

# ASX Announcement



29 July 2016

ABN: 45 116 153 514

ASX: TMX

## Quarterly Activities Report: June 2016

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### HIGHLIGHTS

- **Great Western – Advancement – 100% & No Royalties**
  - Trevor Bradley Senior Geologist appointed (casual basis). Trevor has been tasked with reviewing the existing data and designing a strategy to advance the Great Western gold project to the mine approval stage
  - 655m drill program developed. Designed to lift current inferred material to indicated category. Program to be finalised following the Bradley review and to commence as soon as possible
  - Great Western Scoping Study Progress Update
- **Gimlet – Southern Fraser Range – 100% & No Royalties**
  - Review of the historic data has identified one untested gold in soil auger anomaly. “Anomaly A”
  - Board has approved a small Rab/Aircore program to test “Anomaly A”
  - Planning for drilling has commenced, POW & land access (private property) underway
  - Tenement area has been reduced and is now 100% held by Terrain with no royalties payable
- **Rembrandt Gold Project – Monet**
  - Project divestment activities continue
- **Corporate Update**

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

## **Great Western Project**

### **Project advancement activities:**

Terrain is pleased to have secured the services of Senior Geologist Trevor Bradley (on a casual basis). Trevor has been tasked with reviewing the existing data and designing a strategy aimed at advancing the Great Western gold project to the mine approval stage.

Refer to the professional summary within the ASX release dated 11<sup>th</sup> July 2016.

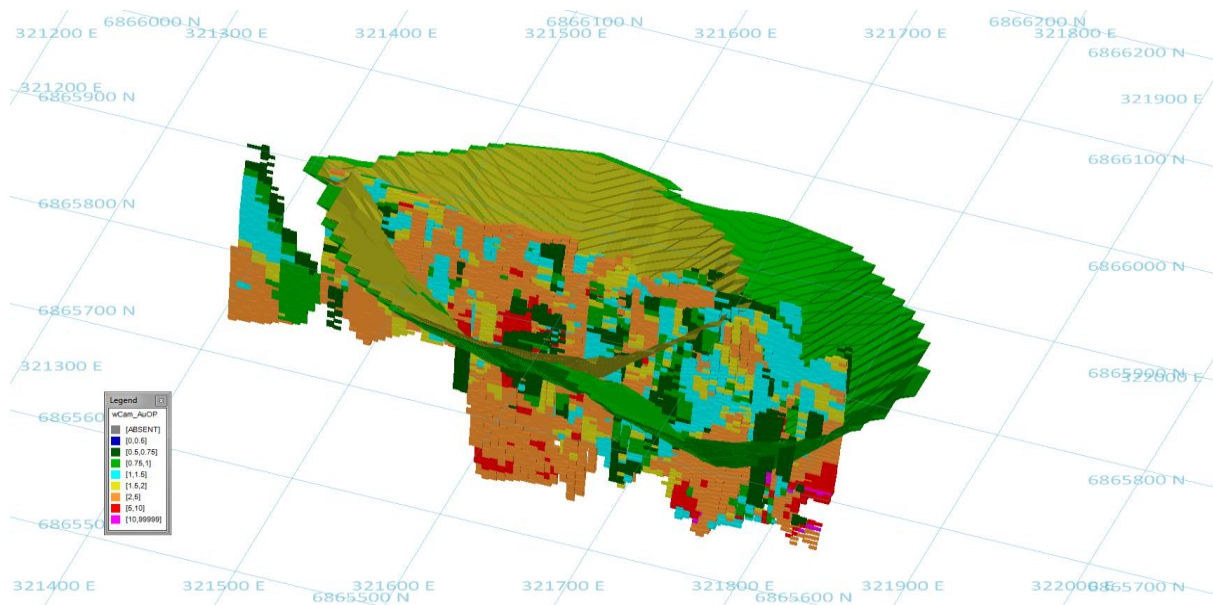
### **Great Western Scoping Study Progress Update**

The Great Western scoping study findings to date are encouraging. Due to the new reporting regime on announcing results at scoping study level Terrain has been examining what additional information is required to lift the scoping study to pre-feasibility level. Terrain has been working with mining consultants CSA Global Limited to complete the scoping study.

Additional works identified for Great Western for a single open pit operation study:

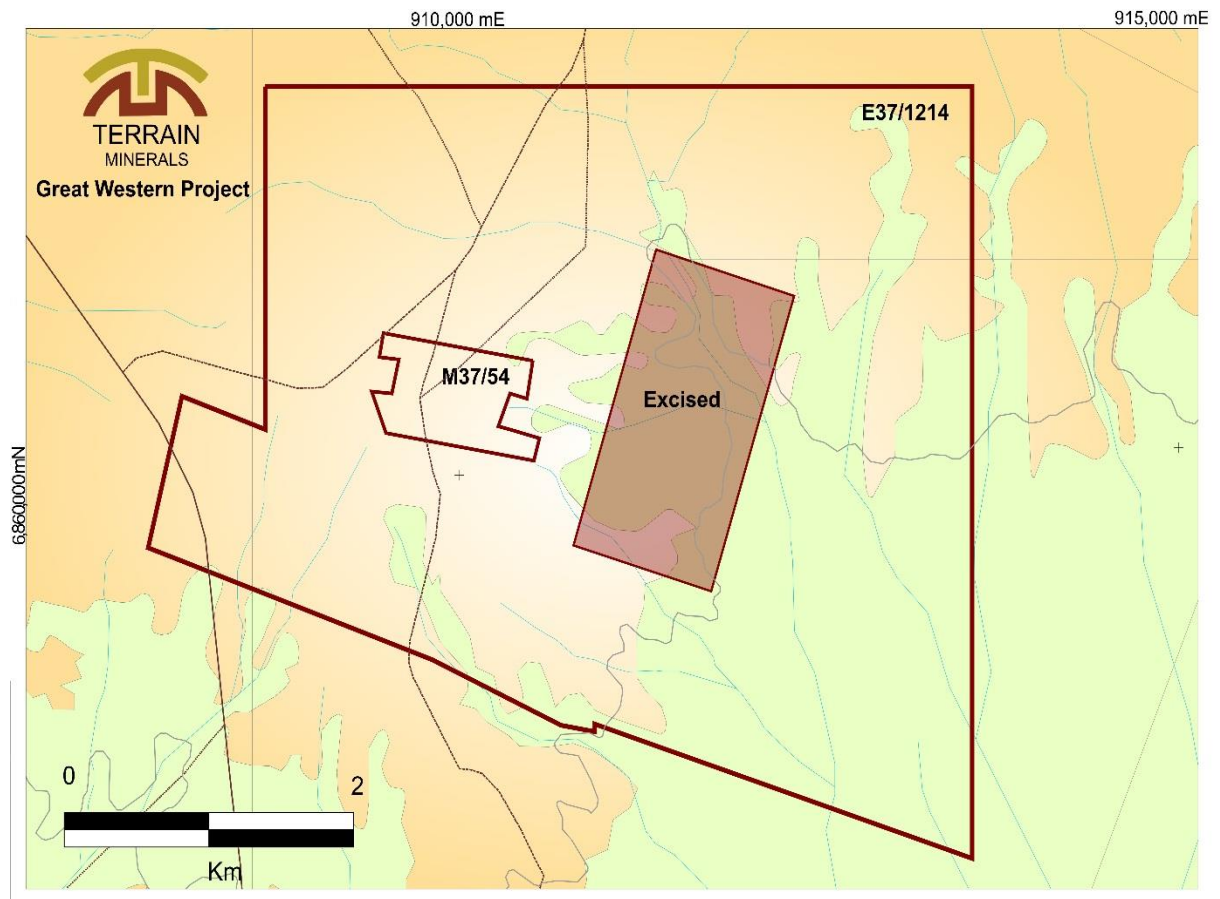
- 42% of the JORC 2012 compliant model is classified as Inferred and the majority of this sits at the eastern end of the current block model. Refer to Diagram 1 for further explanation.
- An RC drilling program is warranted to infill the current gaps in the eastern portion of the inferred resource. Assuming positive drilling results the current JORC 2012 model will be updated so to reclassify the eastern portion from Inferred to Indicated status and for inclusion in the pre-feasibility model.
- The scoping study has identified that an onsite process study is also warranted:
  - Work is underway to better defining mining, transport and toll treating costs.
  - A metallurgist is currently designing a ~250,000 ton per annum onsite crushing and gravity circuit. Using available used components and budgets for installation and operational costs.
  - Previous Abdel metallurgical test work indicated a high gravity recovery was achieved.

Terrain intends to update the market accordingly with findings on project economics once the additional work is done. Terrain feels that this additional work is so far warranted and Great Western has the potential to be advanced as a standalone operation using either of the above proposed processing methods.



**Diagram: 1** Two of the proposed pit shells from Scoping study

Diagram 1 - The above smaller inner pit shell on the right hand side predominately contains the Measured and Indicated classified material. The larger dark green outer pit shell on the right contains the eastern 42% inferred material. As this 42% Inferred represents a large percentage of metal, and now due to the new reporting standards internal confidence in this resource needs to be confirmed before being able to report the findings publicly, a drill program is currently being designed. It is estimated that around ~655m of additional RC drilling will be required.



**Diagram: 2** Great Western Project Area

### **About Great Western:**

The 100% owned project is Located 68 km north of Leonora and 1km from the Goldfields Highway on Weebo pastoral leases and forms part of the historic Wilsons Patch mining area. Terrain considers it as an advanced project and ready to mine opportunity which is possibly still open down plunge and along strike. Further exploration has the potential to expand the mine life of the current mining plan of 322,500 tonnes @ 5.14 grams per tonne.

## **Gimlet - Gold Target - Anomaly "A"**

The recently completed historic review of data over Terrain's Gimlet project has identified an untested gold soil Anomaly "A". This represents a 'walk up' untested Gold target. Planning for a small Rab/Aircore drilling program is underway, including POW and land access as it is on privately owned land which may be presently under cultivation.

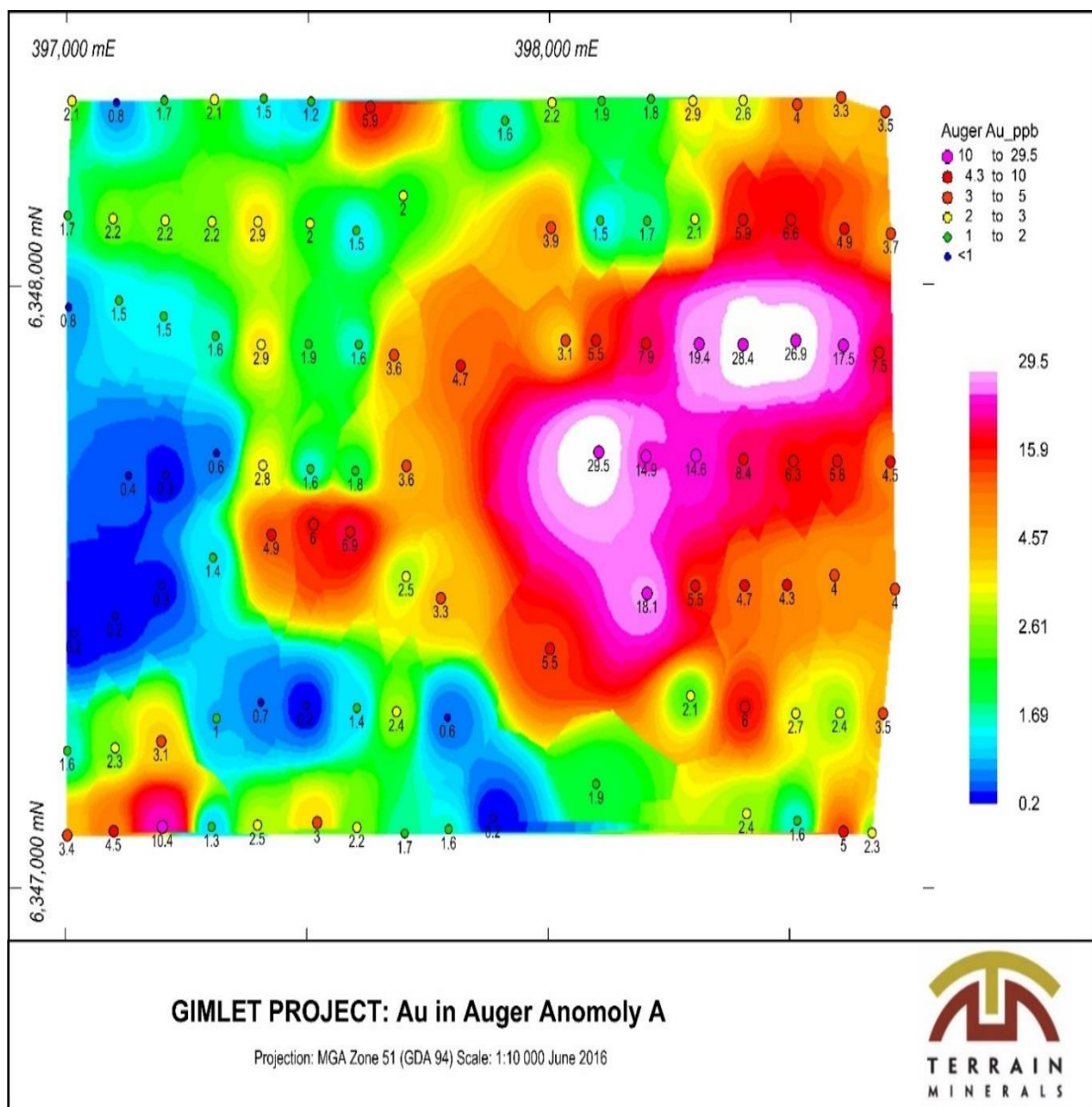
### **Highlights from the historic data review include:**

- Greater than 600m by 200m auger anomaly (Gold target);
- Drilling just to the west encountered low 2 to 3 metres overburden;
- Drill program (aircore/rab) has been Board approved with planning underway; and
- Project area 100% held by Terrain all situated on freehold acreage
- Total area now consists of 26 blocks and 146 blocks have been relinquished.
- Land now 100% Terrain with spotter fee agreement and related royalties cancelled for no consideration.

Anomaly A is a discrete east-west trending 600x200m gold in soil anomaly, defined by a historic 200x100m spaced auger sampling. The low level 15-30ppb anomaly is located on private arable land.

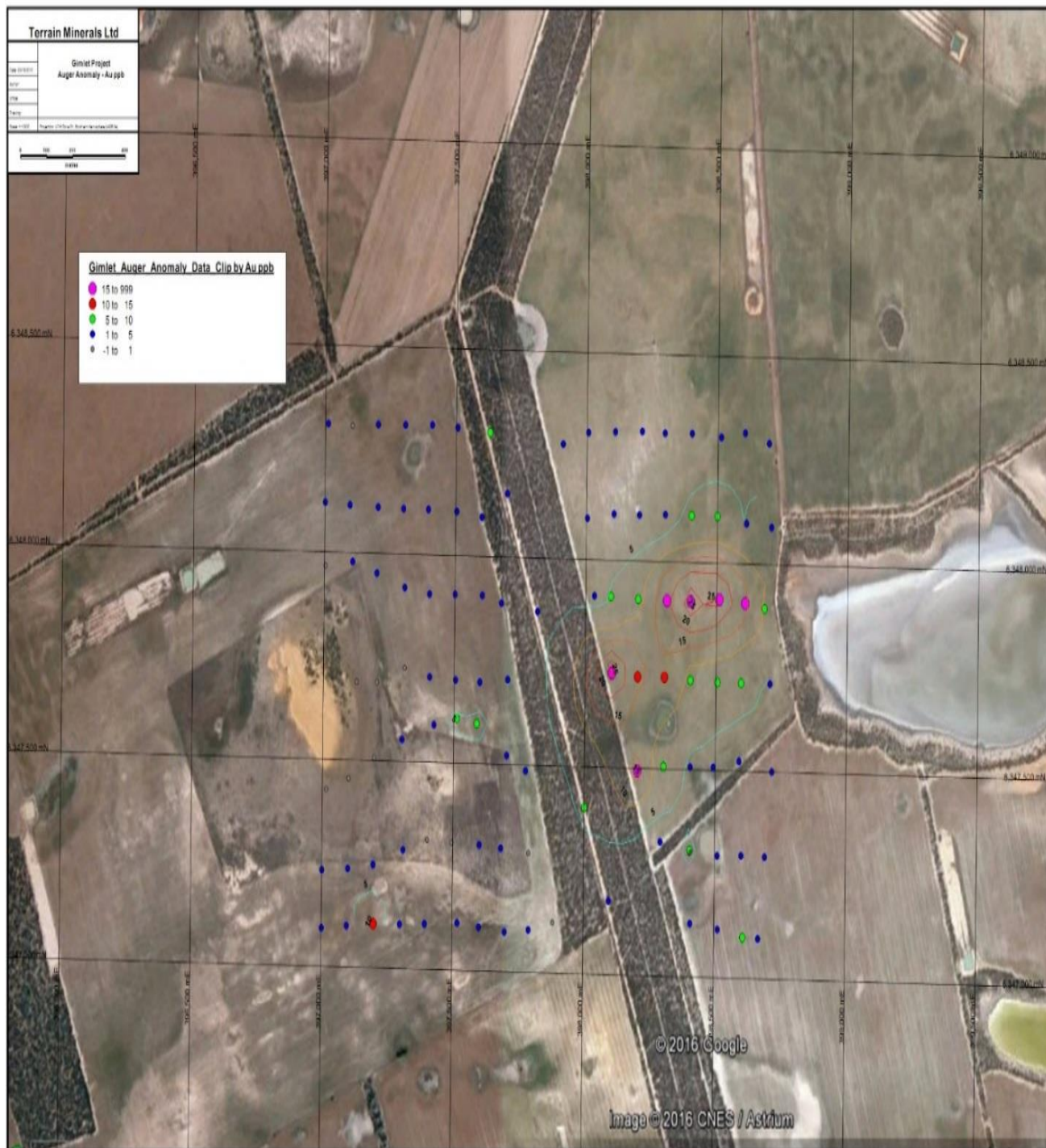
Magnetic testing displays complex underlying bedrock geology. Three shallow aircore drill holes drilled 200m to the west of the anomaly intersected quartz-feldspathic gneisses, and while no anomalism was identified, the holes show transported cover to be thin (<3m), suggesting the anomaly is not part the extensive palaeo-channel system transecting the area, and potentially reflects a bedrock source.

The anomaly represents a modest lithostructural and geochemical target. The Company plans to test the structure with a small rab/aircore program in due course.

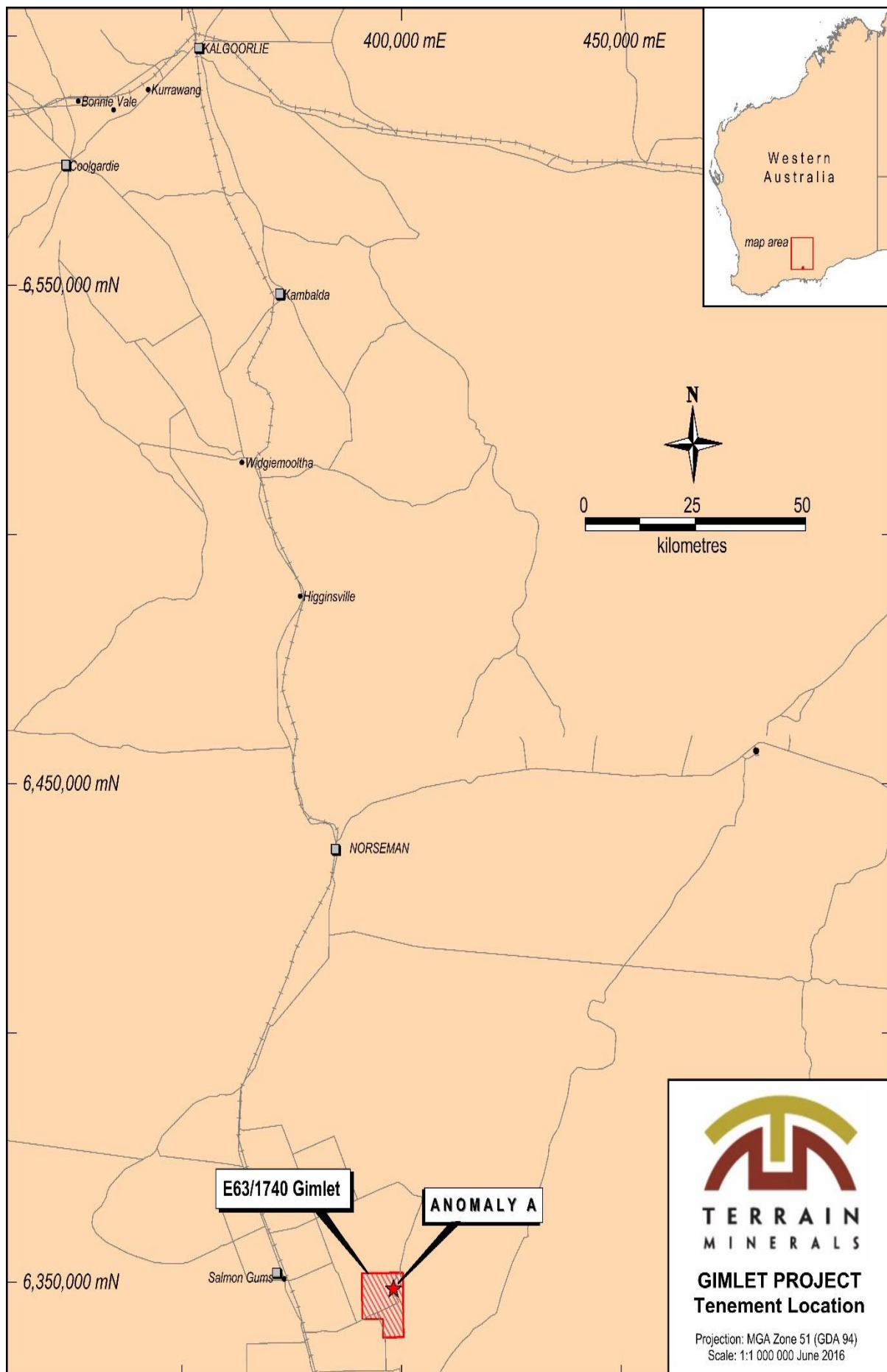


**Diagram: 3** Untested Auger Soil Anomaly



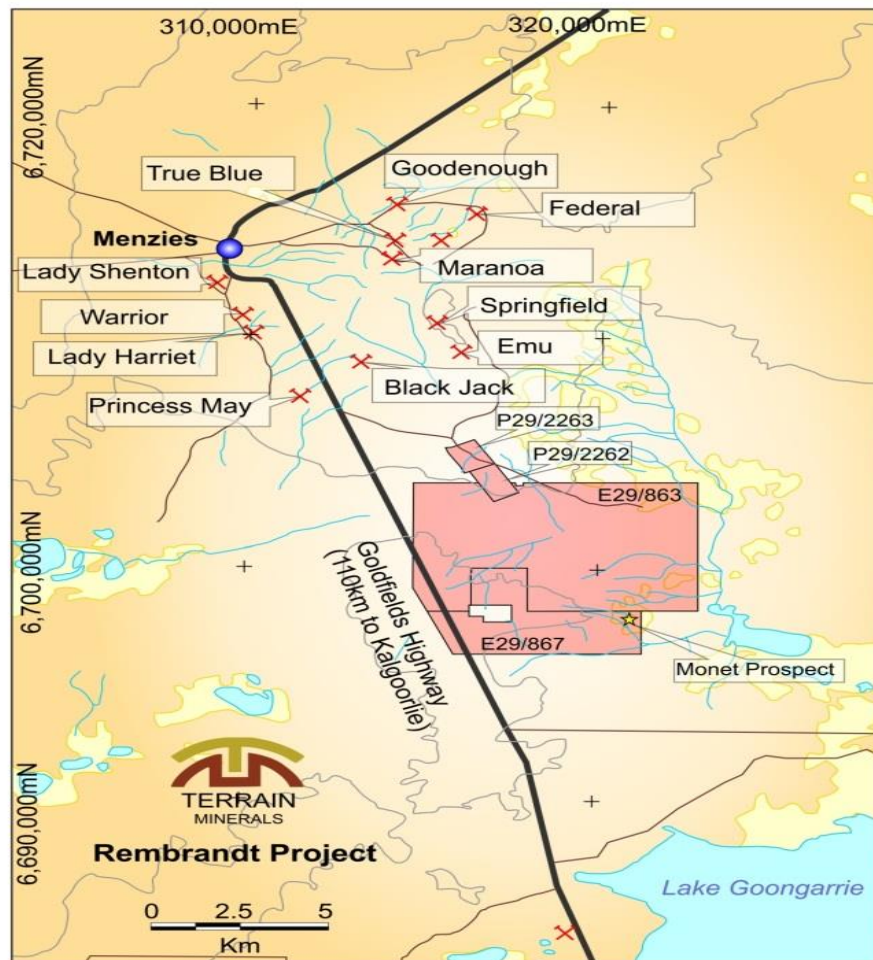


**Diagram: 4** Anomaly "A" is located over free hold agricultural land. Permission to access and first pass drill test this the area is underway



**Diagram: 5** Gimlet project location

# Rembrandt Gold Project



**Diagram 6:** Rembrandt Project Location Plan

## High grade gold intercepted in drilling at Monet Prospect

- Multiple high grade drill results including:
  - TMXMRC016: 1m @ 17.9g/t Au from 26m & 2m @ 1.9g/t Au from 30m
  - TMXMRC018: 1m @ 6.5g/t Au from 46m
  - TMXMRC030: 1m @ 80.4g/t Au from 43m
  - TMXMRC039: 1m @ 18.85g/t Au from 11m
  - TMXMRC041: 1m @ 2.7g/t Au from 32m & 3m @ 1.7g/t Au from 39m
  - TMXMRC063: 1m @ 20g/t Au from 16m
  - TMXMRC064: 1m @ 10.3g/t Au from 28m
  - TMXMRC065: 2m @ 3.54 g/t Au from 36m
  - TMXMRC066: 2m @ 1.8g/t Au from 46m
- Mineralisation open at depth
- Confirms presence of high grade near surface gold mineralisation



# Corporate

Terrain continues to explore ways to realise cash flow or value from Great Western and has continued to receive interest from several groups, and these discussions continue. The continued strength of the Gold price and the access to toll treat ore is assisting greatly with this process.

## Other Business

Terrain Minerals is currently searching and assessing potential projects: Gold in Australia, several Lithium & gold opportunities in Africa, (and other regions). Several areas of interest have now been identified with work on these ongoing. All economic commodities and jurisdictions are being considered as indicated in previous Quarterly reports.

## For further information, please contact:

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Phone: +61 8 9381 5558

## Competent Person Disclosures

### *Rembrandt Gold Project*

The information relating to Rembrandt Gold Project has been extracted from the Company's ASX announcements dated 4 December 2015 and 2 March 2016 and is available to view on <http://terrainminerals.com.au/investor-relations/asx-releases-reports>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company further confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### *Great Western*

The information relating to Great Western was prepared and first disclosed under the JORC Code 2004 (refer to ASX announcements dated 16 February 2010 and 22 September 2010), and was subsequently updated to comply with the JORC Code 2012 on 24 August 2015. Information contained within this announcement has been extracted from the Company's ASX announcement dated 24 August 2015 and is available to view on <http://terrainminerals.com.au/investor-relations/asx-releases-reports>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

# Appendix 5B

## Mining 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

Name of entity

TERRAIN MINERALS LIMITED

ABN

45 116 153 514

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(36)	(197)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(97)	(393)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
<b>Net Operating Cash Flows</b>		<b>(132)</b>	<b>(584)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) shares	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	8
	(c) motor vehicle	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>8</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(132)</b>	<b>(576)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(132)	(576)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	300
1.15	Proceeds from convertible note	-	200
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - payment for capital raising costs	-	(18)
	<b>Net financing cash flows</b>	-	482
	<b>Net increase (decrease) in cash held</b>	(132)	(94)
1.20	Cash at beginning of quarter/year to date	749	711
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	617	617

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	54
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Directors fees and remuneration

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	53
4.2 Development	-
4.3 Production	-
4.4 Administration	91
<b>Total</b>	<b>144</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	146	278
5.2 Deposits at call	471	471
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: Cash at end of quarter</b> (item 1.22)	<b>617</b>	<b>749</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Refer Table on Page 5			
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> (description)	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 <b>+Ordinary securities</b>	409,032,224	409,032,224		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5 <b>+Convertible debt securities</b> (description)	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7 <b>Options</b> (description and conversion factor)	16,400,000 12,000,000 6,000,000 22,600,000	- - - -	Exercise price \$0.0078 \$0.0044 \$0.0300 \$0.0117	Expiry date 1 December 2016 24 November 2019 1 August 2018 24 November 2020
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)	-	-		
7.12 <b>Unsecured notes</b> (totals only)	-	-		

+ See chapter 19 for defined terms.

## Schedule of Exploration Tenements held as at 30 June 2016 - Listing Rule 5.3.3

### Interests in Mining Tenements

Project/Tenements	Location	Held at end of quarter	Acquired/Disposed during the quarter	Disposed during the quarter
Gimlet E63/1740	Western Australia	100%		146 blocks/36 now held
Great Western ML 37/0054 M37/1214	Western Australia	100% 100%	- -	- -
Rembrandt P29/2262 P29/2263 E29/0867 E29/0863	Western Australia	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

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does ~~does not~~ give a true and fair view of the matters disclosed.

Sign here:  .....  
(Company secretary)

Date: 29 July 2016

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.