ASX RELEASE

28th November 2017

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ASX: TMX

Cobalt & Nickel Assay Hits at Red Mulga

Terrain Minerals Limited (ASX: TMX) recently announced applications for three (3) new tenements located ~170km NNE of Geraldton in the Yilgarn Craton, Western Australia. These tenements have been selected for their base metal potential and are expected to be granted in the first quarter of 2018.

Terrain has now completed an initial field reconnaissance visit where geological mapping and limited surface sampling were undertaken. This work focused on the central tenement area EL09/2247. Of interest was the anomalous cobalt and nickel.

Table 1. Cobalt & Nickel Rock Chip Sample Results at Anomaly MG1:

Sample	Cobalt	Nickel	Chromium
S1	62.7	907	3,510
S2	23.5	107	160
S3	77.1	806	3,000
S4	3	36	40
S5	76.9	949	3,130
S6	113	1330	3,340
S7	127	1470	4,110
S8	75.5	740	2,910

Note: Readings in PPM

Terrain identified the area as prospective after initiating a high level geophysical study using publicly available data sets (refer to diagram 5). Modelling of a significant gravity feature also supported Terrain's interpretation that this tenement package is situated within a prospective structural corridor that has seen little modern-day exploration. The interpretation suggests that mafic or ultramafic intrusive rocks may occur on surface or at shallow depths within this area which could potentially host base metal mineralisation.

Initial field assessment further supports this interpretation. Field mapping and limited rock chip sampling has shown that outcropping rocks in the project area are predominantly felsic granite-gneisses of the Archaean Yilgarn Craton. However, smaller mafic and ultramafic dykes, pipes and fault slices were found to outcrop. This suggests the possibility of a mafic-ultramafic intrusive complex may occur at shallow depths (reflected in the gravity data). The complex has not been de-roofed by erosion, and the potential exists for the discovery of base metal deposits associated with these rocks.

Additional reconnaissance field work will continue aimed at gaining a better understanding of the geology, revisiting already identified priority target areas, and exploring new areas of the tenements. Terrain will be focusing on identifying drill targets with potential for cobalt, nickel and copper mineralisation. More intensive ground programs will commence once the tenements have been granted.

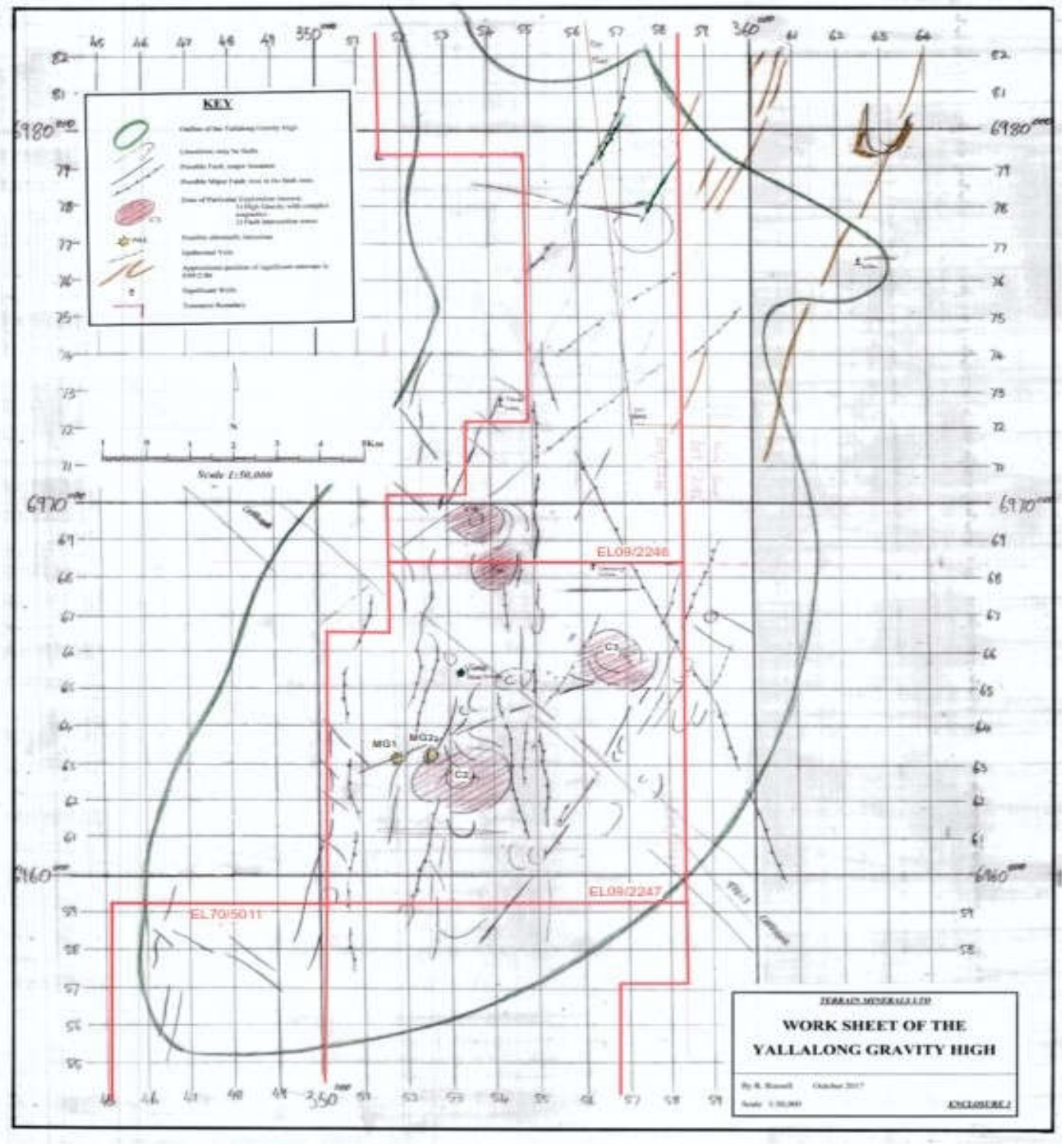

Diagram 1. Red Mulga Field Map - MG1 located at 52 & 63 intersections

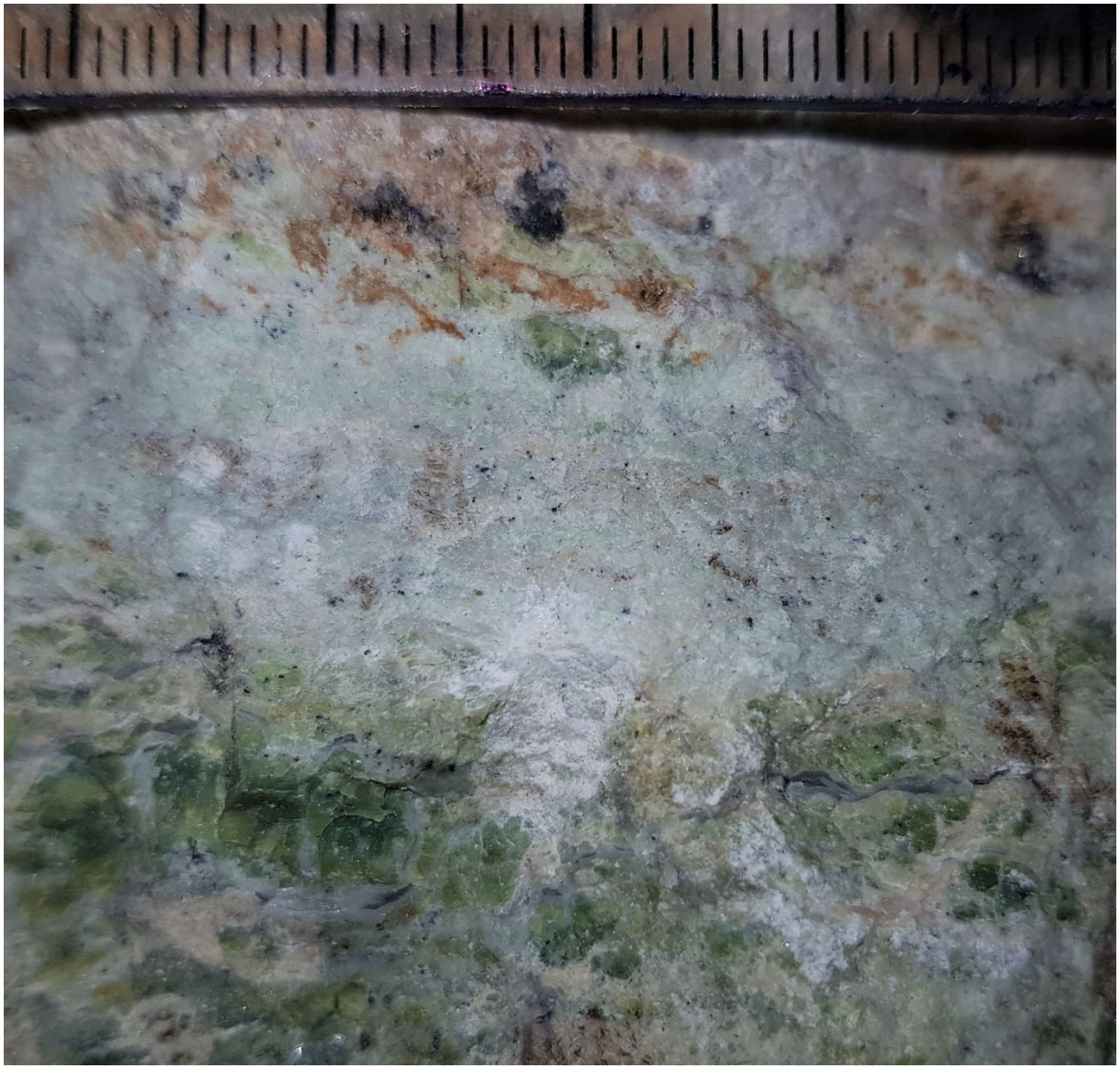

Diagram 2. Calcrete from MG1 Apron, Sample 8 (Scale in mm)

Diagram 3. Silcretised ultramafic, Sample 7 (Scale mm)

Diagram 4. Silcretised ultramafic, Sample 7 (Scale mm)

Geophysical Modelling

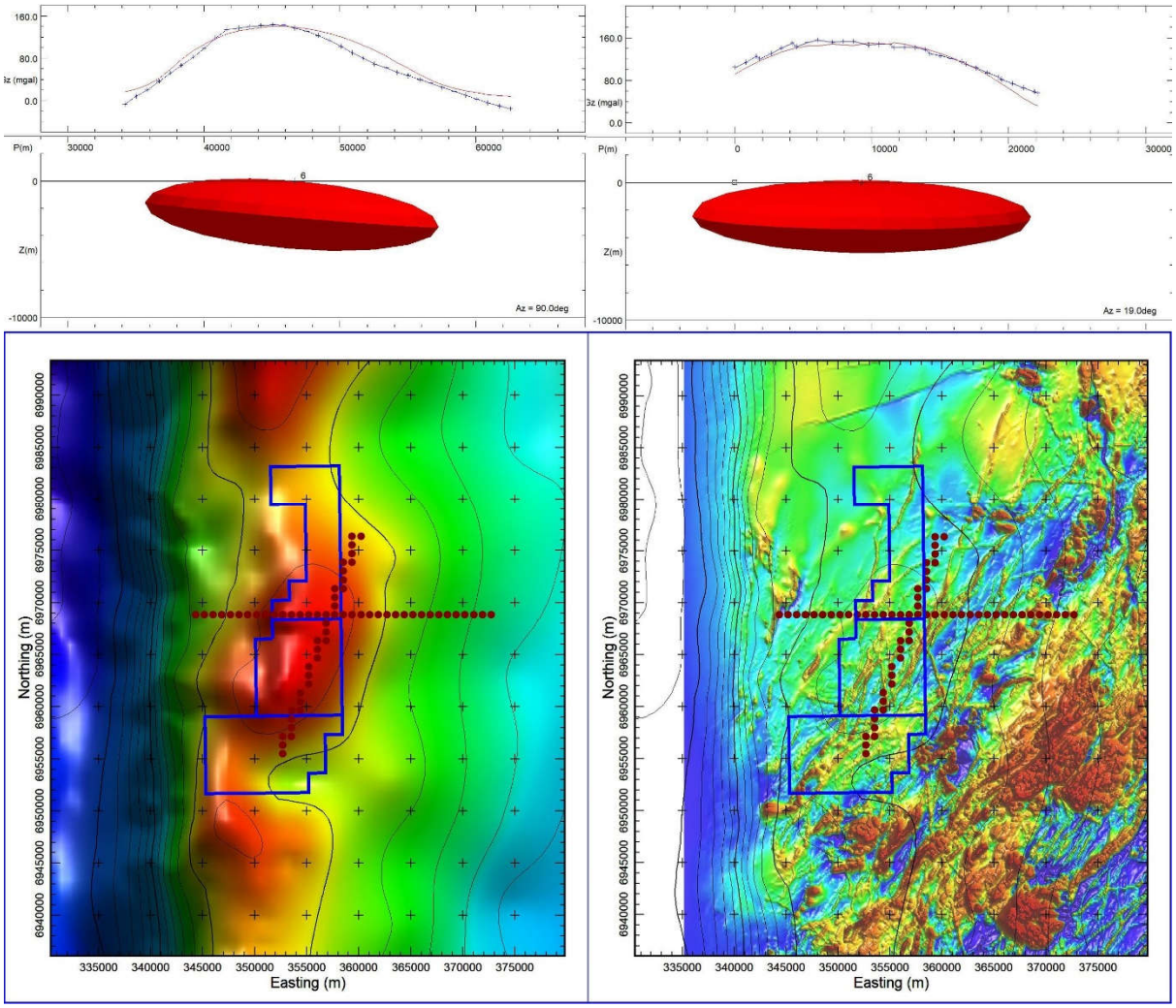

Diagram 5. Geophysical modelling

Diagram 5 shows the modelled gravity feature which can be modelled as a large high-density intrusion that could represent a mafic-ultramafic complex. As the country rock is said to be felsic, such intrusion, if shallow, would require a density in the upper ultramafic rock density range. The top panels are the results of the modelling of the East-West traverse of gravity data (left), and NNE-SSW traverse (right). Measured data illustrated by black line with '+' markers, and modelled data with a red line. The bottom two panels are plan view maps of gravity (left) and magnetics (right), with the two gravity traverses (data points) used in the modelling in dark red circles. Terrain's Exploration Permit Applications are indicated with blue outlines.

Table 2. Location & Details of Rock Chip Samples S1 to S8

Sample No.	Easting	Northing	Area	Geology	Rock Type	Type
S1	351817	6963035	Rockhole Anomaly MG1	Ultramafic pipe	Iron Silcrete	Rock chip
S2	351810	6963034	"	Calcrete apron	Magnesite, calcrete	"
S3	351821	6963077	"	Ultramafic pipe	Iron Silcrete	"
S4	351801	6963086	"	Dyke	Amphibolite/ quartz	"
S5	351792	6963098	"	Xenolith Raft	Amphibolite	"
S6	351760	6963053	"	Ultramafic pipe	Iron Silcrete	"
S7	351791	6963123	"	Ultramafic pipe	High Mg, Fe, Iron Silcrete	"
S8	351884	6963107	"	Calcrete apron	High Mg & Cr in Calcrete	"

Justin Virgin

Executive Director

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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;

- **Great Western advancement process** is underway 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.

- **Project Review:** 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 also including other regions. Several jurisdictions of interest have now been identified. All economic commodities are being considered as indicated in previous Quarterly reports.

Competent Person Statement:

Dr Richard Russell PhD, MAusIMM. - Principal, R. Russell and Associates Pty Ltd.

This report has been prepared in accordance with the JORC 2012 code which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM). It has been prepared by J. Richard Russell, principal of R. Russell and Associates who is a Member of the AusIMM and a qualified geologist with over 30 years' experience in mineral exploration.

Neither the writer, nor any of his associates or employees have any interest either direct, indirect or contingent in the Red Mulga Project. The writer has worked on the Red Mulga project for normal professional daily rates plus reimbursement of incidental expenses. These payments are not contingent on the outcome of this report.

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 ono which such statement is based.

Section 1: Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
Sampling Technique	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	Samples were collected at surface by hand from outcrop believed to be residual. Samples are considered to be representative of the outcrops. A 1-2kg sample was collected by a geologist and were submitted to the laboratory for crushing and pulverisation before analysis.
Drilling	Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face- sampling bit or other type, whether core is oriented and if so, by what method, etc).	N/A - No drilling – samples are from rock chips
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	N/A - No drilling – samples are from rock chips
Logging	Whether core and chip samples have been geologically and geotechnical logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean/Trench, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Rock chips were geologically (qualitatively) logged.

Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	N/A - No drilling, samples are from rock chips
Quality of Assay Data and Laboratory Tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Samples were analysed at SGS Laboratories Perth Airport, Western Australia. Samples of 1-2kg were crushed and pulverised and assayed for base metals. Samples were selective and based on geological observations. The analytical technique used was 49-element scan (ICP-MS, ICP40Q and IMS40Q) and gold fire assay (ICP-MS, FAM 404). These techniques were considered a total digestion and analysis. Internal laboratory standards and duplicates reported within expected tolerances. No major discrepancies with the results were identified from this work.
Verification of Sampling and Assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes The verification of significant intersections by either independent or alternative company personnel. Discuss any adjustment to assay data	Results were verified by the field geologist and a representative of the company. Primary data was entered into excel spreadsheets. No adjustment has been made to the assay data.
Location of Data points	Accuracy and quality of surveys used to locate drill holes (collar and down- hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used Quality and adequacy of topographic control	Rock Chip positions were located using a hand-held GPS to an accuracy of ±5m. Field data were recorded in note books and then entered into a database. The grid system used was MGA94, Zone 50. Topography control is ±20m.
Data Spacing and Distribution	Data spacing for reporting of Exploration Results Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	All sample locations are shown in Table 2. The data cannot be used for mineral resource or reserve estimation. No data compositing has been applied.
Orientation of Data in Relation to Geological Structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Samples were taken selectively and randomly wherever outcrop exposures of interest were noted.
Sample Security	The measures taken to ensure sample security.	All samples were collected by the Company's consultant and delivered directly by the consultant to the assay laboratory.
Audits or Reviews	The results of any audits or reviews of sampling techniques and data.	No independent audits or review has been undertaken at this stage. Sampling was consistent with industry standards.

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Section 2 Reporting of Exploration Results		
Mineral Tenement and Land Tenure Status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Red Mulga Project comprises three tenement applications - EL 09/2246, E09/2247 and E70/5011. These are currently not granted. Native title advertising has commenced and waiting reply.
Exploration Done by Other Parties	Acknowledgment and appraisal of exploration by other parties.	No historic exploration for base metals has been identified to date.
Geology	Deposit type, geological setting and style of mineralisation.	The Red Mulga Project is located in the northwestern margin of the Archaean Yilgarn Craton, comprising granite-gneiss and subordinate mafic rocks. The north-south trending Darling Fault lies to the west of the project area.
Drill Hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	N/A - No drilling, samples are from rock chips
Data Aggregation Methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	No aggregation or metal equivalents were used.

Relationship Between Mineralisation Widths and Intercept Lengths	These relationships are particularly important in the reporting of Exploration Results If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	N/A - No drilling, samples are from rock chips
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Relevant diagrams are included in the main body of text.
Balanced Reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results have been reported.
Other Substantive Exploration Data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other meaningful or material exploration data to be reported at this stage.
Further Work	The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling. Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Field activities will include additional mapping and low impact sample taking rock chips & soil samples is recommended.