our new team members on their appointment and are very appreciative of their positive contribution to the Company to date.

Mr Trevor Bradley

Position: Non-Executive Director – Geology

Trevor is a highly-experienced geologist with extensive expertise in the technical and operational management of resource development projects within Australia and the emerging economies of South East and Central Asia. Trevor worked at Rio Tinto's, Kelian Gold Project where he established the production geology unit helping bring the seven million tonne per annum gold project into production. Returning to Australia he led the resource development team bringing Dominion's Westralia Decline into production at Mount Morgans.

Returning to Kalimantan as Manager Geology and Land Management at Aurora's Mt Muro Operations he spent a number of years working on resource development projects where he and his team developed the Kerikil project and defined extensions to known deposits leading to significant increases in mine life of the project. He played a significant role in conflict resolution management and negotiation at the project working with local communities and government to resolve illegal mining, land access and community issues in the midst of ethnic, religious and political conflict resulting in the company regaining full operational status until the cessation of mining at deposit depletion.

In later years, he has worked with Canada's Cameco Corporation developing the Boroo deposit in Mongolia and remained with the project when it was listed on the TSX as Centerra Gold. Trevor left Boroo to pursue a Master of Laws degree in Resource law and Policy at the Centre for Energy Petroleum Mineral Law and Policy (CEPMLP) at the University of Dundee in the United Kingdom where he specialised in Energy and Mining Finance, Petroleum and Mineral Taxation and Mineral Resources Policy and Economics graduating with distinction and was awarded the Deans Medal - School of Public Policy and Business and the Lazlo Gombas prize for academic achievement.

Trevor once again returned to Australia and worked as Manager Corporate Services for Snowden Mining Industry Consultants, where he managed a specialist team providing Independent Mineral Asset Valuation, Independent Technical Reporting and Due diligence reporting services in support of investment decision, project finance and exchange listing requirements to the global mining and exploration industry. He also assisted clients in mediation and arbitration proceedings. He later undertook a similar role at Coffey Mining as Manager Technical Audit and entered private practice in 2013 where he now offers a broad range of services to his clients. His professional interests lie in the area of confluence of mineral exploration, mining project development, project finance, and sustainable development.

Mr Johannes Yangfeng Lin

Position: Non-Executive Director

Mr Lin has 7 years of management experience as an entrepreneur and Principal/Managing Director of Oprian Investments Pte Ltd with interests and focus in minerals and properties/property construction of Pasir Ria Apartments in Singapore and investment team member of Monarch Parksuites Condominium in Manila Philippines. Past experience includes corporate restructuring as member of advisory team in the restructuring of Singapore listed Enzer Holdings Limited where series of debt negotiations, debt buy-out, capital raising by placements, rights issues, debt to equity conversion and eventual takeover by a marine group successfully.

He holds a Bachelor of Commerce, Finance and Accounting from University of Western Australia and has been a long-term investor in Terrain Minerals Limited. Mr Lin is the nominee of outgoing director Mr Jonathan Lim.

Great Western Scoping studies being finalised

During the Quarter Terrain engaged CSA Global – Mining Industry Consultants to conduct a scoping study to examine the viability of onsite gravity processing at Great Western. The study has been designed to incorporate the very successful January 2017 drilling results and the corresponding revised JORC 2012 update.

The Board is very encouraged by these findings. Additional work is currently underway and the market will be updated once completed.

Great Western & Regional Exploration Field Work

During the Quarter, a two-week field program was executed at Great Western and Great Western East.

Great Western:

An orientation surface geochemical soil programme was undertaken on E37/1214 that wholly surrounds the Great Western Deposit. A total of 46 samples were collected on a nominal 800x100m spacing. The aim of the programme was to complete a first pass test of structural trends identified from geophysics for potential mineralisation in the eastern portion of the tenement. Results confirmed multiple trends of low level (>10ppb gold) anomalism. The results are considered encouraging and a more detailed follow up soil programme will be designed to further delineate the trends. See Figure 1 below for additional details.

Great Western - East:

During the Quarter Terrain also applied for 3 tenements adjacent to Great western Project area, E37/1312, E37/1307 and E37/1308. The combined area contained 170~ blocks (84,000~ Acre's). Desk top studies identified several old historical reports which highlighted multiple high-grade anomalies. On completing the review and a reconnaissance program was designed to locate, validate and assess these areas prior to releasing of history results. The field trip aim was to assess the potential of identifying additional shallow tones to the Great Western Project. After reviewing the results against the filed observations all land areas were relinquished prior to grant.

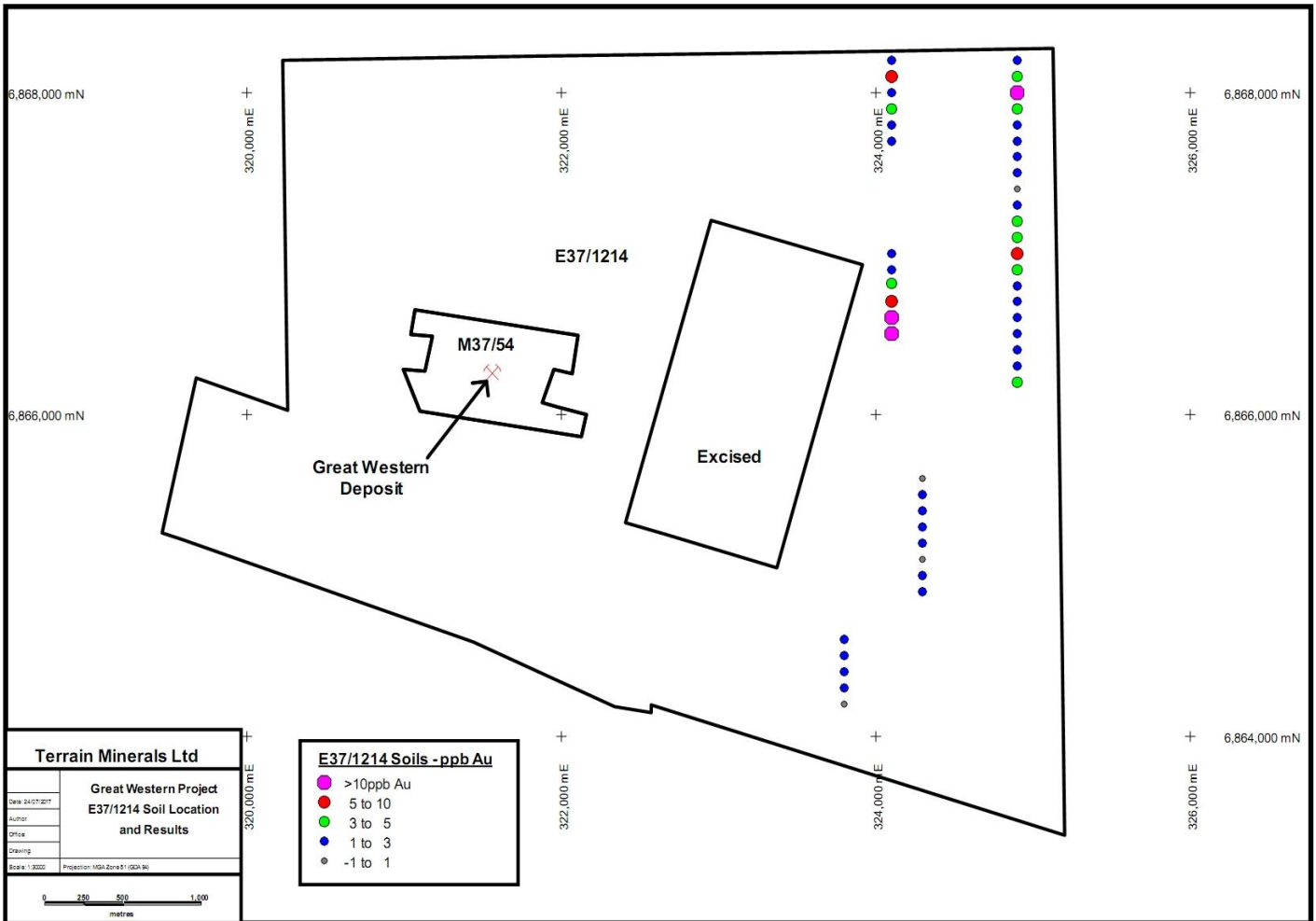


Figure 1: Orientation Surface Geochemical Soil Programme at Great Western

Project Review

Gimlet E63/1740 - A full project review was conducted on available data and from the findings of the most recent drilling campaign over Anomaly "A". Based on the final technical assessment the board has decided that the project area did not warrant additional work and the tenement area was relinquished.

This goes along with Terrain corporate strategy of assessing and relinquishing projects based on their technical merits and ability to create shareholder wealth.

Corporate

Terrain has recently restarted the Great Western advancement process with multiple groups who have registered interest in Great Western. These groups have indicated various agendas that included full or partial sale, joint venture and funding arrangements. The board will consider all proposals and has not ruled out mining Great Western itself and continuing regional exploration to add to its gold inventory.

Controlled Placement Deed

During the month of July 2017, the Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital. The CPA provides Terrain Minerals with up to \$3 million of standby equity capital over the coming 24 month period. Importantly, Terrain Minerals retains full control of all aspects the placement process, having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any).

There are no requirements on Terrain Minerals to utilise the CPA and Terrain Minerals may terminate the CPA at any time, without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on Terrain Minerals raising capital through other methods. If Terrain Minerals does decide to utilise the CPA, Terrain Minerals is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by Terrain Minerals and a 10% discount to a Value Weighted Average Price (VWAP) over a period of Terrain Minerals choosing (again at the sole discretion of Terrain Minerals).

Other Business

Terrain Minerals is currently searching and has been assessing potential projects: Gold, Cobalt/copper Lithium and industrial minerals in Australia, Africa, South America and Asia including other regions. Several jurisdictions of interest have now been identified. All economic commodities are being considered as indicated in previous Quarterly reports.

For further information, please contact:

Justin Virgin

Executive Director

Email: terrain@terrainminerals.com.au

Phone: +61 8 9381 5558

Competent Person Disclosures

The information in this report that relates to Exploration Results is based on information compiled by Mr. G. Purcell, who is a Member of the Australian Institute of Geoscientists and a consultant to Terrain Minerals Limited. Mr Purcell 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. Purcell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

TERRAIN MINERALS LIMITED

ABN

45 116 153 514

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(68)	(261)
(b) staff costs	(49)	(191)
(c) administration and corporate costs	(39)	(206)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(155)	(645)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(b) tenements (see item 10)	-	-
(c) investments	-	5
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	5

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	750
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	96
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
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	-	771

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	903	617
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(155)	(645)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	5
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	771
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	748	748

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	748	903
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)	748	903

6. Payments to directors of the entity and their associates**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

49

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director fees including superannuation

7. Payments to related entities of the entity and their associates**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation (net*)	158
9.2 Development	-
9.3 Production	-
9.4 Staff costs	52
9.5 Administration and corporate costs	40
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	250

NB: Amount is net of a \$22,125 refund anticipated from the surrender of tenements in the June Quarter.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer Table On page 5			
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Schedule of Tenements held as at 30 June 2017 - Listing Rule 5.3.3

Interests in Mining Tenements

Project/Tenements	Location	Held at end of quarter	Acquired/Disposed during the quarter	Disposed during the quarter
Gimlet E63/1740	Western Australia	0%		100%
Great Western ML 37/0054 M37/1214	Western Australia	100% 100%	- -	- -
Great Western Eastern E37/1307 E37/1308 E37/1312	Western Australia	0%	Application was submitted and then surrendered during Quarter	100%

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

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.



Sign here:
(Joint Company secretary)

27 July 2017
Date:

Print name: Winton Willesee

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.