

ASX Announcement



5 October 2020

ABN: 45 116 153 514

ASX: TMX

Quarterly Activities Report: September 2020

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

HIGHLIGHTS:

- **Wild-viper - Gold Exploration Project - Result Pending**
 - First Pass (& widely spaced) Drill Program - Total of 18 holes for 1,302 meters:
 - Wilson Patch RC (Newly acquired) drilling- 7 holes for ~605 meters
 - Wild-viper RC drilling 5 holes for ~560 meters
 - Black Cat South Air-core 6 holes for ~137 meters
 - SPL application withdrawn after strong defence by Terrain
- **Smokebush – Gold Exploration Project – Drilling Result Pending**
 - Maiden drill program - Total of 12 RC holes for 981 meters:
 - Monza RC drilling 11 holes for ~893 meters
 - T13 - 1 RC hole for ~88 meters
 - Additional samples now being analysed
- **Corporate Update**
 - Ongoing Project Generation & Review Studies
 - Annual Report Finalised & Released
 - Terrain held 3.5 million RED5 Ltd shares at end of September Quarter

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Wildviper Gold Exploration Project

RC & Air-core drill program completed – Result Pending

- First Pass (& widely spaced) Drill Program - Total of 18 holes for 1,302 meters
 - Wilson Patch RC (Newly acquired), 7 holes for ~605 meters
 - Wild-viper RC, 5 holes for ~560 meters
 - Black Cat South Air-core, 6 holes for ~137 meters
- SPL application withdrawn after strong defence by Terrain

Last Quarter Terrain secured the mineral rights over the tenement know as Wilson Patch (WP) P37/8521 (refer to Diagram 1). This area is situated almost in the middle of the Wild-viper project tenement package. Recent soil sampling between Great Western (GW) now owned by RED5 & Wilson Patch returned elevated gold in the soil samples along strike from GW, including rock chip samples of 9.92g/t and 0.88g/t (refer to Diagram 2). The sampling highlighted the potential for mineralised extensions along the same geological structure that runs through GW, Wild-viper & Wilson Patch (refer to Diagram 3).

Terrain has now completed its first pass of the maiden drilling program. Four lines/fences of RC drilling, the fences were widely spaced 480m to 500m apart. The drill fences where not drilled top to tail so there were up to 35 to 40 meter gaps between drill lines. This is a very wildy spaced first pass program designed to secure valuable geological information and assist with future exploration and more precise drill targeting, as there is no drilling over this area.

A small first pass Air core program was also conducted over the Black Cat south area to the north of the tenement (refer to Diagram 4).

The first drilling program commenced and unfortunately halted on day 3 due to mechanical issues, and a a new contractor was secured, and the program was completed several weeks later after the drilling at Smokebush gold exploration project was completed.

The board is pleased to announce that the whole program was executed safely and professionally with no safety incidents being recorded. The results are currently being assessed and the market will be notified in due course.



Picture 1: Start of drilling program at Wild-viper Gold Exploration Project.

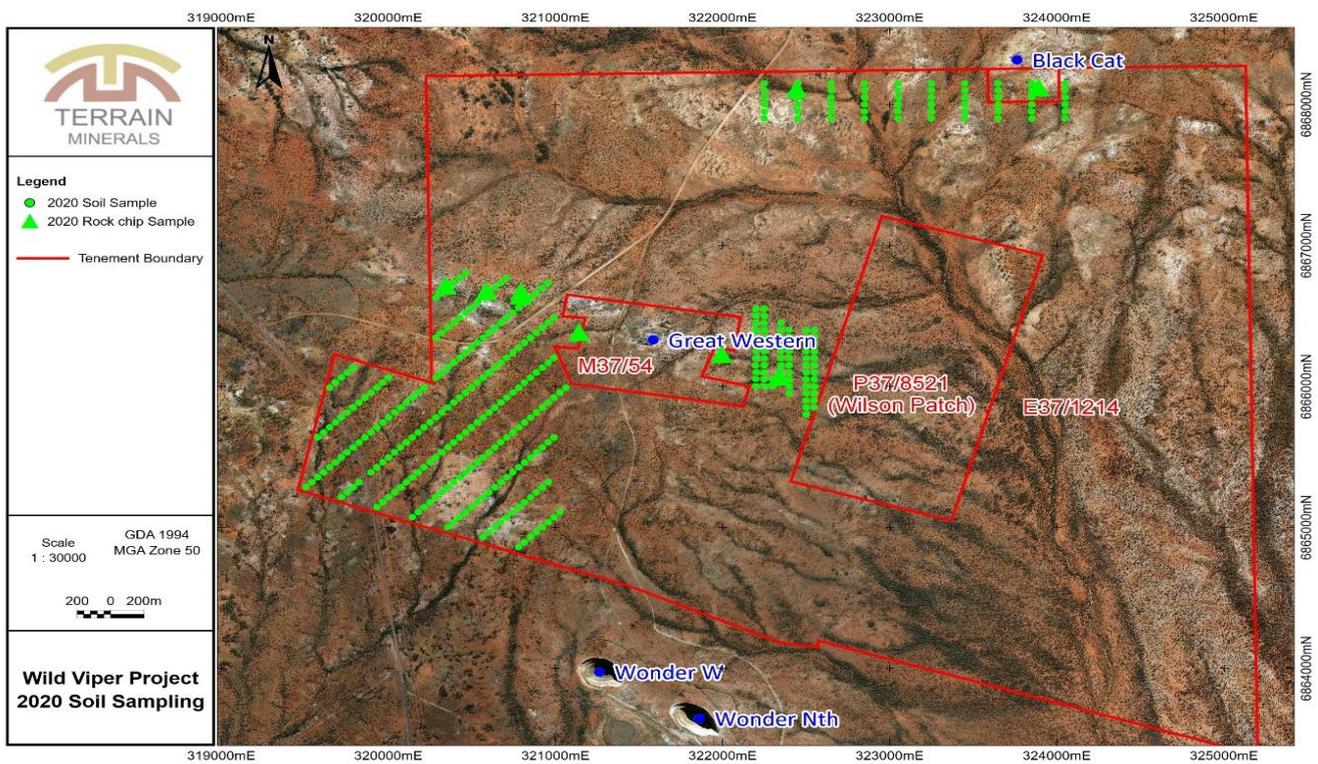


Diagram 1: Wilson Patch P37/8521 can be seen in red out line in the middle of Wild-viper E37/1214. The most recent Soils program is delineated in green dots between Great Western M37/54 (now owned by RED5 Ltd) and Wilson Patch (WP). Terrain has secured minerals rights at WP.



Picture 2: Orlando Drilling Rig completing the drilling program at Wild-viper Gold Project.

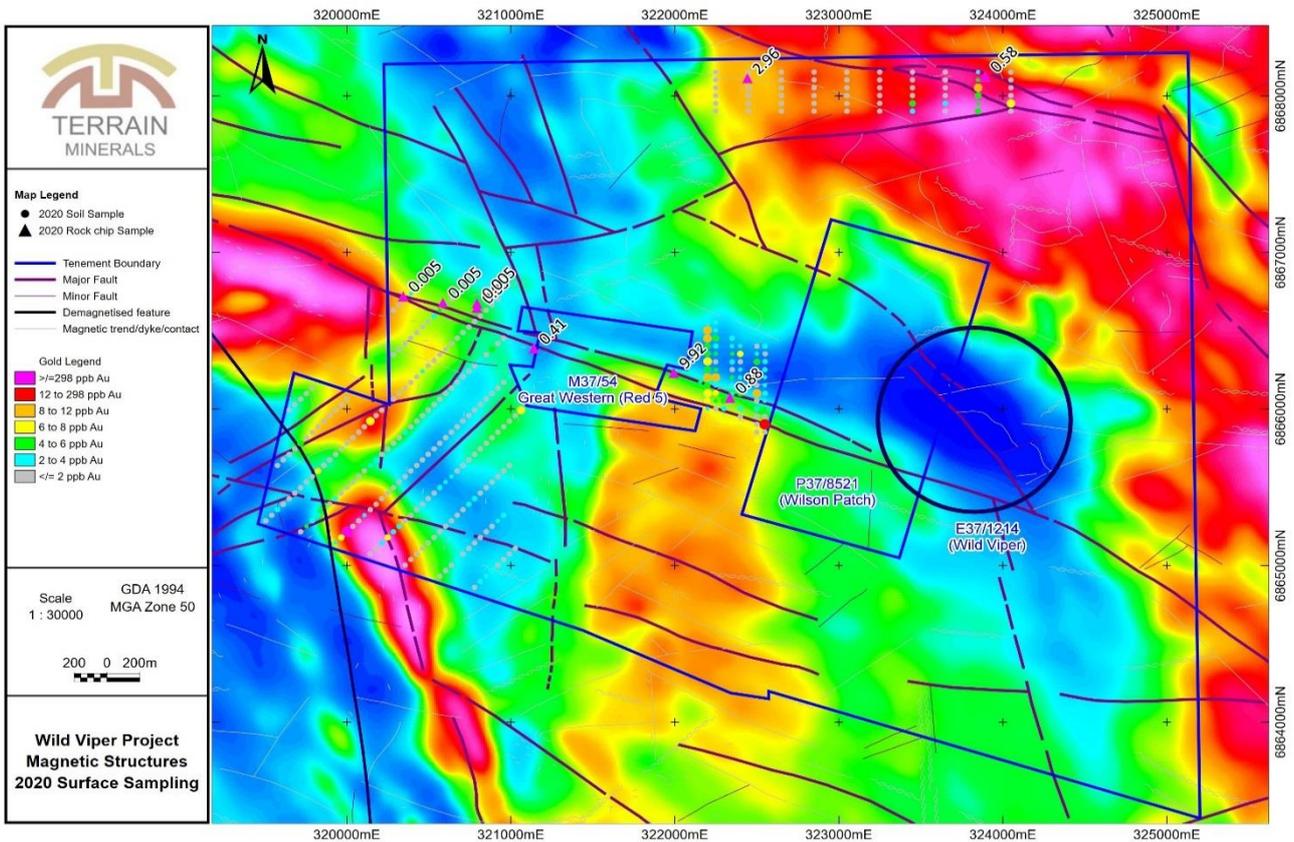


Diagram 2: Recent Soils geochemistry plotted onto magnetics TMI and Magnetic interpretation. The large black circle outline highlights a demagnetised structure that was recently identified and straddles over the western boundary of Wilson Patch and Wild-viper and along structural contacts.

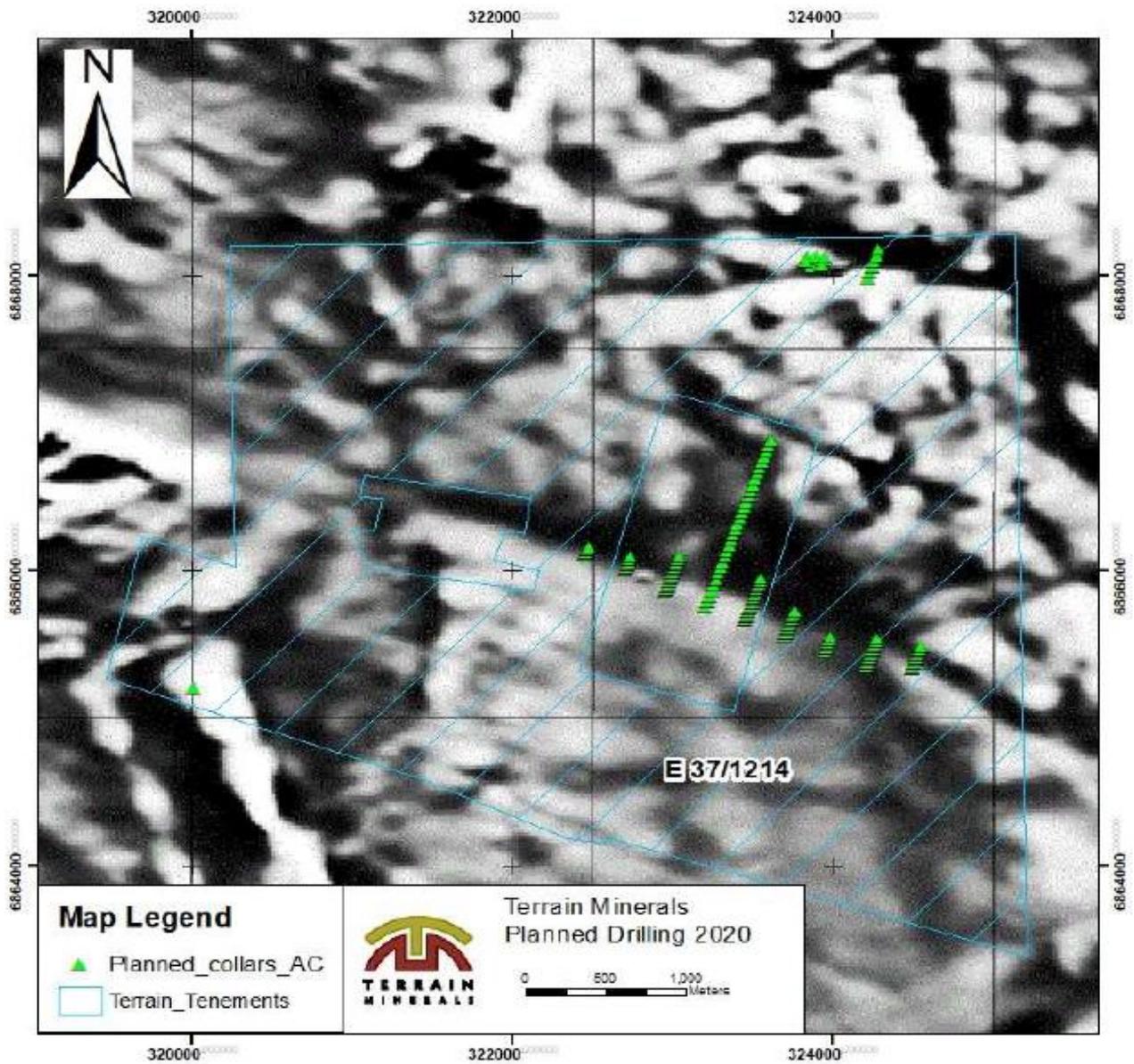


Diagram 3: The green triangles show the proposed drill program over the Wilson Patch and Wild-viper tenements. Tenement outlines in blue. Refer to diagram 1 or 2 for better tenement identification. The actual drill program was be modified during drilling, subject to on ground geological finds and interpretation.

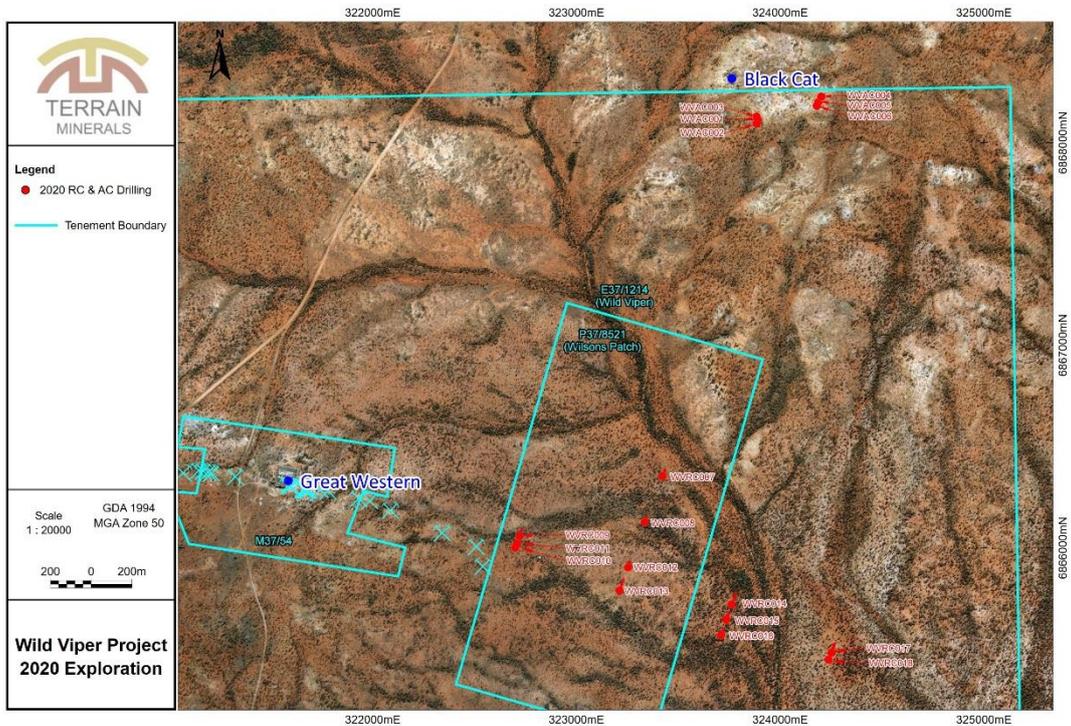


Diagram 4: Wild-viper drill locations can be seen above in Red. The Black Cat South target was also tested with a small initial Air-core, program around small workings. The target partially sits below the historic Black Cat workings on the above map.

SPL Application at Wild-viper

SPL application applied for by one of the neighbouring tenement holders, this application was strongly opposed by Terrain and its legal team. The strong defence resulted in the application being withdrawn.

About Wildviper Gold Project:

The 100% owned Gold exploration project is located 68 km north of Leonora and adjacent to the Goldfields Highway and is situated on the Weebo pastoral leases and forms part of the historic Wilsons Patch mining area (now 100% Terrain). Terrain considers this project an exciting exploration opportunity that has seen limited modern exploration. This Strategically located package is surrounds the Great Western Gold Project (now owned 100% Red5 Ltd) and is also adjacent to Saracen’s (ASX: SAR) Bundarra gold deposits as well the historic Black Cat workings. The newly secured Wilson Patch tenement is also under explored and is highly prospective due to being held in private hands for several decades.

Note: For additional information refer to ASX announcement:

- **22 June 2020** - Wild-viper & Smokebush Gold Projects Update.
- **29 June 2020** - Strategic Acquisition at Wild-viper Gold Project “The Missing Piece of the Puzzle” & New Targets.
- **3 August 2020** - Drilling has Commenced at the Wild-viper Gold Project & Smokebush Gold Project Update

Smokebush Gold Project

Smokebush – Gold Exploration Project – Drilling Result Pending

Maiden drill program completed:

- Total of 12 RC holes for 981 meters:
 - Monza RC drilling 11 holes for ~893 meters
 - T13 - 1 RC hole for ~88 meters
 - Extra samples being analysed

RC Drilling was carried out to test the current theory that historic drilling intersections may have been drilling on the incorrect orientation. Terrain also considers the old drilling to be sparse and required follow up drilling to properly test these significant results (refer to Diagram 5).

The board is pleased to announce that the program was executed safely and professionally, and logging confirms that the programs design and targeting assumptions look to be correct.

Up-date Smokebush Drilling: Drill samples were selectively sampled in the field by the onsite geologist. Results have been received back and the data has been merged with the historic drilling data set over Monza. It was decided that all outstanding samples need to be processed and added to the data model to allow for a proper assessment to be made, prior to updating the market. These samples were submitted on the 28 September 2020. The laboratories are currently experiencing high demand and sample turnover has been slower than normal.



Picture 3: Orlando Drilling - Smokebush Gold Project Monza Target.

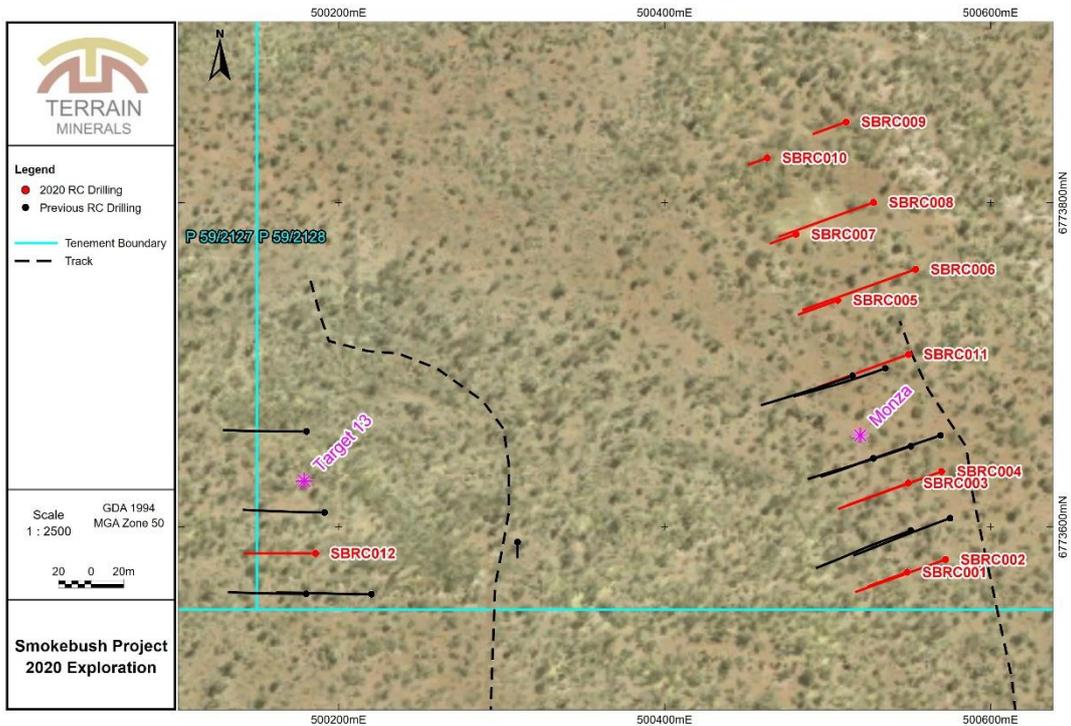


Diagram 5: Smokebush drill locations can be seen above in Red along historic drilling identified black.

The Smokebush data review identified extensive untested surface gold geochemical anomalies as well as highlighting significant RC and RAB gold drilling intersections from sparse first pass drilling.

The Best Historical Drilling Results Include:

Monza:

- **2m @ 11.3g/t Gold** from 70m (MMRC162 - RC)
- **2m @ 9.2g/t Gold** from 24m (MMRC154 - RC)

Hurley & T17:

- **10m @ 1.4g/t Gold** from 15m (MM084 - RAB)
- **2m @ 2.5g/t Gold** from 51m (MMRC074 - RC)

Wildflower:

- **15m @ 1.4g/t Gold** from 10m (MM110 - RAB)

The Best Rock Chip Samples Over the Priority Targets Include (refer to Diagram 6):

Monza: 3.1 g/t Au, & 0.61g/t Au & 0.37g/t Au

Target 13: 11.1g/t Au with 0.27% Pb and, 17.2 g/t Au with 2.3% Pb

Wildflower: 1.2 g/t Au

Both Targets T16 & T16W, which are both located in the southern area of the tenement package that also show potential (Ref to Diagram 6).

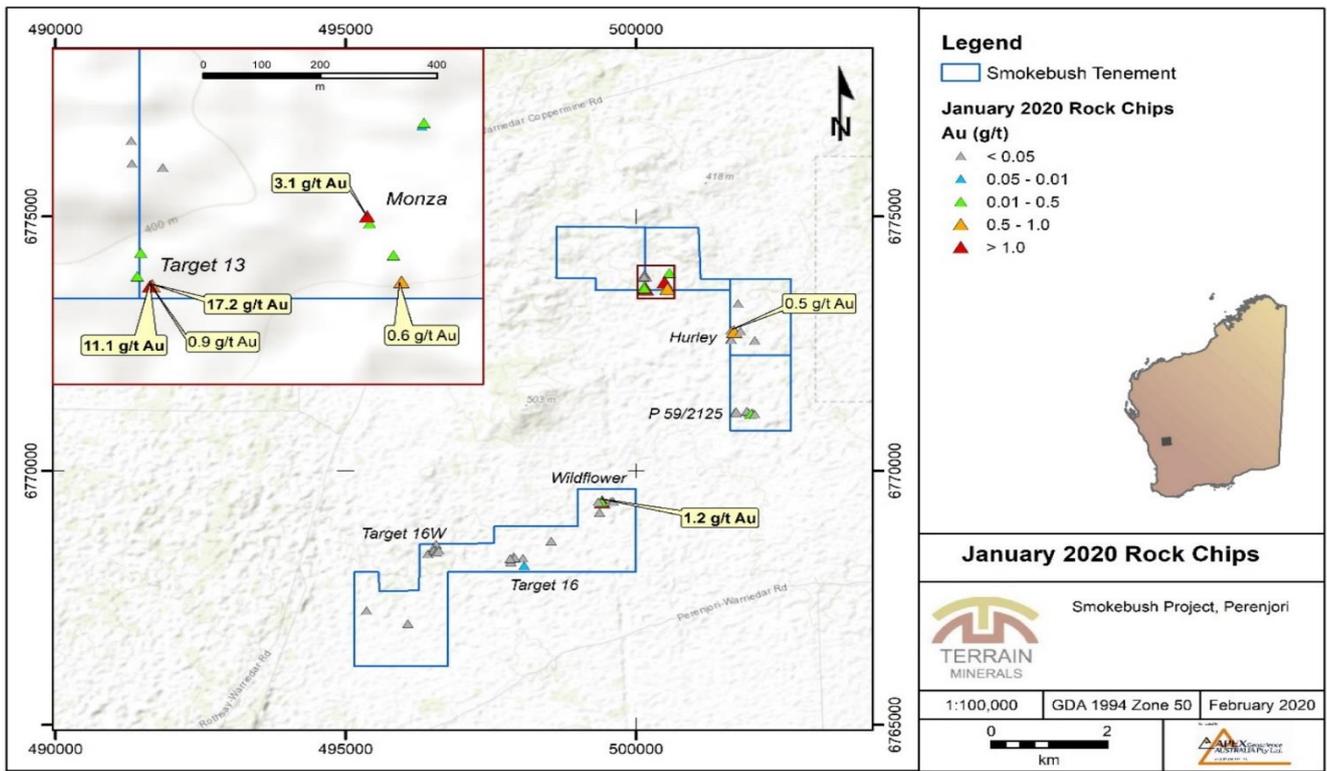


Diagram 6: Target Identification Map & Locations & Results from January 2020 Site Visit.

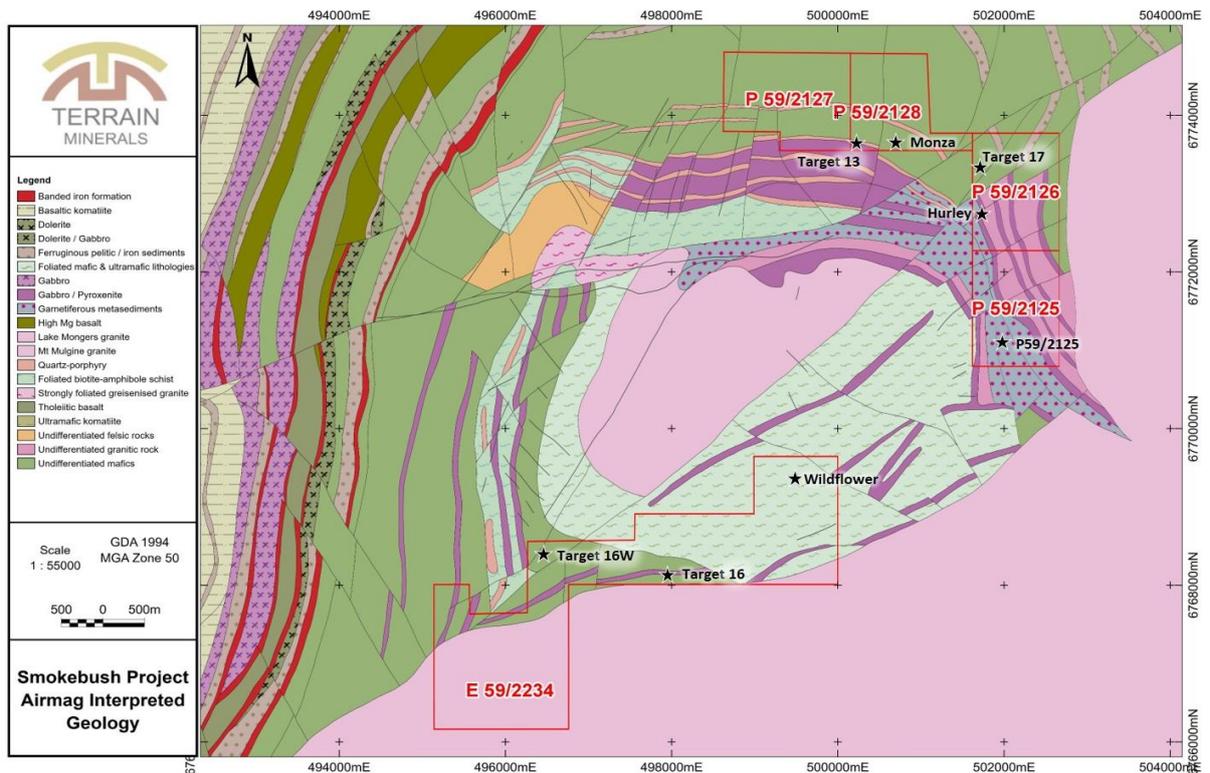


Diagram 7: Interpreted Geology Mt Mulgine with the Smokebush tenements in red outline.

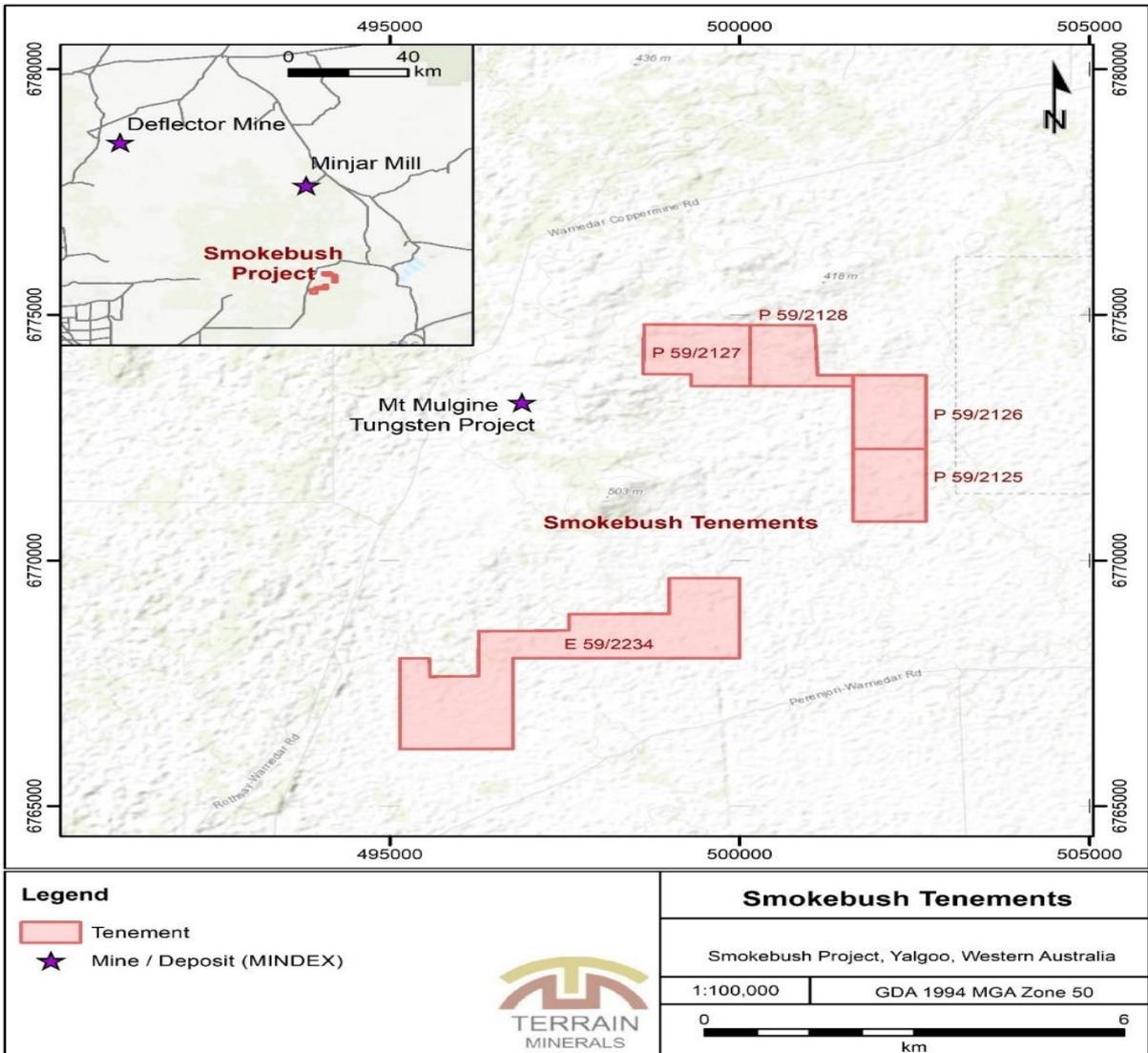


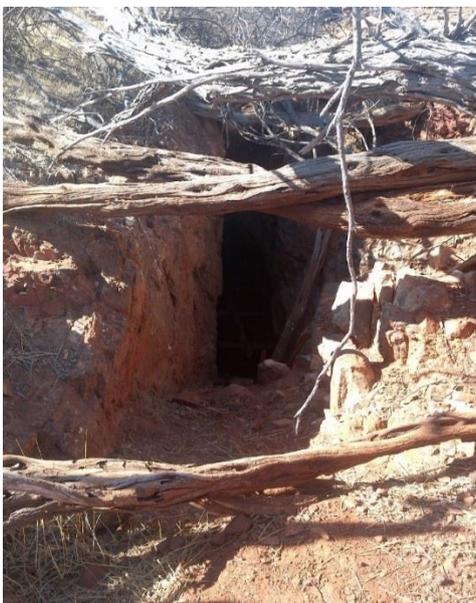
Diagram 8: Smokebush Project Location, outlines in Red.



Picture 4: Orlando Drilling Rig at Smokebush Gold Project.

Monza & Target 13 Targets (Priority Targets)

The Monza and Target 13 targets occur within two distinct gold soil geochemical anomalies >19 ppb in the southwestern corner of P59/2128. Combined these two soil anomalies cover an area of 500 x 500 m. There are a number of >2 g/t Au rock chips that form a "bullseye" within the geochemical anomaly (peaking at 10.37g/t Au). The soil anomalies have had 11 angled RC drill holes completed (drilled towards the west and Southwest). It is believed that this drilling may not have effectively tested these geochemical anomalies.



Picture 5: Historic shafts at Monza.



Picture 5: Further Historic workings at Monza.

About SmokeBush Gold Project

Terrain has the right to earn up to 80% of the Smokebush tenements via expenditure of \$250,000 over 2 years, refer to ASX release reference below for further details.

The Smokebush Project Area is located approximately 85 kilometres east northeast of the Perenjori township and 65 kilometres west of Paynes Find within the Yalgoo Mineral Field.

The project is contained within four contiguous Prospecting Licenses (P59/2125, P59/2126, P59/2127 & P59/2128) and one Exploration Licence (E59/2234) enclosing a total area of approximately 1,254 hectares (Diagram 8).

The tenements can be accessed via the unsealed Perenjori - Warriedar Road, and thence via extensive historical exploration grid lines, station tracks and fences lines.

Note: For additional information refer to ASX announcement:

- **2 December 2019** - Farm-in Agreement for the Smokebush Gold Project at Mt Mulgine, 65km West of Paynes Find WA.
- **18 December 2019** - Smokebush Exceptional Historic Drilling Results Identified During Project Due Diligence.
- **3 March 2020** - Exciting Results from Smokebush Gold Project.
- **30 March 2020** - Wild-viper Gold Project Sampling Program Underway & Great Western Sale Update.
- **17 August 2020** - Drilling Commenced at the Smokebush Gold Project

Corporate

Ongoing Project Generation & Review Studies

Terrain continues to locate, identify and field test opportunities as well as assess outside deal flow that are sourced independently. This is seen as an important and ongoing process, to ensure the company has access to a continuous pipeline of projects opportunities.

Annual Report Finalised & Released

Terrains annual report to share holders was release on the 25th September 2020. A copy of the report is available at www.Terrainminerals.com.au or on the ASX web page.

Share Investment & Cash Balance

Terrain held 3.5 million shares in RED5 Limited (ASX: RED), proceeds from the sale of Great Western.

Project Review

Terrain continues to search and assess potential value adding and 'company making' projects, focusing on Gold, Copper, Nickel and industrial minerals in Australia, Africa, North & South America, Asia and other regions. Several jurisdictions of interest have been identified. All economic commodities are being considered as indicated in previous Quarterly reports.

Due to the current global COVID-19 virus situation, Terrain intends to focus on WA based opportunities for the time being, until the board can better understand the long-term health and safety risks and current restrictions of accessing opportunities located foreign jurisdictions. All opportunities will continue to be assessed on their individual merits.

For further information, please contact:

Justin Virgin

Executive Director

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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:

- **Wild-viper** - WA gold exploration Project 100% owned – Key strategic land holding secured know as Wilson Patch (WP). Wildviper tenement package is strategically located and also surrounds Red5 Ltd - Great Western Project (GW) as well as being adjacent to Saracen's (ASX: SAR) Bundarra gold deposits. As of the date of this announcement Terrain held 3.5 million Red5 shares (ASX:RED) from the GW sale. During the quarter a ~1,300m, maiden first pass RC drill program was carried out which included a small air core program over several workings around the Black Cat South area. Results are pending.
- **Smokebush** - WA gold exploration Project 100% owned – Terrain has identified multiple drill targets along with several other prospective areas that require additional work. Terrain executed its maiden ~981m RC drill program at Smokebush, that followed up on historic drilling which Terrain believes failed to comprehensively test these targets. Results are pending.
- **Project Review** - Terrain Minerals is currently searching and has been assessing potential projects: Gold, Copper, Nickel and industrial minerals in Australia. Due to Corvid19 travel restrictions all regions outside of WA as well as foreign jurisdictions are still being considered but are becoming more problematic as due diligence cannot be carried out and staff safety cannot be guaranteed. All economic commodities are being considered as indicated in previous Quarterly reports.
- **Due to the COVID-19 Situation** - Terrain has been concentrating on WA based opportunities, due to the current travel restrictions that are in place. The board will continue to monitor advice from the relevant authorities (WHO and Australian Government) about the virus and the factors effecting the health and safety of all Terrain's stake holders, as well as the current WA travel restrictions.

Authority

This announcement has been authorised for release by the Board of Director of Terrain Minerals Limited.

Related Party Transactions

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totalled \$56,000. Terrain advises that this relates to Executive Director salaries and entitlements and Non-Executive Director fees. Please refer to the Remuneration Report in the Annual Report for further details on Director remuneration.

Competent Person Statement:

The information in this report that relates to historic exploration activities are based on information compiled by Mr. S Nicholls, who is a Member of the Australian Institute of Geoscientists and full time employee of Apex Geoscience Australia Pty Ltd. Mr Nicholls 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. Nicholls 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

Terrain Minerals Limited

ABN

45 116 153 514

Quarter ended ("current quarter")

30 September 2020

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	(307)	(307)
(b) staff costs	(56)	(56)
(c) administration and corporate costs	(71)	(71)
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 Government grants and tax incentives	-	-
1.8 Other - Government stimulus package	44	44
- Net BAS	(194)	(194)
1.9 Net cash from / (used in) operating activities	(584)	(584)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments net sale of Red 5 shares	392	392
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	392	392

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	2,085	2,085
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(584)	(584)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	392	392
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,893	1,893

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	1,893	2,084
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)	1,893	2,104

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	56
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(584)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(584)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,893
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,893
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.24
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Schedule of Exploration Tenements held as at 30 September 2020 - 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
Wild Viper M37/1214	Western Australia	100%	-	100% -

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Smokebush E59/2234 P59/2125 P59/2126 P59/2128	Western Australia	Terrain has the right to earn 80% via on ground expenditure		
Wilson Patch P37/8521	Western Australia	100% of mineral rights	100% of mineral rights	-

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.

Date: 5 October 2020

Authorised by: 

 Melissa Chapman
 Joint Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.