# **ASX Announcement**



25 January 2019

ABN: 45 116 153 514 ASX: TMX

# Quarterly Activities Report: December 2018

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

#### **HIGHLIGHTS:**

## Great Western Gold Project

- o Internal Pit Scheduling Study Now Completed
  - Scoping Study Activities Continue
- New Structural Interpretation on Wild-viper
  - Drill Program Designed & WA Ministerial Approvals Received (post Quarter's End)

## Red Mulga Project

o Geological Field Trip (drilling follow up) Completed November 2018

## Corporate Update

- o Result of Annual General Meeting
- o Board Retirement of Mr Paul Dickson Nomination Withdrawn
- o Great Western Update

## Other Business

Project Reviews

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

## **Great Western Gold Project**

# New Structural Interpretation at Wild-viper Identifies New Priority Drill Targets, New Second target identified

Terrain has been maintaining its focus on advancing the 100% owned Great Western Gold Project. Part of the advancement works has been to generate additional opportunities with the potential to add ounces for the current project from regional exploration.

A new structural interpretation over the Wild-viper (E37/1214) land holding has identified new drill targets that are hidden under cover. Terrain is excited to have identified these targets within close proximity to Great Western M37/54.

The board considers the structural model as new and valuable intellectual property which, has potential to add significant value via new discoveries to the Great Western Project.

# Program of Works (POW) application is currently pending approval (approved after Quarters end)

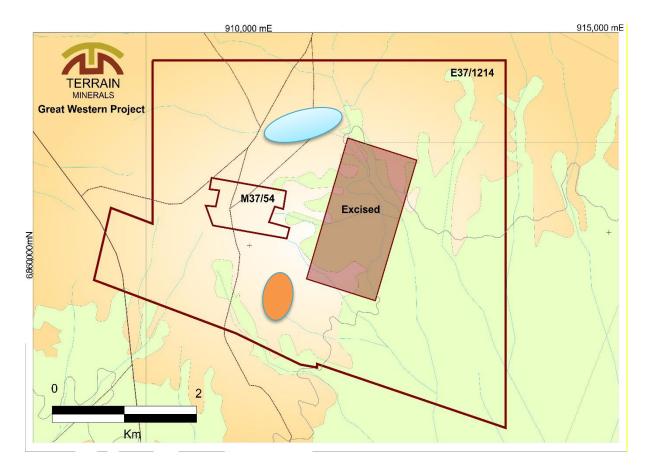
- RC drill program designed.
  - o Drilling applications submitted 21st August 2018 & approved after the quarters end#.
- Drilling will target one of the newly identified target areas (refer to diagram 1).
- Other untested exploration targets have also been identified both to the north and south of Great Western (Refer to diagram 1).

**# Note:** Several holes within the newly designed drill program are located within an historic water reserve. To get approval for the proposed program of works (POW) Terrain is required to seek Ministerial permission from the Western Australian Governments Minister of Mines. Ministerial approval and the POW have since been granted following the close of the December quarter.

**Note:** For additional information refer to ASX announcement:

17/08/2018 - Great Western Gold Project - New Structural Interpretation at Wild-viper.

22/01/2019 - Wild-Viper Gold POW Granted & Drilling to Commence ASAP



**Diagram 1.** Great Western Tenements M37/54 and Wild-viper E37/1214. The blue ellipse identifies the first area of exploration interest within the northern sector of the Wild-viper Tenement. Another new area of exploration interest to the south of Great Western is highlighted by the orange ellipse.

## **Advancement Activities Continue:**

- Work focussed on lifting the resource status at Great Western towards reserve status continues.
- Pit Scheduling studies utilizing recent metallurgical recovery studies have been undertaken.
- Costing & Availability of anticipated site infrastructure requirements is being examined.

## **About Great Western Gold Deposit**

The Great Western gold project is situated 76km North or Leanora and is 1km off the Goldfields Highway on Weebo Station pastoral leases (refer to diagrams 1 & 3). Terrain's holdings include part of the historic Wilsons Patch mining area. Terrain considers its project an advanced & almost a ready to mine opportunity with further growth potential. Recent work has highlighted additional exploration potential within the immediate area.

- Mineralisation Extends Beyond Existing Mine Designs Open at Depth & to the West.
- Nearest Operating Mills (refer to diagram 2):
  - Saracen's Thunder Box Operation ~30km by road,
  - Red5 Darlot Operation ~49km by road,
  - St Barbara's Sons of Gwalia Operation ~110km via the Goldfields Hwy.

## The Following Table Summarises the Reportable Mineral Resource

Great Western Deposit Reportable in situ Mineral Resource depleted for mining							
Underground Open Cut (0.5g/t) (1.5g/t)		Combined					
Class	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	
Measured	131,000	2.58			131,000	2.58	
Indicated	<u>332,000</u>	<u>3.15</u>	17,000	4.03	349,000	3.19	
Inferred	128,000	1.45	101,000	2.89	229,000	2.08	
TOTAL	<u>591,000</u>	<u>2.65</u>	118,000	3.05	709,000	2.72	

The tonnes have been rounded to the nearest 1000

Table 1: Great Western Mineral Resource

**Note:** Great Western JORC 2012 - For additional information refer to ASX announcement **27/03/2017** – JORC 2012 Resource Upgrade at Great Western Compliance & Project Update.

## **Excellent Metallurgical Recovery Results**

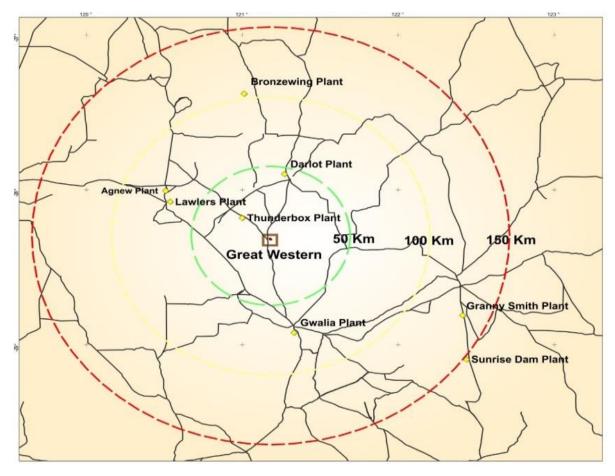
Excellent metallurgical recovery results from the metallurgical recovery test work program recently undertaken on the mineralisation at Great Western.

#### Great Western Project Gold Recovery by oxidation (weathering) stages:

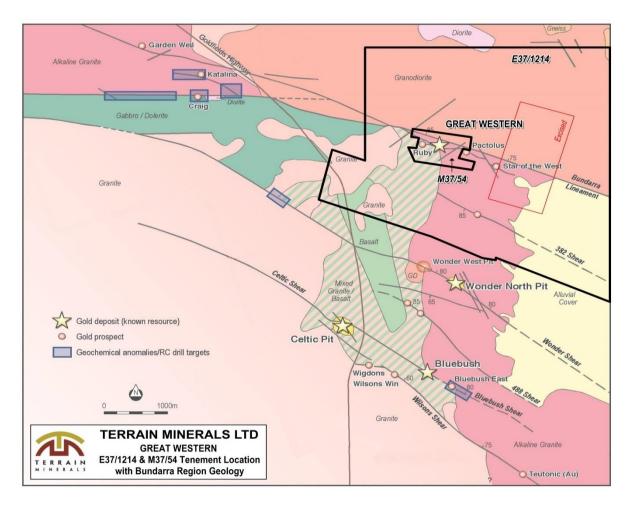
•	Oxide	(Completely weathered) mineralisation	96.6% Au Recovery
•	<b>Transition</b>	(Partially weathered) mineralisation	95.8% Au Recovery
•	Fresh	(Unweathered) mineralisation	96.4% Au Recovery

"A total of 66 – 1 metre RC drill intervals were designated into 20 composites, of which 10 were used for these studies. Each one-metre interval had a sub sample split for assay. Both Oxide and Transition result were from 4 samples each and from representative grades within each zone. The Fresh materials average was made up from 2 sample groups both being of representative grades." (Bureau Veritas Minerals Pty Ltd, Project No. 4193 – Terrain Minerals Limited Gold Ore Test-work. August 2018).

**Note:** For additional information refer to ASX announcement **17/09/2018** - Excellent Metallurgical Recovery Results & Update on Priority Drilling at Great Western Gold Project.



**Diagram 2:** Proximity of Possible Nearby Processing Facilities around Great Western.



**Diagram 3.** Great Western Project Location Map Highlighted in Black. Wonder North & Celtic pits now owned by ASX listed Bligh Resources.

# Red Mulga - Base Metal Project

The Red Mulga Exploration project (E09/2246, E09/2247 & E09/2291) occurs within the Yilgarn Craton and lies within the boundaries of Yallalong station some 170km NNE of Geraldton in the Murchison region of Western Australia.

Field trips undertaken in October and December 2017 which concentrated on mapping, rock chip analysis and soil sampling confirmed the validity of the postulated mineralisation model. Three key areas have been highlighted for further exploration.

The geological model invoked by Terrain is based on observations drawn from the historic gravity data over the project area (see diagram 5). Subsequent field mapping (see diagram 4) and sampling results continue to accommodate the geological hypothesis. Geochemical analysis of samples resulted in the identification of five distinct geochemically anomalous targets that have subsequently been drill tested. The targets were situated within highly weathered material and drilling sought to intersect targeted zones beneath the weathered soil profile.

Information from the first drill program has confirmed mineralisation and the new data is being added to the geological model. During the quarter a field trip was conducted with additional soil samples taken. Terrain continues to advance desk top studies at its Red Mulga prospect.



**Photograph 1:** Raglan Drilling Drill Rig at Red Mulga September 2018.

**Note:** For additional information refer to ASX market announcements:

- 28/11/2017 Cobalt & Nickel Assay Hits at Red Mulga.
- 15/03/2018 Red Mulga Exploration Update.
- 10/04/2018 Red Mulga Cobalt, Nickel & Copper Drilling Update & Combined Magnetics & Gravity Map.
- 07/06/2018 Red Mulga Drilling Update.
- 12/09/2018 Positive First Round Drilling Results at Red Mulga.

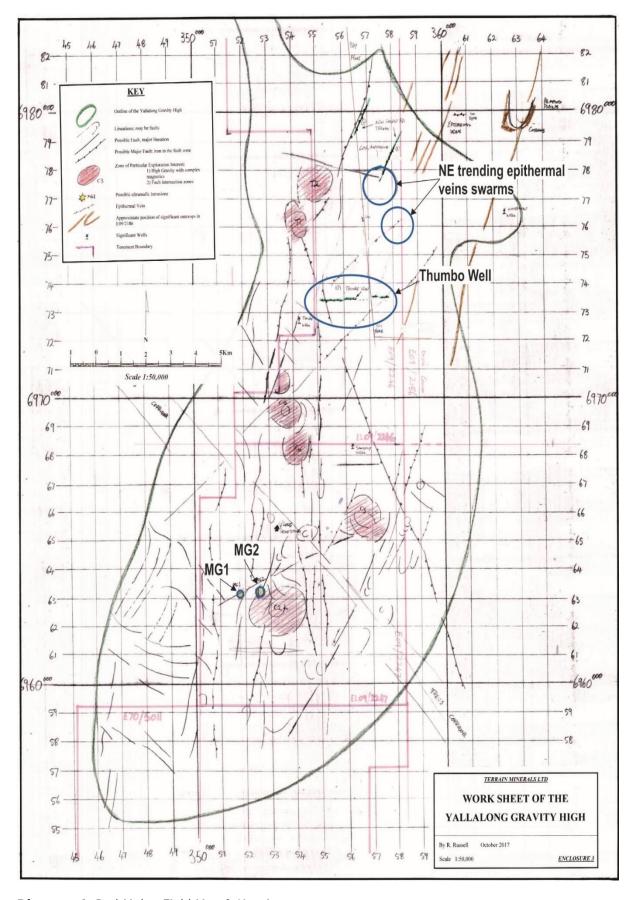
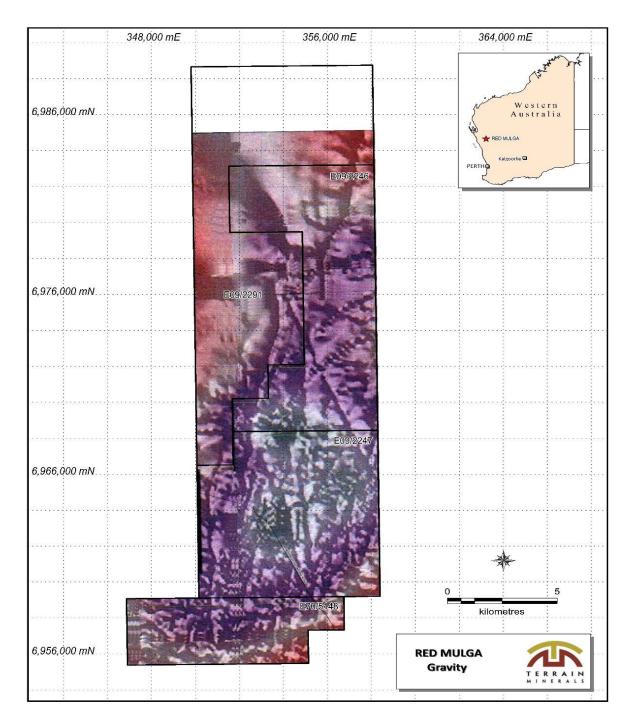


Diagram 4: Red Mulga Field Map & Key Areas.



**Diagram 5:** Combined Magnetics & Gravity High Feature Relative to Red Mulga Tenements.

## **Corporate**

## Results of Annual General Meeting (AGM)

The AGM was held on the 22<sup>nd</sup> November 2018 at Terrain Minerals Limited offices located at: Suite 2, 28 Outram Street, West Perth, Western Australia. 6005.

Resolutions 1, 3 & 4 Passed with Resolution 2 being withdrawn prior to the meeting.

<u>Resolutions</u>	<u>For</u>	<u>Against</u>	<b>Proxy Discretion</b>	<u>Abstain</u>
1. Approval of Remuneration Report	267,572,388	612,680	11,555,556	4,661,019
2. Re-Election of Director Paul Dickson	Withdrawn	Withdrawn	Withdrawn	Withdrawn
3. Approval of 10% Placement Facility	373,562,503	823,000	33,350,242	4,661,019
4. Approval of Grant of Options to Mr Bradley	335,461,699	26,519,859	33,275,242	17,139,964

Number of Votes Cast on the Poll	<u>For</u>	<u>Against</u>	Abstain#	<u>Results</u>
1. Approval of Remuneration Report	268,697,388	612,680	15,091,575	Carried
3. Approval of 10% Placement Facility	406,912,745	823,000	4,661,019	Carried
4. Approval of Options to Mr Bradley	368,736,941	26,519,859	17,139,964	Carried

<sup>#</sup> Votes cast by a person who abstains on an item are not counted in calculating the required majority on a poll

## **Board Retirement of Mr Paul Dickson - Nomination Withdrawn**

Mr Paul Dickson ceased as a member of the Board of Terrain at the conclusion of the AGM. Due to the withdrawal of Resolution 2. The Board would like to thank and wish Mr Dickson well for his future endeavours.

A review process will be undertaken prior to the appointment of a new chairman. This process aims to ensure that candidates chosen have the appropriate skill sets and experience that Terrain requires in order to take best advantage of the opportunities that will arise in future.

Terrain Minerals has always been a Perth, Western Australia based exploration company. Until now over half or more of the board has been based on the east coast or off-shore. Terrain now aims to have the majority of the key decision makers together in the same city and the board believes that this is more appropriate for the company and will assist with strengthening company decision making process, culture and lowering of costs.

## **Great Western Update**

Divestment discussion have continued now that the pit scheduling work has been completed. A new group has recently signed a confidentiality agreement and are currently conducting due diligence on the data with discussions continuing with several others. Terrain has not ruled out mining Great Western. Studies continue to positively move the project towards a mining ready status.

The board and our consultants consider this project as a valuable and strategic asset which is a near term production opportunity. Our aim is focused on maximising returns from any future transaction and or self-mining. The newly generated exploration targets and drilling are a part of the value-add strategy.

## **Other Business**

## **Project Review**

Terrain Minerals is currently searching and has been assessing potential company making projects:

Gold, Nickel and Cobalt/copper as well as other energy and industrial minerals in Australia, Africa, North & South America (including other regions). All economic commodities are being considered as indicated in previous Quarterly reports. Exploration activities in WA will continue to be advanced and several WA based gold projects are currently being reviewed.

During the quarter one of Terrain directors and a geologist conducted a field trip to South America to review a potential opportunity for the Company.

#### For further information, please contact:

Justin Virgin

**Executive Director** 

Email: terrain@terrainminerals.com.au

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:

- **Great Western** 100% TMX (Au) near term development opportunity, resource estimation and economic study has 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, exploration drilling to commence shortly on wild-viper.
- Red Mulga Red Mulga project is situated ~170km NNE of Geraldton in the Yilgarn Craton, Western Australia's Murchison region located on Yallalong station. Several filed trips of mapping, rock chip and soil sampling confirmed that the model of mineralisation established from the initial field evaluation and sampling in October 2017 is valid and this underexplored area has the potential for base metals. The recently completed drilling program has identified several mineralised zones confirming the legitimacy of the project. Further exploration and studies incorporating this new data are ongoing.
- Project Review: Terrain Minerals is currently searching and has been assessing potential projects:
  gold, nickel, copper and energy metals including cobalt, lithium and industrial minerals in Australia,
  Africa, North and South America (including other regions). All economic commodities are being
  considered as indicated in previous Quarterly reports. Exploration activities in WA will continue as
  normal.

## **Competent Person Statement:**

#### **Great Western Information:**

The information in this report/release which relates to Mineral Resources for the Great Western Deposit is based on & accurately reflect a report prepared by Peter Ball 2015. Mr Ball has the necessary experience relevant to the style of mineralisation, the type of deposit & the activity undertaken to qualify as a 'Competent Person' under the JORC Code for Reporting of Mineral Resources & Ore Reserves (2012 Edition). Mr Ball has given his consent to the inclusion of the information from his Report. Mr Ball is Principal of DataGeo Geological Consultants (an independent geological consultancy) & a member of the Australasian Institute of Mining & Metallurgy.

#### **Red Mulga Information:**

The information in this report that relates to Exploration Results is based on information compiled by Dr J. Richard Russell (PhD, MAusIMM), principal of R. Russell and Associates, who is a Member of the Australian Institute of Geoscientists and a consultant to Terrain Minerals Limited. Dr Russell 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'. Dr. Russell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#### **Great Western (Wild-viper) Information:**

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

## **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.

+Rule 5.5

# 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 Quarter ended ("current quarter")				
45 116 153 514	31 December 2018			

Cor	solidated 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	(23)	(173)
	(b) staff costs	(55)	(109)
	(c) administration and corporate costs	(78)	(136)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other	-	-
1.9	Net cash from / (used in) operating activities	(155)	(416)

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	-	

<sup>+</sup> See chapter 19 for defined terms

1 September 2016

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Cons	solidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	816	1,077
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(155)	(416)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	661	661

<sup>+</sup> See chapter 19 for defined terms 1 September 2016

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	661	816
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)	661	816

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	55
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 transaction items 6.1 and 6.2	ons included in
Directo	or 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 transaction items 7.1 and 7.2	ns included in

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<sup>+</sup> See chapter 19 for defined terms 1 September 2016

8.	Financing facilities available Add notes as necessary for an understanding of the position	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 at whether it is secured or unsecured. If any add proposed to be entered into after quarter end	ditional facilities have bee	en entered into or are

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	60
9.2	Development	-
9.3	Production	-
9.4	Staff costs	49
9.5	Administration and corporate costs	42
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	151

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				

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<sup>+</sup> See chapter 19 for defined terms 1 September 2016

## Schedule of Exploration Tenements held as at 31 December 2018 - Listing Rule 5.3.3

## **Interests in Mining Tenements**

Project/Tenements	Location	Held at end of	Acquired during	Disposed during
Project/ renements		quarter	the quarter	the quarter
Great Western				
ML 37/0054	Western Australia	100%	-	-
M37/1214		100%	-	-
Red Mulga				
E09/2246	Western Australia	100%	-	-
E09/2247		100%	-	-
E09/2291		100%	-	-
E09/2329		Application	100%	-
				4

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

1 September 2016 Page 5

<sup>+</sup> See chapter 19 for defined terms

#### **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.

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	/ I W _	25 January 2018
Sign here:		Date:
	(Company secretary)	

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.

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<sup>+</sup> See chapter 19 for defined terms