

18 May 2015



ABN: 45 116 153 514

ASX: TMX

Drilling has commenced at Great Western

Terrain Minerals Ltd ("Terrain" or "Company") has appointed Raglan Drilling Pty Ltd for the RC drilling program at Great Western M37/54 (100% owned) and drilling has commenced today. Stage One of the program is for 1,700m~ across 12 drill holes, and is part of a proposed 4,000m campaign.

Four main areas around the existing JORC 2004 compliant deposit will be targeted (Refer to diagram 1 for the planned drilling program):

- Both the Eastern & Western strike extensions will be tested for additional existing high grade zones.
- Confirmation and extension drilling within and around the current resource have been designed to add to its current integrity and size (Refer to diagram 1 & 2).
- Exploration target 270m~ to the west of the known mineralisation recorded a previous intersection in RC077 of 1m at 25.5g/t along strike (Refer to diagram 1). This intersection was between the 450mRL to 400mRL levels (70m to 120m below surface). This zone carries the main high grade mineralisation at Great Western and remains untested towards the deposit.

If successful, the mining plan will be updated along with converting the current JORC 2004 resource to comply with JORC 2012 category.

Justin Virgin

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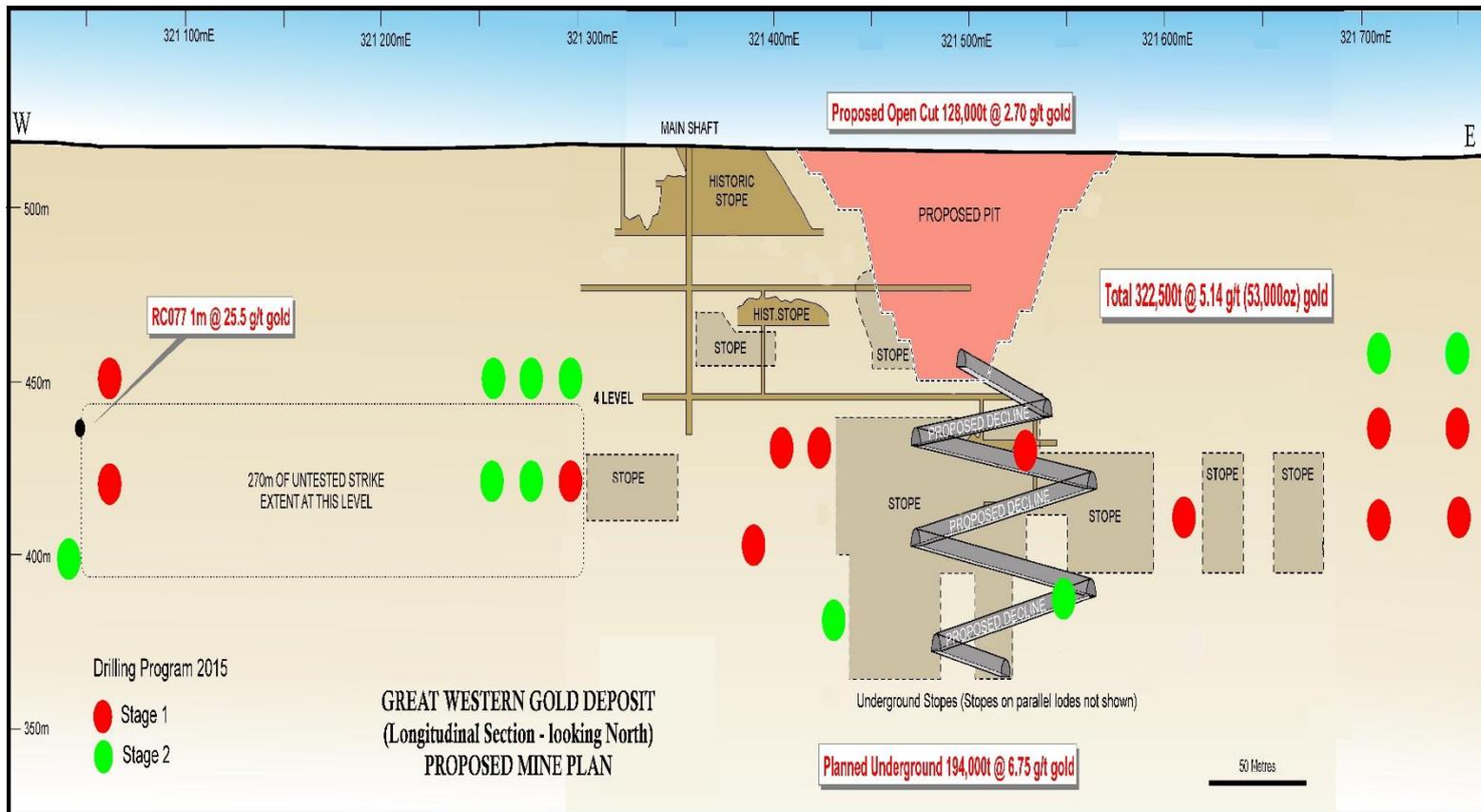


Diagram 1. Proposed Stage 1 drilling targets (1,700m~). See diagram 3 for RC077 cross section.

Note: Metre levels indicated on the left hand side indicate elevation above sea level, not the depth of the deposit.

About Great Western:

The 100% owned project is located 68km north of Leonora and 1km from the Goldfields Highway on Weebo pastoral leases and forms part of the historic Wilsons Patch mining area. Terrain has previously held this project and considers it as an advanced 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 (Refer to Mining study released 16/02/2010. The resource utilised for this can be found in 2010 annual report released 22/09/2010). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Work to date:

- Mine Scoping Studies Completed
- Great Western Open Pit & Underground
- Potential Mine Extensions
- Great Western – underground, open down plunge

What's next for Great Western:

- Geotechnical Drilling
- Resource Expansion Drilling
- Permitting to be obtained – drilling/mining
- Update JORC to be compliant with 2012 standards

Great Western Proposed Mine Plan – Pit and Decline are proposed only and do not exist.

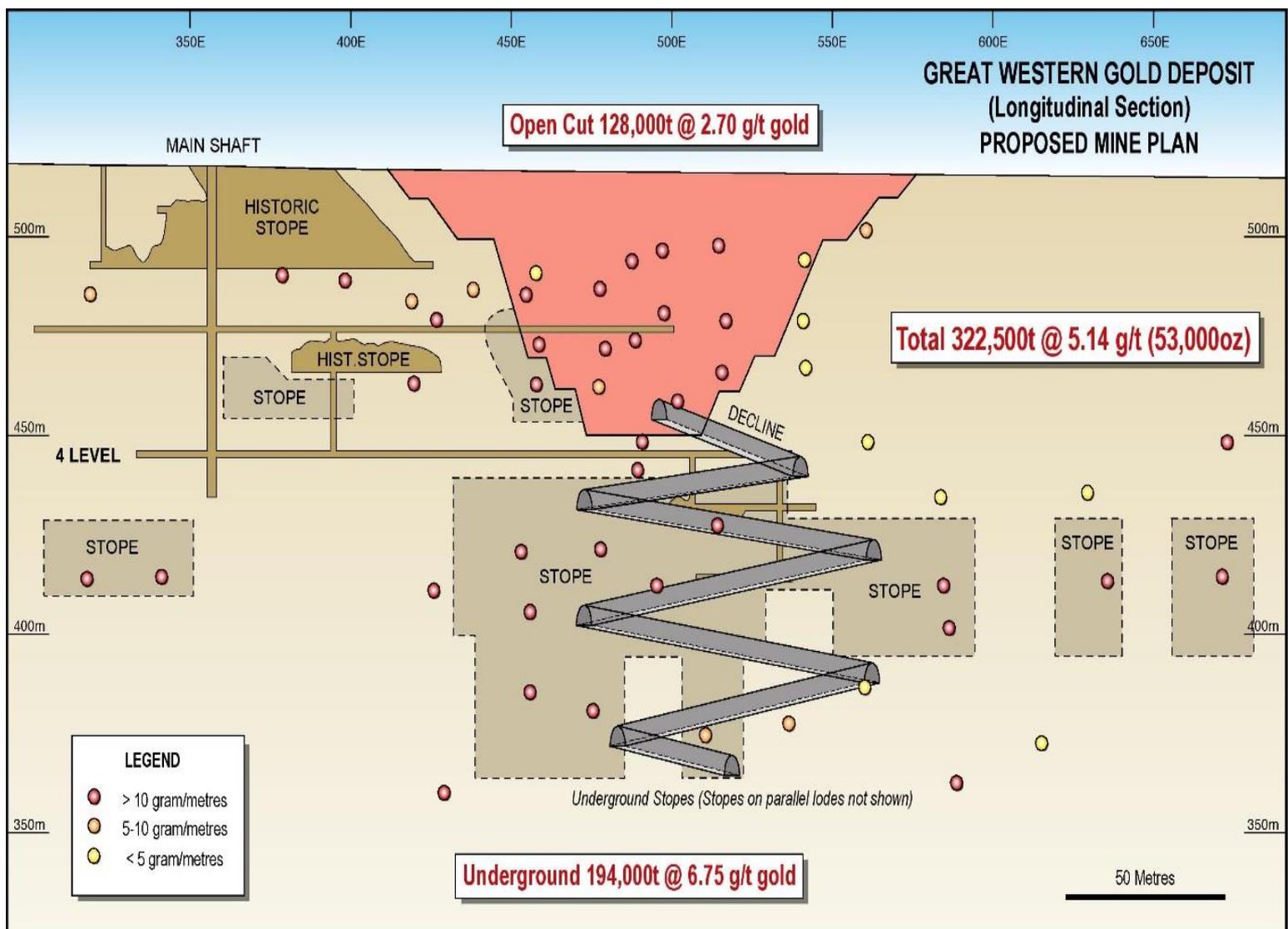


Diagram 2. Mineralisation outside of the existing resource and mining plan can be seen above. The deposit has many open areas and mineralised intersections that require additional follow up drilling. A similar program was previously proposed but not carried out due to a change in Company priorities.

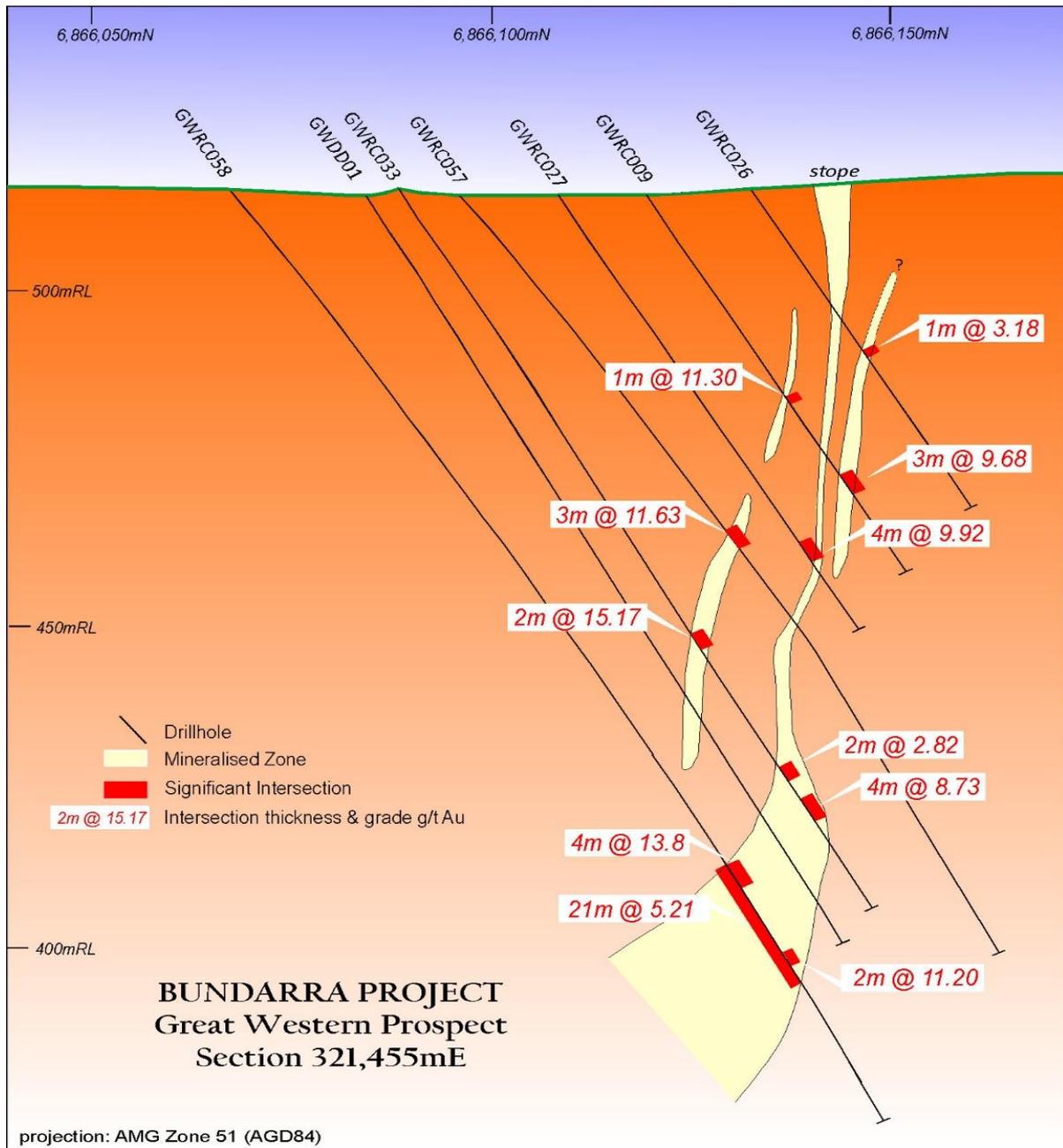


Diagram 3. Cross section which is situated around the middle of the current resource and being some 415m~ away from drill intersection GWRC077 with 1m @ 25.5 g/t cross section seen in Diagram 1.

Note: Mineralisation at depth is not understood but appears to be coming up towards surface in multiple high grade shoots. The company considers that more work is required to ascertain the down plunge exploration potential.

History

Terrain has previously owned Great Western as it was part of the Black Cat JV (Bundarra project). Great Western has been transferred back as part of a default settlement with SR Mining Ltd (previously announced). Terrain had previously planned to develop the other deposits first and this explains why the deposit has seen limited drilling and exploration. Existing mine studies estimate an open pit with an 8 month life followed by a 14 month underground. The companies aim is to increase the projects life out to a 3 to 5 year operation.

COMPETENT PERSONS STATEMENT

The information in this report/release which relates to Mineral Resources for the Great Western Deposit is based on and accurately reflect a report prepared by Peter Ball 2011. Mr Ball has the necessary experience relevant to the style of mineralisation, the type of deposit and the activity undertaken to qualify as a 'Competent Person' under the JORC Code for Reporting of Mineral Resources and Ore Reserves (2004 Edition). Mr Ball has given his consent to the inclusion of the information from his Report. Mr Ball is Principal of DataGeo Geological Consultants (an independent geological consultancy) and a member of the Australasian Institute of Mining and Metallurgy