

ASX Announcement

28 April 2014



Quarterly Report: March 2014

HIGHLIGHTS

- Reduction of Tenements at Black Cat/Bundarra Project Area to rationalise over all holdings and costs.
- Black Cat/Bundarra- tenement reduction aims to ensure a workable sized foot print around Great Western (GW) M37/54. SR Mining Ltd (SRM) now 71.9% owned by ASX listed Bligh Resources. SRM has to pay the next \$600k annual repayment due in October 2014. This payment reduces from current outstanding deferred payment of \$6million.
- Black Cat 100% owned - Tribute Agreement terminated between Terrain Minerals and Mr Stewart L Williamson.
- East Kambalda (Aztec Dome) – A new application for a 12 month extension has been submitted after an internal review which identified new Gold exploration targets.
- Put option over 60million shares in Platypus Resources (ASX:PLP) still in place at 0.2c Value \$120k
- Ongoing evaluation of potential projects in Australia & overseas, including: Africa and South America.
- Continuation of project review, asset sales & cost reduction.

On behalf of the Board

Justin Virgin
Executive Director

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Corporate

- Terrain Minerals is currently searching and is assessing several potential company making projects in Australia, South America and Africa. Several projects are currently being evaluated. Terrain is looking at all economic commodities including but not limited to Gold, Copper, Iron Ore and Coal.
- The current strategy is to look at advanced projects that have had previous exploration work and offer a staged and affordable entry. Only project with the potential to be large are being considered.
- The Board are still active in lowering operating costs, to ensure majority of funds go into project identification and then into exploration.

Black Cat/Bundarra - Reduce of Tenements & Update

Tenement E37/667 area has been reduced down from 24 to 5 blocks and with L37/126 are the only two tenements kept in the Black Cat project (all Bundarra leases have been relinquished). These two tenements surround Great Western (GW) M37/54. It is in Terrain's view that GW is the most prospective tenement out of the total projects sold to SRM (read below). Terrain has aimed to ensure a sizable foot print is held for additional exploration for expanding the current mineralisation footprint and possible mining activities in the event of having to transfer GW back to Terrain.

After internal review process looking at previous activities, mineral potential, royalties and holding costs the following tenement have been relinquished: M37/489, M37/326, P37/7202, P37/7203, P37/7204, P37/7205 & P37/7208 seven in total.

M37/382 & M37/480 - Terrain currently earned 60%. Terrains Tenement managers are in the process of transferring these back to our JV partners St Barbara Ltd who holds 40%. This will take place once the transfer documents have been stamped by the relevant State Government Authorities.

SR Mining (SRM) \$6m Outstanding Deferred Payment & Ownership Changes

SRM owes Terrain \$6 million. These are deferred payments from the sale of the Bundarra Gold Project which includes GW tenement.

Deferred Payment (referred to in the sale agreement as a royalty) is structured so that \$600,000 is payable at the end of October each year until the \$6 million has been paid in full. The next payment is due this October 2014.

OR

In the event of gold production at the Bundarra Gold project the Royalty will switch to one gram per ounce from production and will switch to quarterly payments in gold. The Minimum payment of \$600,000 per annum remains. This was designed to enable earlier repayment of the \$6 million and will change the current Net Present Value (NPV) that is currently assigned to this debt.

SR Mining change of ownership percentage of the Bundarra Gold Project:

According to Bligh Resources (ASX: BGH) ASX Announcement on the 19th February 2014:

- SR Mining change of ownership and control "Controlling interest secured through the removal of personal guarantees of SRM founding Directors for \$937k loan facility owed by SR mining".
- Bligh Resources now owns 71.9% of SR Mining Ltd. "Agreement increases BGH's holding in the Bundarra Gold Project from 42.9% to 71.9%".
- "Ore Reserve Statement is based on the Mineral Resources Estimate of 489,248oz at 2.0g/t Au announced in September 2013".

Termination of Tribute Agreement at Black Cat

A Tribute Agreement with Mr Stewart L Williamson of Leonora has been terminated. The agreement would have entitled Terrain Minerals Ltd to 10% of any gold recovered from prospecting activities. This agreement was originally signed on 31st May 2012. Mr Williamson has conducted no work on site to date. The contract had a 30 days notification period which ended on 11th of April 2014.

East Kambalda (Aztec Dome)

Application to extend the project tenement E26/97 for an additional 12 months has been submitted and the application is now with the Mines Department. Terrain is waiting for notification of the outcome.

PUT Option still in place

Put option over 60 million fully paid ordinary shares in Platypus Resources (ASX: PLP) still in place at 0.2c ensuring the value paid is maintained - Put Option Value \$120k. Terrain participated in a placement in Ashburton Resources (ATN) who have since changed their name to Platypus Resources. Terrain had a joint venture which has now been terminated with ATN on the Mt Andrew project in the Fraser Range area of WA.

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Appendix 5B

Mining exploration entity quarterly report

Name of entity

Terrain Minerals Limited

ABN

45 116 153 514

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 Months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	8
1.2 Payments for:		
(a) exploration & evaluation	(4)	(210)
(b) development		
(c) production		
(d) administration	(112)	(427)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	25
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(112)	(604)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	13	13
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Payment for purchases of shares	-	-
Net Investing Cash Flows	13	(108)
1.13 Total operating and investing cash flows (carried forward)	(99)	(711)

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Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(99)	(711)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. net of costs	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(99)	(711)
1.20	Cash at beginning of quarter/year to date	1,211	1,823
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,112	1,112

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	25
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors Fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	248
4.2 Development	
4.3 Production	
4.4 Administration	75
Total	323

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	112	1,211
5.2 Deposits at call	1,000	=
5.3 Bank overdraft		-
5.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	1,112	1,211

Appendix 5B
Mining exploration entity quarterly report

Interest in mining tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

Projects/Tenements		Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
6.1	BlackCat	Western Australia, Australia			
	005_E37667		60%		
	005_M37382		60%		
	005_M37480		60%		
	005_L37126	60%			
	Dodgers Wells				
	007_P376950		100%		
	007_P377741		100%		
	007_P377742		100%		
	007_P378279		100%		
	007_P378280		100%		
	007_P378281		100%		
	East Kambalda				
	E26/97		100%		

Farm-in agreements/tenements		Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
6.2					

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities (description)	-	-		
7.2 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	349,032,224	349,032,224		

Appendix 5B
Mining exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities (description)	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	1,900,000 5,500,000 16,500,000 46,239,130		<u>Exercise price \$</u> 11 cents 18 cents 78 cents 5 cents	<u>Expiry date</u> 8 Oct 2014 30 Nov 2014 1 Dec 2016 5 Apr 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 28 April 2014
(Company secretary)

Print name: Jay Stephenson

Appendix 5B

Mining exploration entity quarterly report

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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