



ASX RELEASE

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ASX: TMX

Great Western – Onsite Gold Processing Studies

Terrain Minerals Limited (ASX: TMX) is pleased to provide the following update on its Great Western Gold Project.

As part of the preliminary scoping studies, Terrain have been examining both toll treatment options and onsite processing options.

Terrain has appointed consulting metallurgist Mr Adrian Hall of Metallurgy Matters to design and cost onsite gravity milling solutions for Great Western. His concepts and designs have been based on the following early stage assumptions:

- Gravity recovery of ~85%
- ~400,000 ton of material*
- Grade ~2.9g/t**
- 25 to 40 ton per hour milling capacity

Gravity Recovery*** has been based on these early stage results:

SAMPLE	Weight (g)	Au (ppm)	Gravity Au %
GW MET 01	309.5	77.6	90.36
GW MET 02	316.3	198	92.36
GW MET 03	313.6	25.1	80.83

Gravity Recovery Amdel 16/07/2009

Quote: from Amdel report 16/07/2009 “Surprisingly a significant amount of “free gold” was recovered at this stage”.

The option of onsite processing is attractive and potentially has a number of advantages over batch treating at third party plants. One of the principle advantages is the potential to create a constant cash flow rather an erratic one that may result from third party treatment in batches. The proposed onsite gravity processing design (No CIL circuit) has the potential to lower Opex costs.

Preliminary work suggests gravity tails are amenable to CIL processing and possibly other viable processing alternatives or on-selling of this material. No economic studies have been carried out on this material to date.

As this early stage, metallurgy work has indicated the gold is of a coarse nature, which suits the suggested onsite gravity treatment option. This also eliminates potential metal reconciliation issues often encountered when utilising third party plants.

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Hall has suggested the following conceptual on-site lay outs:



Diagram 1: Sepro Systems 75t/h three stage crushing circuit.



Diagram 2: Sepro Systems 40 tph grinding and gravity plant (dual stream mills and centrifugal concentrators).



This scoping level work and the results will be used in further studies, including detailed pit design work and preparation of an Ore Reserve.

Footnotes:

***~ 400,000 ton material** The material estimate has been taken from several in-house scoping level studies of various pit designs and the recent JORC 2012 compliant mineral resource. Refer to ASX Announcement released on 24/08/2015.

****Grade ~2.9g/t** Grades are from an undiluted resource estimation, and various in-house pit designs at scoping study level and the JORC 2012 compliant resources; Refer to Announcement released on 24/08/2015 – “Great Western Gold Resource, Now JORC 2012 Compliant & Project Update”.

*****Gravity Recovery** Sample material is presentive of oxide and transitional material of limited volume. Additional bulk testing is required. This material will be collected from the drilling campaign announced on the 03/10/2016.

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 considers it as an advanced opportunity which is possibly still open down plunge and along strike to the west. Further exploration has the potential to expand the current project life 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 release 22/09/2010).

This information was prepared and first disclosed under the JORC Code 2004. It has since been updated to be compliant with the JORC Code 2012 as announced on the 24/08/2015 and all material assumptions underpinning the JORC 2012 compliant resource estimate continue to apply and have not materially changed. The current scoping studies have been based on a single open pit.

The current model envisages that exploration for the down plunge extensions to the known mineralisation underneath the current pit limits, will most likely be conducted from anticipated cash flow.

Terrain has recently announced on the 03/10/2016 a ~1,000m RC drilling campaign at Great Western. Refer to this ASX announcement for further details.



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ABOUT TERRAIN MINERALS LIMITED:

Terrain Minerals Limited (ASX:TMX) is a minerals exploration company with a Western Australian based asset portfolio consisting of:

- **Great Western** 100% TMX (Au)- near term development opportunity, resource estimation and economic study have shown positive outcomes. Work is now underway to prepare data and work towards getting all mining approvals;
- **Gimlet** 100% TMX (Gold & Ni-Cu)- exploration licence located in the Fraser Range Province. Identified untested Gold auger soil drill target to be tested; and
- **Rembrandt**, 100% TMX (Au)- high grade gold intersected at Monet Prospect. Divestment process has commenced for Rembrandt;