

# ASX Announcement

31 July 2013



ABN: 45 116 153 514

ASX: TMX

## Quarterly Report: June 2013

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### HIGHLIGHTS

- \$342,000 DMP Environmental Bond returned;
- Mr Keith Wells appointed as acting General Manager to Oversee & Designing of the Dodgers Well Exploration Program;
- Follow up Drilling at Dodgers Well completed - results below;
- Resignation of Managing Director Mr Alan Coles;
- SK Mining – Next payment now due October 2014 or part of sooner if production is achieved before due date (Explanation under Corporate section).
- Evaluating potential company making projects in Australia and overseas, including: Africa, Europe & South America
- Cost cutting program includes:
  - Reduction in staff numbers
  - Relocation of offices
  - Restructure Company Secretarial/accounting roles.

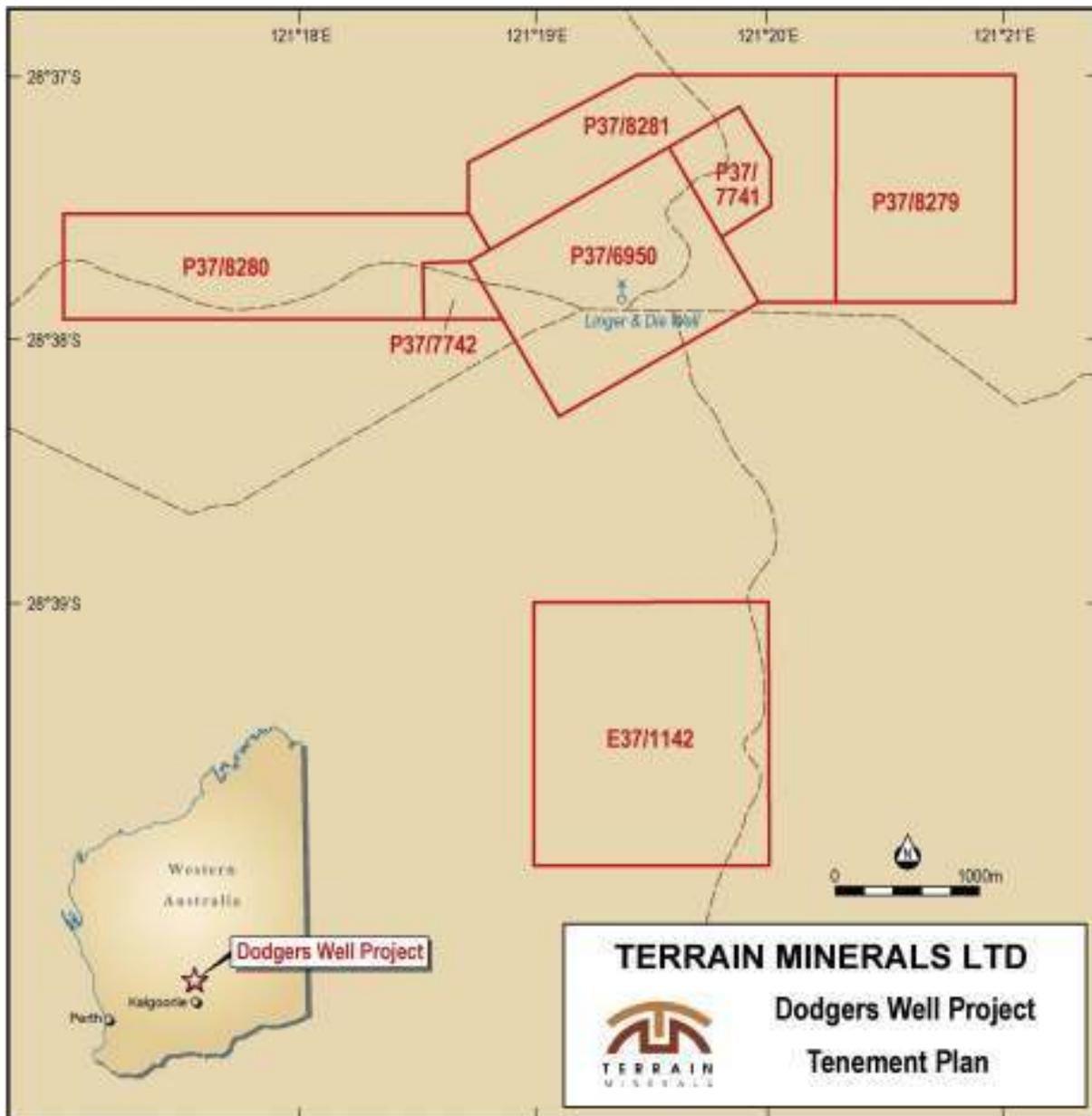
On behalf of the Board

Justin Virgin  
Non Exec Director

## DODGERS WELL

Drilling completed June 2013 that tested below the old Linger and Die pit is a 9m @ 17.04 g/t intersection from 76m (including 1m @ 115.7 g/t and 3m @ 9.6 g/t) and the second near the Sheffield old working 6m @ 5.65 g/t.

### Dodgers Well & Surrounding Leases



## Exploration Results

A seven (7) hole (836m) RC drilling program was completed at the Dodger's Well project (Figure 1) in June 2013, to follow up on a previous encouraging drill results:

Sheffield Prospect: DWRC014, 6m (0-6m) @ 5.65 g/t Au;

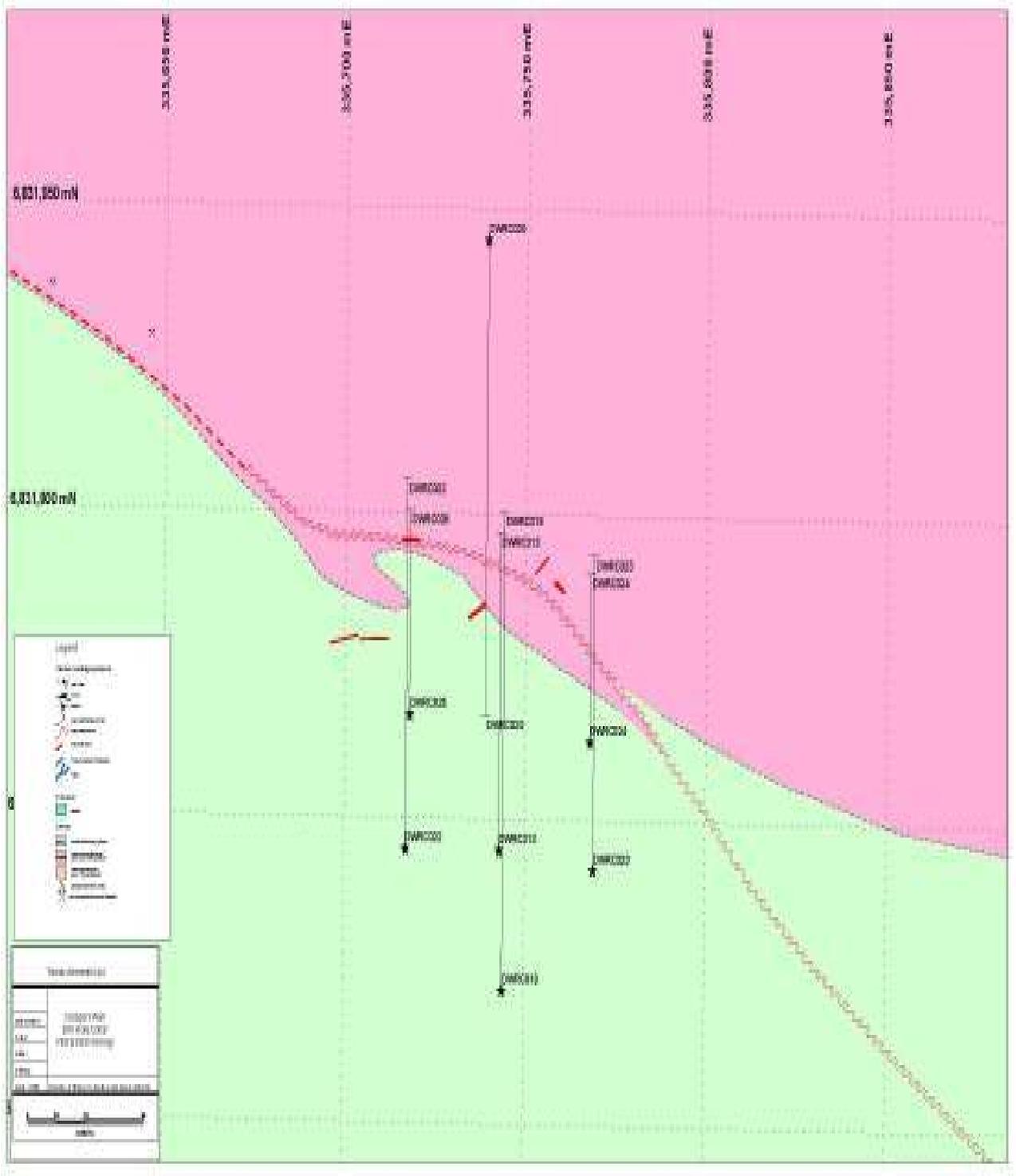
Linger and Die Prospect: DWRC013, 9m (76-85m) @ 17.04 g/t Au.

At the Sheffield prospect one hole (DWRC021) was drilled beneath DWRC014 and intersected 4m (0-4m) @ 0.76 g/t Au. The mineralisation is confined to the laterite profile and no further work is envisaged.

At Linger and Die prospect six (6) holes were drilled to test for depth and lateral extensions to the mineralisation. All the holes intersected a shear zone in mafic volcanics, with extensive and intensive alteration, quartz veins, oxidised sulphides and anomalous gold values. The best intercept was DWRC023, 6m (91-97m) @ 2.5 g/t Au, including 2m (91-93m) @ 5.47 g/t Au. The mineralised zone has a shallow plunge eastwards along the shear zone and remains open both up and down dip. The dip extensions and other targets along the 5km long shear zone remains untested. Current technical recommendations suggest additional desk study and then more field work is warranted.

## Significant Drilling Results (>1 g/t Au)

Hole No.	From (m)	To (m)	Intercept (m)	Grade (g/t Au)
<b>DWRC023</b>	62	63	1	1.37
	91	94	3	4.23
	96	97	1	1.20
<b>DWRC024</b>	18	19	1	3.43
	27	28	1	1.45
<b>DWRC025</b>	39	40	1	1.46



### Dodgers Wells Drilling

Hole ID	Northing	Easting	RL	Grid	Mag_Azi	Dip	EOH (m)	HoleType
DWRC019	335744	6831822	461	MGA94	360	-60	157	RC
DWRC020	335739	6831945	461	MGA94	180	-55	136	RC
DWRC021	335203	6831887	461	MGA94	180	-60	43	RC
DWRC022	335717	6831845	461	MGA94	360	-60	121	RC
DWRC023	335769	6831842	461	MGA94	360	-60	103	RC
DWRC024	335768	6831863	461	MGA94	360	-60	55	RC
DWRC025	335718	6831867	461	MGA94	360	-60	67	RC

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

Preparation for a future exploration program was initiated and a review of previous drilling completed.

Six leases in the Black Cat Joint Venture P37/7200, P37/7201, P37/7206, P37/7207, P37/7210, & P37/7211 expired, as have five leases P37/7212, P37/7213, P37/7214, P37/7215, P37/7216 from the remaining Bundarra Project.

### *Future Direction*

Permission to commence a drill program to test the strike extent of Katalina and Craig old workings is being prepared for DMP approval.

The Board is currently exploring all options for the project's future including a possible Joint Venture.

## **AZTEC PROJECT**

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 the Nickel Sulphides millerite and pentlandite.

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 analysis of the diamond drill-core 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 including a Sale or possible Joint Venture.

## CORPORATE

- SR Mining have outstanding payments to Terrain Minerals of \$6m as ongoing settlement of the Bundarra Gold Assets which is to be paid at a minimum rate of \$600,000 per annum. The next payment is due in October 2014. If production commences the rate of repayment could substantially increase as 1.0g per oz would be applied to repay the debt;
- Several Gold and base metal projects in West Africa were assessed.
- At the end of the June quarter 2013 the cash on hand was \$1.833m
- Terrain Minerals is currently searching and assessing other potential company making projects in Australia and overseas. Several projects are currently being evaluated.
- On 25 July 2013, the Company participated in a share placement in ASX listed company Ashburton Minerals (ATN.ASX) for \$120,000 at .002c for 60,000,000 Ordinary shares
- Significant cost cutting program has been initiated.

### **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 (70kms north of Leonora)

The Black Cat Joint Venture with St Barbara (TMX at 60% earning 75%) contains a series of prospective gold targets. Drill targets exist below the old workings at Garden Well, Craig and Katalina.

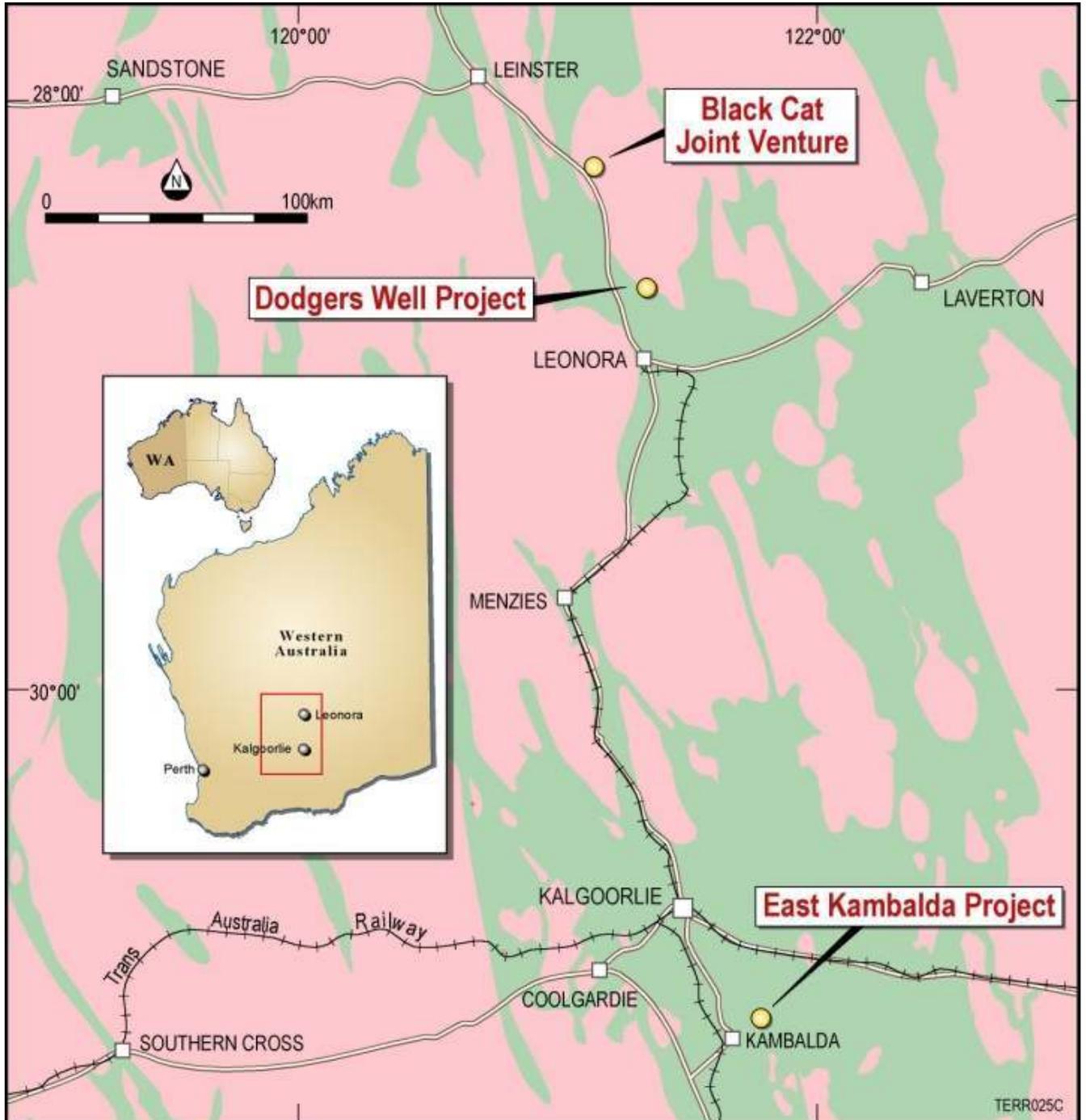
Dodgers Well (30kms north of Leonora)

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.

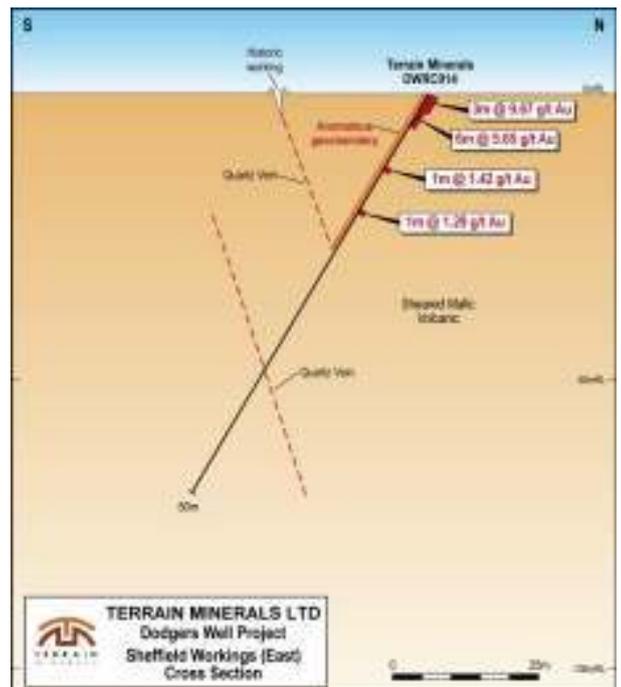
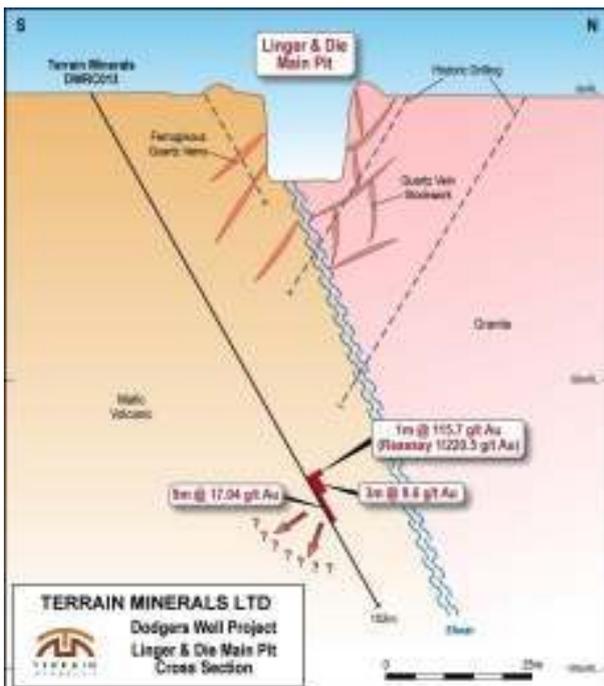
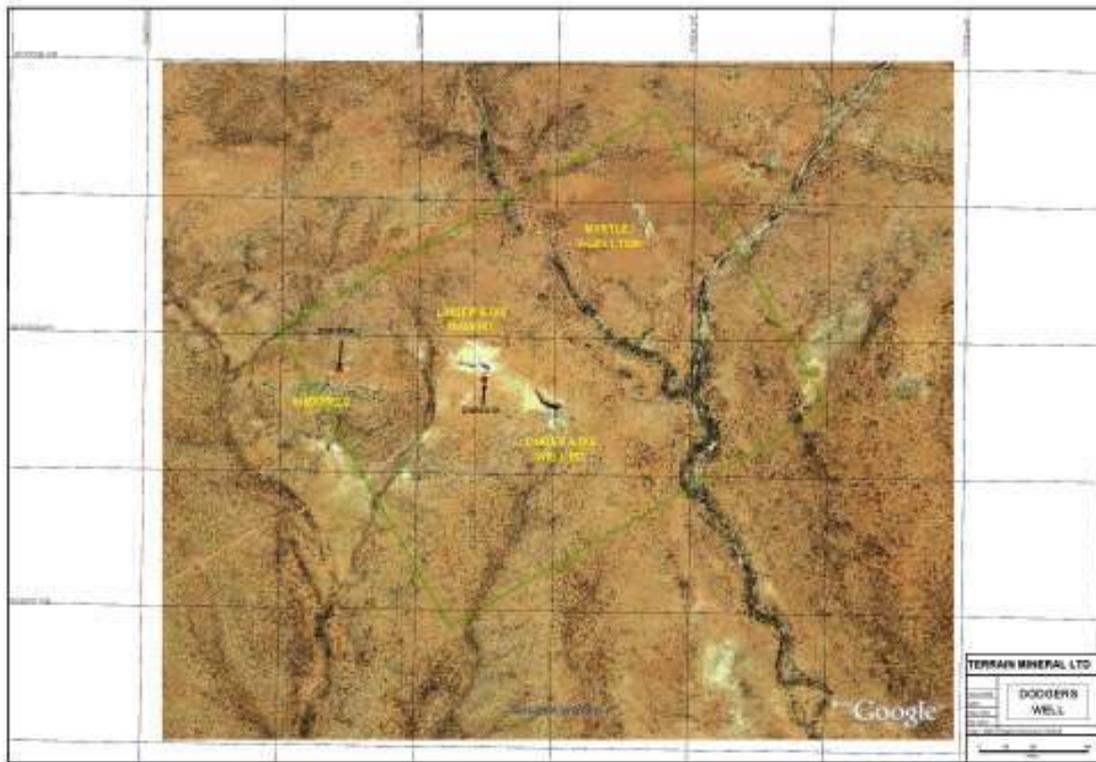
### **Competent Persons Statement**

*The information in this report that relates to Exploration Results and JORC compliant Mineral Resources is based on information compiled by Mr Keith Wells, who is an employee of Terrain Minerals Ltd. Mr Wells is a member of the Australian Institute of Geoscientists (AIG) 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 Wells consents to the inclusion in the report of the matters based on information in the form and context in which it appears.*

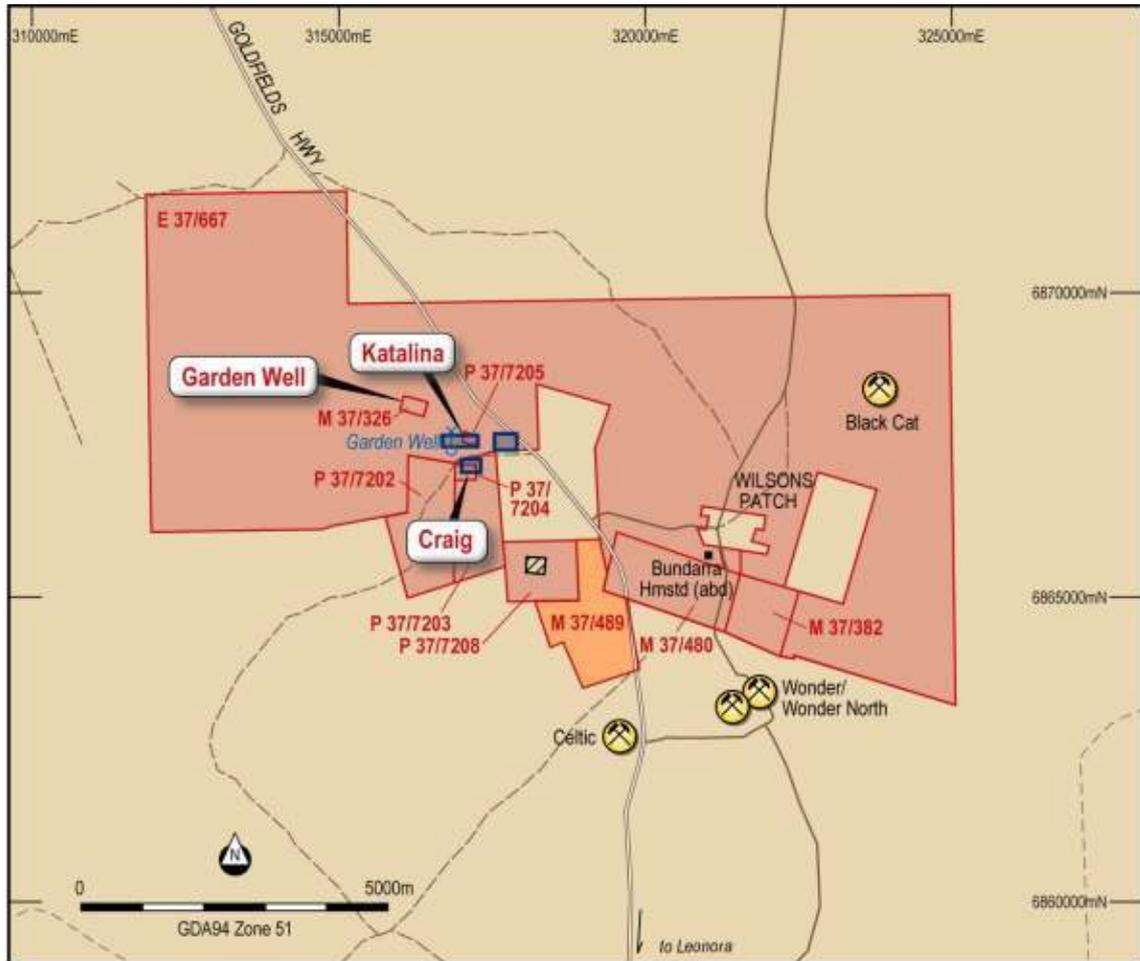
## Terrain Project Locations



# Dodgers Well Project



# Black Cat Project



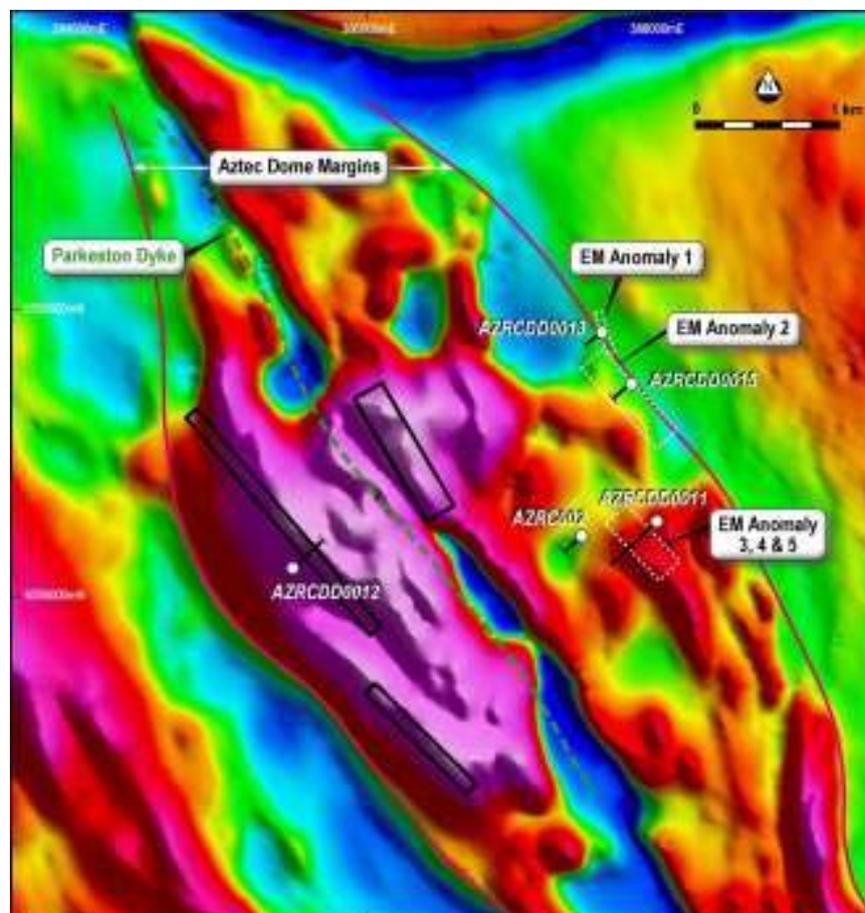
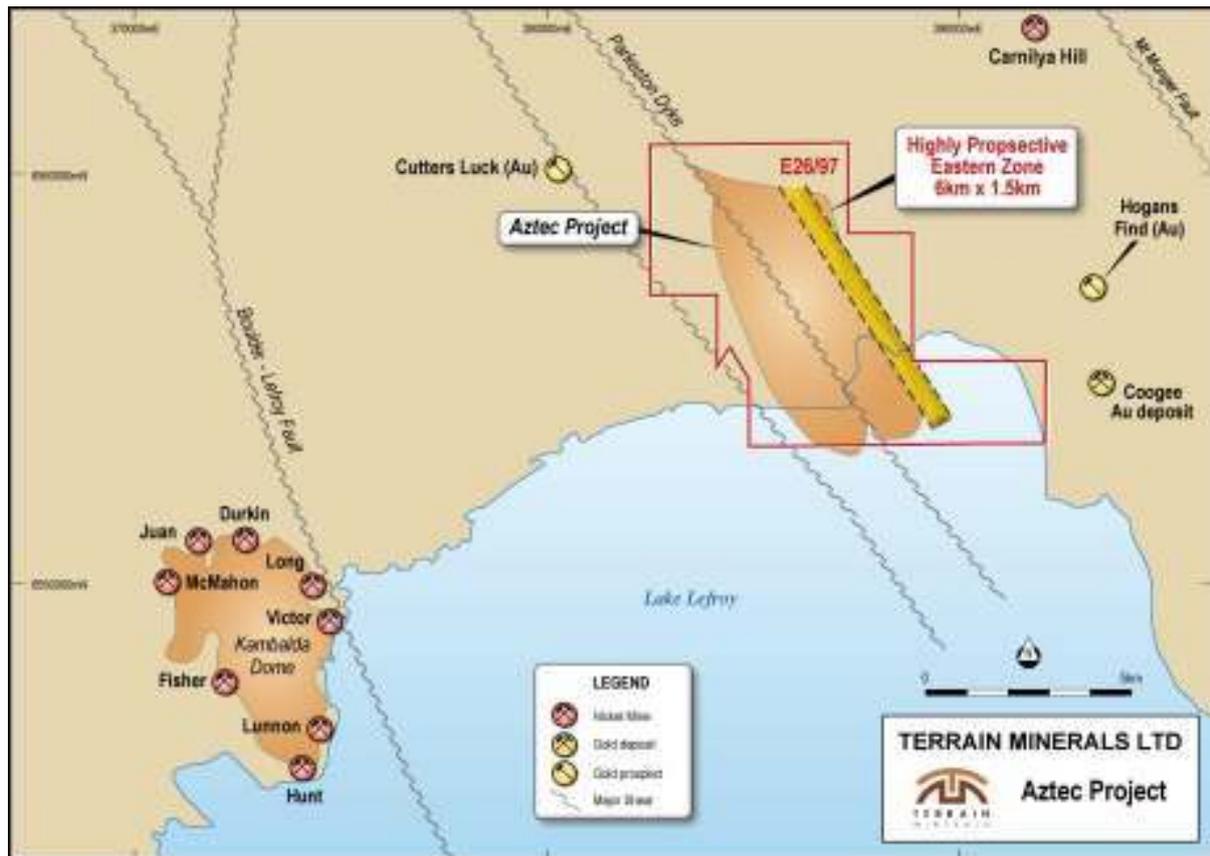
**Terrain Minerals Ltd  
Black Cat Leases**

- Black Cat JV
- 100% TMX
- ⚒ Mine site

**TERRAIN MINERALS LTD**  
**BLACK CAT**  
Location & Tenements



# Aztec Project



## 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

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[terrain@terrainminerals.com.au](mailto:terrain@terrainminerals.com.au)

[www.terrainminerals.com.au](http://www.terrainminerals.com.au)

# 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 Ltd**

ABN

45 116 153 514

Quarter ended ("current quarter")

30-Jun-13

### Consolidated statement of cash flows

Cash flows related to		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 (b) development (c) production (d) administration	-53	-324
1.3	Dividends received	-85	-500
1.4	Interest and other items of a similar nature received	18	91
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other - return of environmental bonds	342	342
	<b>Net Operating Cash Flows</b>	222	-388
	<b>Cash flows related to investing activities</b>		
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	0	700
1.1	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	<b>Net investing cash flows</b>	0	700
1.13	Total operating and investing cash flows (carried forward)	222	312

1.13	Total operating and investing cash flows (brought forward)	222	312
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	0	0
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	0	0
1.18	Capital Raising Costs	0	0
1.19	Borrowing costs		
	<b>Net financing cash flows</b>	0	0
	<b>Net increase (decrease) in cash held</b>	222	312
1.2	Cash at beginning of quarter/year to date	1,611	1,521
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,833	1,833

**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	77
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Director fees

**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

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

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**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	120
4.2	Development	
4.3	Production (subject to mine schedule & timing)	
4.4	Administration	100
<b>Total</b>		<b>220</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	394	30
5.2	Deposits at call	1,439	1,581
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)		<b>1,833</b>	<b>1,611</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	P37/8279	Application Granted	0%	100%
		P37/8280	Application Granted	0%	100%
		P37/8281	Application Granted	0%	100%
6.2	Interests in mining tenements acquired or increased				

**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>				
7.2	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through returns				
7.3	<b>+Ordinary securities</b>	349,032,224	349,032,224		
7.4	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs				
7.5	<b>Convertible debt securities</b>	Nil	Nil		
7.6	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
7.7	<b>Options</b> ( <i>description and conversion factor</i> )	500,000 1,500,000 1,900,000 5,500,000 46,239,130 1,000,000		<i>Exercise price</i> 20 cents 20 cents 11 cents 18 cents 5 cents 5 cents	<i>Expiry date</i> 10 September 2013 30 November 2013 8 October 2014 30 November 2014 5 April 2014 30 November 2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.1	Expired during quarter				
7.11	<b>Debentures</b> ( <i>totals only</i> )				
7.12	<b>Unsecured notes</b> ( <i>totals only</i> )				

**Compliance statement**

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the

2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



Date:

31-Jul-13

(Company secretary)

Print name: Jay Stephenson

**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.

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