

ASX Announcement



28 October 2019

ABN: 45 116 153 514

ASX: TMX

Quarterly Activities Report: September 2019

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

HIGHLIGHTS:

- **Great Western - Gold Project**
 - Advancement activities continue
- **Wild-Viper - Gold Exploration**
 - Trenching program over the 382-shear completed
 - Highest taken trenching sample Au 6.19g/t
- **Red Mulga Base Metals Project**
 - Desktop studies continue
- **Corporate Update**
 - Successful completion of placement
 - Great Western update
- **Other Business**
 - Continued assessment of a number of additional project acquisitions opportunities

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Great Western – Gold Project

About Great Western Gold Deposit

The Great Western Gold Project is situated 76km north of Leanora and is 1km off the Goldfields Highway on Weebo pastoral leases (refer to table 1 & diagram 2) which is part of the historic Wilsons Patch mining area. Terrain considers this as an advanced & almost a ready to mine opportunity with the potential of becoming larger. Recent regional interpretations have also highlighted additional exploration targets within the immediate area.

- Mineralisation extends beyond existing mine designs - Open at depth & to the west.
- Nearest operating mills (refer to diagram 1):
 - 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						
	Open Cut (0.5g/t)		Underground (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>	<u>118,000</u>	<u>3.05</u>	<u>709,000</u>	<u>2.72</u>

The tonnes have been rounded to the nearest 1000

Table 1: JORC Table.

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 undertaken on the mineralisation at Great Western.

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

- | | | |
|---------------------|---------------------------------------|--------------------------|
| • Oxide | (Completely weathered) mineralisation | 96.6% Au Recovery |
| • Transition | (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-meter 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.

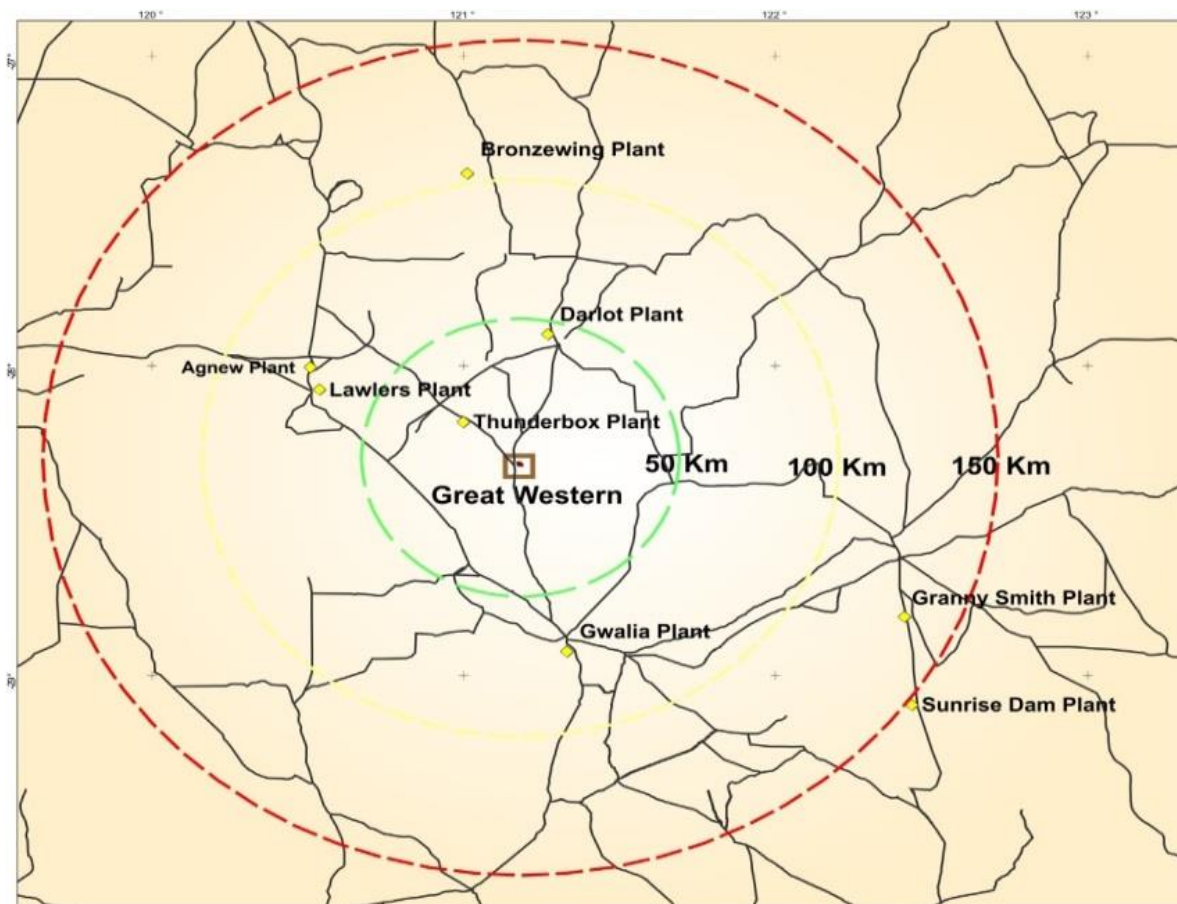


Diagram 1: Great Western Centre & the Proximity of Possible Nearby Processing Facilities.

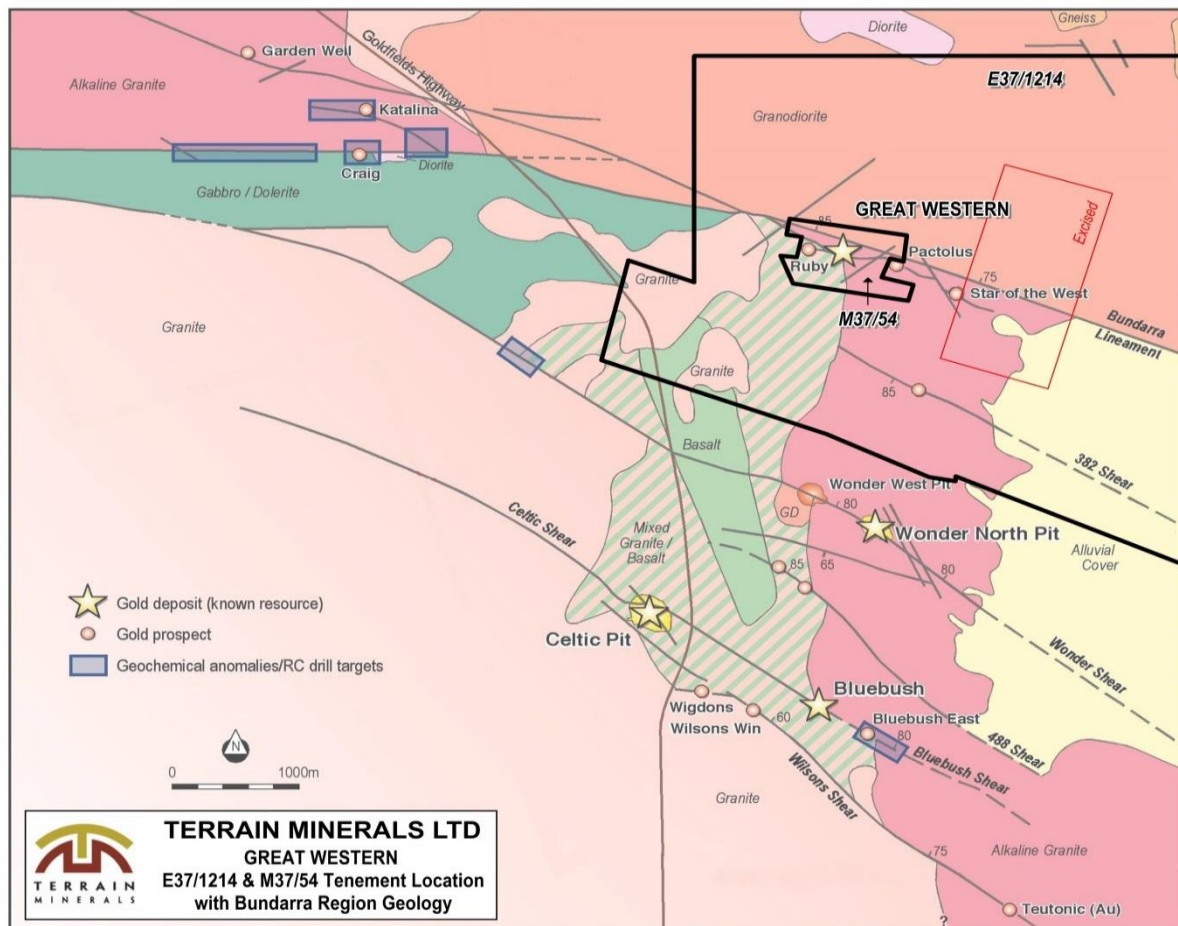


Diagram 2. Great Western Project Location Map Highlighted in Black. Wonder North & Celtic pits now owned by ASX listed Bligh Resources.

Wild-Viper – Gold Exploration

Terrain has been maintaining its focus on advancing the 100% Wild-viper exploration tenement that surrounds Terrain's 100% Great Western JORC 2012 gold project and includes the Historic High-Grade (original) Wilsons Patch mining area, which the 382 shear passes through and is located south of Great Western.

Part of the advancement works has been to generate additional opportunities with the potential to add ounces for the current project from regional exploration.

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

Two other areas of interest that will be followed up in the next round of exploration will be at Butcher Bird workings and also another area to the north west of the tenement, located adjacent to the historic Black Cat workings (Refer to Diagram 4).

Wild Viper 382-shear - Trenching Program Completed

Terrain Minerals Limited (ASX: TMX) is pleased to announce that first phase exploration activities were completed over the 382-shear zones at the Wild-viper gold project (Refer to diagram 3).

A total of five trenches for ~640 metres in length were completed over a four-day period (Refer to pictures 1 & 2). Trenching was the most efficient and cost-effective technique available to assess and define the area which has seen limited previous exploration activities.

Samples were collected as continuous channel rock chip samples. Equipment used was a handheld hammer with the collection of rock fragments within a gouge or track of up to 10cm wide over the sampled interval. Sampling was completed nominally on 1m sample intervals, unless to geological contacts where sample intervals were to a minimum of 0.1m. Occasionally up to a maximum of 1.3m was sampled in a single sample where geological contacts determined it more appropriate or efficient.

Sample intervals for Au analysis were selected based upon geological logging, with a total of 168 samples submitted for analysis to Bureau Veritas Analytical Laboratories Kalgoorlie. Samples were weighed, dried and split to <3kg, and pulverised to <75 micron via LM-5 mills. Analysis of the sample was via Fire Assay of a 40g sample, followed by Atomic Absorption Spectrometry (AAS), of the fused bead for gold.

Geological mapping of the trenches identified the location of the 382 shear in all trenches within a strongly altered and foliated zone of 2m to 4m in width. Quartz veining was associated with each of these shear contacts, however vein widths on average approximated no more than 10cm in width. Results of the sample analysis showed no gold mineralisation associated with either the quartz veining or altered / sheared rocks in the locality of the shear. A single intercept of 6.19g/t was returned from sample WV0314 in Trench 2, interval 68-69m. This sample was located ~80m distance from the previously reported result of 4.67g/t and was contained within intermixed granite/basalt. The basalt near surface was altered, but fresh at the base of the trench, with the granite foliated, and with some iron alteration, other samples return no significant results. Work will continue over adjacent areas now that Terrain has gained a better understanding of the geology.



Diagram 3. 382 Shear trenching program and location of the programs highest grade intersection 6.19 g/t with the 4.67 g/t (~80 metres apart) sample take from the previous program.



Picture 1. Wild-viper Exploration Trenching & Sampling.



Picture 2. Wild-viper Exploration Trenching.

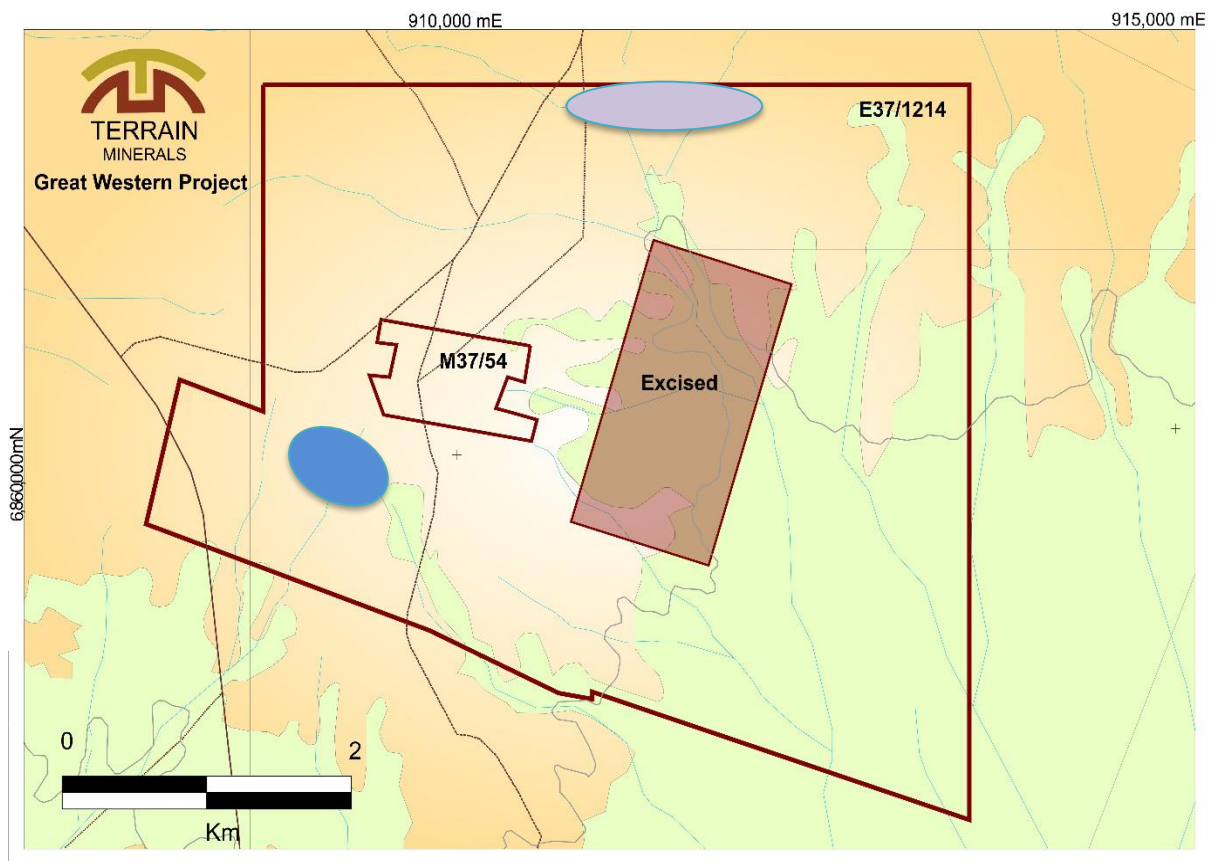


Diagram 4. Great Western Tenements M37/54 and Wild-viper E37/1214. The lilac coloured ellipse indicates the area adjacent to the historic Black Cat workings. The light blue ellipse identifies the Butcher Bird area. These two areas will be the focus of Terrain next stage of the systematic exploration approach being taken over Wild-viper.

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.

27/03/2019 - Great Western Gold Project Update & New Exploration Program.

20/09/2019 - Wild-viper Gold Exploration Update 382-Shear Zone

Red Mulga – Base Metal Project

The Red Mulga Exploration project 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. Exploration leases E09/2246, E09/2247 & E09/2291.

Several field trips have been undertaken in October and December 2017. Field work concentrated on mapping, rock chip and soil sampling confirmed that the model of mineralisation postulated to occur following analysis of the initial field evaluation is valid. Three key areas have been highlighted for further exploration.

Terrain's geological team invoked a geological model based on observed features in the historic gravity data over the project area. Subsequent field mapping and sampling observations continue to accommodate the geological hypothesis. Geochemical analysis has resulted in the identification of five distinct anomalous targets that have now been drill tested. These targets are all situated within highly weathered material and drilling will seek to intersect the target zones below the weathered soil profile.

Information from the first drill program has confirmed mineralisation and the new data is being added to the geological model. Terrain continues to advance desk top studies at its Red Mulga prospect.

Note: Full details including JORC Tables refer to ASX market announcement released on the:

- 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 Magnetism & Gravity Map.
- 07/06/2018 - DRAFT Red Mulga Drilling Update.
- 12/09/2018 - Positive First Round Drilling Results at Red Mulga.

Corporate

Successful Completion of Small Placement

The Company raised a total \$250,000 and issued 71,429,000 Fully Paid Ordinary Shares at an issue price of 0.35c per share to qualifying sophisticated investors.

The shares were issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1. The Company expects to issue the shares on or about Monday 30 September 2019

The capital raising was priced at a 12.5% discount to the last trade price of 0.4c.

The Board would like to thank the existing shareholders who participated in the capital raising for their continued strong support of the Company's current strategy that saw the indicative demand strongly exceed the amount being sought under the capital raising.

Great Western Update

Divestment discussion are advancing. Two new groups have recently signed a confidentiality agreement and are currently conducting due diligence. Terrain is currently in advanced discussions regarding a full sale of Great Western. Exploration studies are concurrently continuing designed to move the project towards a mining ready status.

Other Business

Project Review

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

Gold, nickel, zinc and copper as well as other energy and industrial minerals in Australia, Africa, North & South America, where discussions on a new opportunity continue to be advanced (including other regions). All economic commodities are being considered as indicated in previous Quarterly reports. Exploration activities in WA will continue to be advanced. Several WA based gold projects are currently being reviewed alongside one South American opportunity.

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 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.

Great Western (Wild-viper, recent trenching program results) Information:

The information in this report that relates to Exploration Results is based on information compiled by Mr Paddy Reidy, who is a Member of the Australasian Institute of Mining and Metallurgy and a consultant to Terrain Minerals Limited. Mr Reidy 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. Reidy 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.

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 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(14)	(14)
(b) staff costs	(49)	(49)
(c) administration and corporate costs	(64)	(64)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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	(127)	(127)

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 (3 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	250	250
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	250	250

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	409	409
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(127)	(127)
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)	250	250
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	532	532

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	512	389
5.2 Call deposits	20	20
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)	532	409

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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	22
9.2 Development	-
9.3 Production	-
9.4 Staff costs	49
9.5 Administration and corporate costs	55
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	126

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 Exploration Tenements held as at 30 September 2019 - Listing Rule 5.3.3

Interests in Mining Tenements

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Great Western ML 37/0054 M37/1214	Western Australia	100% 100%	- -	- -
Red Mulga E09/2246 E09/2247 E09/2291	Western Australia	100% 100% 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: 
(Company secretary)

Date: 28 October 2019

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.