

ASX Announcement



8 July 2021

ABN: 45 116 153 514

ASX: TMX

Quarterly Activities Report: June 2021

Terrain Minerals Limited (ASX: TMX) (Terrain) is pleased to provide the following update on its activities for the June 2021 quarter:

HIGHLIGHTS:

Smokebush – Gold Exploration Project

- Two new gold rock chip samples taken from historic spoil piles along Monza
 - 0.58 g/t Au - rock chip
 - 4.78 g/t Au – rock chip
- 16 RC holes for 2,079m was successfully completed
 - Monza - 13 holes for 1,669m, along ~800m northern corridor
 - Paradise City - 4 holes for 351 meters
 - Rabbit Warren - 1 hole for 59 meters
- Drilling results are currently pending
 - Sample analysis delays are industry wide
- Drilling Program carried out professional & safely with no recorded LTI's

Wild-viper - Gold Exploration Project

- New field trip conducted over five identified priority areas
- New theories now be advanced for the next stage of field works

Corporate Update

- Terrain held 3.5 million RED5 Ltd shares at end of June Quarter
- New tenement package field assessment completed
- Reviewing process of new opportunities ongoing

Address: Suite 2, 28 Outram Street, West Perth WA 6005 **Postal:** PO Box 79, West Perth, WA 6872

T: +61 8 9381 5558 **E:** terrain@terrainminerals.com.au **W:** www.terrainminerals.com.au

Smokebush Gold Project

New Monza Rock Chip Samples

Recent mapping activities identified a new series of historic shallow workings between the Monza drill area and the northern extension working 500m away that reported rock chip results up to 100g/t Gold, from historic workings (Refer to ASX announcement 07/10/2020 - High Grade Rock Chips at Smokebush Gold Project).

Rock Chips Samples (taken from two separate spoil piles along the Monza trend):

- **0.58 g/t Au**
- **4.78 g/t Au**

The new samples were taken from spoil rock piles adjacent to the shallow workings (refer to Diagram 3). These results provide further evidence of gold mineralisation between the two areas and provides further confidence for the recent drilling program (now completed) which was aimed at defining a broad northern extension of gold mineralisation in this area.

RC Drilling Program – Completed Result Pending

Terrain successfully executed the follow up drill program at Smokebush gold project consisting of 16 RC holes and 2,079m of drilling. The samples have been sent to the laboratory in several batches and the market will be updated as soon as possible. The testing laboratories are currently experiencing high demand and delays are expected.

Monza (80% TMX) RC Drilling

RC Drilling at Smokebush was completed on 17 May 2021. A total of 12 RC holes for 1,669m were completed north of Monza. Three (3) of these holes are designed to test deeper extension of drilling completed in 2020 that successfully intercepted multiple intercepts of significant gold mineralisation. The remaining nine (9) holes are planned to test northern strike continuity of mineralisation up to the historic workings that have returned high grade gold mineralisation from sampling undertaken by Terrain in 2020.

Paradise City (100% TMX) RC Drilling

A total of three (3) RC holes have been drilled at Paradise City for 351m. These holes were designed to test the main potential northern extension orientations from mineralisation identified in historic drilling. These are the northern extension, the down plunge extension and the potential eastern extension. The aim of this drilling is to give an idea of the continuity and scale potential of the mineralisation as defined by historic drilling.

Rabbit Warren (100% TMX) RC Drilling - New Target

One extra RC hole of 59m was drilled into a new target area which tested a newly identified structure which recently returned a rock chip sample of **0.42 g/t Au**. A single unplanned 59m deep RC hole was added at the end of the program to test the newly identified ~50m long structure, which appears to extend under cover on both ends and re appear over several locations. Located to the west of Paradise city.

Hurley, T17 & Wildflower (80% TMX)

A large air core program has been designed over these two areas and will most likely form the next stage of exploration for the project. Several other targets are also being advanced around areas that have seen little attention.

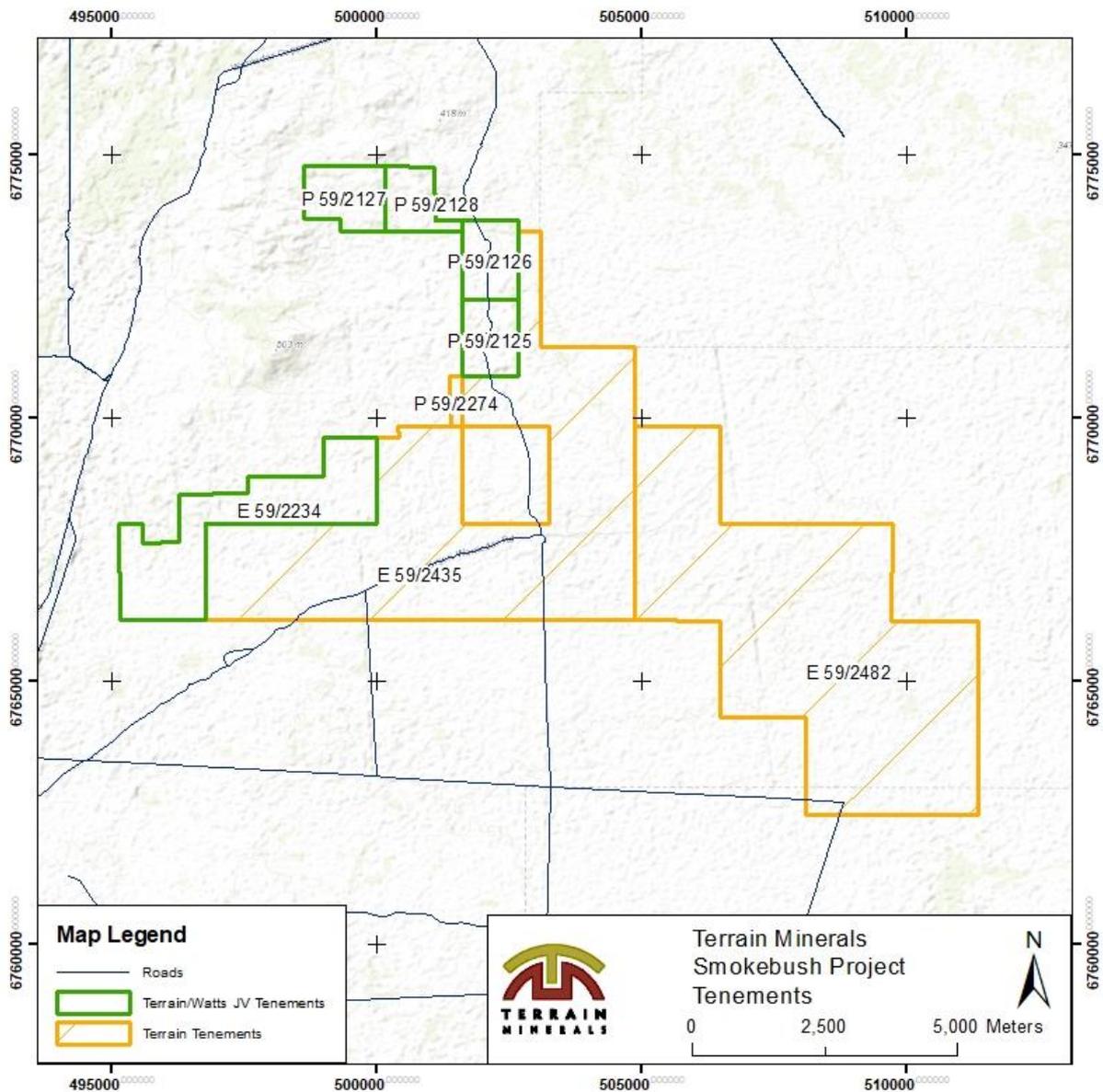


Diagram 1: Map of Terrain Minerals Smokebush JV (80% now earned) and the 100% owned tenements, refer to map legend.

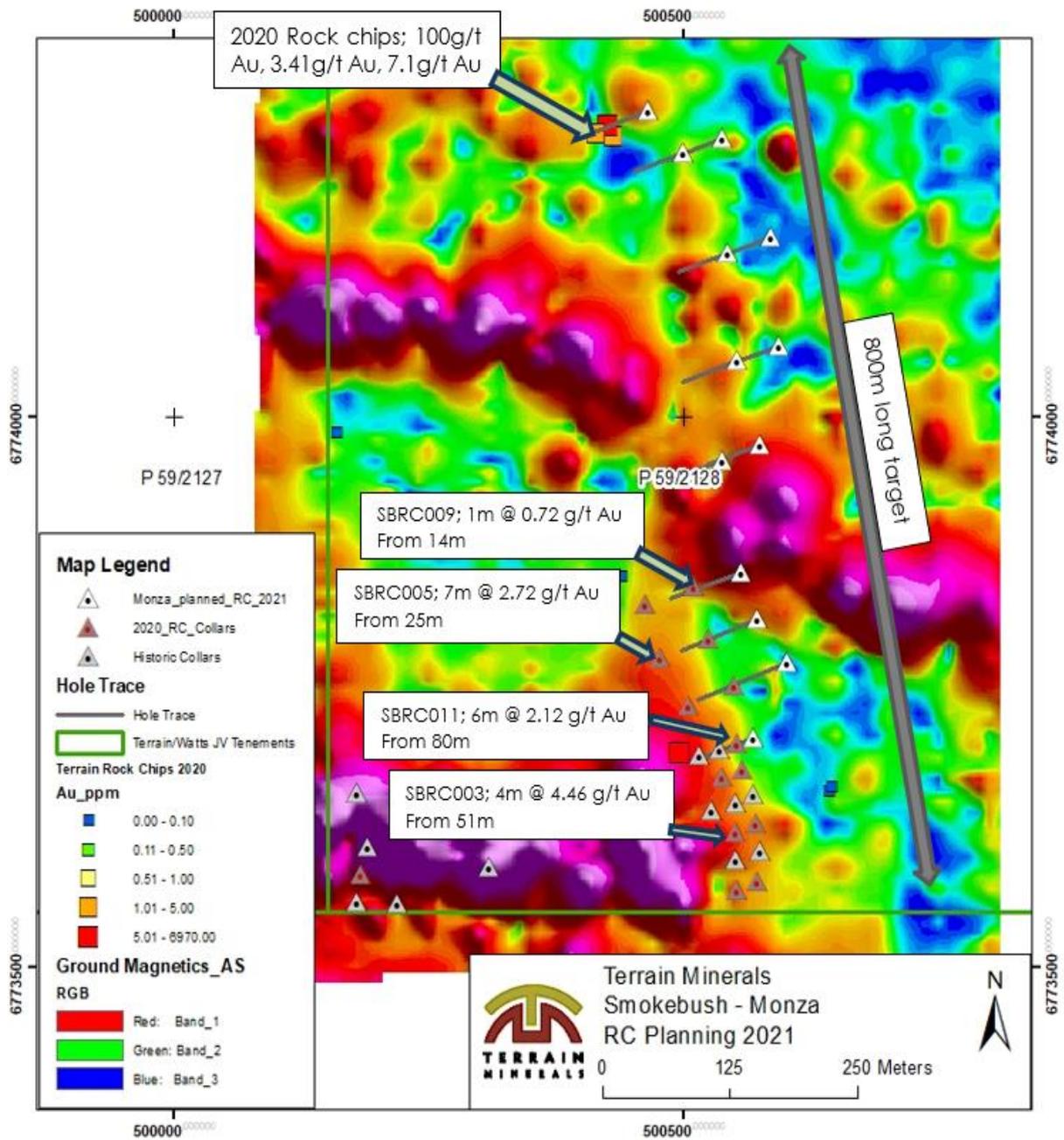


Diagram 2: 2021 Monza drilling relative to Terrain 2020 announced drilling with selected significant intervals identified.

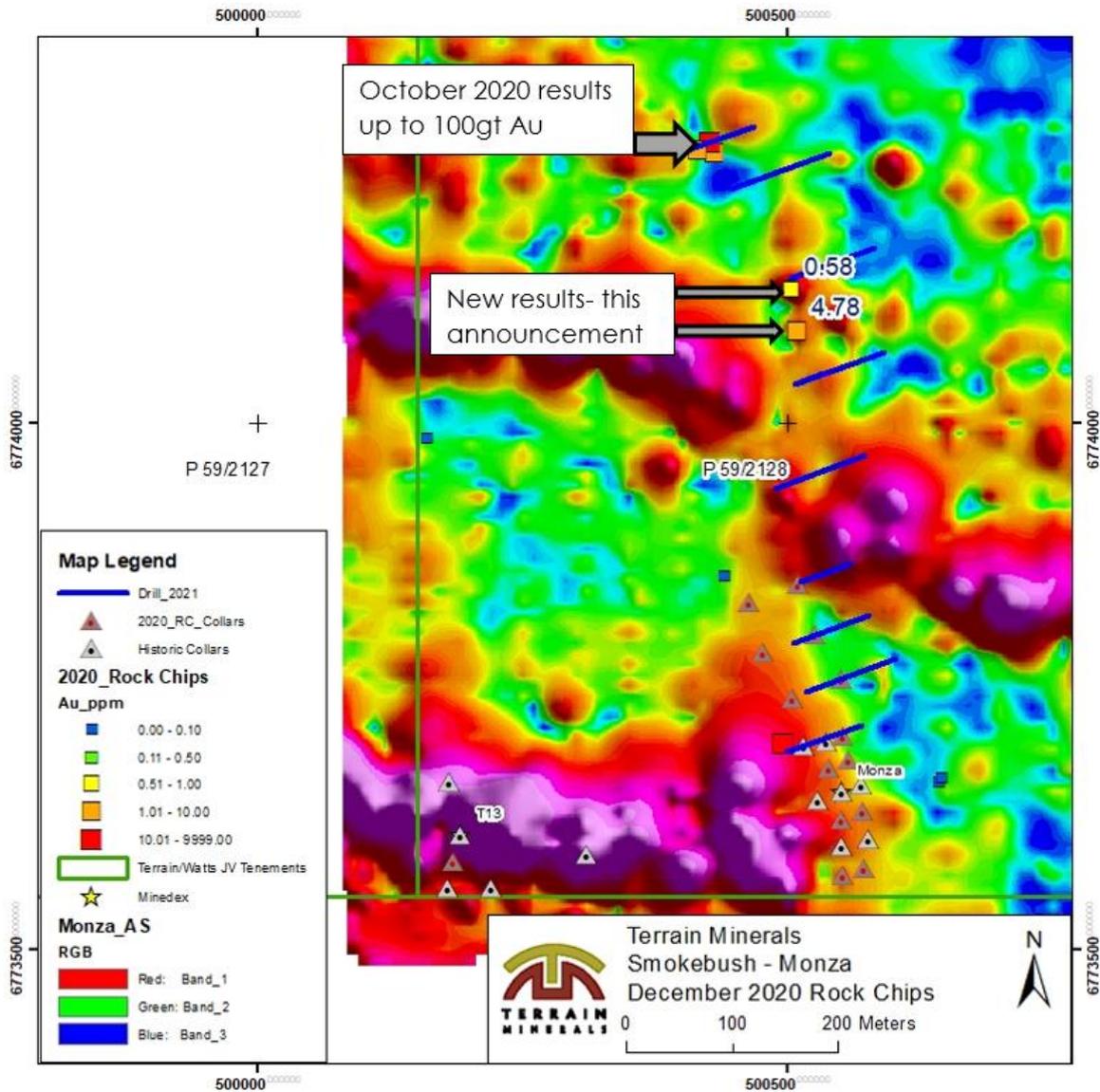


Diagram 3: Planned 2021 Monza drilling and new gold rock chip samples from a series of historic working.

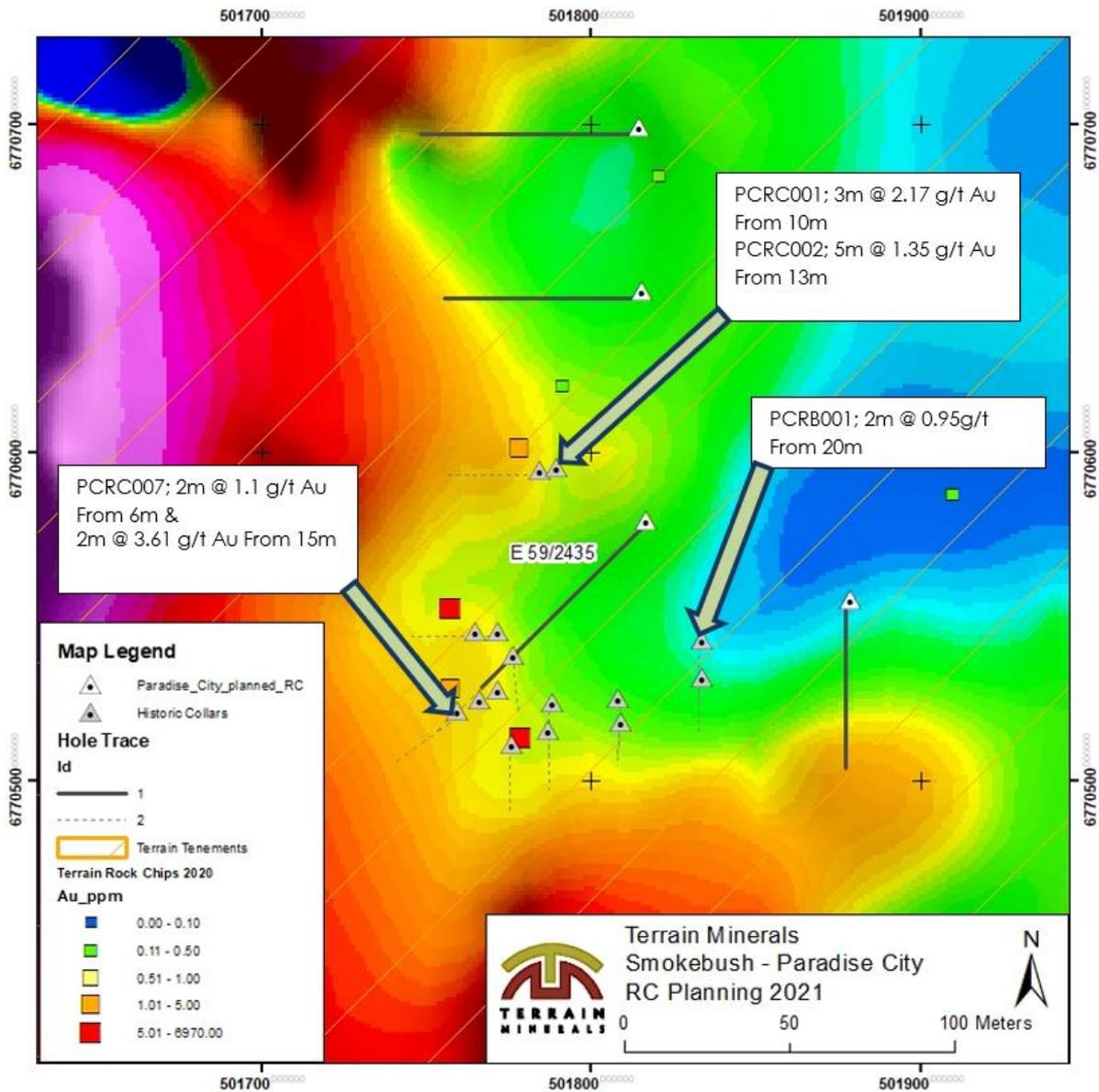


Diagram 4: Planned 2021 Paradise City drilling relative to historic drilling with selected significant intervals identified.

Ground Geophysics & Mapping Refines Targeting Matrix at Smokebush Gold Project

Terrain was pleased with the highly encouraging results received back from the ground-based geophysics program conducted in December 2020 over the Smokebush gold project.

The geophysics concentrated on 3 key areas; Monza, Wildflower and Paradise City. All data has been merged with the existing data to create an advanced data base for precise drill targeting (refer to Diagram 5).

This field trip program also consisted of a very detailed mapping program which extended beyond the key areas. This has identified several new areas that Terrain has followed up on.

During the quarter, and on the back of the successful ground based geophysical program, a second follow up program commenced. The data from this second program is now being processed.

During the quarter, Terrain also continued with its detailed and systematic mapping campaign, which aims to cover the whole Smokebush area. Close spaced and detailed mapping was carried out over several areas that were highlighted during the December 2020 program.

Ground Geophysics Results

Ground geophysics was undertaken on 3 selected grids, data was collected with a geometrics 858 magnetometer at 50m line spacing, processed and gridded (Diagram 5).

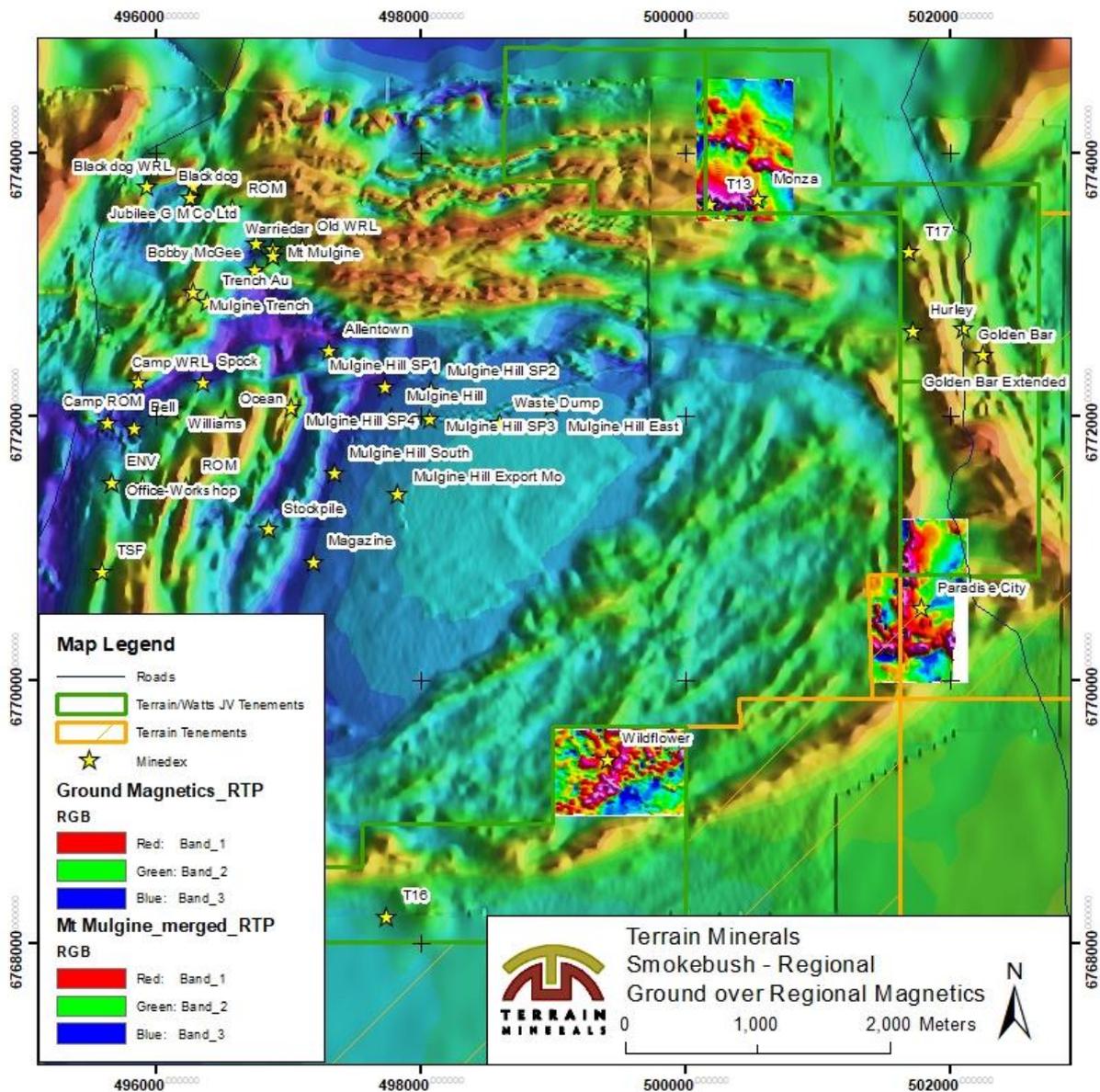


Diagram 5: Gridded RTP (Reduced to Pole) ground magnetic data sets in the context of the Smokebush Project.

Monza Prospect

The Monza area (700 by 1,000-meter) was covered by 50m spaced north-south ground magnetic lines. The information will assist with preparation for drilling which will be targeting depth and strike extents, as well as testing new areas along the ~800m plus strike (refer to Diagram 6).

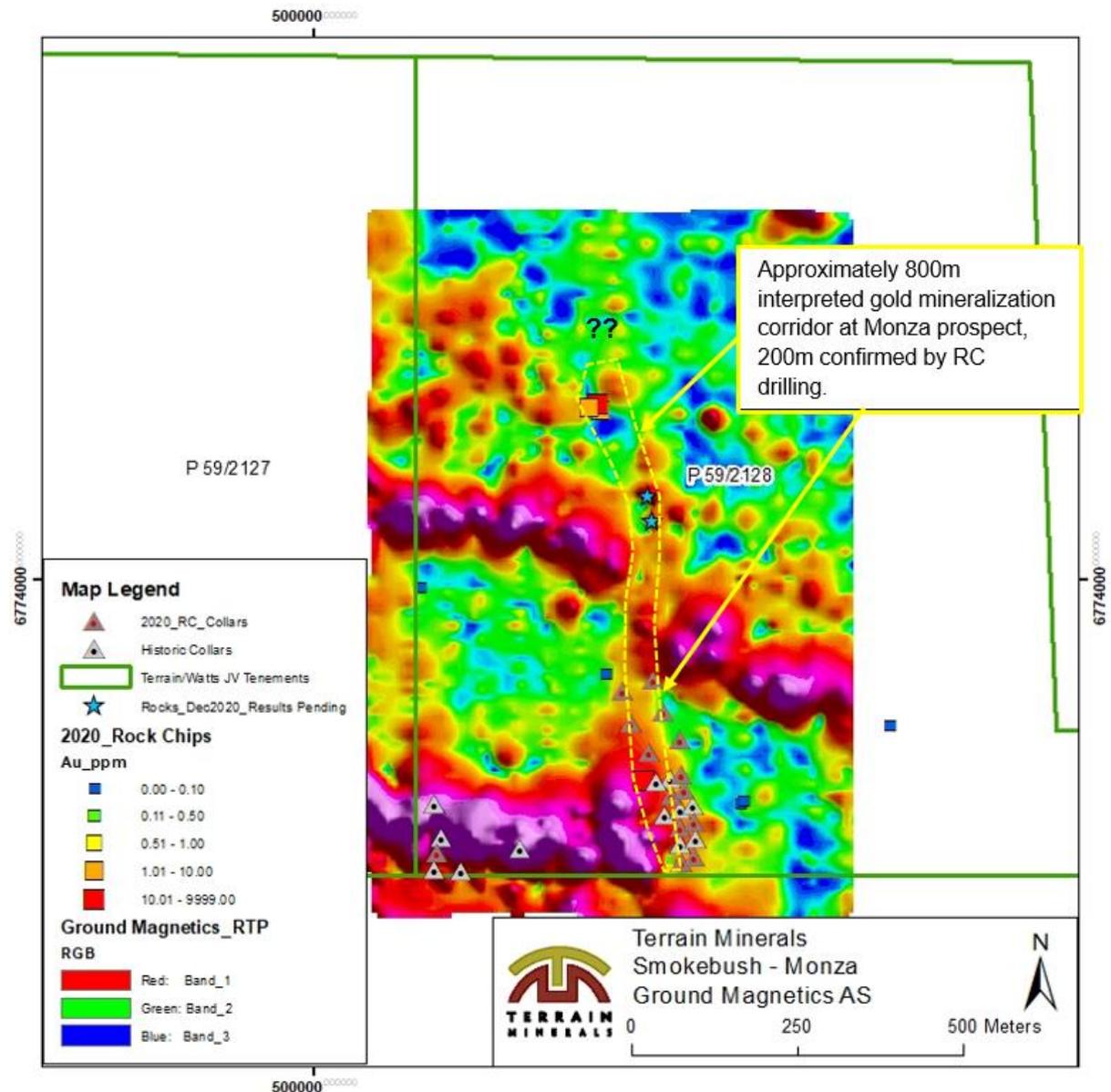


Diagram 6: Gridded AS (Analytical Signal) ground magnetic data set over the Monza Prospect.

Paradise City Prospect

Ground Magnetic data over the Paradise City Prospect reveals a stratigraphic anomaly forming a synformal folded feature with known gold mineralisation between contrasting magnetic stratigraphy around the closure of this feature. Terrain geologists have interpreted a 600m long surface expression of potentially anomalous gold associated with the Paradise city prospect.

The survey area was 600 by 1200m and was covered 50m spaced east-west ground magnetic lines. Planning is now underway for the maiden drill program which follows up on an exceptional historic first pass RC program (refer ASX announcement 3 December 2020). This target shares similarities to Monza prior to Terrain’s successful maiden drilling program (refer to Diagram 7). The structure appears to head north towards other known mineralisation some ~3km to the north.

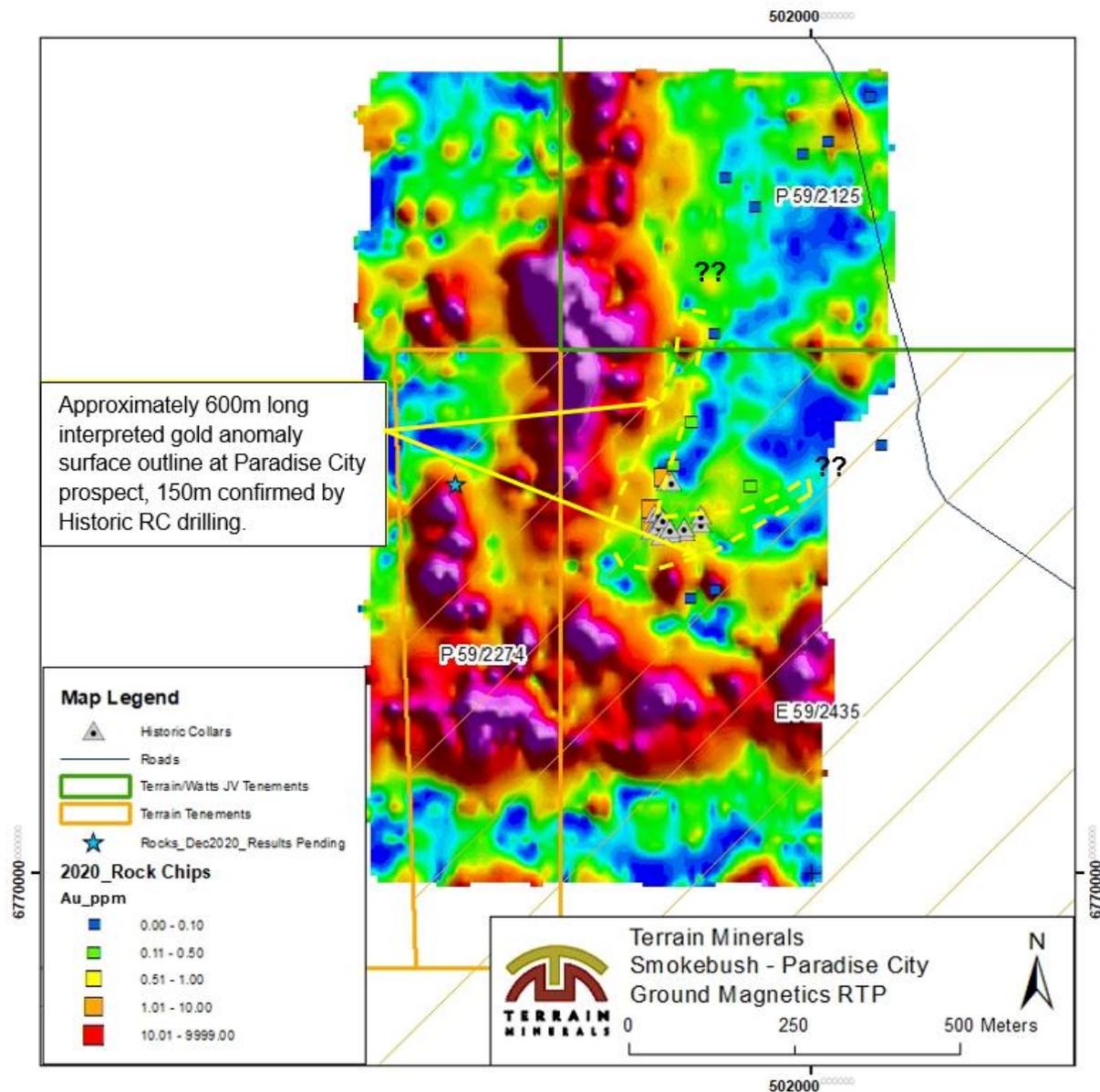


Diagram 7: Gridded RTP (Reduced to Pole) ground magnetic data set over the Paradise City Prospect. The trend appears to head north towards Hurley and T17, historic targets that are located ~3km away.

About Smokebush Gold Project

In February 2021, Terrain earned 80% of the Smokebush tenements via expenditure of \$250,000 over 2 years. New areas have recently been granted which are 100% owned by Terrain.

The Smokebush Project Area is located approximately 85 kilometres east northeast of the Perenjori township and 65 kilometres west of Paynes Find within the Yalgoo Mineral Field.

The tenements can be accessed via the unsealed Perenjori - Warriedar Road, and thence via extensive historical exploration grid lines, station tracks and fences lines.

Note: For additional information refer to ASX announcement:

- **2 December 2019** - Farm-in Agreement for the Smokebush Gold Project at Mt Mulgine, 65km West of Paynes Find WA.
- **18 December 2019** - Smokebush Exceptional Historic Drilling Results Identified During Project Due Diligence.
- **3 March 2020** - Exciting Results from Smokebush Gold Project.
- **08 October 2020** - High Grade Rock Chips at Smokebush Gold Project.
- **12 October 2020** - Exciting Drilling Results at Smokebush Gold Project.
- **3 December 2020** - New Application Granted with Exciting Historic Results at the Paradise City Gold Prospect - Smokebush Gold Project.
- **12 February 2021** - Ground Geophysics & Mapping Refines Targeting Matrix at Smokebush Gold Project.
- **17 March 2021** - Drilling & Project Update - Smokebush Gold Project.
- **22 April 2021** - 2,100m RC Drilling Program Commenced at the Smokebush Gold Project.
- **27 May 2021** - New Rock Chip Samples & Drilling Update Smokebush Gold Project

Wild-viper Gold Exploration Project

Terrain geologists conducted a field trip to site this quarter, following up on several new ideas. The geologist conducted detailed mapping over 5 areas which has resulted in a new theory for the area. These ideas are now being investigated further using the existing historic data and the market will be updated on the next stage for exploration over this strategically valuable tenement.

The team used a drone as part of the mapping program. These aerial pictures have greatly assisted with gaining a better understand of the local geology. This included the areas adjacent to the new Great Western pit that is currently owned and being excavated by Red5 Ltd. The additional layer of data has been useful, and Terrain intends to continue use drone footage going forward.

Several rock samples have been submitted for testing, mainly for technical and identification purposes. Results will be releases if the results are relevant to the market.

About Wild-viper Gold Project:

The 100% owned Gold exploration project is Located 68 km north of Leonora and adjacent to the Goldfields Highway and is situated on the Weebo pastoral leases and forms part of the historic Wilsons Patch mining area. Terrain considers this project an exciting exploration opportunity that has seen limited modern exploration. This Strategically located package is surrounded by the Great Western Gold Project (now owned 100% Red5 Ltd) and is also adjacent to Saracen's (ASX: SAR) Bundarra gold deposits as well the historic Black Cat workings. The newly secured Wilson Patch tenement is also under explored and is highly prospective due to being held in private hands for several decades.

Note: For additional information refer to ASX announcement:

- **22 June 2020** - Wild-viper & Smokebush Gold Projects Update.
- **29 June 2020** - Strategic Acquisition at Wild-viper Gold Project "The Missing Piece of the Puzzle" & New Targets.
- **07 October 2020** - Wildviper Gold Exploration Project Update.
- **05 November 2020** - Commencement of 2,650m drill program at Wild-viper Gold Project & Smokebush Gold update.

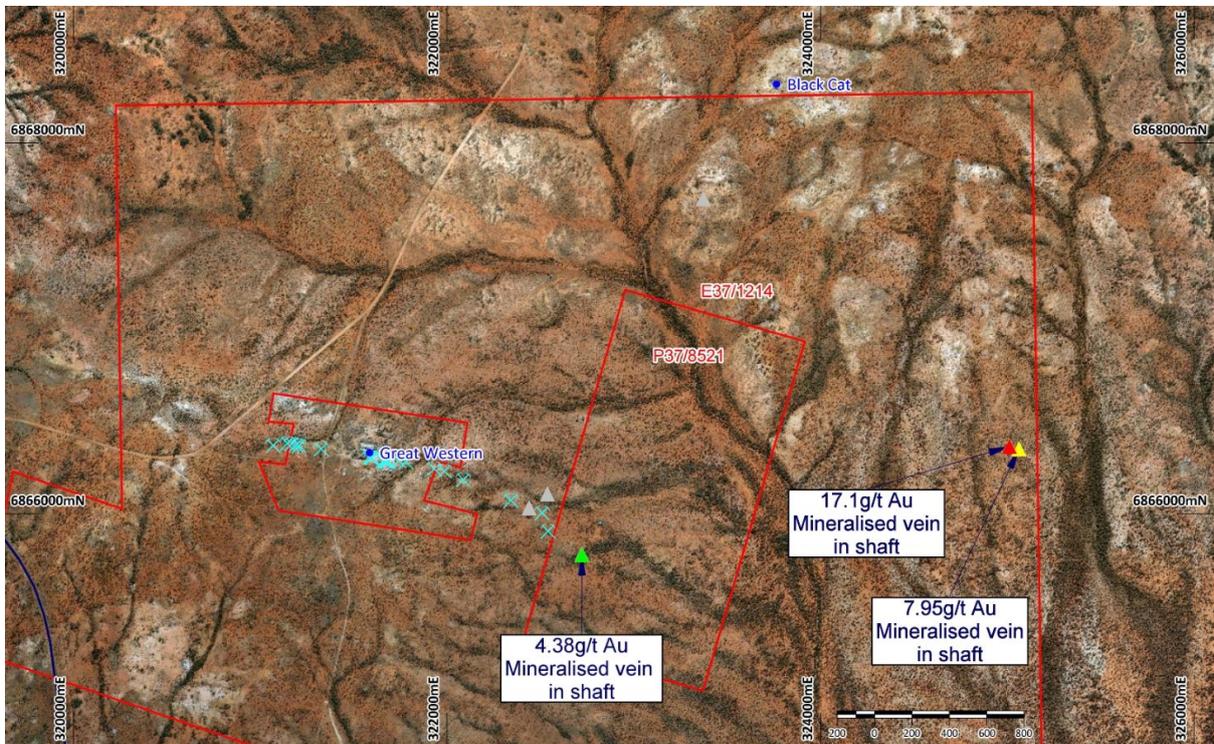


Diagram 8: Location of recent high-grade rock chip samples.

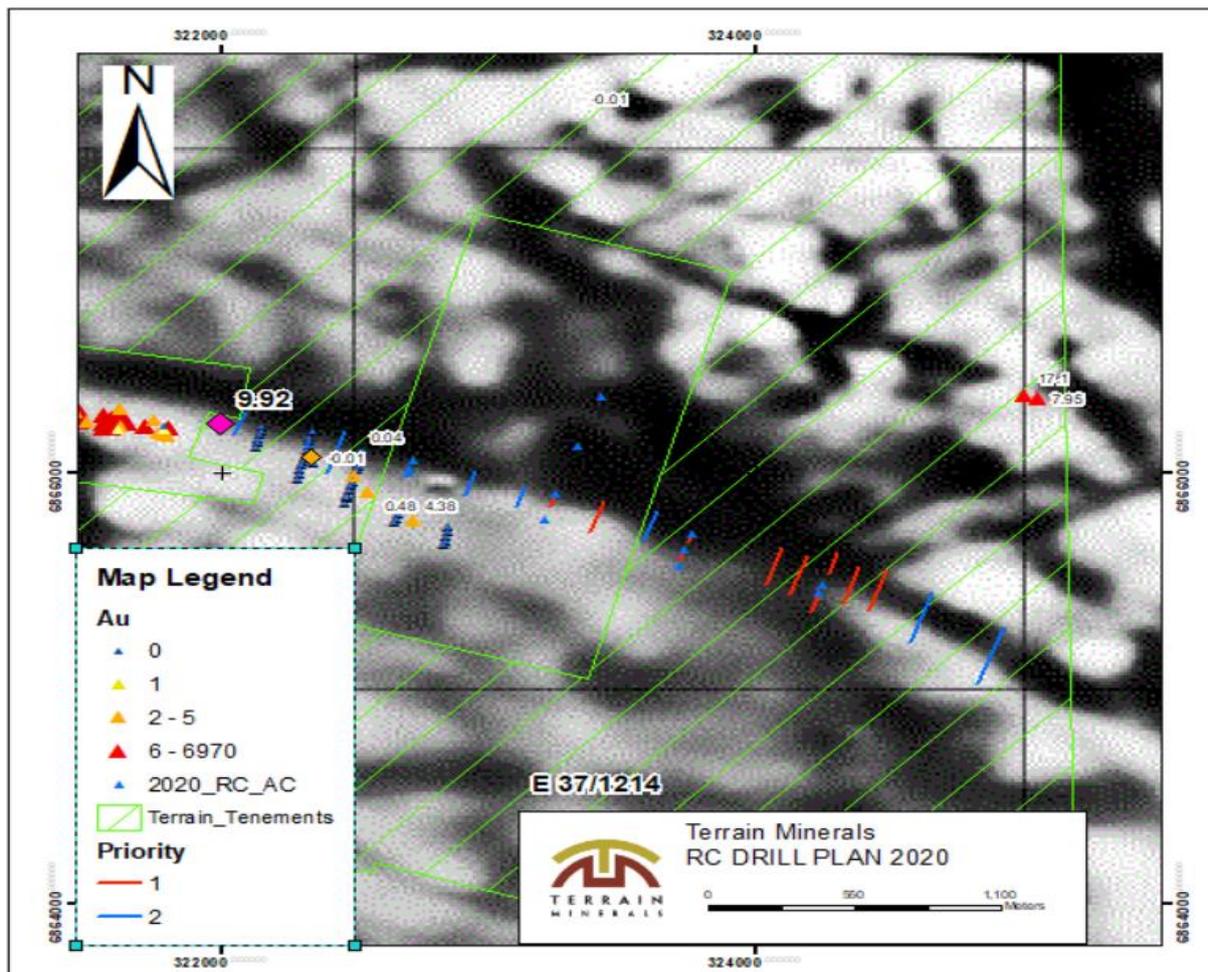


Diagram 9: The red lines indicate the drill lines and areas recently tested. The blue lines are the target areas for the next stage of drilling which are subject to findings from this program.

Corporate

New Land Areas - Applications

Terrain had applied for and secured several tenements that it considers may provide the company with new opportunities, after conducting filed investigation most of these have been withdrawn. One new area has been applied for near Smokebush, this area is currently subject to a wardens court ballot draw. These new applications fit in with the current strategy of continuing to assess new areas near existing projects.

Share Investment

As of the 30 June 2021, Terrain held 3.5 million shares in RED5 Limited (ASX: RED).

Project Review

Terrain continues to search and assess potential 'company making' projects including Gold, Copper, Nickel and industrial minerals in Australia, Africa, North & South America, Asia, Europe, and other regions. Several jurisdictions of interest have been identified. All economic commodities are being considered as indicated in previous Quarterly reports.

Terrain is currently investigating several new opportunities, located in WA and the other in Europe. Geological assessment and discussion are ongoing.

Due to the current global COVID-19 virus situation, Terrain intends to focus on WA based opportunities for the time being, until the board can better understand the long-term restrictions around accessing foreign jurisdictions and travel. All opportunities will continue to be assessed on their merits.

Justin Virgin
Executive Director

For further information, please contact:

Justin Virgin - Executive Director
Email: terrain@terrainminerals.com.au
Phone: +61 8 9381 5558

ABOUT TERRAIN MINERALS LIMITED:

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

- **Smokebush** - WA gold exploration Project JV (80% TMX) – Terrain has identified multiple drill targets along with several other prospective areas that require additional work. Terrain executed its highly successful maiden RC drill program in August 2020, which followed up on historic drilling. Terrain is excited about the results following completion of the second phase of ground based geophysical survey and detailed mapping program over the new areas around Monza, Paradise City (100% TMX) and Wildflower prospects. The second phase of RC drilling has been completed for a total of 2,079m. Terrain also drilled one extra target/hole at the end of the program. The drill results are currently pending.
- **Wild-viper** - WA gold exploration Project 100% owned – which incorporates the strategic land holding known as Wilson Patch (WP). Wild-viper tenement package is strategically located and surrounds Red5 Ltd - Great Western Project (GW) as well as being adjacent to Saracen's (ASX: SAR) Bundarra gold deposits. As of the date of this announcement Terrain held 3.5 million Red5 shares (ASX: RED) from the GW sale. Terrain's geologist recently visited site (week starting 24th May 2021) following up new theories identified from recent data reviews.
- **Project Review** - Terrain Minerals continues to search potential projects across various commodities including Gold, Copper, Nickel, and industrial minerals in WA. Due to COVID-19 travel restrictions, all regions outside of WA, including foreign jurisdictions, are still being considered however are becoming more difficult to operate in.
- **Due to the COVID-19 Situation** - Terrain has been concentrating on WA based opportunities, due to the current travel restrictions that are in place. The board will continue to monitor advice from the relevant authorities (WHO and Australian Government) about the virus and the factors effecting the health and safety of all Terrain's stake holders.

Authority

This announcement has been authorised for release by the Board of Director of Terrain Minerals Limited.

Related Party Transactions

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associated during the quarter totalled \$68,000. Terrain advises that this relates to Executive Director salaries and entitlements and Non-Executive Director fees. Please refer to the Remuneration Report in the Annual Report for further details on Director remuneration.

Competent Person Statement:

The information in this report that relates to historic exploration activities are based on information compiled by Mr. S Nicholls, who is a Member of the Australian Institute of Geoscientists and full time employee of Apex Geoscience Australia Pty Ltd. Mr Nicholls 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Nicholls consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Compliance Statement:

The Company notes that within the announcement all the information is referenced directly to the relevant original ASX market releases of that technical data.

Terrain would like to confirm to readers that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of the estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Disclaimer:

Information included in this release constitutes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue" and "guidance" or other similar words, and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate environmental conditions including extreme weather conditions, staffing and litigation

Forward looking statements are based on the company and its management's assumptions made in good faith relating to the financial, market, regulatory and other relevant environments that exist and effect the company's business operations in the future. Readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements are only current and relevant for the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or advise of any change in events, conditions or circumstances on which such statement is based.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Terrain Minerals Limited

ABN

45 116 153 514

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(331)	(889)
(b) staff costs	(68)	(260)
(c) administration and corporate costs	(48)	(225)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other - Government stimulus package	-	55
- Net GST	1	(166)
1.9 Net cash from / (used in) operating activities	(445)	(1,484)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments net sale of Red 5 shares	-	397
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	-	397

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	147
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	147

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,590	2,085
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(445)	(1,484)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	397
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	147

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,145	1,145

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,145	1,590
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,145	1,590

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	68
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(445)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(445)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,145
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,145
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.89
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

**Schedule of Exploration Tenements held as at 31 March 2021 - Listing Rule 5.3.3
Interests in Mining Tenements**

Project/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Wild Viper E37/1214	Western Australia	100%		
Smokebush E59/2435 E59/2482 E59/2274	Western Australia	100%		

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Smokebush E59/2234 P59/2125 P59/2126 P59/2127 P59/2128	Western Australia	Terrain has earned 80% via on ground expenditure.		
Wilson Patch P37/8521	Western Australia	100% with royalty		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 8 July 2021

Authorised by:

Melissa Chapman/Catherine Grant-Edwards
Joint Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.