



30 October 2012

## QUARTERLY REPORT: SEPTEMBER 2012

### ASX ANNOUNCEMENT

ASX CODE: TMX, TMXOA

#### CAPITAL STRUCTURE

|       |                    |         |
|-------|--------------------|---------|
| TMX   | - Shares on Issue  | 346.53m |
| TMXOA | - Options on Issue | 18.24m  |
|       | - Unlisted Options | 72.18m  |

#### DIRECTORS & KEY MANAGEMENT

|               |                        |
|---------------|------------------------|
| Dick Sandner  | Non-Exec Chairman      |
| Jonathan Lim  | Non-Exec Vice Chairman |
| Alan Coles    | Managing Director      |
| Paul Dickson  | Non-Exec Director      |
| Justin Virgin | Non-Exec Director      |
| Ian Hobson    | Company Secretary      |

#### PRINCIPAL REGISTERED OFFICE

Terrain Minerals Ltd  
ABN: 45 116 153 514

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Subiaco 6008  
Western Australia

#### Postal Address

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#### CONTACT

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### HIGHLIGHTS

- \$700 000 instalment received in October from SR Mining bringing current cash to \$1.9m
- Prospectivity of 6km long by 1.5km wide zone on the eastern margin of the Aztec Project confirmed
- Petrology confirms nickel sulphides assaying from 0.001% to 0.25% Ni in the top 400m of hole AZRCDD011 are predominately Millerite and Pentlandite
- Currently searching and assessing potential company making projects in Australia and Africa
- Justin Virgin appointed as Non-executive Director

On behalf of the Board:

Alan Coles  
Managing Director

**Terrain Minerals Ltd** ABN: 45 116 153 514

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## East Kambalda

### AZTEC PROJECT

The recent exploration has led to a new geological model which is currently being updated using recent drilling results and petrology.

This recent exploration highlights the prospectivity of the Aztec Project along the 6km -eastern zone with a 1.5km width.

The recent drilling found Porphyry intrusives along a major east dipping fault which bisects a large synclinal structure.

Below this major east dipping fault is massive basalt, while above the major fault a series of differentiated flows occur, consisting of basalt and ultramafics, containing Nickel Sulphides.

The differentiated flows contain nickel sulphides confirmed as Millerite and Pentlandite in the petrology studies undertaken by Roger Townend and Associates.

The nickel was found to occur in the horizon above the major fault in hole AZRCDD011 to a depth of 400m assaying from 0.001% to 0.25% Ni.

The eastern margin of the 6km long by 1.5km wide eastern zone abutting the basalt consists of amphibolites, ultramafics and black shale.

The black shale in hole AZRCDD013 had a very anomalous 4m section below 243m down hole assaying 0.6% Zn and 0.1% Cu. Hole AZRCDD015 had two similar anomalous black shales. The first 6m below 184m assayed 0.6% Zn and 0.1% Cu and a second 2m below 342m assaying 0.7% Zn and 0.1% Cu.

The recent analysis of the diamond drill-core and petrology study confirm the prospectivity of the Aztec Project along the 6km long by 1.5km wide eastern zone for massive sulphide ore deposits which may contain Nickel, Zinc and/or Copper.

#### *Future Direction*

A program to test the eastern margin of the Aztec basalt will be developed to test for massive sulphide ore deposits. This will include a program to test the three EM anomalies in hole AZRCDD011.

The Board is currently exploring all options for the project's future.

### **BLACK CAT JV (earning 75% interest by spending \$750,000)**

Rehabilitation of the drill sites at Craig Extended was completed.

The planning for testing the three soil anomalies at Black Cat was commenced and includes testing the extension of the old workings at Katalina and Craig.

#### *Future Direction*

A test program for the three soil anomalies at Katalina and Craig old workings will be undertaken.

### **DODGERS WELL**

Applications were made for three prospecting licences covering the area immediately north of Dodgers Well and for an exploration licence 1km south of the project.



## Corporate

- At the end of the of the September quarter 2012 the cash on hand was \$1,279,000
- DMP Bonds of \$344,000 are due to be returned when the Bundarra lease transfer are finalised. In October 2012, \$700,000 was received from SR Mining as part of the repayment of the sale of the Bundarra Gold Assets. The outstanding payment of \$6.0m is to be paid at a minimum rate of \$600,000 per year. If production commences the repayment rate of the \$6.0m could be reduced as 1.0g per oz would be applied to repay the debt
- This payment has ensured Terrain Minerals is well funded to undertake its exploration campaign
- Terrain Minerals is currently searching and assessing other potential company making projects in Australia and overseas. Several African projects are currently being evaluated.

## Board Appointment

Justin Virgin was appointed to the Board as a Non executive Director. Mr Virgin is a stockbroker with Patersons Securities Ltd and has over 8 years experience in the financial services industry. He has a wide range of expertise which includes capital raising, providing general corporate advice, promoting small cap companies and other investment advice involving M & A and valuation for sale of SMEs.

## About Terrain Minerals Ltd (ASX: TMX & TMXOA)

TMX is a Perth based exploration company with gold and nickel projects in the Eastern Goldfields of Western Australia.

East Kambalda (15kms east of Kambalda)

The Aztec project is 100% owned by Terrain Minerals and covers an area of 46km<sup>2</sup>.

Drilling to date has indicated a highly prospective zone for nickel, copper and zinc along the eastern margin of the Aztec basalt.

Drilling has identified the presence of nickel sulphides in the high mag basalt and anomalous copper and zinc in black shale. The zone of interest has a strike length of six kilometres within Terrain Minerals exploration licence.

Black Cat Joint Venture

The Black Cat Joint Venture with St Barbara (TMX at 60% earning 75%) contains a series of prospective gold targets. The site has soil anomaly 1 km long and 160 m wide, directly along strike from the old Craig workings. Drill targets exist below the old workings at Garden Well, Craig and Katalina.

Dodgers Well (30kms north of Leonora)

The Dodgers Well Mining Centre contains a series of historic gold workings, some with historic production up to 2 oz/t gold. Previous rock chip sampling returned results up to 210 g/t gold. Drilling underneath several workings in mid-2010 returned very encouraging results including 4m @ 36.10 g/t Au (including 1m @ 115.7 g/t gold which re-assayed at 1m @ 220.5 g/t gold) and 3m @ 9.67 g/t gold, both in areas not previously drilled. The project is being evaluated for possible joint venture or sale.



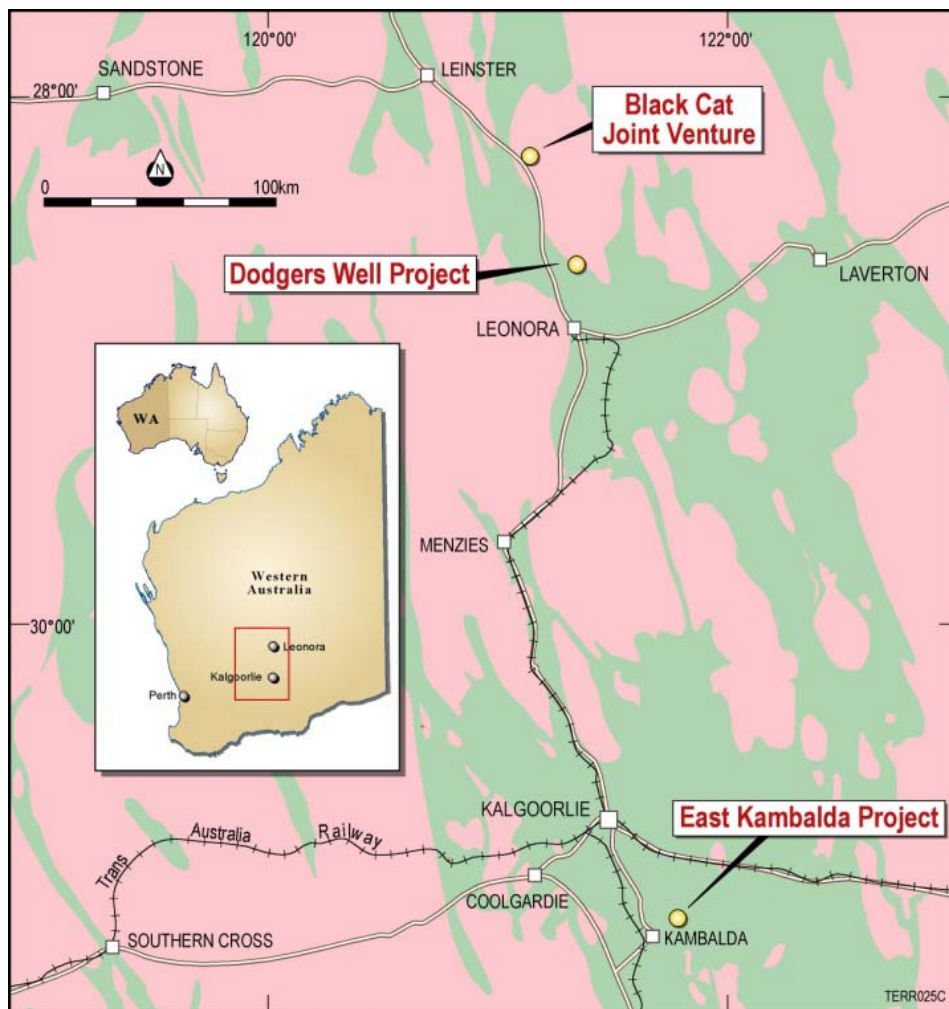
## Competent Persons Statements

The information in this report that relates to Exploration Results and JORC compliant Mineral Resources is based on information compiled by Mr Alan Coles, who is a full time employee of Terrain Minerals Ltd. Mr Coles is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Coles consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

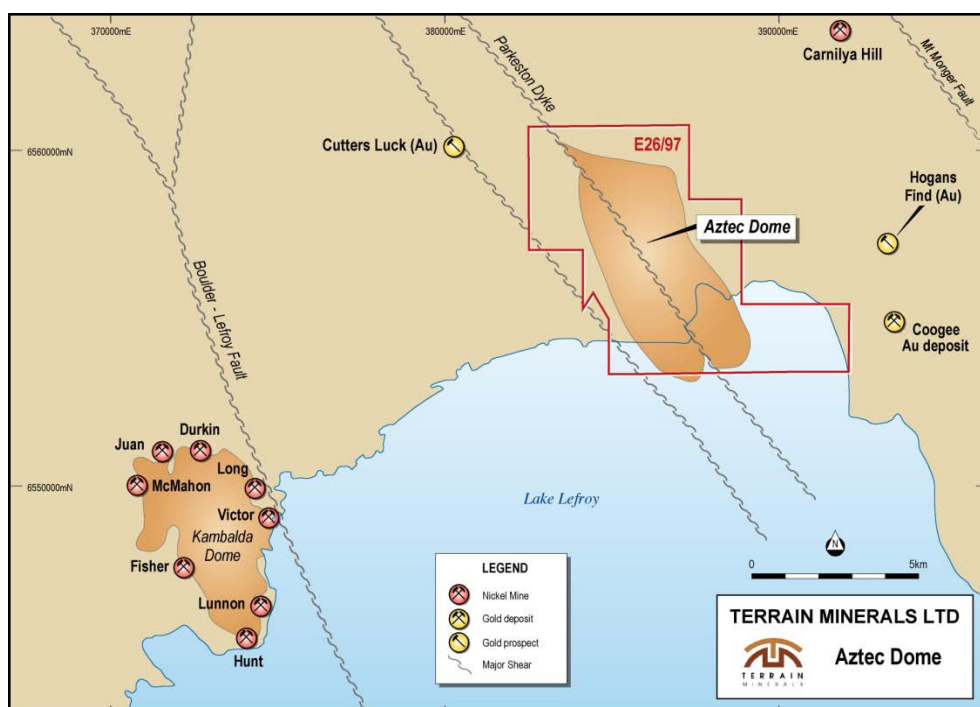
### Aztec Project Diamond Core Assay Results

| Hole #    | Down Hole<br>From To | Sample<br>Interval<br>Metres | Cu%         | Zn%         |
|-----------|----------------------|------------------------------|-------------|-------------|
| AZRCDD013 | 243 – 244m           | 1                            | 0.1%        | 0.4%        |
|           | 244 – 245m           | 1                            | 0.1%        | 0.5%        |
|           | 245 – 246m           | 1                            | 0.1%        | 0.9%        |
|           | 246 – 247m           | 1                            | 0.1%        | 0.6%        |
|           | <b>243 - 247m</b>    | <b>4</b>                     | <b>0.1%</b> | <b>0.6%</b> |
| AZRCDD015 | 184 – 185m           | 1                            | 0.1%        | 0.4%        |
|           | 185 – 186m           | 1                            | 0.1%        | 0.5%        |
|           | 186 – 187m           | 1                            | 0.1%        | 0.6%        |
|           | 187 – 188m           | 1                            | 0.1%        | 1.0%        |
|           | 188 – 189m           | 1                            | 0.1%        | 0.4%        |
|           | 189 – 190m           | 1                            | 0.1%        | 0.4%        |
|           | <b>184 – 190m</b>    | <b>6</b>                     | <b>0.1%</b> | <b>0.6%</b> |
| AZRCDD015 | 342 – 343m           | 1                            | 0.1%        | 0.6%        |
|           | 343 – 344m           | 1                            | 0.1%        | 0.8%        |
|           | <b>342 – 344m</b>    | <b>2</b>                     | <b>0.1%</b> | <b>0.7%</b> |

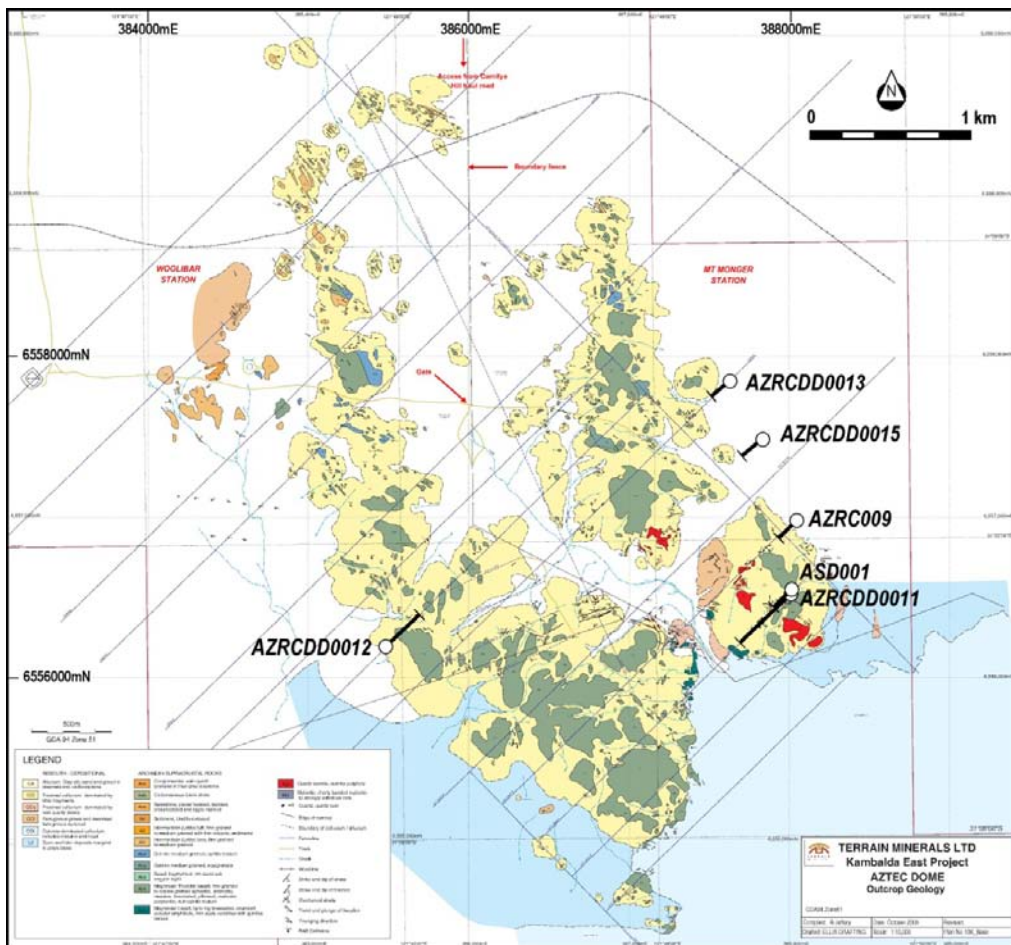
## Project Location Map



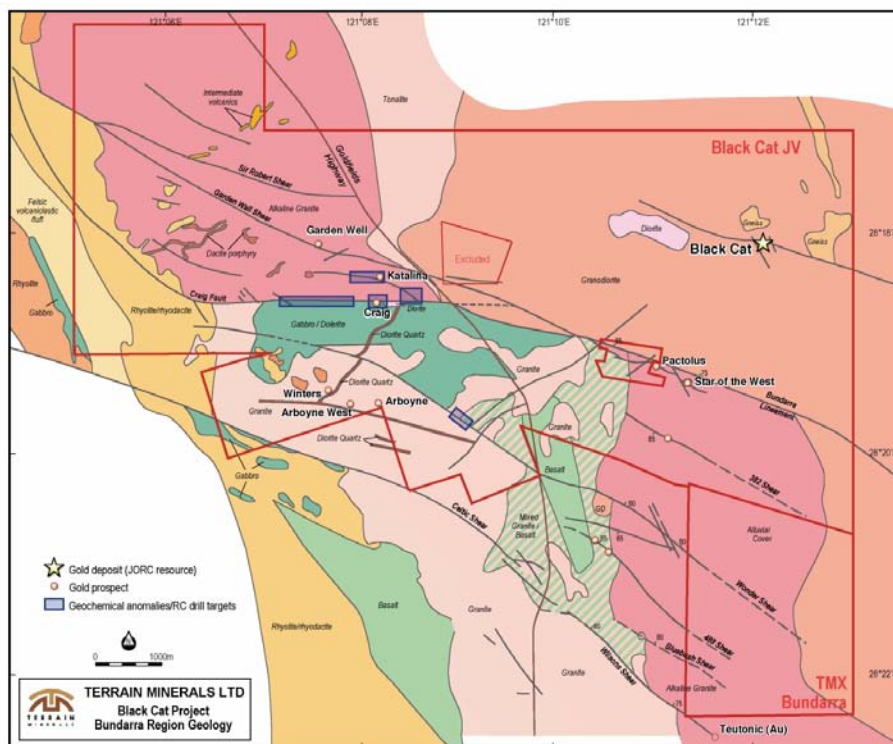
## Aztec Dome Project



# Aztec Project Outcrop Geology

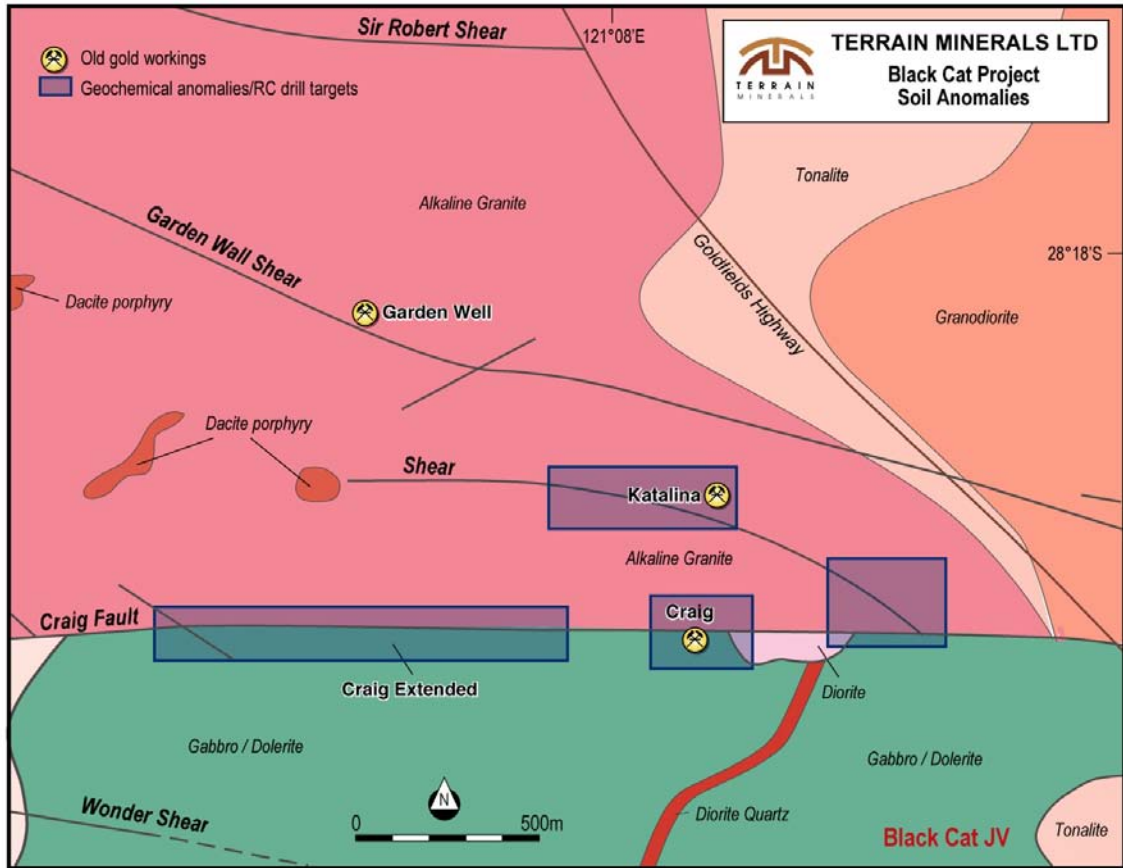


# Black Cat Project





## Black Cat Soil Anomalies



## Aztec Project Drilling

| Hole      | East    | North    | RL  | MAG AZI | DIP | Hole Depth metres |
|-----------|---------|----------|-----|---------|-----|-------------------|
| AZRCDD011 | 388038E | 6556555N | 181 | 45°     | 60° | 876.70            |
| AZRCDD013 | 387650E | 6557860N | 181 | 225°    | 70° | 295.00            |
| AZRCDD015 | 387860E | 6557750N | 181 | 225°    | 70° | 458.40            |