

29 August 2012

## ACQUISITION OF 3 MILLION OZ GOLD PROJECT MOZAMBIQUE

---

### HIGHLIGHTS:

- Terranova to acquire **100% of the Manica Gold Project**, Mozambique
- The Manica Gold Project has JORC compliant resources of **~3,000,000oz at 1.83g/t Au**
- Project area of **42km<sup>2</sup> with 27km** of prime, potential gold bearing strike:
  - only **2km (8%)** drilled to date
  - current resources are **open at depth** and **along strike**
  - drill ready targets with potential to significantly increase current resources
- High impact drilling campaign to commence **Q1 2013**
- Mining Right granted and valid for **25 years**
- Extensive geological mapping, drilling and 3D modelling including:
  - **21,941m diamond drilling**
  - **13,595m RC drilling**
- Acquisition comes with **African based team** with significant past experience on the Manica Gold Project
- **Pan African Resources plc** to become **cornerstone shareholder**
- Post acquisition **EV/Resource of \$4.54 per ounce**
- Past production in surrounding area of **+2 million ounces**
- Company name change to **AUROCH MINERALS NL**

---

The Directors of Terranova Minerals NL (ASX:TNV) (the **Company** or **Terranova Minerals**) are pleased to announce that the Company has entered an agreement to acquire 100% of the Manica Gold Project, Mozambique (**Project**) which has a JORC compliant gold resource of approximately 3 million ounces from AIM listed Pan African Resources plc (AIM:PAF) (**Pan African**).

Commenting on the proposed acquisition, Terranova Minerals Chairman Ben Bussell stated, "The Manica Gold Project is an exciting opportunity for the Company to acquire an advanced stage gold project with significant resources, in a favorable mining jurisdiction. In addition to the outstanding asset, the Company has obtained a very solid management and technical team".



“The Company has negotiated a strong, constructive and performance based agreement tied to the continued exploration success and ultimate production of the Manica Gold Project. The Project is still relatively under explored; drilling has only targeted 2km of an identified strike length of 27km. The incoming team has outlined several drill ready targets that will start a round of high impact exploration work in the first quarter of 2013. We believe this will lead to significant upside in the resource potential and will drive shareholder growth”.

### Project Location

The Manica Gold Project is located in central Mozambique, approximately 270km by sealed highway from the port city of Beira on the Indian Ocean. The project is positioned in the Beira Corridor which contains major road and rail infrastructure linking Zimbabwe to Beira (Figure 1).

The area surrounding Manica is well known for hosting gold mines such as Penhalonga, Rezende, Monarch and Old West. An estimated 2 million ounces of gold has been extracted from the Rezende Mine and surrounding deposits. These are along strike extensions of the Manica Gold Project. The reefs in these mines have typically been classified as porphyry mineralisation within quartz-diorites where gold is hosted in quartz veins. The reefs include Rezende, Penhalonga, King's Daughter, Liverpool, Kent, Violet, Elgin and Golden Gate. The gold and associated minerals were thought to be products of a magmatic product deep in the quartz-diorite stock.



Figure 1: Project location

### Gold Resource

The 2011 Mineral Resource statement prepared by ExplorMine Consultants and audited by SRK Consulting is summarised in Table 1 below.

Total Resources (JORC)				
Category	Tons (000')	Grade Au (g/t)	Gold (kg)	Gold (oz)
Measured	11,561	1.73	19,978	642,000
Indicated	12,945	1.77	22,959	740,000
Inferred	26,028	1.89	49,345	1,589,000
<b>Total Manica Resource</b>	<b>50,534</b>	<b>1.83</b>	<b>92,282</b>	<b>2,971,000 oz</b>

Table 1: Manica Gold Project Resource



## Exploration Potential

Currently only 2km out of a potential total mineralised strike length of 27km along two shear zones has been explored. Historical exploration strategies have prioritised the delineation of known gold occurrences rather than the identification and development of new resources. This presents the Company with a highly prospective area within which it can perform future exploration.

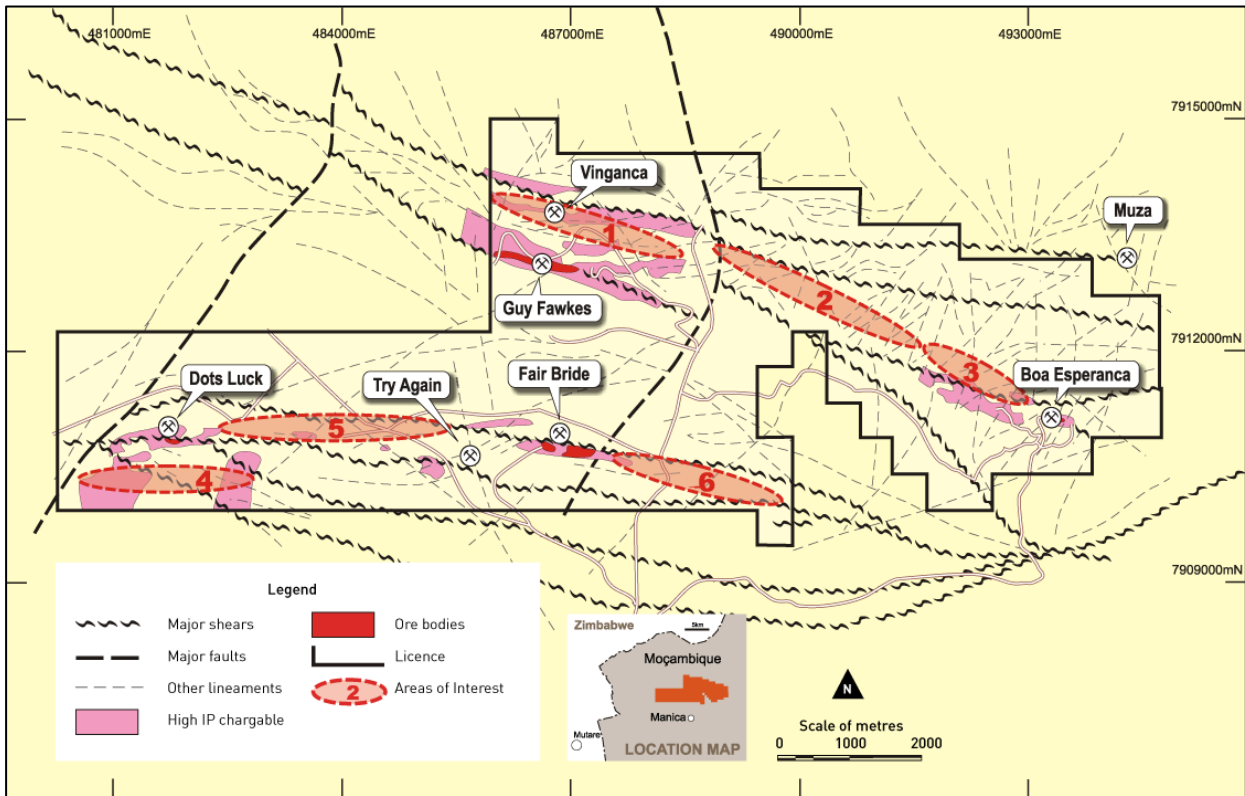


Figure 2: Manica Gold Project Prospects and Targets

The Northern Shear zone consists of the following prospects:

- Guy Fawkes;
- Vinganca; and
- Boa Esperanza.

The Southern Shear consists of the following prospects:

- Dot's Luck;
- Fair Bride; and
- Try Again.

The Northern Shear, which passes through mineralisation at Guy Fawkes through to the Boa Esperanza prospect, is host to free-milling gold. The Company plans to primarily focus on the exploration of the Northern Shear as a potential source of substantial additional free milling gold resources whilst the initial exploration programme will concentrate on the identification of additional oxide material at the Guy Fawkes Prospect moving east towards Boa Esperanza.

The Southern Shear, which is the Manica Gold Project's secondary exploration target zone, passes through the Dot's Luck and Fair Bride mineralisation. At Dot's Luck, there is free gold in the oxidised zone and sulphide-hosted gold at depth. At Fair Bride, the most advanced target, a combined measured, indicated and inferred resource of 2.66Moz of gold at a grade of ~1.8 g/t has been



delineated. The Fair Bride project is primarily comprised of Sulphide material and it is anticipated that additional mineralisation within the Southern Shear will have similar characteristics.

<b>Fair Bride Prospect – Resource</b>					
<b>Category</b>	<b>Tons (000')</b>	<b>Grade Au (g/t)</b>	<b>Oxide (oz)</b>	<b>Sulphide (oz)</b>	<b>Total (oz)</b>
<b>Measured</b>	11,561	1.73	77	566,000	642,000
<b>Indicated</b>	10,795	1.64	11	559,000	570,000
<b>Inferred</b>	24,598	1.83	2	1,447,000	1,449,000
<b>Total Fair Bride Resource</b>	<b>46,954</b>	<b>1.83</b>	<b>90,000</b>	<b>2,572,000</b>	<b>2,661,000 oz</b>

Table 2: Fair Bride Prospect Resource

The 12 month exploration plan commencing Q1 2013 provides for:

- detailed infill geological mapping and soil geochemical sampling;
- airborne electromagnetic and magnetic gradient surveys of the whole property;
- identification and prioritisation of targets generated by the geophysical, geochemical and geological mapping and interpretation exercises;
- drilling and/or trenching of prioritised targets;
- revision of existing JORC code compliant resource statements;
- metallurgical test work on oxide and transitional ore; and
- testing of oxide material in Target 1 on the Northern Shear (Figure 2).

### Historical Data

The Project has an extensive historical database which includes digital borehole data, geological mapping and sections. An extensive 3D geostatistical database including 3D structural models has been compiled and a wide range of reports have been completed since 2006 including an Independent Technical Experts report by SRK Consulting in November 2011.

Several phases of exploration work have been undertaken at the Manica Gold Project which has historically been divided into two prospective areas:

- **Northern Shear zone** (Guy Fawkes, Vinganca and Boa Esperanza Prospects); and
- **Southern Shear zone** (Dot's Luck, Try Again and Fair Bride Prospects).

Table 3 (below) details the historical test work undertaken on these areas.



Exploration Work		Area
2001	Soil geochemical survey and geological mapping (surface & underground)	South Portion of Project area
2002	RC drilling of 2,270m	Fair Bride and Try Again prospects
2003	IP survey covering 8km <sup>2</sup>	Fair Bride- Dot's Luck target zone
	IP survey covering 7 km <sup>2</sup>	Boa Esperanza prospect
	RC drill programme of 3,102m	Fair Bride prospect
2004	RC drilling of 1,358m	Fair Bride – Dot's Luck target zone
	Diamond borehole drilling of 1,759m	8 holes at Fair Bride – Dot's Luck target zone 2 holes at the Guy Fawkes prospect
2005	RC drilling of 1,514m	Fair Bride prospect
	Dipole- Dipole IP survey	Fair Bride prospect
2006	Diamond borehole drilling of 584.85m plus 4 large diameter holes	Fair Bride prospect
	Detailed 1:2,000 geological mapping	Fair Bride, Dot's Luck, Boa Esperanza and Guy Fawkes prospects
	Interpretation of the 2005 Dipole-Dipole survey	Fair Bride prospect
	Channel-sampling of historical adits, pits and trenches	Dot's Luck
2007 – 2008	Diamond drilling of 759m	Fair Bride and Dot's Luck prospects
	RC drilling of 2,264m	Fair Bride and Dot's Luck prospects
	Diamond drilling of 576m	Guy Fawkes Prospect
	RC drilling of 3,455m	Guy Fawkes Prospect

**Table 3: Historical Exploration Work**

## Experienced Team

Subject to the completion of the Acquisition it is intended the current Board of Directors will step down and the following Board and Management will be appointed.

### Mr Dean Cunningham

Mr Cunningham will be appointed as Executive Director and Chief Executive Officer of the Company. Mr Cunningham is Mining Engineer and Corporate Financier with 25 years' experience.

Mr Cunningham is currently the Executive Director, Corporate Finance for Basil Read where he is responsible for the acquisition activity, in conjunction with capital raisings and investor relations. He simultaneously held the position of Chief Executive Officer at TWP Investments, the investment arm of TWP Holdings, a mining, processing and energy consultancy company based in South Africa, Peru and Australia. Mr Cunningham has first-hand working knowledge of the Manica Gold Project having been mandated by Pan African Resources to evaluate options for the advancement of the Project over the past two years.

### Mr Glenn Whiddon

Mr Whiddon will be appointed as Non-Executive Chairman. Mr Whiddon has a background in banking and corporate advisory, working for the Bank of New York in Sydney, Melbourne, Geneva and Moscow. In 1994 he established a boutique merchant bank in Moscow, providing corporate advice and



undertaking direct investments. Mr Whiddon is currently Non-Executive Chairman of ZYL Limited (ASX:ZYL), Non-Executive Director of Agri Energy Limited (ASX:AAE) and is a director of Statesman Resources Limited (TSX-V:SRR).

#### **Mr Jan Nelson**

Mr Nelson will be appointed as a Non-Executive Director. Mr Nelson is currently the Chief Executive Officer of Pan African Resources plc (AIM: PAF) a South African based precious metals mining company producing approximately 95,000 ounces of gold and 12,000 ounces of PGM per annum. Mr Nelson holds an honours degree in geology and has over 15 years' experience. He has held positions in mine management and operations with Harmony Gold Mining Company Limited, Hunter Dickenson and Gold Fields Limited.

#### **Mr Gordon Koll – Chief Geologist**

Mr Koll is a geologist with 30 years' experience in the mining industry. He is a Registered Natural Scientist, a Fellow of the Geological Society of South Africa and a Member of the Society of Economic Geologists.

Mr Koll was previously employed as a Senior Geologist by Central African Exploration and Mining Company, where he oversaw copper/cobalt exploration and evaluation, greenfields gold exploration and the development and management of copper, cobalt and gold exploration programs in the Democratic Republic of Congo (DRC). In this role, Mr Koll was also responsible for the assessment of opportunities in Angola, assisting with coal property assessment in Mozambique and the assessment of gold properties in Zimbabwe.

#### **Mr Francisco Matos – Exploration Manager**

Mr Matos is a geologist with 16 year's industry experience. Mr Matos has explored for different base metals throughout the central and northern regions of Mozambique and has also been involved in exploration work in the Central African Republic and at Barberton in South Africa. In addition to his technical and geological skill set, he has also gathered management and communication skills, having extensive experience in dealing with government authorities in Mozambique, as well as stakeholders involved in the mining environment. Prior to this he was employed by Pan African Resources plc to work on the Manica Gold Project. One highlight of Mr Matos' career was taking the resources at the Manica Gold Project from ~400,000 ounces when he was appointed as Exploration Manager through to the current 2.9Moz, therefore making Mr Matos well placed to continuing leading the exploration team at Manica.

Mr Matos has held a number of senior management positions throughout his career including; Managing Director at Explorator Limitada; Exploration and Country Manager and Exploration Geologist, Mozambique, for Explorator Limitada – Pan African Resources PLC; Managing Director of Geoide Consultoria Limitada; Exploration Geologist-CAMEC - Explorações Mineiras de Moçambique; and Project Manager-Fundo de Fomento Mineiro (Small scale Mining Development-in Manica).

#### **Mr Jim Porter – Consulting Engineer**

Professor Jim Porter is a Consulting Engineer with 35 years operational, project management and consulting engineering experience. He holds a BSc Hons in Mining from Leeds University and has completed the Management Development Program (UNISA) and an Advanced Management Program (INSEAD, France). He is a registered Project Management Professional (PMP) and Fellow of the Southern African Institute of Mining and Metallurgy.



Prof. Porter commenced his career at AngloGold Ashanti (then a division of the Anglo plc Group) in 1977. He worked for Freegold North and Western Deep Levels, where he held a number of senior management positions including Production Manager, Project Manager and Mine Manager. In 1997 Prof. Porter started a mining technology services company for AngloGold Ashanti called Graphic Mining Solutions International (GMSI). As Managing Director he negotiated its acquisition by a listed ICT services company where he led corporate outsourcing contracts and developed the international growth strategy of the Group mining business. He is currently a Non-Executive Director of GMSI which is one of the three largest suppliers of mining technical systems worldwide.

Prof. Porter joined the TWP Group as Head: Geology and Mining Engineering in 2007. In 2011, Jim started his own consulting company; Jim Porter Mining Consulting (Pty) Ltd (JPMC). He is also Adjunct Professor and Director for the Centre of Mechanised Mining Systems at Wits University, Chairman and CEO of a gold exploration company in Zimbabwe and Senior Vice President of the Southern African Institute of Mining and Metallurgy.

### **Mr Graeme Farr – Consulting Metallurgist**

Mr Farr has over 37 years' experience in the mining industry. He commenced his career at Anglo American and spent the large majority of his time in the field of process plant design and commissioning. He holds a BSc (Chem.) University of Manchester Institute of Science & Technology, and has completed a number of post graduate courses pertaining to extraction metallurgy bargaining and negotiating, project management, sales and marketing.

Mr Farr has worked across a number of roles within high-profile organisations including Senior Process Engineer at Anglo American Platinum, Senior Process Consultant at TWP Process Projects, and most recently Managing Director at Outsourced Plant Solutions (Pty) Ltd, which is the planned plant operating component of TWP/Basil Read. In this role Mr Farr was primarily responsible for the development of the new venture, including organising tenders for the diesel and fuel oil power plant operation, gold plants for both oxide tailings and sulphide UFG, design and preparation of OME estimate for Sulphide Gold Plant in Mozambique and the BFS review and tender for a 400ktpm gold plant in the Democratic Republic of Congo.

Throughout Mr Farr's extensive career in processing, he has been responsible for the design and upgrading of many new and existing operations including the process audits for the de-bottlenecking of existing operations. Areas covered include crushing, screening, milling, flotation, filtration and specialised areas such as Ultra Fine Grinding. He has commissioned numerous plants and as such is practical in his approach to plant design.

### **Capital Raising**

Terranova Minerals will seek shareholder approval for the issue of shares pursuant to a prospectus to raise a minimum of \$5 million at minimum price of 30 cents per share (**Capital Raising**). The Company has mandated Patersons Securities to act as Lead Manager to the Capital Raising.

Terranova Minerals Chairman, Mr Ben Bussell commented, "The Manica Gold Project represents an excellent opportunity to acquire 100% of an established gold asset with significant resources at an attractive price. The incoming team have the capabilities and experience to ensure the Company is well positioned to advance the Project to production."



## Notice of Meeting

The Company is currently preparing a notice of meeting for the purposes of seeking the requisite approvals from shareholders for, amongst other things, the Acquisition, Board Appointments and the Capital Raising. The meeting documents will be dispatched to shareholders in the coming weeks.

## Re-compliance with ASX Listing Rules

The Acquisition constitutes a change in the nature and scale of the Company's activities in accordance with Chapter 11 of the ASX Listing Rules. The Company is required to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules including obtaining shareholder approval, preparing a prospectus and completing the Capital Raising.

The timetable for completion of the Acquisition, Capital Raising and re-compliance with the ASX Listing Rules is as follows.

Event	Date <sup>1</sup>
Announcement of Manica Acquisition	29-Aug-12
Dispatch Notice of Meeting	24-Sep-12
Prospectus Offer Opens	19-Oct-12
Shareholder Meeting	25-Oct-12
Prospectus Offer Close	25-Oct-12
Re-compliance with ASX Listing Rules	26 Oct – 7 Nov-12
Expected date of Reinstatement to trading	12-Nov-12

Table 4: Anticipated timetable

## Change of Company Name

In connection with the Acquisition and subject to shareholder approval, the Company proposes to change its name to **AUROCH MINERALS NL**.

ENDS

### Contact

Matthew Foy, Terranova Minerals NL

T: +61 (0) 8 9486 4036

E: [mfoy@terrانovaminerals.com.au](mailto:mfoy@terrانovaminerals.com.au)

### Media

Karen Oswald, Purple Communications

T: +61 (0) 8 6314 6300

M: +61 (0) 423 602 353

E: [koswald@purplecom.com.au](mailto:koswald@purplecom.com.au)

<sup>1</sup> The dates listed in Table 4 are indicative and may be subject to change without notice.





## Appendix

### 1. Summary of Commercial Terms of the Acquisition

Terranova has entered into a share purchase agreement to acquire the Manica Gold Project from Pan African.

Subject to shareholder approval, the consideration for the Acquisition is:

- a) Initial Consideration (**Date of Issue**):
  - a. 25,000,000 ordinary shares; and
  - b. \$2 million cash,
- b) Deferred Consideration of:
  - a. 20,066,667 ordinary shares at a deemed issue price of 30 cents per share that are issued upon delineation of at least 400,000 ounces of a JORC Inferred gold resource of Oxide Ore with a cut-off grade of 1.25g/t being defined on the Manica Gold Project (inclusive of the existing 90,000 ounces of JORC Inferred gold resource of oxide ore at a cut-off grade of 1.25g/t that has already been delineated on the Manica Gold Project) within 4 years from the Date of Issue. Oxide Ore means gold bearing oxide/transitional ore where gold recovery exceeds 80% of total contained gold by using the metallurgical processes of milling, gravity separation and/or cyanide leaching and the gold can be recovered for a cash operating cost of US\$700/oz of gold or less. (**Milestone 1**);
  - b. 20,066,667 ordinary shares at a deemed issue price of 30 cents per share that are issued upon delineation of at least 1,000,000 ounces of a JORC Inferred gold resource of Oxide Ore with a cut-off grade of 1.25g/t being defined on the Manica Gold Project (inclusive of the 400,000Koz delineated under Milestone 1) within 4 years from the Date of Issue (**Milestone 2**);
  - c. 24,366,667 ordinary shares at a deemed issue price of 30 cents per share that are issued upon completion of a positive Bankable Feasibility Study on either the oxide or sulphide ore on the Manica Gold Project which recommends the construction of a mine with at least a ten year life and production scope of 50,000 ounces per annum and at any time after completion of the positive Bankable Feasibility Study, the Board of Terranova elects to commence construction of the mine as recommended in the Bankable Feasibility Study and has financing arranged for the construction of the mine, within 4 years from the Date of Issue. At the election of Terranova, this tranche of shares may be satisfied by the payment of \$7,310,000 (**Milestone 3**);
  - d. 7,166,667 ordinary shares at a deemed issue price of 30 cents per share that are issued upon production of either oxide or sulphide ore at the plant



constructed by Terranova to process ore from the Manica Gold Project at the capacity specified in the Bankable Feasibility Study, within 4 years from the Date of Issue. At the election of Terranova, this tranche of shares may be satisfied by the payment of \$2,150,000 (**Milestone 4**); and

- e. deferred cash consideration of \$4,000,000 which is payable in four tranches of \$1,000,000 on achievement of each of the Milestones 1 to 4.

## 2. Organisation Structure

On completion of the Acquisition the Company will have the following structure:

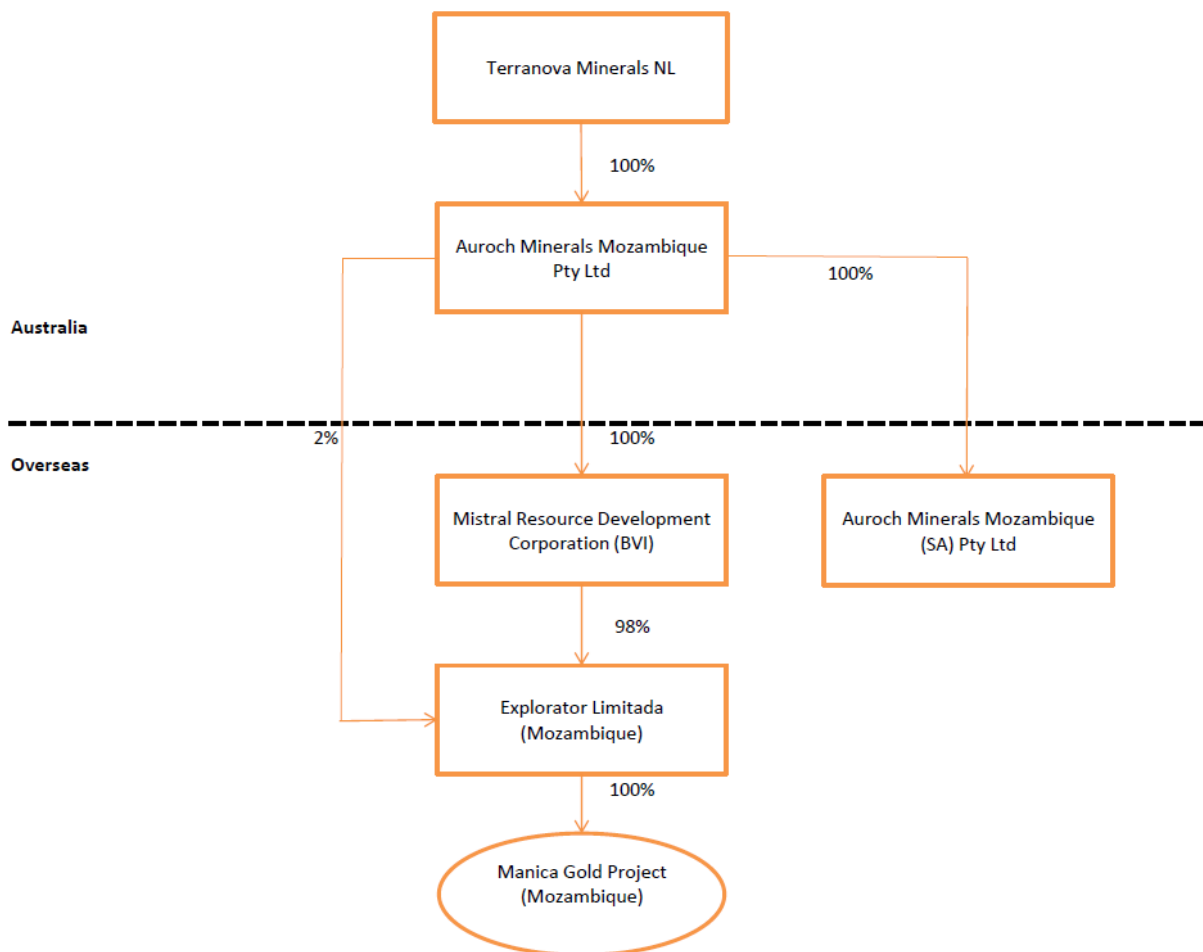


Figure 3: Auroch organisational chart on completion of the Acquisition



### 3. Due Diligence and Risk Factors

Shareholders and investors should be aware that the Acquisition is conditional on shareholder approval, completion of due diligence and re-compliance with Chapters 1 and 2 of the ASX Listing Rules. Accordingly there is risk that the transaction contemplated by this announcement may be amended or not be completed before Completion. Legal and technical due diligence have been completed to date.

The Company intends to implement a staged exploration program on the Project, including drilling. No assurances can be made that the Company will identify minerals resources or establish economic quantities of mineral reserves at the Manica Gold Project.

The Notice of Meeting to be sent to shareholders shortly will include information on the Project and relevant risks associated with the Acquisition and ongoing exploration of the Manica Gold Project.

### 4. Regional Geology

The Odzi-Mutare-Manica Classical Greenstone (OMM) Belt extends for approximately 160km from eastern Mozambique to southern Zimbabwe and consists primarily of mafic to ultramafic submarine volcanic sequences with interlayered BIFs and tuff. Older granite-gneiss xenoliths are hosted in younger intrusives or clasts of sedimentary rock. Unconformably overlying the volcanics are the sedimentary rocks of the Shamvaian unit, Mbeza Group. The Greenstone Belt is surrounded by younger intrusive granitoids. Metamorphism ranges from east to west from low grade greenschist facies to lower amphibolite facies. The Manica Gold Project is located on the eastern portion of the OMM within the Mutare-Masvingo-Sandawana shear zone and has a lower metamorphic grade and has consequently experienced less erosion.

The Project encompasses an area of 42km<sup>2</sup> containing 27km of highly prospective strike in classical greenstone.



Figure 4: Manica Gold Project within the Mutare-Masvingo-Sandawana shear zone



## 5. Historical Data

Several phases of exploration work have been undertaken at Manica, which has historically been divided into two prospective areas, namely the Northern Shear zone (consisting of the Guy Fawkes, Vinganca and Boa Esperanza Prospects) and the Southern Shear zone (consisting of the Dot's Luck, Try Again and Fair Bride Prospects).

The first of these phases was an exploration-drilling programme conducted in 1979 at the Dot's Luck prospect. A follow-up exploration drilling exercise was conducted in 1987 and 1989 by Minas Auríferas de Manica (Lonrho). An additional IP survey to the immediate east of Dot's Luck was carried out by Lonrho, which was then followed by open-pit sampling in the vicinity of Fair Bride.

In 2001, Explorator completed a gold soil geochemical survey and geological mapping (surface and underground) of most of the southern portion of Project Area. This exploration work was followed by a reverse circulation (RC) drilling programme in 2002 during which 7 lines consisting of 37 shallow (50-100m) RC holes (giving a total of 2,270m) were drilled, targeting the Try Again and Fair Bride historical workings and possible extensions.

During 2003, an IP survey was carried out on the Fair Bride-Dot's Luck Target zone, covering an area of 8km<sup>2</sup>, as well as the Boa Esperanza prospect area, covering an area of 7km<sup>2</sup>. In October of the same year, a more extensive RC drilling programme commenced during which 35 RC holes were drilled (giving a total of 3,102m of drilling). The intention of the programme was to drill-test various targets and follow-up on positive results obtained during the 2002 drilling exercise.

In the first quarter of 2004, an additional 14 RC and 10 diamond boreholes were drilled on the Project area giving a total of 1,358m and 1,759m, respectively. These boreholes, except the 2 diamond boreholes that were drilled in the Guy Fawkes area, were drilled in the Fair Bride-Dot's Luck Target Zone.

An additional 16 RC boreholes were completed in January 2005 in the Fair Bride area totalling 1,514m. This set of boreholes was specifically targeted at Arsenic (As)-in-soil anomalies in and around the Fair Bride mineralised zone. Dipole-Dipole IP survey work commenced in the Fair Bride area in September 2005 on 50m line spacing.

During the first quarter of 2006, 4 large diameter (63.3cm) diamond boreholes (totalling 584.85m) were drilled at the Fair Bride prospect for the purposes of providing sulphide samples for metallurgical testwork. An additional 4 large diameter holes were drilled on the peripheral areas of the Fair Bride prospect. During this period, detailed 1:2,000 scale geological surface mapping exercises were completed at Fair Bride, Dot's Luck, Boa Esperanza and Guy Fawkes prospects. In addition, interpretation of the Dipole-Dipole survey conducted in 2005 was also completed. All of the underground (historical adits) and surface (pits and trenches) at the Dot's Luck prospect were also channel-sampled during this period.

Infill and orebody delineation drilling was resumed in January 2007 and completed in July 2008 during which a total of 18 boreholes (759m diamond drilling and 2,264m of RC drilling) were drilled at Fair Bride and Dot's Luck. An additional 576m of diamond drilling and 3,455m of RC drilling were also completed at the Guy Fawkes prospect during this period. Therefore, there has been a total of 13,595m RC drilling and 21,941m diamond drilling that has been completed across the various prospects within the Project area.

During recent exploration programmes, focus has been placed on the Fair Bride-Dot's Luck prospect (97% of the total diamond drilling and 58% of the total RC drilling).



## Southern Shear Zone

### Fair Bride

The Fair Bride geology comprises of greywacke, chlorite schist, serpentinite and BIF with minor dolerite dykes, quartz veins and intermediate tuffs as shown in Figure 5. Mineralisation occurs on a 7km east-west striking portion of the Southern Shear zone. A number of shallow open cast workings exist along the structure and recorded gold production data exists. Gold mineralisation is generally associated with arsenopyrite within greywackes, BIF and phyllite.

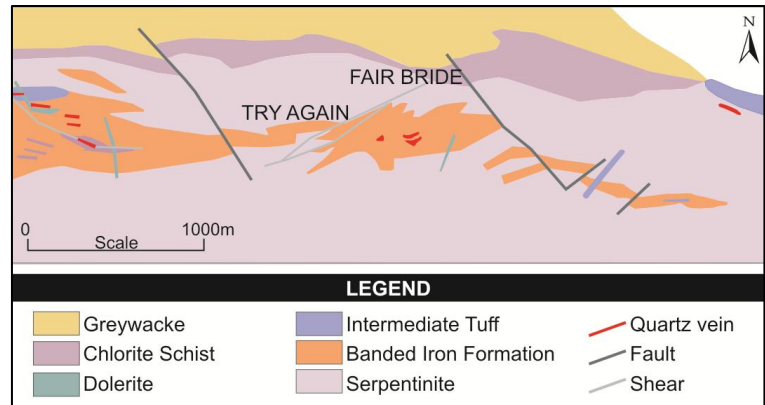


Figure 5: Over view of Fair Bride Prospect

Mineralisation is structurally controlled within steeply dipping lenses along structural jogs and inflections where there is strike swing along the fracture. Three zones of mineralisation have been identified. The en-echelon, east- west striking zones plunge 55°E and comprise of chloritic pelite of tuffaceous greywacke enveloped in thicker talc carbonate schist.

Mineralisation is oxidised up to 60m below surface. Fresh sulphide mineralisation comprises of disseminated arsenopyrite with minor pyrite, chalcopyrite and sphalerite. Quartz veins are often in close proximity to mineralisation but are, however, not mineralised. Mineralisation is cut off by faulting to the east and the west.

Exploration showed east-west trending zones of magnetic highs which appear to be BIF underlying the topography. Drilling successfully delineated mineralised zones and improved understanding of the geology, structure and style and control of gold mineralisation.

The prospect consists of en-echelon vein stock work systems. The bulk of high grade mineralisation is hosted within vein stock works which are partially enclosed by silicified envelopes of metapelites and schists. This is in turn enclosed in talc chlorite carbonate schist which is considered to be retrograde metamorphism of mafic protolith amphiboles due to shearing. The best fit mineralisation model is iron or silica bearing pelite or shale or greywacke that was deformed between more competent rocks.

Concentrated straining resulted in repeated veining, parallel shearing and the formation of foliation, which upgraded mineralisation in iron and silica rich units. The repeated shearing flattened the stockwork into the limbs of isoclinal folds and minor shear zone such that the orientation of veins and foliation is near identical. The Try Again and Andrada prospects are in close proximity to the Fair Bride prospect. Try Again has been worked historically and is believed to be similar to Fair Bride in terms of type and style. The Southern Shear zone has also been historically worked and based on geophysical surveys; a number of holes were drilled.



### **Dot's Luck**

Dot's Luck is located towards the western extent of the Southern Shear zone. Historical workings exploited oxidised disseminated quartz-sulphides within BIF. Mineralisation is hosted in pebbly tuffaceous greywacke, enveloped in thicker talc carbonate schist and has been altered by silicification and carbonisation. Oxidation reaches depths of 50m below surface. Drilling covered the depth extensions of historical pits and underground workings.

### **Northern Shear Zone**

#### **Guy Fawkes**

Guy Fawkes is located on the Northern Shear Zone where historical workings exploited quartz veins via a series of adits and shafts. Underground exposures show two parallel 1m wide quartz veins. The veins are hosted in talc-carbonate schist and in brecciated, sheared BIF dipping steeply to the north.

Soil sampling confirms a gold anomaly over 4km coinciding with historical workings. Magnetic data shows a narrow anomaly believed to represent brecciated BIF from an area of known occurrence and offset by faulting. Drilling primarily aimed at intersecting gold mineralisation below and along strike of historical workings based on IP geophysical surveys. Drilling indicates that the structures splay into a number of subordinate shears to the west of the main structure.

#### **Boa Esperanza**

Geological mapping indicates that numerous NE-ENE faults have offset earlier structures. Mineralisation to the eastern extension has been displaced southwards by faulting and historical workings include open pits, shallow adits and underground stopes. Exposure indicates a highly tectonised and gossaniferous BIF dipping 75°E. The footwall consists of brecciated BIF within talc chlorite schist. Highly fractured and recrystallised BIF hosts fresh sulphides including pyrite, pyrrhotite, arsenopyrite and chalcopyrite.

#### **Infrastructure**

Electrical power is available at Manica via a 33kv power line which runs through the project area, and is linked to the national power grid supplied by the hydroelectric schemes in the region. Water supply is available from the Chicamba Dam (Lake Chicamba), the Revue River and a large aquifer. Telecommunication is well-established in the area and mobile phone reception is present over much of the Manica Gold Project Area.



## Resource

The complete 2011 Mineral Resource statement prepared by ExplorMine Consultants and audited SRK Consulting is as follows.

<b>Manica Gold Project total JORC compliant resources</b>						
<b>Category</b>	<b>Prospect</b>	<b>Cut-off Au (g/t)</b>	<b>Tons (000')</b>	<b>Grade (g/t)</b>	<b>Gold (kg)</b>	<b>Gold (koz)</b>
<b>Measured</b>	Fair Bride	0.5	11,561	1.73	19,978	642
<b>Indicated</b>	Fair Bride	0.5<300m 1.0>300m	10,795	1.64	17,719	570
	Guy Fawkes	1.25	2,150	2.44	5,240	170
<b>Total Indicated Resources</b>			12,945	1.83	45,075	1,449
<b>Inferred</b>	Fair Bride	0.5	24,598	1.83	45,075	1,449
	Dot's Luck	1.00	480	3.25	1,560	50
	Guy Fawkes	1.25	620	2.81	1,740	60
	Boa Esperanza	1.25	330	2.94	970	30
<b>Total Inferred Resources</b>			26,028	1.89	49,345	1,589
<b>Total Manica Gold Project Resources</b>			<b>92,282</b>	<b>1.83</b>	<b>50,534</b>	<b>2,971</b>

Table 5: Manica Gold Project resource table

## Competent Person Statement

The information in this report that relates to Mineral Resources is based on information reviewed by Dr W.D. Northrop who is a consultant to ExplorMine and is appointed as Independent Geologist to Terranova Minerals NL project team. He is registered by the South African Council for Natural Scientific Professions as a Professional Natural Scientist in the field of practice of Geological Science, Registration Number 400164/87, and as such is considered to be a Competent Person. Dr Northrop has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Northrop consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.