

ASX Announcement



28 October 2022

ABN: 45 116 153 514

ASX: TMX

Quarterly Activities Report: September 2022

Terrain Minerals Limited (ASX: TMX) (Terrain) is pleased to provide the following update on its activities for the September 2022 quarter:

HIGHLIGHTS:

Calytrix - New Exploration Project

- Package comprises of 222 block and covers ~668 square km – now granted
- Large first pass geological program executed
 - 240 soil & rock samples submitted
 - Mapping data review currently being complied

Smokebush – Gold Exploration Project

- Site visited during the Calytrix field program
- Two areas have been sampled and mapped, results pending
- Further work currently being planning, including drilling

Lort River Project – Rare Earth Elements (REE)

- Three tenements covering a total of 320km²
- Drilling POW has been approved
- Gold and base mental potential being assessed

Corporate Update

- Terrain currently holds 650,000 shares in Red5 Ltd (ASX:RED)
- New senior geologist appointed
- New opportunities continue to be assessed

The market will continue to be updated on the development of all of Terrain's projects.

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Calytrix Exploration Project

The now fully granted Calytrix exploration package comprises of four tenements comprising 222 blocks and covers ~668 square km. The tenements are prospective for base metals and gold and located to the north of Terrain's Smokebush project.

Calytrix is located approximately 40km south-east from the township of Yalgoo, 50km north of the Smokebush project and 500km north-east of Perth and is accessible by local roads.

It is geologically situated within a large structurally complex igneous area amongst historic gold prospects with large areas undercover. Calytrix has seen little to no exploration activities for an area that is located near to historic goldfields and operating major base metals mines including Golden Grove and 29 Metals. (Refer to Diagram 1).

Terrain's geological team recently spent two weeks on site conducting first pass mapping and sampling activities, with 240 samples collected and submitted (Refer to Diagram 2). Terrain initially identified multiple areas of interest from the very limited data and geophysics available over the area. Terrain has flown an EPR aerial survey over the Calytrix and Smokebush projects, after the quarters end, results are pending. The market will be updated subject to the interpretation of the mapping and soil results.

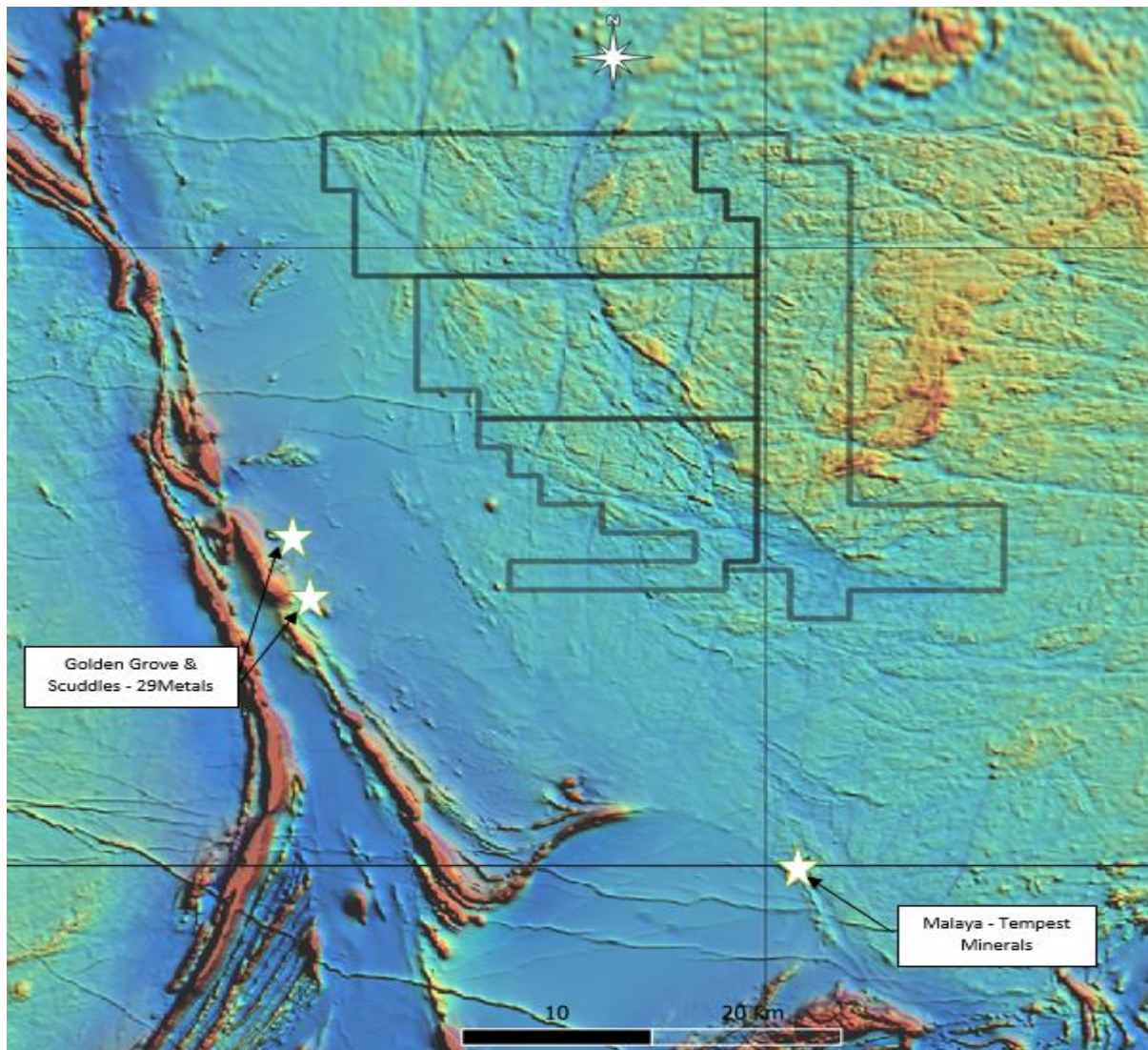


Diagram 1: Terrain new Calytrix exploration project now fully granted.

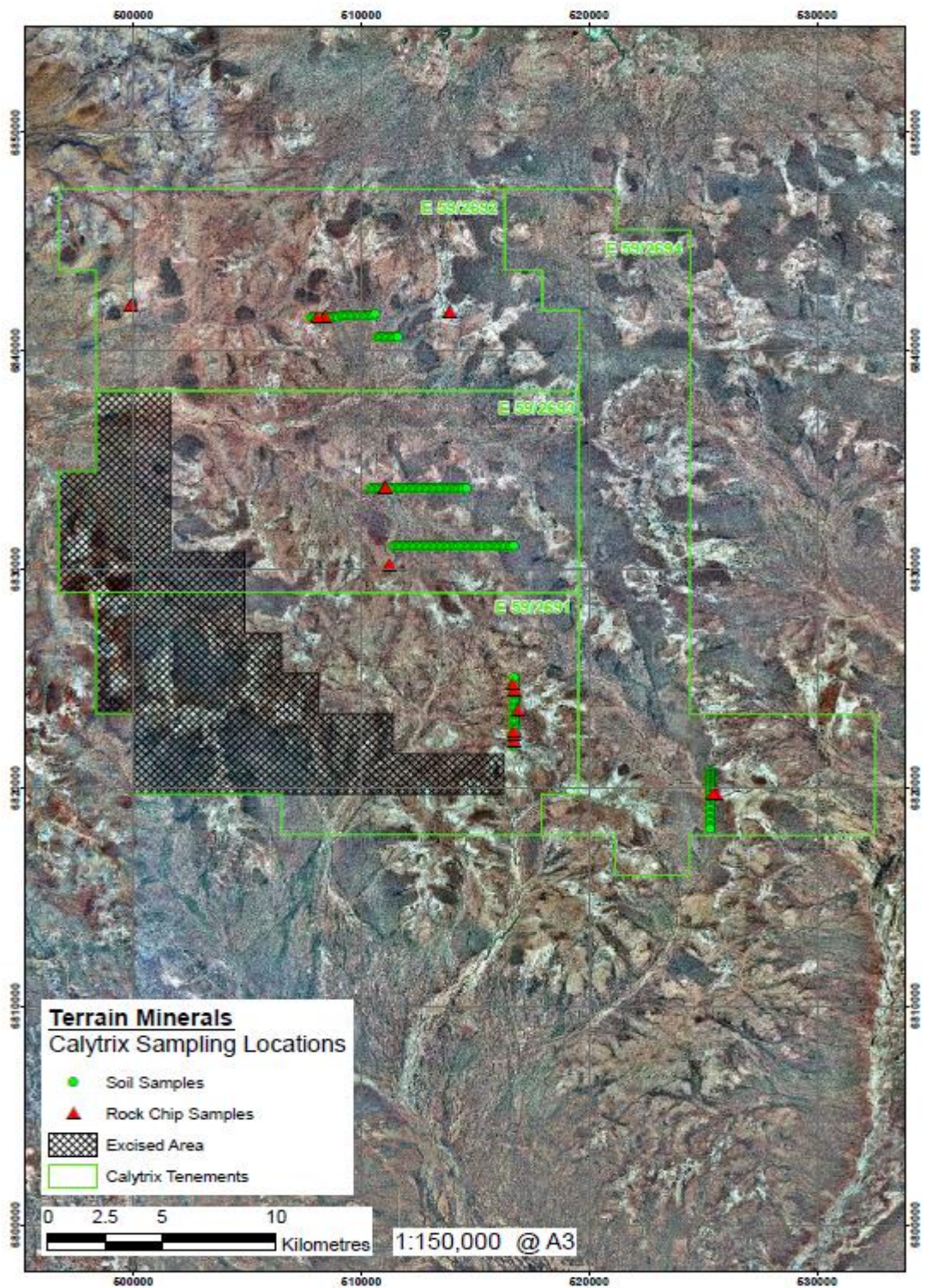


Diagram 2: The above diagram identifies the sample lines taken during the recent site visit.

Note: For additional information refer to ASX announcement:

- **23 August 2022** - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates.

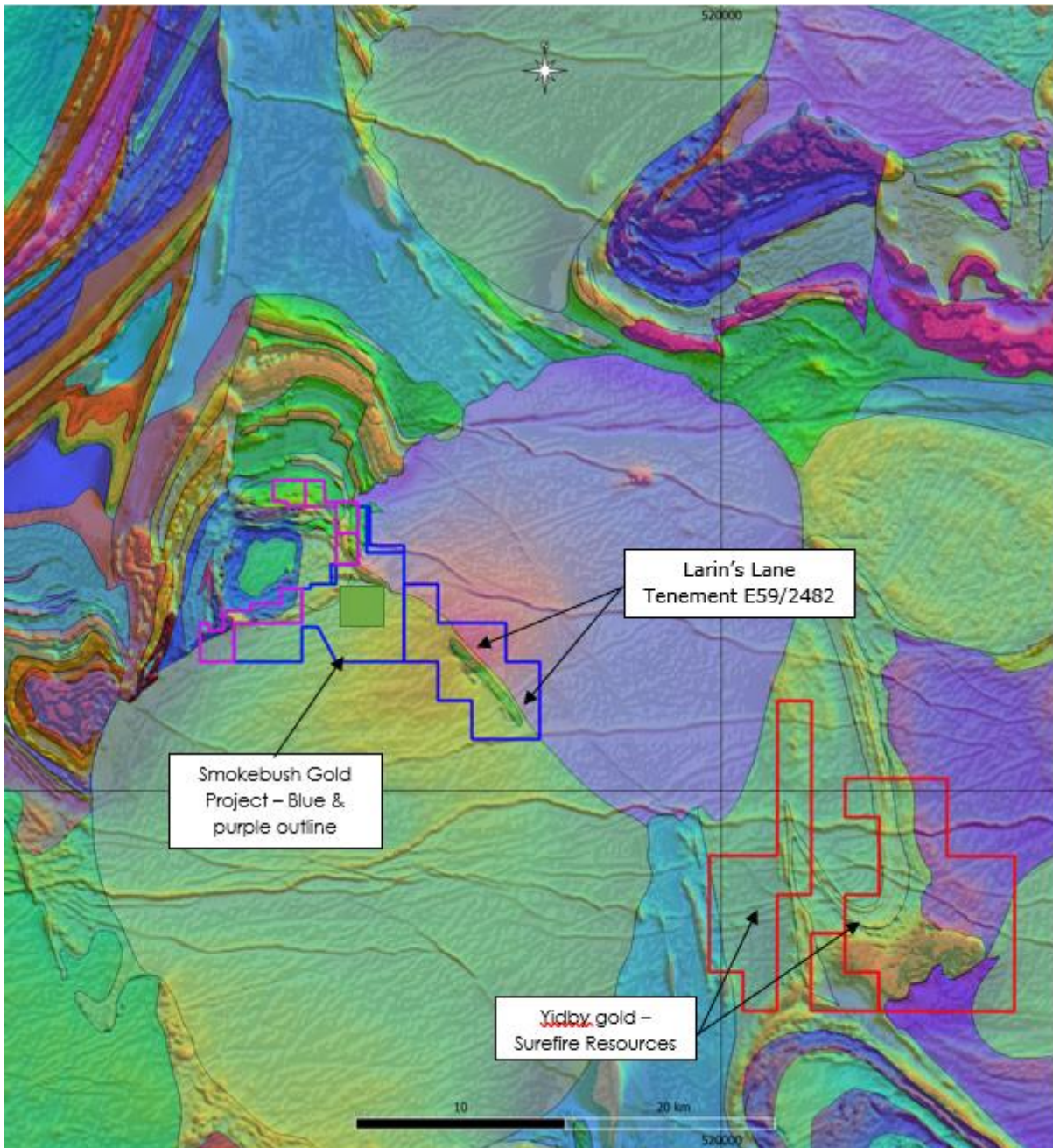


Diagram 4: Smokebush Project Location and new target area Larin's Lane.

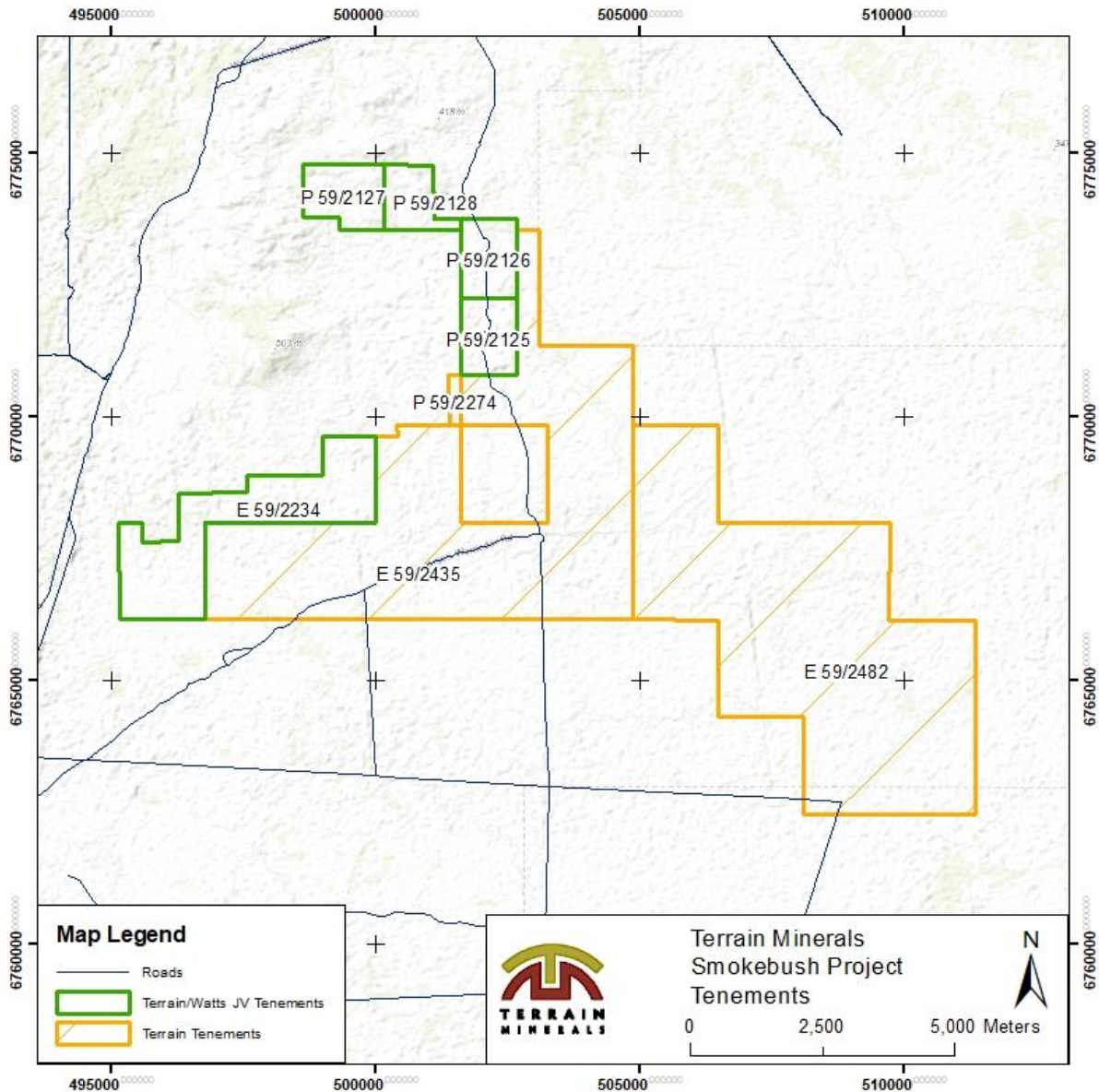


Diagram 5: Smokebush Project Location (tenement outlines in Green-JV tenements and Orange-Terrain 100%).

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.
- **19 July 2021** - Positive First Pass Drilling Results Smokebush Gold Project.
- **13 September 2021** - New Geological Interpretation (Monza) & Exploration Update, Smokebush Gold Project.
- **23 August 2022** - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates.

Lort River Rare Earth Project

Terrains 100% granted Lort River rare earths (REE) project tenements is located directly adjacent to emerging clay hosted rare earth discoveries in the region. During the quarter, Terrain conducted a review of historic data further highlighting the exploration potential at the Lort River Project.

Terrain is planning on conducting a small proof of concept air core drill program over the area. Drill rigs appear to be currently available, and the program of works (POW) are granted along with the Esperance shire approvals, who were extremely helpful. Heritage access discussions continue around sensible access to the heavily disturbed road verge areas, subject to the outcomes of the discussion Terrain may adjust its current approach to its exploration strategy.

About Lort River Project:

The new tenements cover a total area of 320km² of highly prospective exploration acreage for REE within the now tightly held and emerging southern Esperance clay hosted REE province of Western Australia. The project areas are predominately situated over freehold agricultural land and located within 50km of the town and port of Esperance and located between other ASX explorers who have already demonstrated the existence of clay hosted REE within the region (Refer to Diagram 6).

Companies operating within the region are having success with identifying clay hosted rare earth mineralisation within this newly emerging rare earth mineral province.

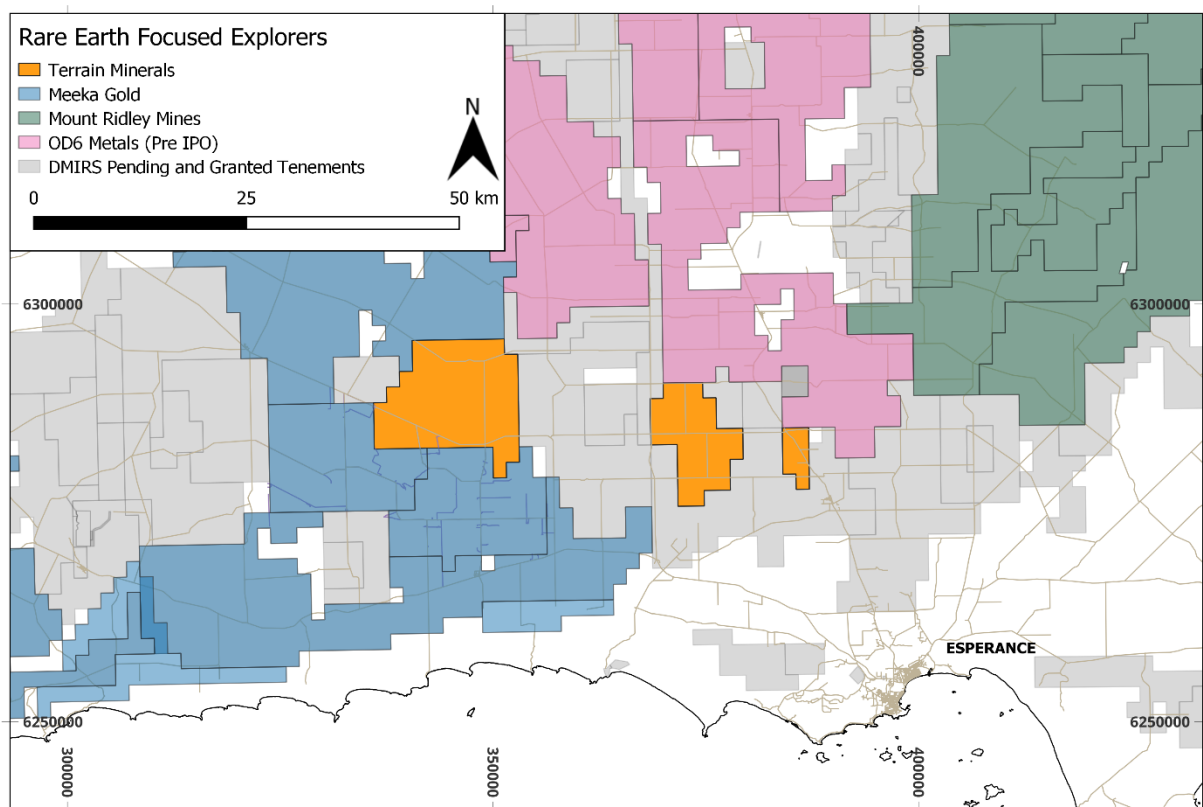


Diagram 6: Terrain new granted Lort River, REE exploration tenements in Yellow.

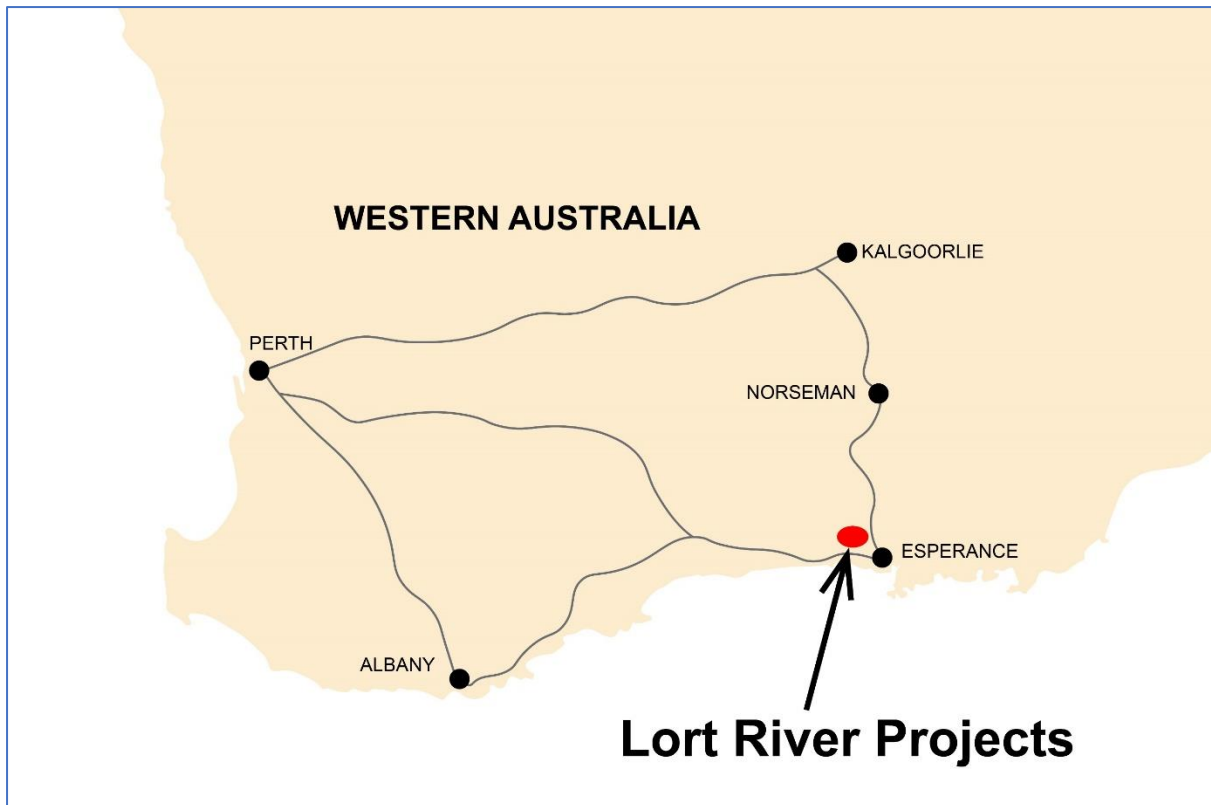


Diagram 7: Location of Lort River Project (TMX 100%) where surface REE clay type anomaly has been identified.

Lort River Project - Historic Data Review:

Terrains review of historic auger drilling data at its 100% owned Lort River Project with high-grade clay type rare earths (REE) soil anomaly identified over large areas.

High-Grade Rare Earths Soil Anomalies Identified

- Assays show a **high percentage of valuable magnet rare earth elements** (up to 35% of the total grade).
- **The shallow auger samples returned Total Rare Earth Oxide (TREO) grades of:**
 - 580 ppm TREO in VKU28733 (25% Magnet REO of total grade)
 - 525 ppm TREO in VKU28802 (27% Magnet REO of total grade)
 - 513 ppm TREO in VKU28806 (28% Magnet REO of total grade)
 - 505 ppm TREO in VKU28712 (35% Magnet REO of total grade)
 - 504 ppm TREO in VKU28729 (29% Magnet REO of total grade)

Refer: Collar and Drilling Tables 1 and 2 in ASX release heading/date below.

- Assays also show high Scandium (Sc) grades, a valuable metal and potentially important addition to the high-grade rare earth mineralisation.
- **Terrain intends to advance exploration at Lort River, targeting the underlying clay horizon** below the shallow soil anomaly.
- The tenure also covers the Kateup Creek, Helms, Bishops Hat and Lauriana Shear Zones and is prospective for gold and base metals, in addition to the shallow, high-grade, high value rare earth mineralisation already identified.

These exciting results are from historic shallow auger samples taken ~1m below surface and appear to have been taken along road reserves relating to early-stage gold exploration activities. Terrain will target the more prospective underlying clay horizon where it is hoped that grades will improve within larger zones. The high-grade soil results span Terrains two western tenements (E63/2208 and E63/2209), over 300km². The Company's eastern tenement (E63/2207) has never been explored for rare earth mineralisation and is also considered prospective for further REE soil anomalies (Refer to Diagram 8).

In addition to the high-grade rare earth soil anomalism spread across large areas of the Lort River Project, the tenure covers significant sections of major regional shear zones. This includes the Kateup Creek and Helms Shear Zone, the Bishops Hat Shear Zone and the Lauriana Shear Zone, positioned on the western side of a major bifurcation in the red island shear zone where both the Belgian and Lauriana Shears splay off to the west. In addition to rare earth targets, these shear zones present significant untested and highly prospective targets, for gold and base metals.

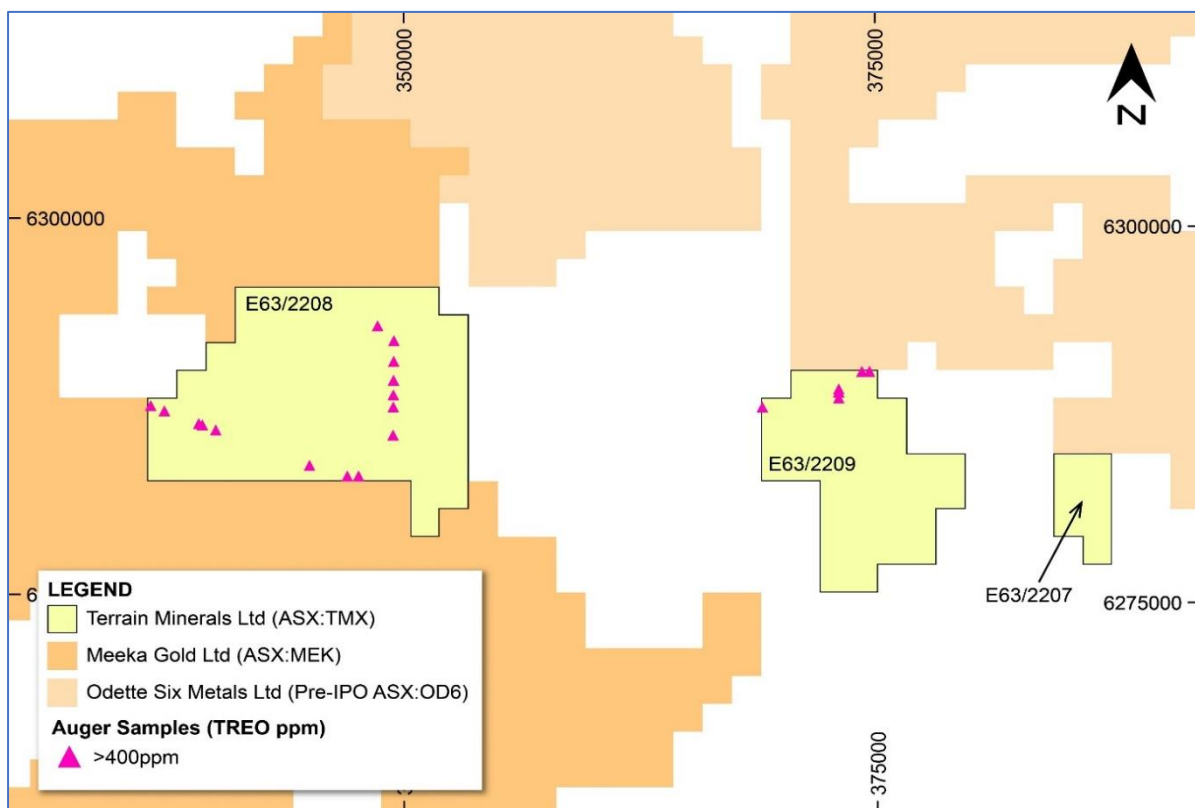


Diagram 8: Higher-grade rare earth surface sample locations.

Note: For additional information refer to ASX announcement:

- **5 May 2022** - Lort River (320km²) Rare Earth Project Highly Prospective Tenements Granted
- **30 May 2022** - High-Grade Clay Type Rare Earths (REE) Soil Anomaly Identified at Lort River Project

Wild-viper Gold Exploration Project

During the quarter, Terrain continued to conduct several desks top studies on the project. A large portion of the area is under soil cover which is disturbed by historic alluvial mining activities.

Terrain’s geological team has determined to conduct a geophysics survey which may better assist with identifying precise structural targets over the tenement. Terrain is currently arranging quotes and possible timing for the survey to be conducted, before the next drill program between the old Bundarra home stead area and the currently shallow excavated Great Western deposit.

Note: Terrain is currently at the warden court dealing with a special prospecting licence (SPL) application from an opportunistic prospector who is seeking to have an area granted which is in the proximity of Terrain’s proposed drilling program and so delaying ground activities. Terrain intends to defend its mineral rights within its granted tenement area, which has been systematically exploring and meeting all its expenditure obligations.

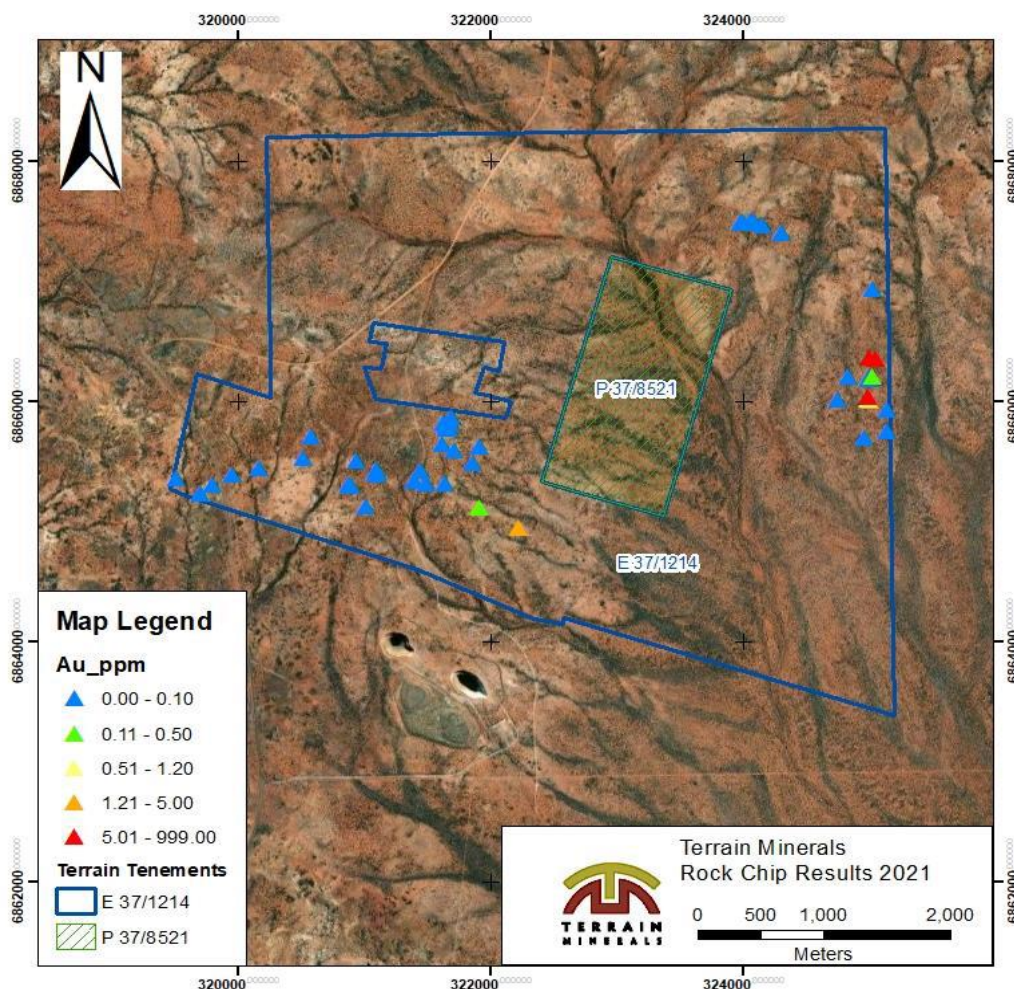


Diagram 9: Wild Viper Project, P37/8521 Terrain has the right. Other Blue cut of is RED 5 Ltd Great Western gold mine.

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 100% owned & being mined by Red5 Ltd - ASX: RED) and is also adjacent to Northern Star Resources (ASX: NST) 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** - Wild-viper Gold Exploration Project Update.
- **05 November 2020** - Commencement of 2,650m drill program at Wild-viper Gold Project & Smokebush Gold update.
- **02 February 2022** - High Grade Rock Chips from New Areas at Wild Viper Gold Project.
- **23 August 2022** - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates.

Corporate

Share Investment

As at the date of this announcement, Terrain retained 650,000 Red5 Ltd shares (ASX: RED) from the sale of the Great western deposit.

Note: RED5 recently conducting a placement and currently has an open share purchase program (SPP) offered to all shareholders priced at 16c (Terrain not participating). It is typically for share price softness during live corporate offering, the SPP closes on the 27 October 2022.

New Geologist

Terrain has recently secured the service of a senior geologist, after several month of searching. The board is excited regarding the appointment and to have secured a new team member with extensive WA experience.

Project Review

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

Geological assessment and discussion are ongoing on other opportunities.

Justin Virgin
Executive Director

For further information, please contact:

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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:

- **Investments:** As of the date of this announcement Terrain held 650,000 Red 5 Limited shares (ASX: RED) from the GW sale.
- **Calytrix Exploration Project** – Base metals and gold Exploration project, first pass filed exploration program was conducted and results are currently being assessed (Refer to above announcement).
- **Lort River** – WA Rare Earth Elements exploration project – 100% owned. Covering 320km² of highly prospective exploration acreage for REE within the now tightly held and emerging southern Esperance clay hosted REE province of Western Australia (Refer to above announcement).
- **Smokebush** - WA gold exploration Project JV (80% TMX) – Terrain has identified multiple drill targets along with several other prospective areas. Terrain executed its extraordinarily successful maiden RC drill program in August 2020, following up on historic drilling. The second phase of drilling has extended minerals a further 400m to 700m long and has also identified a new zone Monza Norths that appears to be on a different orientation. Further follow up work is also required over Paradise City (100% TMX), Rabbit Warren and Paradise Drive is now underway.
- **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.
- **Project Review** - Terrain Minerals continues to investigate potential projects across various commodities including Gold, Copper, Nickel, and other industrial minerals, REE and the platinoids groups of metals in Australia and again in other jurisdictions like Africa, Continental Europe, and the Americas.

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 \$69,000. 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.

ASX Listing Rule 14.3

In accordance with ASX Listing Rule 14.3 and its Constitution, the Company advises that valid nominations for the position of director remain open throughout the year.

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 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(123)	(123)
(b) staff costs	(69)	(69)
(c) administration and corporate costs	(86)	(86)
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 - Net GST	8	8
1.9 Net cash from / (used in) operating activities	(269)	(269)

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	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-

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 (3 months) \$A'000
(c) property, plant and equipment	-	-
(d) investments net sale of Red 5 shares	101	101
(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	101	101
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	-	-
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	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,085	1,085
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(269)	(269)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	101	101
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	917	917

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

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	917 ^(a)	1,085
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)	917	1,085

^(a) Includes a clearing amount in the form of an undeposited cheque for a refund of \$69,993 from the Department of Mines, Industry Regulation and Safety.

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	69
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(269)
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)	(269)
8.4 Cash and cash equivalents at quarter end (item 4.6)	917
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	917
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.41
<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	
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	
<i>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.</i>	

Schedule of Exploration Tenements held as at 30 September 2022 - 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%		
Calytrix E59/2692 E59/2694 E59/2744 E59/2745	Western Australia	100%	100%	
E59/2761	Western Australia	Application Pending		
Lort River E63/2007 E63/2008 E63/2008	Western Australia	100%	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: 28 October 2022

Authorised by:

Board of Directors

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.