



ASX RELEASE

ABN: 45 116 153 514

23 February 2021

ASX: TMX

Smokebush JV Tenements (Gold)

80% Project Ownership Milestone Achieved

Terrain Minerals Limited (ASX: TMX) is pleased to announce that its JV partners have confirmed that expenditure commitments of \$250,000 has been reached and as a result the 80% ownership in the Smokebush JV tenement are now being transferred to Terrain. This initial milestone was achieved within the 2-year timeframe.

Terrain has also continued to strengthen its ground position in the region with three adjoining tenements being recently granted, all owned 100% (refer to Diagram 1).

100% Terrain Smokebush Tenements:

- P59/2274, E59/2435 & E592482

Smokebush JV tenements (80% ownership now earned):

- E59/2234, P59/2125, P59/2126, P59/2127 & P59/2128

Farm-in Terms:

- Earn 80% by \$250,000 AUD expenditure over 2 years – **Now Achieved**
- Issue vendor 5,000,000 fully ordinary share in Terrain (12-month escrow) – **Completed on 19 December 2019**
- Future Payments of up to \$500,000 in cash or shares based on milestone.
- Vendors 20% free carry until completion of feasibility study.
- The vendor's 20% free carried interest will convert to a 1% NSR royalty if the vendor decides not to contribute. Terrain has first right of refusal to purchase the 20%.

For the terms of the JV agreement please refer to ASX release: 02 December 2019 - Farm-in Agreement for the Smokebush Gold Project at Mt Mulgine, 65km West of Paynes Find WA

After the successful RC drilling at Monza, Terrain conducted a ground-based geophysics program in December 2020 covering; Monza, Wildflower and Paradise City areas. The geophysical data was processed and received back mid-January 2021. The new information was merged internally with Terrain's existing and extensive historic data sets and has been used for better targeting the planned drill program at Smokebush gold project (refer to Diagram 2).

The ground-based program also consisted of a very detailed mapping program which extended beyond the key areas. This has identified several new areas that require further investigation with ground-based geophysics, currently being planned.

The Program of works (POW) have been submitted and drill tenders have been issued. The market will be updated accordingly.

| Terrain Minerals Limited | ASX:TMX | ABN 45 116 153 514 |

| Registered Office: S2, 28 Outram Street, West Perth, WA, 6005 |

| Mail: PO BOX 79, West Perth, WA, 6872 | Ph: +61 8 9381 5558 | www.terrainminerals.com.au |

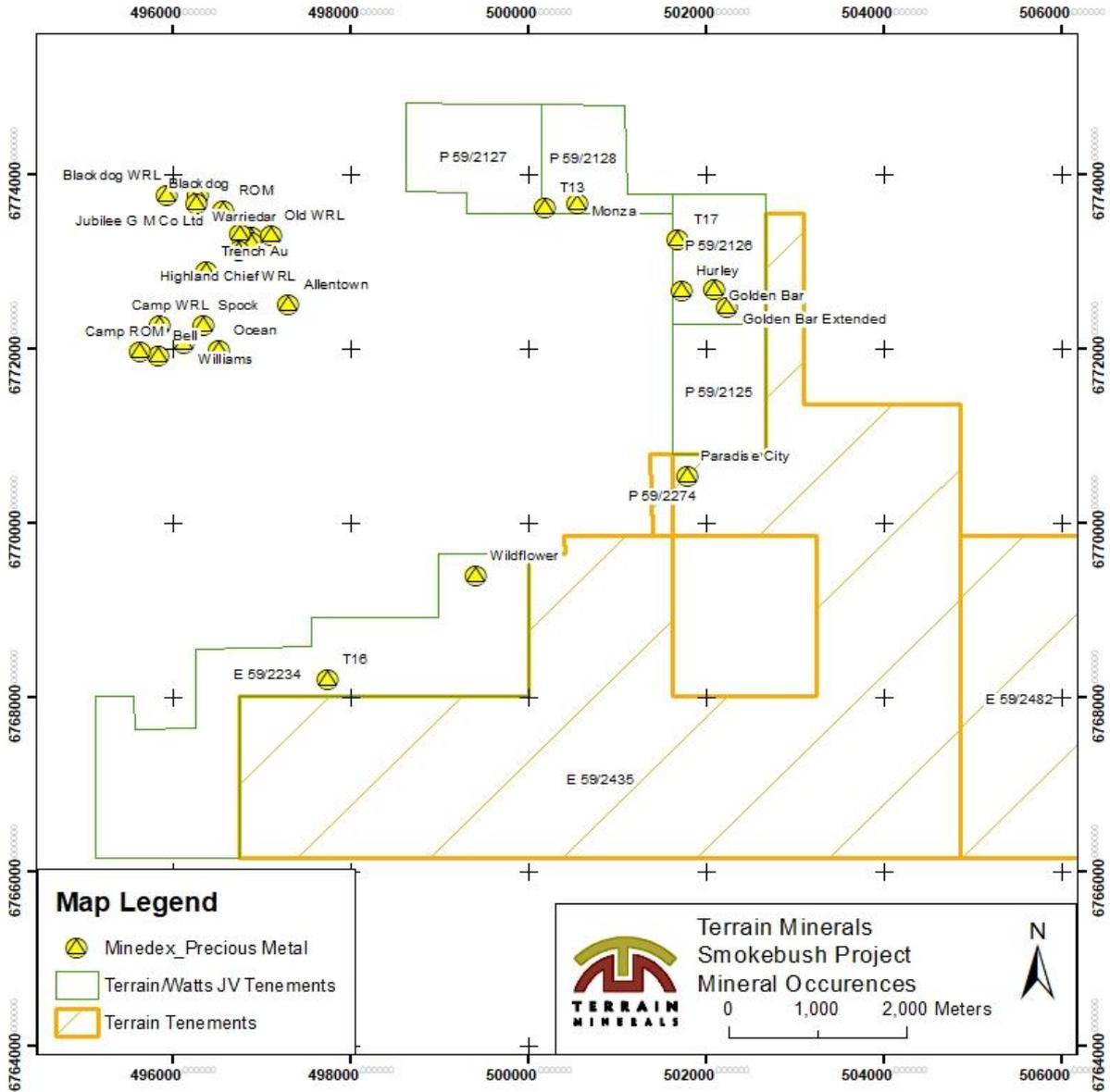


Diagram 1: Map of Terrain Minerals Smokebush JV (80% now earnt) and the 100% owned tenements, refer to map legend.

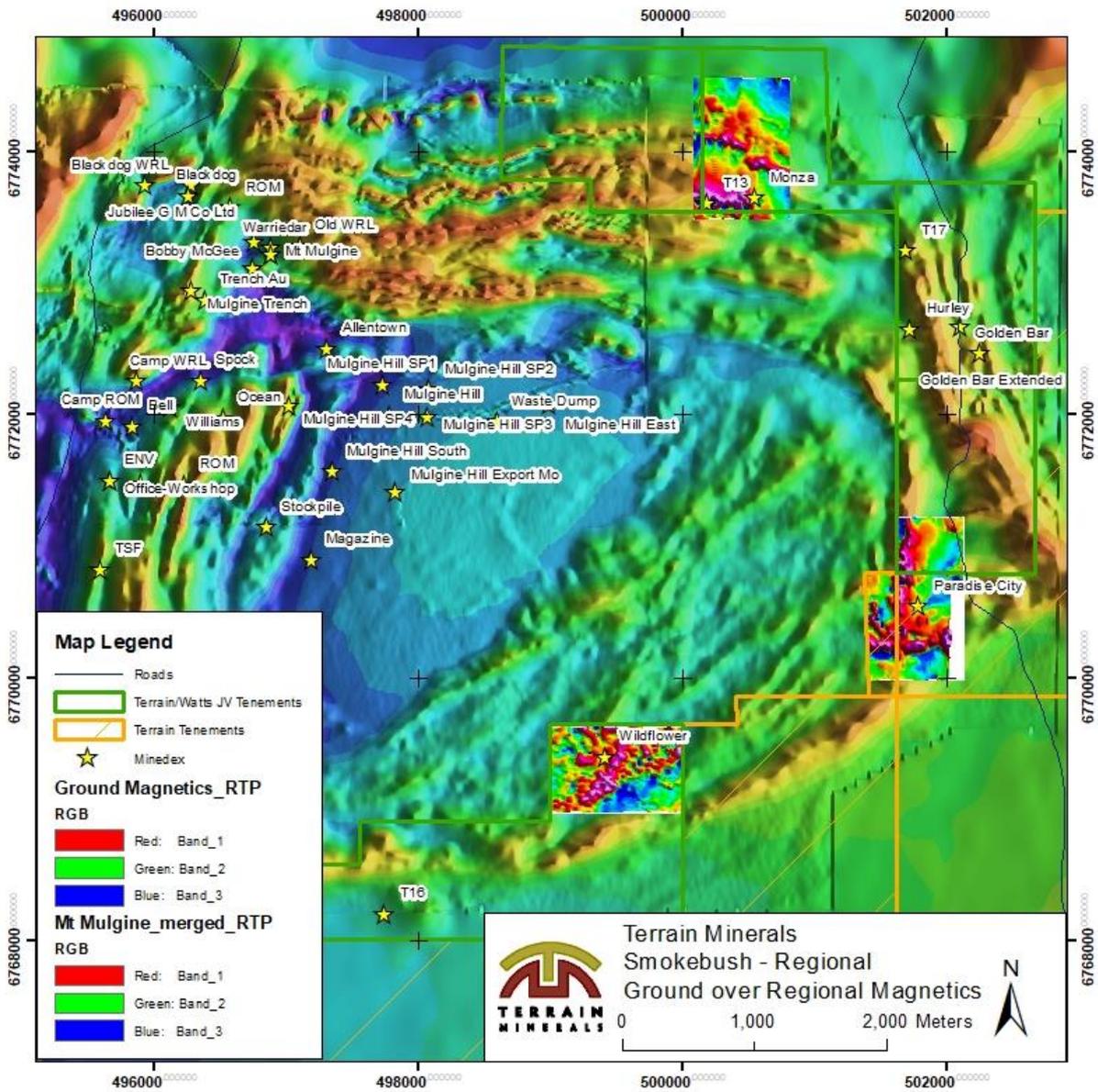


Diagram 2: Gridded RTP (Reduced to Pole) ground magnetic data sets in the context of the Smokebush Project. The areas covered in highlighted boxes over the Wildflower, Paradise City & Monza targets.

Monza Prospect (80%)

Ground Magnetic data over the Monza Prospect has revealed a break in the stratigraphic magnetic feature (trending E-W), corresponding with the location of the shear zone hosting mineralisation at Monza. There is also a subdued Magnetic feature trending north-south along the Monza corridor. Terrain geologists have interpreted an 800m corridor of potential gold mineralisation along the northern extension of this structure based on the magnetics and locations of 2020 Rock Chips taken from historic workings. Drilling undertaken by Terrain in 2020 has defined 200m strike extent of gold mineralisation along this structure. 2021 drill planning will look to extend known mineralisation to the north and down dip.

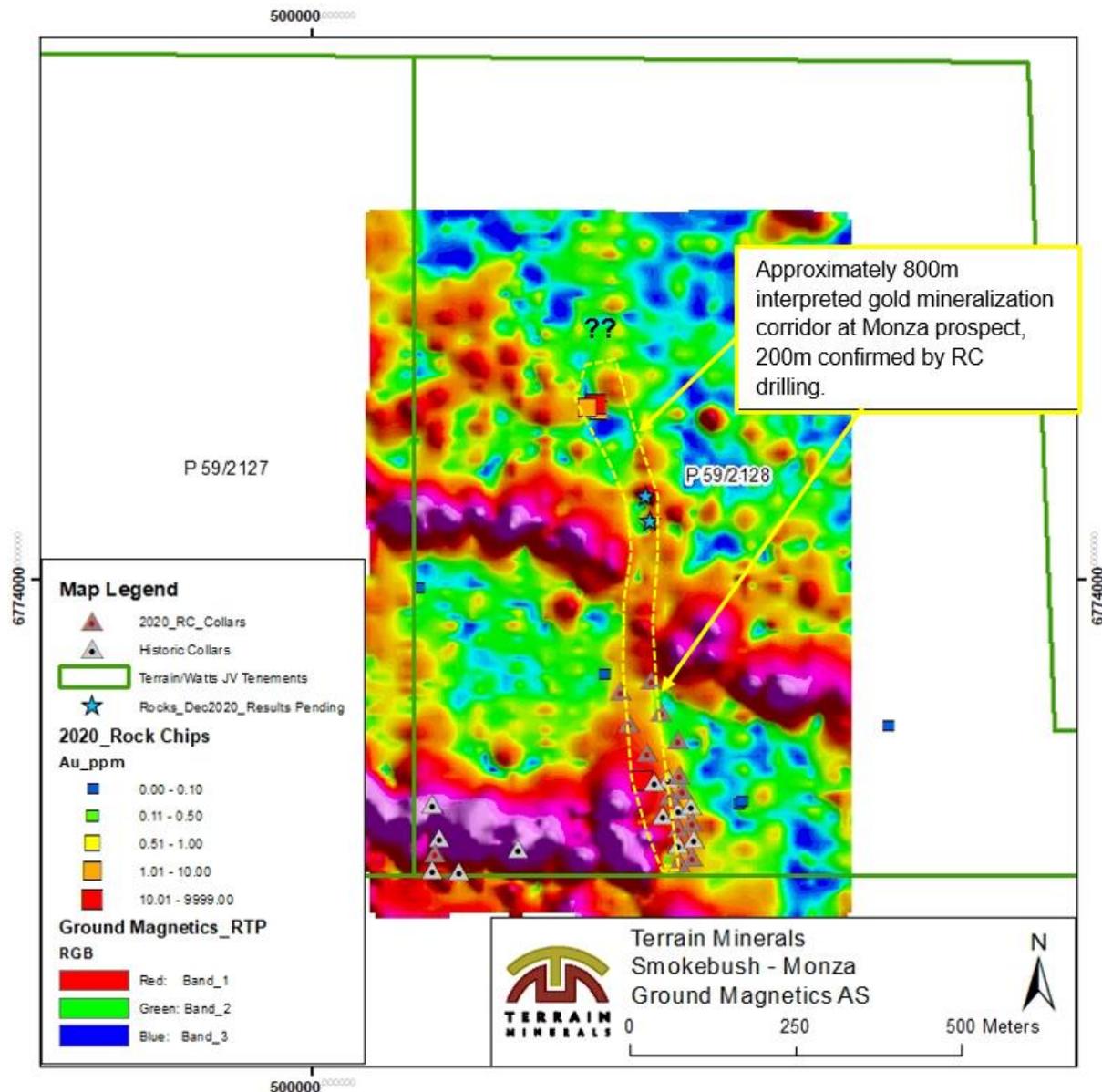


Diagram 3: Gridded AS (Analytical Signal) ground magnetic data set over the Monza Prospect.

Wildflower Prospect (80%)

Ground Magnetic data over the Wildflower Prospect reveals a broad, indistinct anomaly that roughly coincides with elevated gold in soil geochemistry.

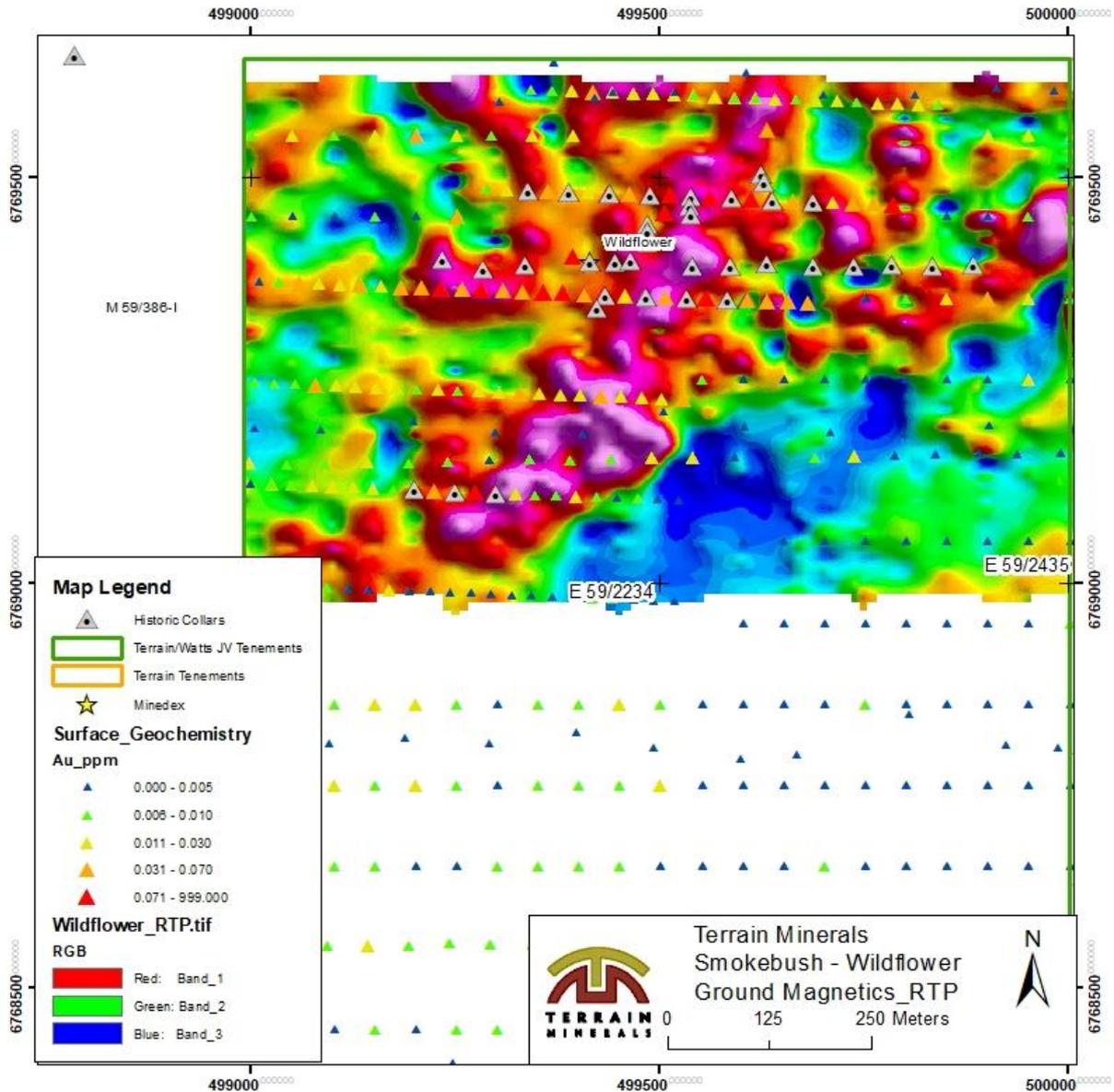


Diagram 4: Gridded RTP (Reduced to Pole) ground magnetic data set over the Wildflower Prospect.

Paradise City Prospect (100%)

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.

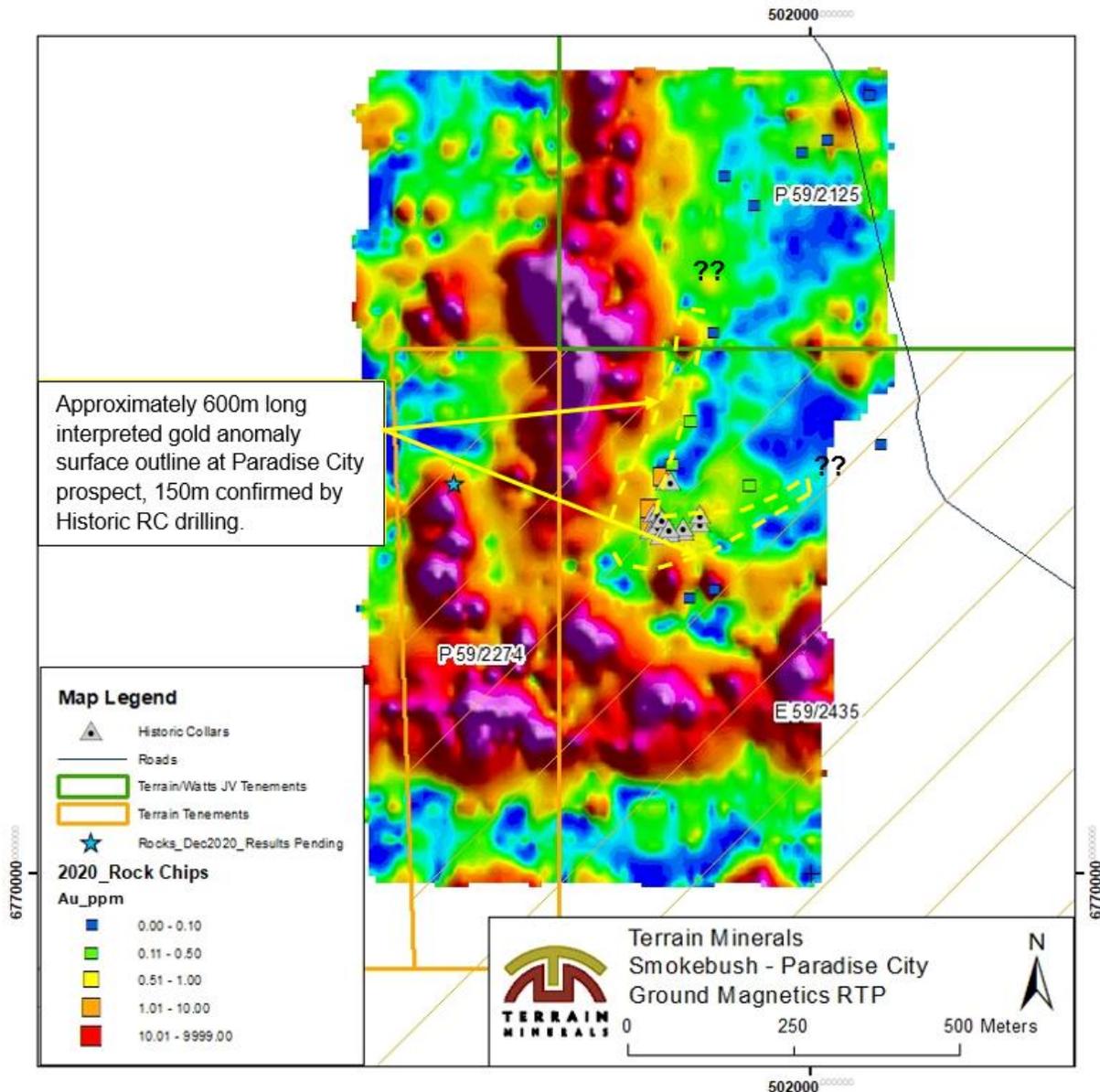


Diagram 5: Gridded RTP (Reduced to Pole) ground magnetic data set over the Paradise City Prospect. The trend appears to head north towards Hurley and T17, historic targets that are located ~3km away.



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.

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:

- **Wild-viper** - WA gold exploration Project 100% owned – which incorporates the strategic land holding know as Wilson Patch (WP). Wild-viper tenement package is strategically located and also 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 plans to continue exploration over this strategic located tenement.
- **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 and has now completed a detailed ground mag and mapping program over the Monza, Paradise City (100% TMX) and Wildflower prospects. Preparing for drilling over these key areas has commenced, including the application permits for drilling.
- **Project Review** - Terrain Minerals is currently searching and has been assessing potential projects: Gold, Copper, Nickle and industrial minerals in Australia. Due to COVID-19 travel restrictions all regions outside of WA as well as foreign jurisdictions are still being considered but are becoming more problematic as due diligence cannot be carried out and staff safety cannot be guaranteed. All economic commodities are being considered as indicated in previous Quarterly reports.
- **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, as well as the current travel restrictions.

| Terrain Minerals Limited | ASX:TMX | ABN 45 116 153 514 |

| Registered Office: S2, 28 Outram Street, West Perth, WA, 6005 |

| Mail: PO BOX 79, West Perth, WA, 6872 | Ph: +61 8 9381 5558 | www.terrainminerals.com.au |



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.

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.