

# ASX Announcement

31 October 2013



## Quarterly Report: September 2013

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### HIGHLIGHTS

- Mt Andrew JV with ASX Listed Ashburton Minerals Signed
- Office Relocation completed
- Release Annual Report
- Comprehensive project review program initiated
- Continual evaluating potential company making projects in Australia and overseas, including: Africa
- Continuation of cost cutting and company restructuring program

On behalf of the Board

Justin Virgin  
Non Exec Director

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## **NEW ADDRESS DETAILS:**

**TERRAIN MINERALS LIMITED ADVISES THAT THE ADDRESS OF THE COMPANY HAS CHANGED TO THE FOLLOWING:**

**HEAD OFFICE:** SUITE 1, LEVEL 4, 66 KINGS PARK RD, WEST PERTH, WA, 6005

**POSTAL:** PO Box 79, WEST PERTH, WA, 6872

**PHONE:** +61 8 9381 5558

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**EMAIL:**

**GENERAL ENQUIRES:** [TERRAIN@TERRAINMINERALS.COM.AU](mailto:TERRAIN@TERRAINMINERALS.COM.AU)

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**WEB PAGE:** [WWW.TERRAINMINERALS.COM.AU](http://WWW.TERRAINMINERALS.COM.AU)

## **CORPORATE**

- Mt Andrew JV with Ashburton Minerals Signed
- Terrain Minerals is currently searching and assessing other potential company making projects in Australia and overseas. Several projects are currently being evaluated.
- Significant cost cutting program continues.

## **Farm-in to Fraser Range - Mt Andrew Project**

The Board of Terrain Minerals is pleased to announce a farm in agreement with ASX listed company Ashburton Minerals (ATN) into the existing Mt Andrew Joint Venture. The project's northern portions are strategically situated within the Fraser Metamorphic Complex.

Terrain is to sole fund \$170,000 on field work to prepare and drill test at least two (possibly four) EM conductors to earn 25% (or half or ATN's current 50%) interest in the project. ATN will manage these works. Terrain will have the right to earn an additional 17.5% by subsequent equal expenditure with ATN. This would see TMX earn up to 42.5% and ATN 42.5% for a total of 85%. The vendor retains the remaining 15% until decision to mine, and further expenditure would be under a standard contributing joint venture. If the vendor's interest dilutes to under 5% it will convert to a 2% NSR.

### **Ashburton's work earlier this year has confirmed TWO HIGH PRIORITY EM TARGETS AT MT ANDREW**

- Two high priority EM targets defined by modelling of VTEMmax data
- Target 1: 500 m x 200 m conductor; 50 m below surface; sub-vertical
- Target 2: 350 m x 250 m conductor; 35 m below surface; sub-vertical
- 4 secondary conductors identified with another 12 targets requiring additional work

Consultant geophysicist report on the VTEMmax survey data collected recently over the project has confirmed the presence of two high priority EM targets, each located within the Fraser Complex and possibly representing bedrock conductors, such as might be due to massive and/or stringer sulphide mineralisation.

The Fraser Metamorphic Complex, or the "Fraser Range," has seen considerable exploration activity since the discovery of the Nova deposit by Sirius Resources (SIR.ASX). Other companies actively exploring this area include Matsa Minerals (MAT), Buxton Resources Ltd (BUX), Sheffield Resources Ltd (SFX), Enterprise Metals Ltd (ENT), Classic Minerals (CLZ), Boadicea Resources Ltd (BOA) and others.

### **The following information was referenced from:**

#### **Ashburton Minerals ASX announcement released on 16 May 2013**

#### **Announcement: "High Priority EM Targets at Mt Andrew"**

#### **BACKGROUND TO THE MT ANDREW PROJECT**

The Mt Andrew project is located in the Fraser Range region of Western Australia. The northern part of the project encompasses a portion of the Proterozoic Fraser Complex, which contains various metamorphosed mafic volcanics and intrusives and which hosts the 'Nova-Bollinger' Ni-Cu deposit discovered by Sirius Resources some 70 km further north.

Ashburton Minerals Ltd, through its wholly owned subsidiary Southern Pioneer Limited, holds a 50% beneficial interest in the project tenements, which comprise two exploration licences, E63/1322 and E63/1375, and has the right to increase its interest to 85% subsequent to further exploration.

The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, who is an employee of Ashburton Minerals and a member of the Australian Institute of Geoscientists and who has sufficient relevant experience 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 Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

Diagrams and additional information below:

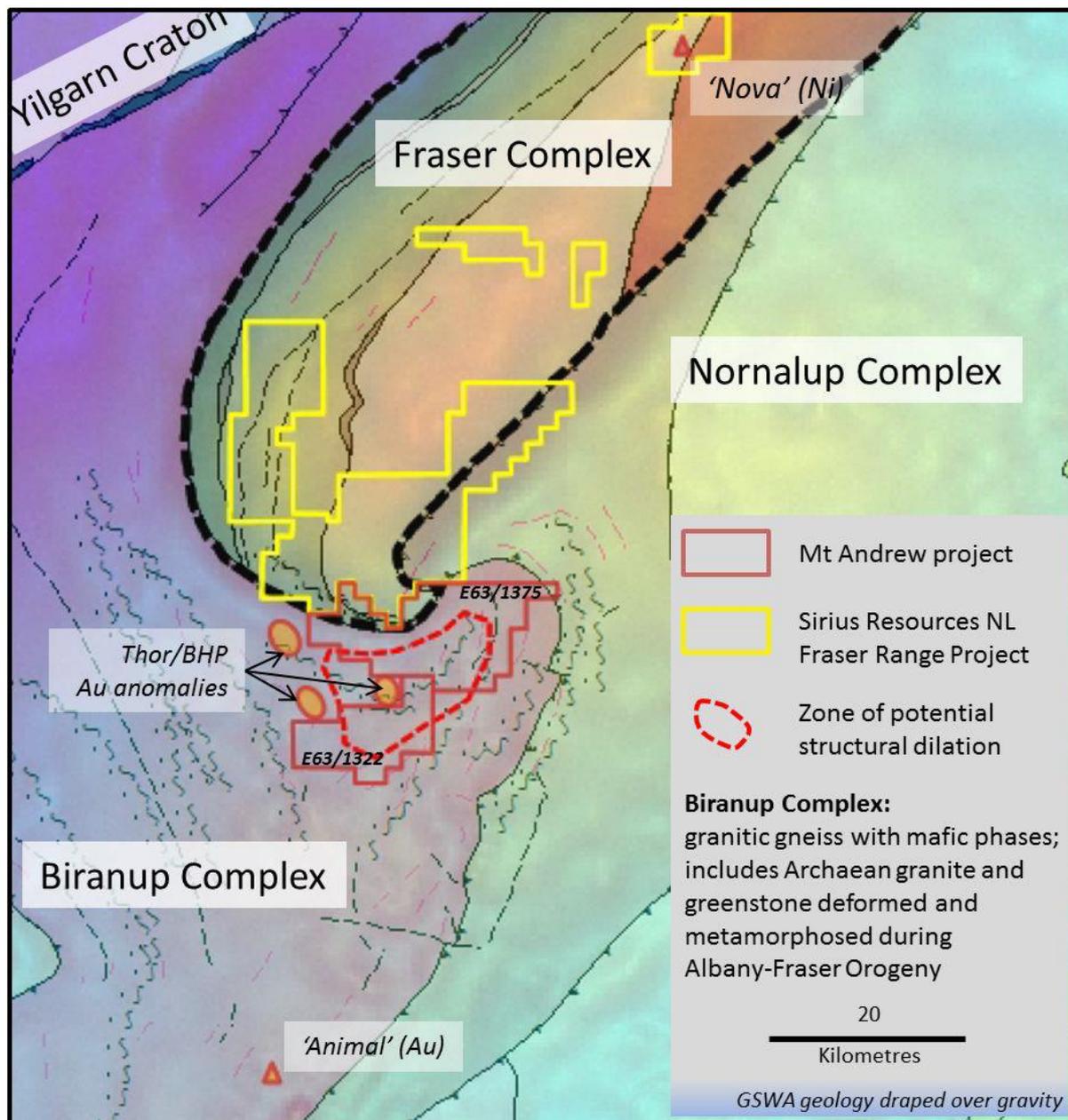


Figure 1.

Mt Andrew project location in relation to regional geology, selected regional gold anomalies and Sirius Resources NL tenure, highlighting the location of the "VTEMmax" survey

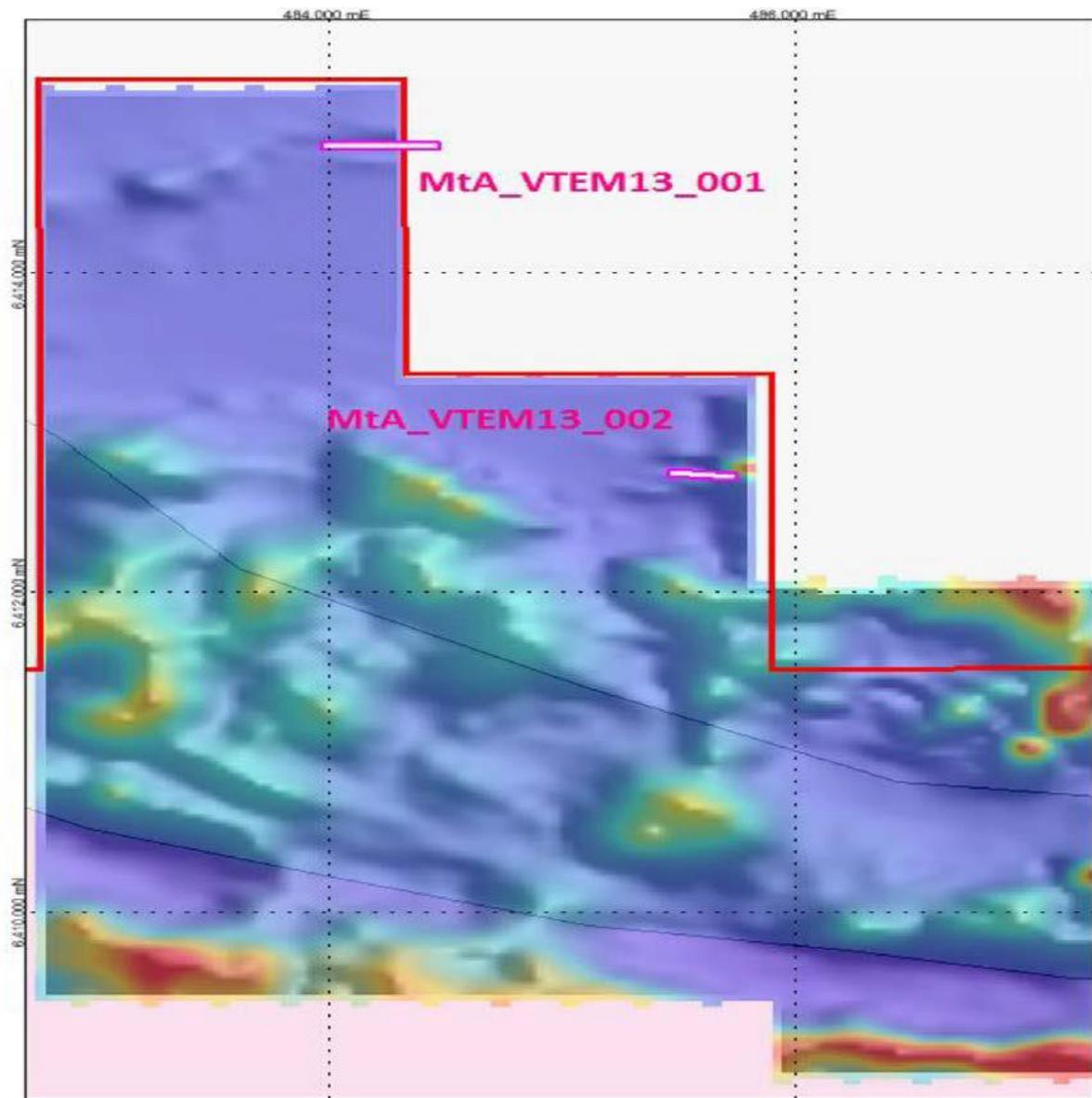


Figure 2.

Mt Andrew project VTEMmax; EM Ch45 image, showing position of high priority targets, Target 1 and Target 2, within the survey area.

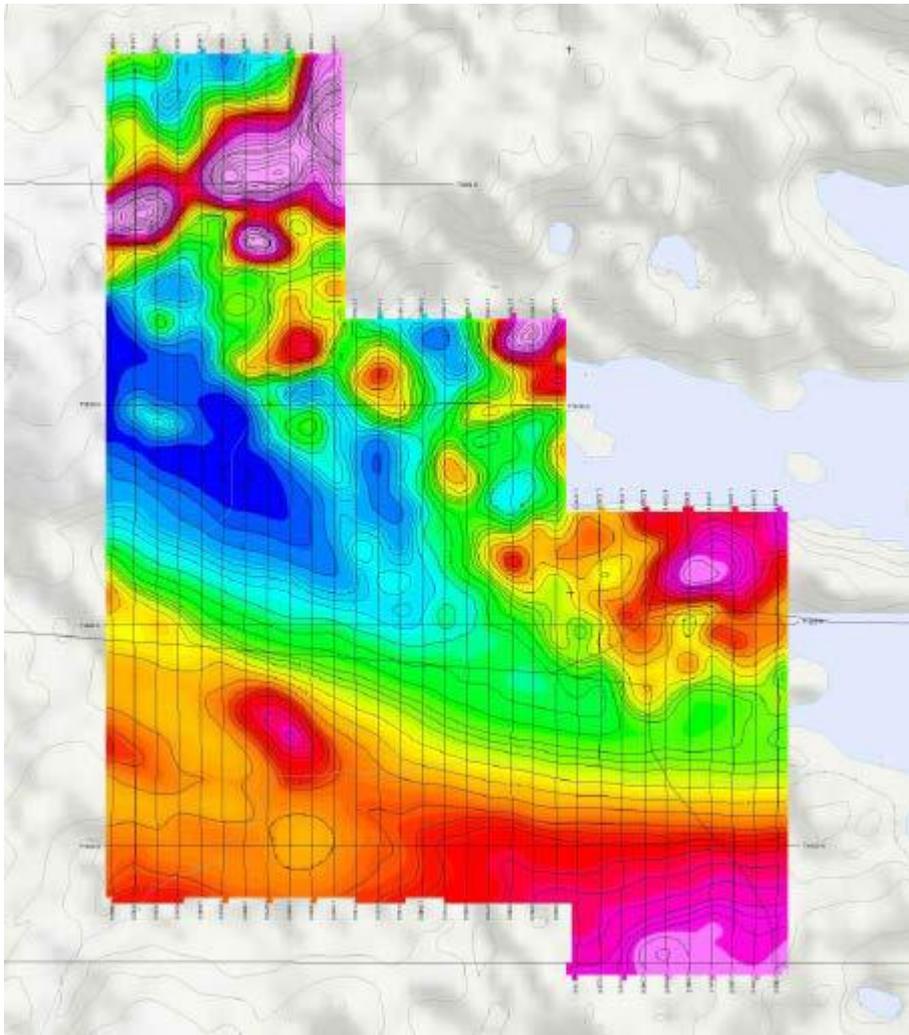


Figure 3.

Position of Target 1 and Target 2 on image of Total Magnetic Intensity reduced to pole. Note generally NW trends in north and central parts of the area, reflecting geological trends within the Fraser Complex, and sub E-W trends in the south, reflecting transition into the Biranup Complex. Both target conductors are well within the Fraser Complex and are situated adjacent to and/or coincident with magnetic highs, which could indicate an association with mafic and/or ultramafic rocks

Refer to Ashburton Minerals Web page <http://www.ashmin.com.au/> under Announcements Tab for additional Mt Andrew project information.

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# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**Terrain Minerals Limited**

ABN

**45 116 153 514**

Quarter ended ("current quarter")

**30 September 2013**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 Months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	7	7
1.2 Payments for:		
(a) exploration & evaluation	(102)	(102)
(b) development		
(c) production		
(d) administration	(205)	(205)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	15	15
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
<b>Net Operating Cash Flows</b>	<b>(285)</b>	<b>(285)</b>
<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	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Payment for purchases of shares	(120)	(120)
<b>Net Investing Cash Flows</b>	<b>(120)</b>	<b>(120)</b>
1.13 Total operating and investing cash flows (carried forward)	(405)	(405)

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

1.13	Total operating and investing cash flows (brought forward)	(405)	(405)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>		
1.20	Cash at beginning of quarter/year to date	1,823	1,823
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>1,418</b>	<b>1,418</b>

**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	83
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Directors 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 not involve cash flows	NIL
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	NIL

### 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	248
4.2 Development	-
4.3 Production	-
4.4 Administration	88
<b>Total</b>	<b>336</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	68	394
5.2 Deposits at call	1,350	1,439
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,418</b>	<b>1,833</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	-			
6.2 Interests in mining tenements acquired or increased				

**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 <sup>+</sup>securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 <b><sup>+</sup>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><sup>+</sup>Convertible debt securities</b> <i>(description)</i>	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>			<u>Exercise price \$</u>	<u>Expiry date</u>
	1,500,000		20 cents	30 Nov 2013
	1,900,000		11 cents	8 Oct 2014
	5,500,000		18 cents	30 Nov 2013
	46,239,130		5 cents	5 Apr 2014
	1,000,000		5 cents	30 Nov 2013
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	500,000		20 cents	10 Sept 2013
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 Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 October 2013  
(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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