TERRAIN MINERALS LIMITED

ANNUAL REPORT

30 JUNE 2018

ABN: 45 116 153 514

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TERRAIN MINERALS LIMITED
CORPORATE DIRECTORY

Terrain Minerals Limited Board

Paul Dickson
Non-Executive Chairman

Trevor Bradley
Non-Executive Director - Geology

Justin Virgin
Executive Director

Johannes Lin
Non-Executive Director

Erlyn Dale and Winton Willesee
Joint Company Secretaries

Share Register
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Auditor
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Subiaco WA 6008

Solicitors
Price Sierakowski
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Perth WA 6000

Banker
Westpac Banking Corporation
Business Banking Centre
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Perth WA 6000

Stock Exchange
Terrain Minerals Ltd shares are
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Ordinary fully paid shares (ASX code TMX)

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Your Directors present their report for the financial year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

DIRECTORS

The following persons were Directors of the Company and were in office for the entire year, and up to the date of this report, unless otherwise stated:

Current Directors

Mr Paul Dickson	Non-Executive Chairman
Mr Trevor Bradley	Non-Executive Director – Geology
Mr Justin Virgin	Executive Director
Mr Johannes Lin	Non-Executive Director

COMPANY SECRETARIES

Miss Erlyn Dale and Mr Winton Willesee are joint Company Secretaries. Miss Dale and Mr Willesee are experienced company secretaries with a broad range of experiences with ASX listed and other companies over a number of years. Both are Chartered Secretaries with qualification in Accounting and a number of other relevant areas.

PRINCIPAL ACTIVITIES

During the year, the principal activities of Terrain Minerals Limited consisted of exploration for gold, base metals and energy metals as well as other mineral resources. New project opportunities have been examined in many jurisdictions outside of Australia including Africa, Continental Europe and the Americas. There has been no significant change in the nature of these activities during the year.

OPERATING RESULTS

The loss of the company for the year ended 30 June 2018 from ordinary activities after providing for income tax amounted to $452,276 (30 June 2017: loss of $647,169).

REVIEW OF OPERATIONS

Throughout the last twelve months the Company has been successfully making progress on several fronts. The main two-principal activities during the financial year have consisted of the identification and review of new opportunities both in Australia and abroad, across many commodity types. These endeavours identified our new Red Mulga tenements which we pegged and are situated in the Murchison region of Western Australian. Focus has also been maintained on advancing our 100% owned Great Western Gold Project, towards a production ready status and identifying regional exploration targets to add to resources and to increase value.

Management has continued to maintain a hands on approach to achieve and maintain a low-cost base as well as being focused on asset rationalisations. A cost-conscious mindset has now been ingrained into the Company's culture.

During the year the Company raised capital twice in December 2017 with the Acuity Capital equity line which raised $300,000 at $0.007513 and a capital rising was carried out in April to qualifying 708, Sophisticated investors which raised a total of $577,000 (being the maximum allowable placement capacity under section 7.1 and 7.1a) less placement costs. The offer was priced at 0.0065c being a 7.1% discount to the last trade price of $0.007. With a total of $877,000 raises at an average price of $0.006814.

The board is excited with the advancements to the 100% owned Red Mulga exploration project and continued positive gains achieved at Great Western throughout the year. The board aims to continue to advance these projects and add value for shareholders. As well as looking at other project opportunities aimed at increasing shareholder wealth.

ACTIVITIES UNDERTAKEN DURING THE YEAR:

Great Western Gold Project (100% owned) – Is located 76km north of Leanora and 1km off the Goldfield Highway. Is an advanced measure and indicated JORC 2012 category gold deposit with ongoing studies are advancing it towards being a production ready asset. Advancement activities have continued at Great Western with pit scheduling design work started with independent consultants as well as appointing Bureau Veritas Minerals Pty Ltd to conduct a larger and more comprehensive Metallurgical testing with the aim of lifting the current measured and indicated JORC 2012 gold deposit to a reserve status and a high valuation. Refer to the corresponding section below for further details.

Red Mulga (100% owned) – Base metals project was identified and pegged by Terrain. The project is located ~170km NNE of the town of Geraldton and ~150km north of the town of Mullewa. This early stage base metals project is an exciting project situated on a large magnetic high which has previously seen no drilling and limited exploration. Five priority drill targets where identified with the inaugural ~1,000m RC program commencing in July 2018 (refer to the 2018/19 reporting period). Refer below to the corresponding section for further details.

New Opportunities - Multiple project were presented throughout the year with several having the potential to become company making assets identified through stringent DD processes. Negotiations on projects reached various outcomes, with several projects still showing potential. Projects that have been considered have been located in Africa, Continental Europe and in the Americas across multiple commodities including gold, base metals, and energy metals, including Lithium.

GREAT WESTERN GOLD PROJECT

Advancing Great Western Gold Project towards a Production Ready Project

Works Underway undertaken this year to lift Resource to a Reserve status:

1. Pit Scheduling Studies
2. Metallurgical Testing
3. New structural studies & interpretation over the adjoining Wild-Viper tenement

Refer to corresponding heading below for additional information:

1 Pit Scheduling Studies

The Great Western pit scheduling studies were commissioned to design the pit shell and the ore and waste scheduling. Once completed this data set will assist in generating a Cash flow model and lifting the resource to a reserve status. The board is pleased with the initial findings and the Pit scheduling studies they will be completed once the Metallurgical studies have been finalised.

2 Metallurgical Testing - Larger & more comprehensive

Bureau Veritas Minerals Pty Ltd were appointed to conduct a larger and more comprehensive Metallurgical testing from the samples held in secure storage from the last Great Western RC drill program. The larger volume of material will allow for a more representative data set across each of the three ore zones found at Great Western being oxide, transitional and fresh rock. Data from the metallurgical testing will be added into the existing studies, with the aim of lifting the current measured and indicated JORC 2012 gold deposit to a reserve status and a higher valuation.

3 New structural studies & interpretation over the adjoining Wild-Viper tenement

Part of the advancement works at Great Western has been to generate additional opportunities in the immediate area that has the potential to add ounces from regional exploration. During the year Terrain conducted a new regional structural interpretation which has been applied to its Wild-viper E37/1214 tenement that surrounds Great Western M37/54. The Terrain board considered this change in structural interpretation as new and valuable intellectual property that if successful has the potential to add significant value to new discoveries (Refer to Diagram 1 for target areas).

From these studies, a new exploration program has been designed and will be carried out at Wild-viper and be followed by a small RC drill program later in the third or fourth Quarter of 2018. Permits for drilling have been submitted. If successful, additional targets will also be examined.

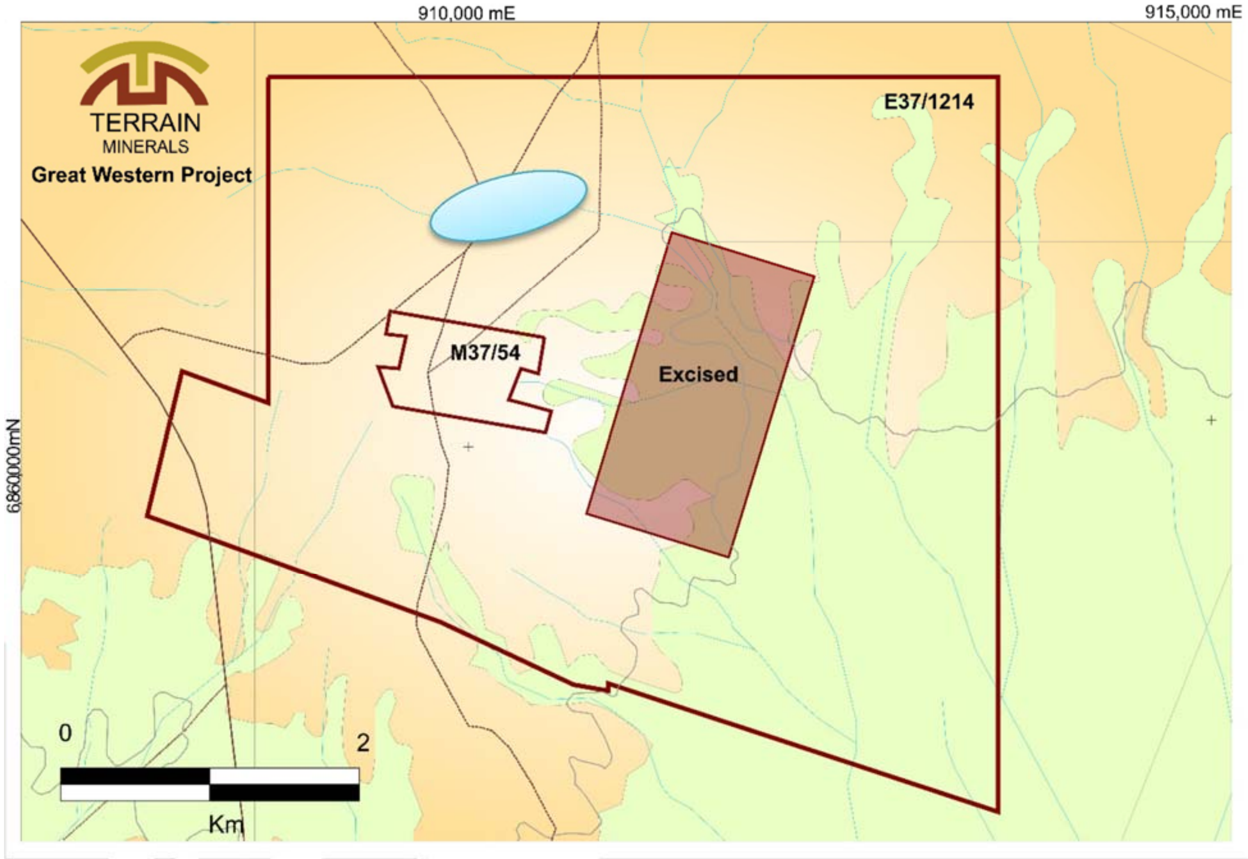

Diagram 1. Great Western Tenements M37/54 and Wild-viper E37/1214. The blue sphere is situated over the first area of interest within the Wild-viper Tenement.

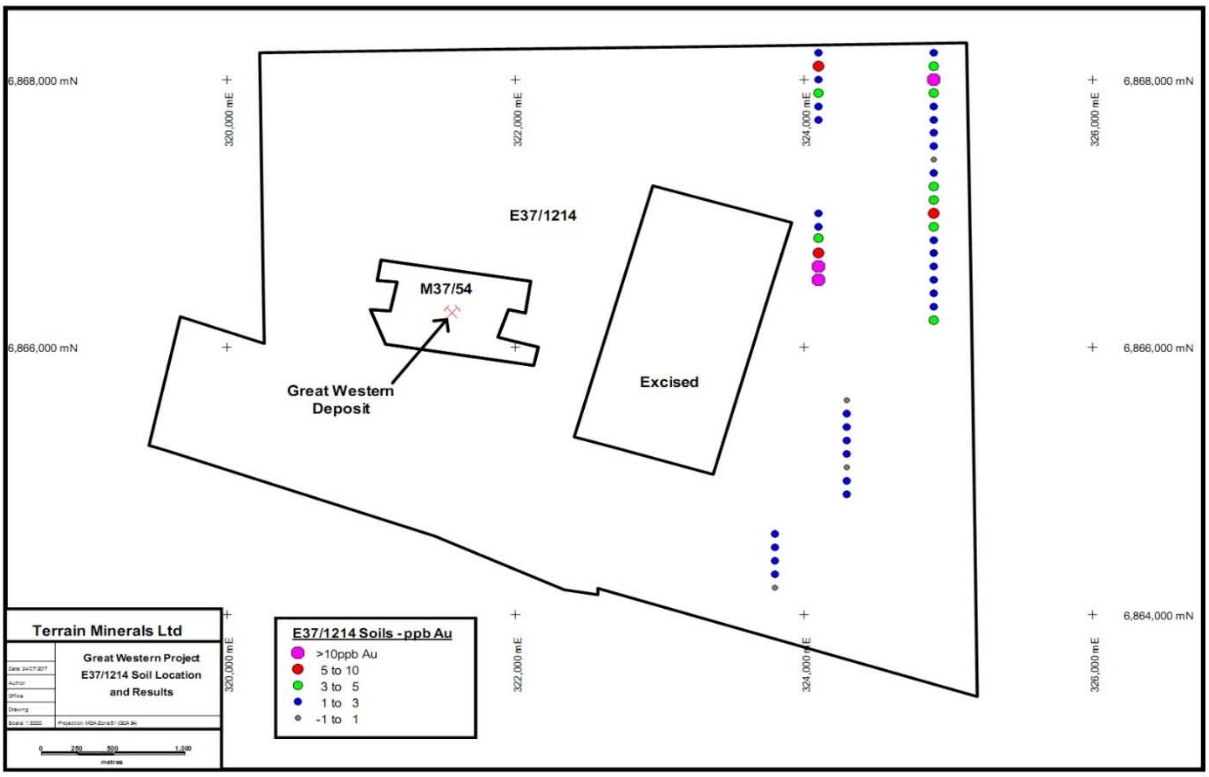

Diagram 2: Orientation Surface Geochemical Soil Programme at Great Western's Wild-viper tenement. Part of the new structural interpretation works.

Additional Information on Great Western can be found by referring to the following ASX release:

- 17th August 2018 Great Western Gold Project - New Structural Interpretation at Wild-viper
- 27th July 2017 - Quarterly Activities Report: June 2017

Headings of the Completed Works at Great Western:

1. JORC 2012 Resource Upgrade at Great Western
2. Onsite Processing Study Completed
3. Updated Scoping Study Focusing on Site Processing

Refer to corresponding heading below for additional information:

Great Western Gold Project

M37/54 - The 100% owned project is located 76km north of Leonora, 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 and close to mine opportunity which has the potential to extend down plunge and along strike.

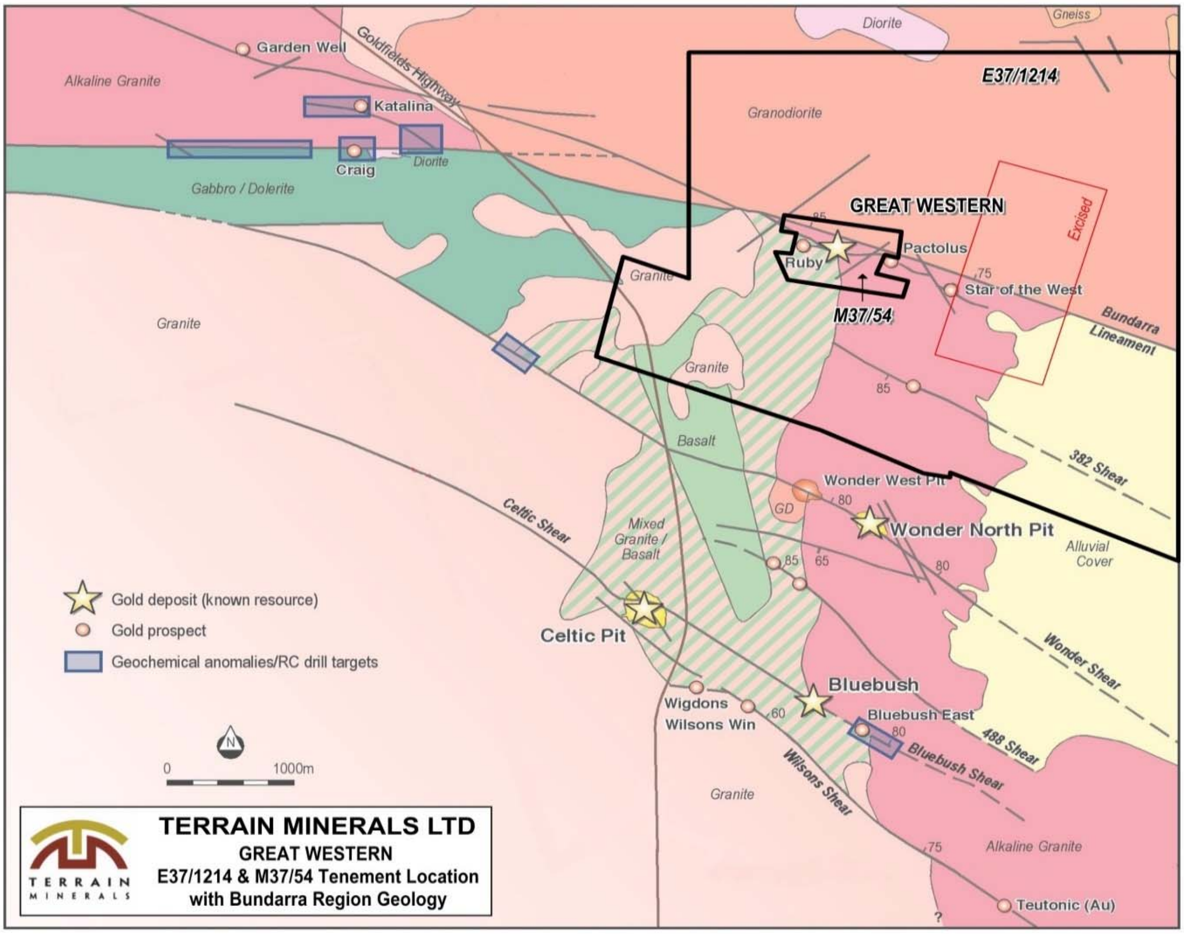

Diagram 3. Great Western Project Location Map Highlighted in Black. Regional geological map highlights other know gold deposits in the region. All these gold deposits have been analysed into the modelling of the new structural interpretation to identify possible repeats.

Compliance Notice
The Company notes that the following technical information on its Great Western Gold Project is referenced directly from the relevant original ASX market releases detailing this of that technical information.

Terrain would like to confirm to readers that the Company is not aware of any new information or data that materially affects the information included in this Annual Report and Review of Operations. Further, in the case of the estimates of mineral resources, the Company would like to confirm that all material assumptions and technical parameters underpinning the mineral resources estimates in this Annual Report and Review of Operations continue to apply and have not materially changed.

All referenced articles can be found on the ASX website and at www.terrainminerals.com.au

Selected Great Western Drill Cross Section

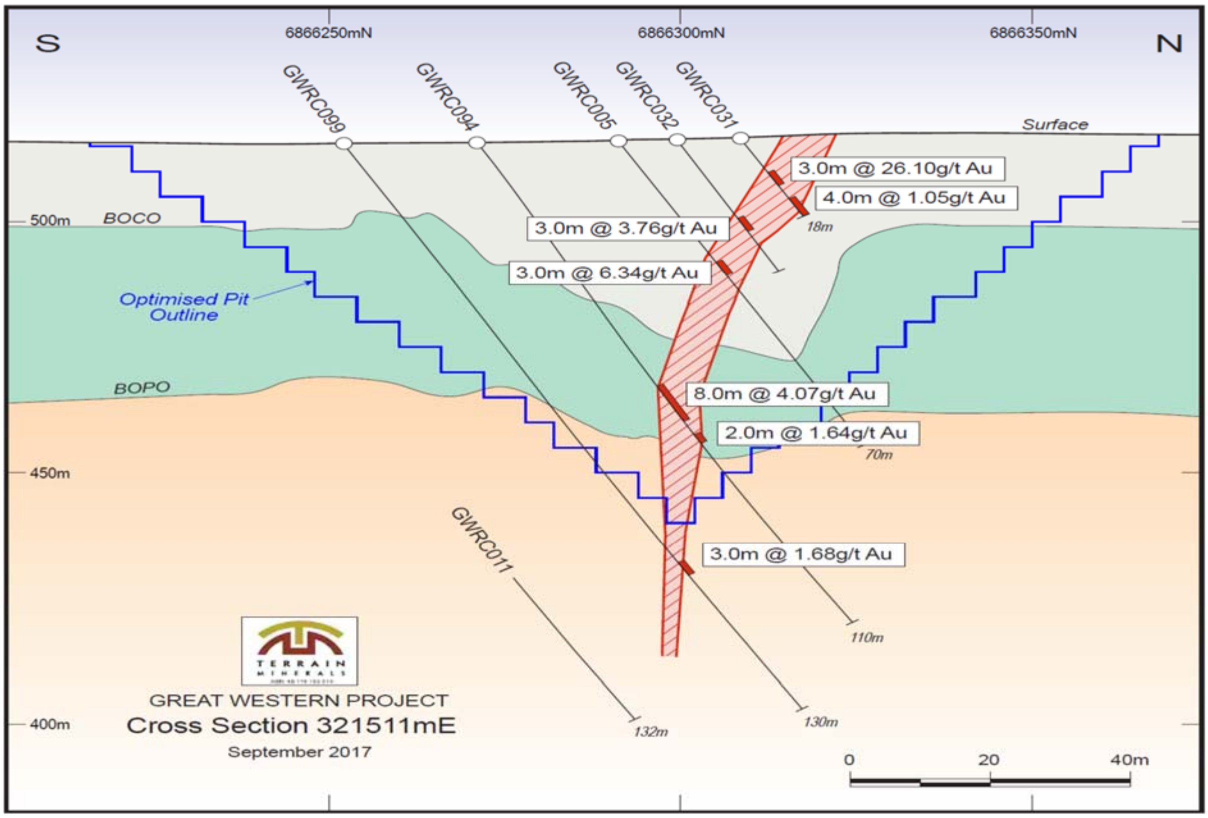

Diagram 4. Great Western – Cross Section 321511mE

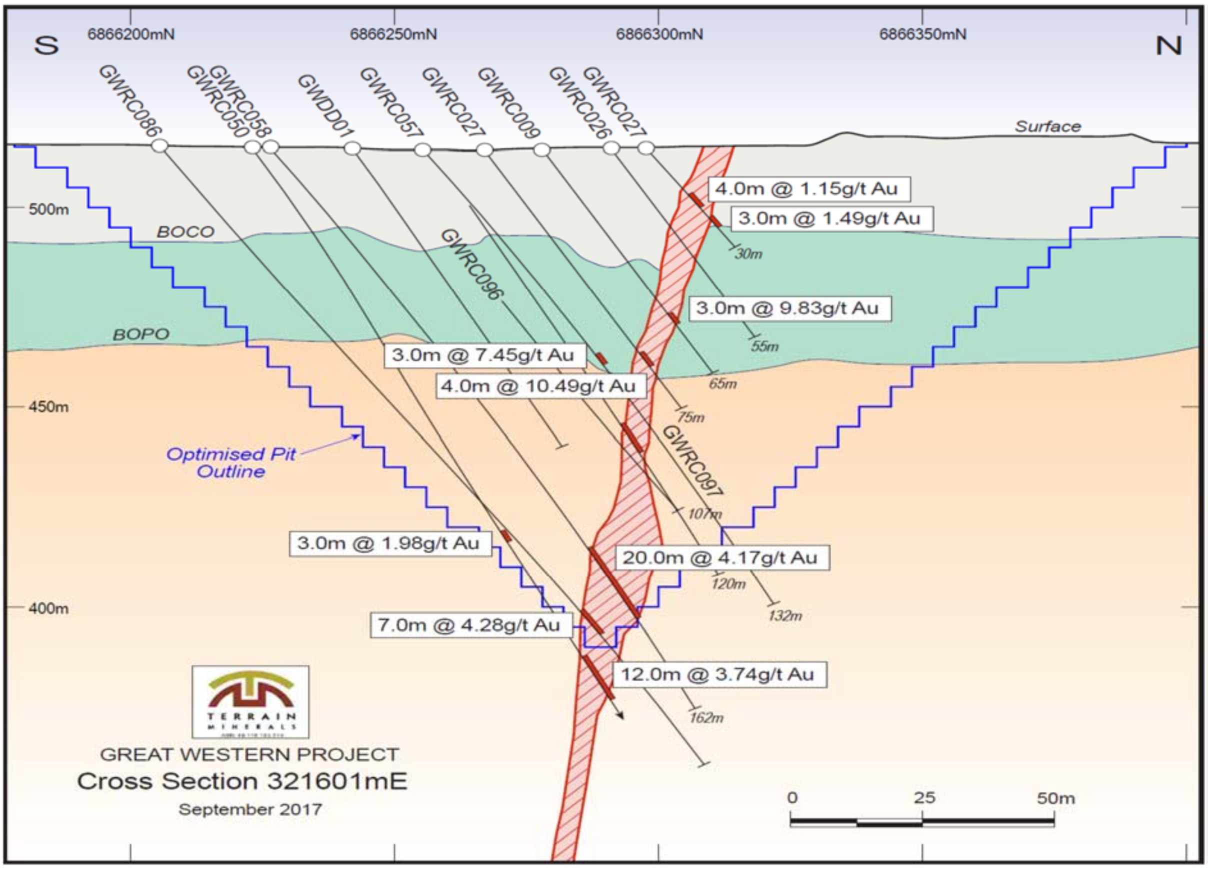

Diagram 5. Great Western – Cross Section 321601mE

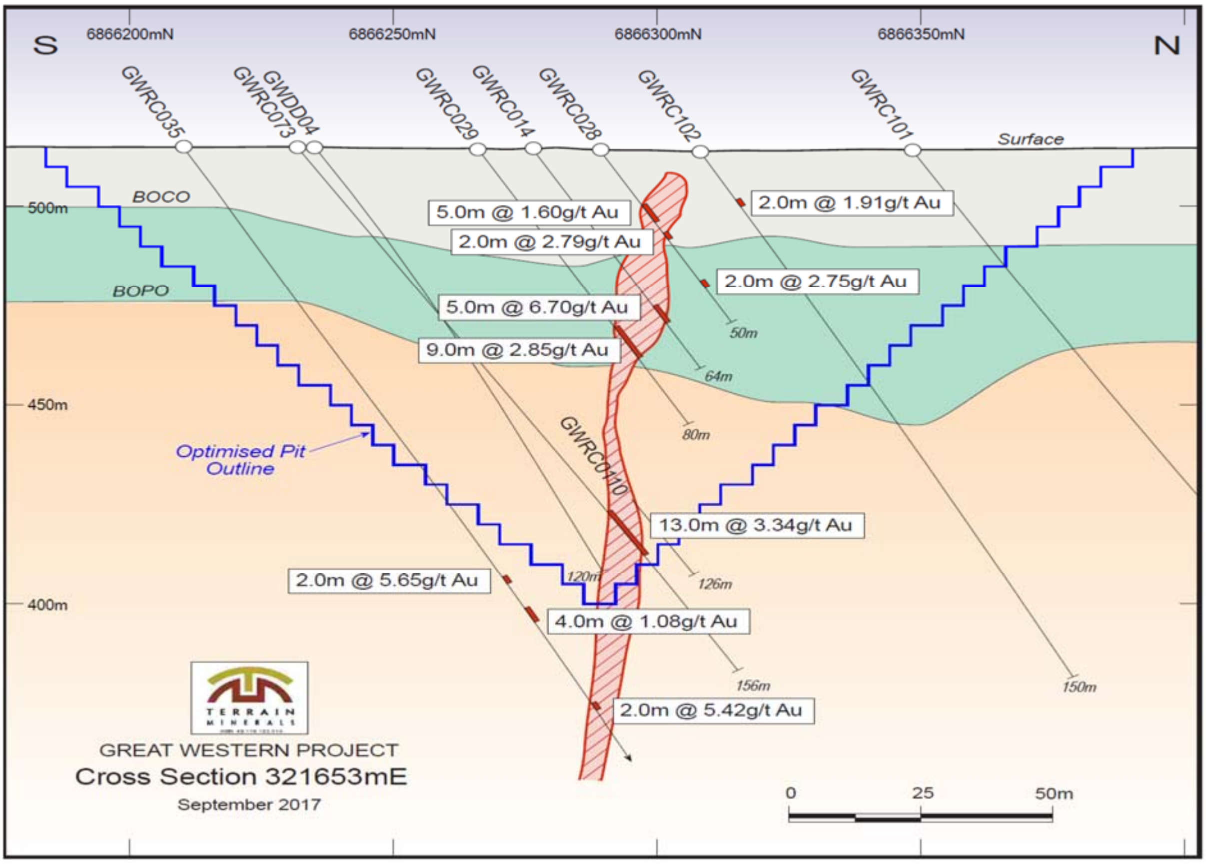

Diagram 6. Great Western – Cross Section 321653mE

1. JORC 2012 Resource Upgrade at Great Western

Terrain updated the JORC resource at Great Western Mineral Resource Update February 2017 to incorporate the recent Reverse Circulation (RC) drilling completed in December 2016. These results are providing support to the continuity of the mineralised zones in the upper levels as well as the eastern end of the Deposit. Also, the nearer to surface drilling was used in conjunction with a review of previous logging to enable a defensible interpretation of the position of the underground stopes. As a result, the Great Western model is now even more robust than before. The mineral resource, adjusted to the recent mining scoping studies, is shown in the following Table.

Reportable Mineral Resource
No Changes Made During the Year

Great Western Deposit Reportable in situ Mineral Resource depleted for mining						
	Open Cut (0.5g/t)		**Underground (1.5g/t)**		**Combined**	
Class	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t
Measured	131,000	2.58			131,000	2.58
Indicated	332,000	**3.15**	17,000	4.03	349,000	3.19
Inferred	128,000	1.45	101,000	2.89	229,000	2.08
TOTAL	**591,000**	**2.65**	**118,000**	**3.05**	**709,000**	**2.72**

The tonnes have been rounded to the nearest 1000 - See resource details in Appendix 1
Refer to ASX release: 27 March 2017 – JORC 2012 Resource Update at Great Western

2. On Site Processing Study Completed

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

Terrain 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 principal advantages is the potential to create a constant cash flow rather than an erratic one that may result from third party treatment in batches.

At this stage, the small sample group used in the metallurgy testing work to date has indicated the gold is of a course nature, which suits the suggested onsite gravity treatment option.

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

Diagram 7: Sepro Systems 75 tph three stage crushing circuit.

Diagram 8: 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 tonnes of 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.

Refer to ASX release: 10 October 2016 - Great Western – Onsite Gold Processing Studies

3. Updated Scoping Study – Focusing on Onsite Processing

Great Western – Scoping Study Update & Onsite Gold Processing

At the request of Terrain Minerals (Terrain), CSA Global undertook the process of updating the 2017 scoping study for the Great Western deposit located 76km North of Leanora along Goldfield Highway. CSA Global used Whittle open pit optimisation software to test a range of mining scenarios, all of which returned positive undiscounted cash flows.

Based upon earlier studies by CSA Global, that focused the optimisations on the Measured and Indicated material with onsite gravity processing only (no CIL). The comparison scenarios, that included Inferred material, showed increases of only approximately 10% in undiscounted cash flows, highlighting the minimal impact the Inferred material now has on the project economics.

The optimisation parameters from CSA Global 2017 Scenario 5 have remained unchanged, except for the updated processing cost. Due to the high-level nature of the study, and the volume of tonnes involved, all cash flows are shown undiscounted.

Due to the higher grade of the deposit the option to toll treat may still be a viable option for Terrain or others. As reported Terrain is currently discussing options to advance Great Western that include the outright or partial sale, various JV arrangements or self-mining. Discussions continue with multiple groups who have registered interest and now have the completed CSA report.

Cautionary Statement: The Scoping Study referred to in this announcement has been undertaken to assess the economic viability of an open pit and processing facility at Great Western gold project. It is a preliminary technical and economic study of the potential viability of the Great Western project. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further evaluation work and appropriate studies are required before Terrain Minerals Limited will be in a position to estimate any ore reserves or to provide any assurance of an economic development case.

The study is based on material assumptions that are outlined. Terrain considers the material assumptions are based on reasonable grounds, but there is no certainty they will be correct or that the range of outcomes indicated in this study will be realised. The study includes the existing JORC 2012 code measured, indicated and inferred resources are defined with in the project. Investors are cautioned that there is low level geological confidence in inferred resources and additional drilling may not upgrade this material.

Additional funding will be required to fund mining and processing equipment. This could have a dilutionary effect to Terrains shares and there is no guarantee that funds can be raised. It is also possible that funding could come via selling part of the project or by entering into a Joint venture arrangement. In this case the projects ownership percentage would change. Terrain could also extract value by an outright asset sale which would mean that the Company would not mine the deposit itself.

Given the uncertainty involved investors should not make any investment decisions based solely on the results of these studies.

Optimisation Parameters

Optimisation parameters were selected by CSA Global using a combination of current/typical industry costs and recent gold pricing. Terrain provided CSA Global with technical reports and wage and power costs of $20/t for a 250,000 tpa gravity gold circuit, including crushing. CSA Global added 20% to this figure to account for maintenance, consumables, spares and reagent costs, to arrive at a figure of $24/t as seen in table 1 below.

A variety of scenarios, were used in the optimisation to test the viability of the Great Western deposit. Terrain indicated to CSA that onsite treating is the preferred processing option for this deposit. The parameters that change from scenario to scenario are gold price, and resource classifications used in the optimisation.

The 2017 Resource model supplied to CSA Global contains 15% Inferred material, the scenarios were also optimised on only Measured and Indicated material to provide the best basis for further work leading towards a JORC 2012 Ore Reserve statement.

SCENARIO	GOLD PRICE	MINING		MILL PROCESSING			OPTIMISATION CLASSIFICATIONS
		DILUTION	RECOVERY	COST	HAULAGE	RECOVERY	
1	$1,600/oz	10%	95%	$24/t	$0/t	85%	MEA + IND
2	$1,600/oz	10%	95%	$24/t	$0/t	85%	ALL
3	$1,500/oz	10%	95%	$24/t	$0/t	85%	MEA + IND
4	$1,500/oz	10%	95%	$24/t	$0/t	85%	ALL
5	$1,700/oz	10%	95%	$24/t	$0/t	85%	MEA + IND
6	$1,700/oz	10%	95%	$24/t	$0/t	85%	ALL

Table 1: Optimisation Scenarios

SCENARIO	ORE PROCESSED					OUNCES	WASTE	STRIP	UNDISCOUNTED CASH FLOW
	TONNES	AU g/t	MEA	IND	INF	RECOVERED	TONNES	RATIO	
1	381,200	3.0	33.8%	66.2%	0.0%	31,400	6,557,500	17.2	All Positive
2	465,300	2.8	28.1%	57.6%	14.3%	35,600	7,237,400	15.6	"
3	372,800	3.1	34.4%	65.6%	0.0%	31,200	6,501,200	17.4	"
4	436,000	2.9	29.5%	57.6%	12.9%	34,100	6,732,600	15.4	"
5	404,600	2.9	32.1%	67.9%	0.0%	32,200	6,756,700	16.7	"
6	488,300	2.7	26.9%	58.7%	14.4%	36,000	7,254,100	14.9	"

Table 2: Scenario output results for selected pit shell. (due to scoping study nature of the report the positive cash flow numbers are not quoted)

Figure 1 through to 3 show representative sections of the selected pit shells. All figures have the historical underground development wireframe displayed in black. The Figure 1 plan view shows the section lines, surface intersection of the shells, and the block model displaying gold grade above 1.0 g/t. Figure 2 and Figure 3, are vertical sections of the pit shells with the block model displaying gold grade above 1.0 g/t. Figure 4 shows the same sections with the block model displaying the Resource class to highlight the proportion of each material class in the scenarios.

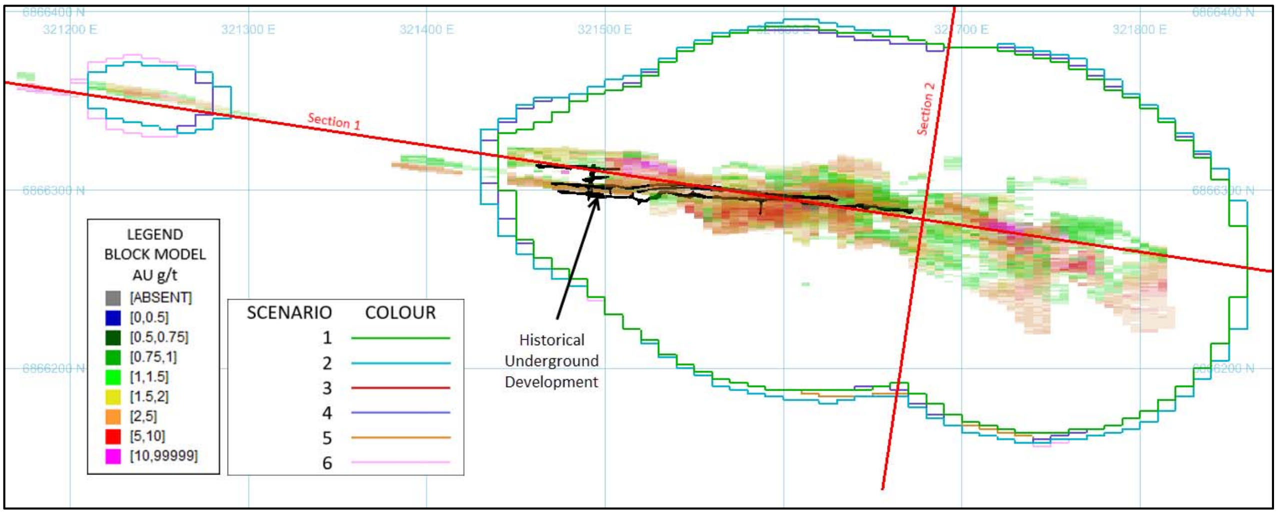

Figure 1: Plan view showing AU>1.0 g/t, pit shell intersections at 515 mRL and pit shell section lines

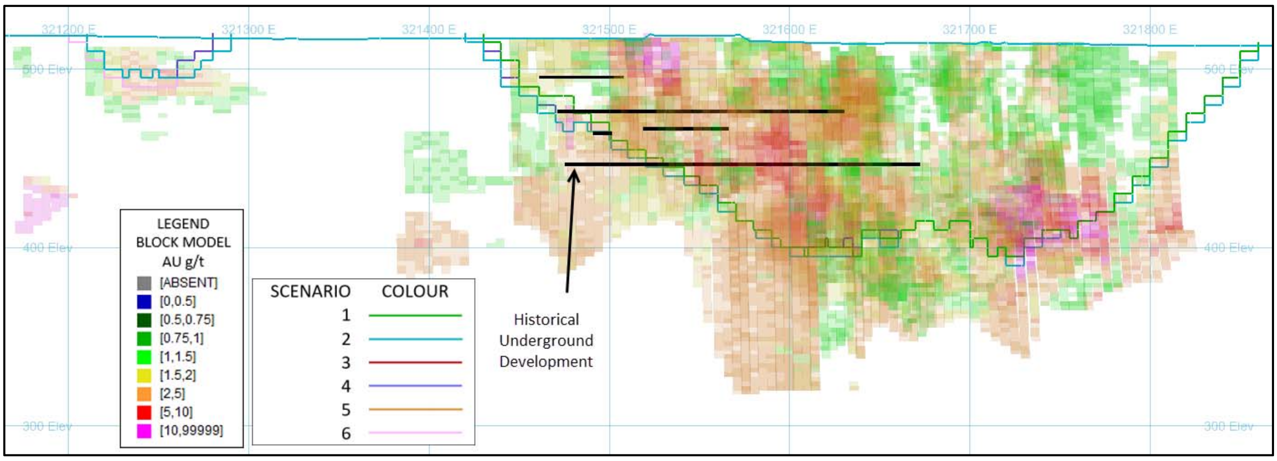

Figure 2: Section 1 – Pit shell intersections for all scenarios with block model grade AU>1.0 g/t

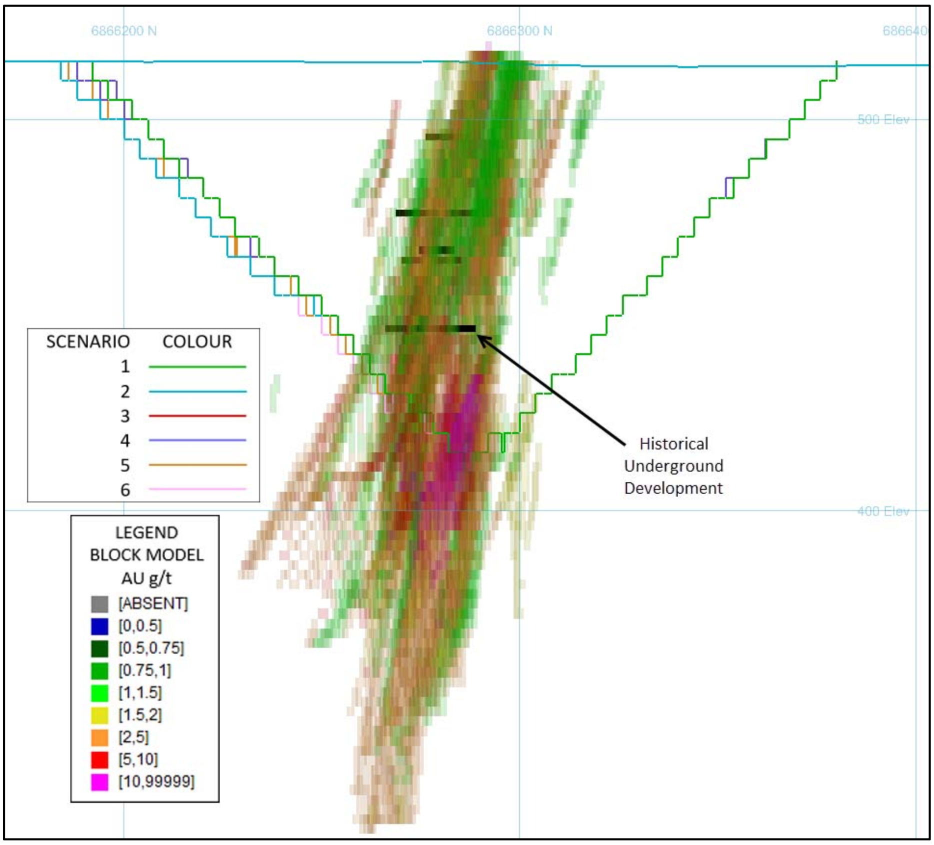

Figure 3: Section 2 – Pit shell intersections for all scenarios with block model gradeAU>1.0 g/t

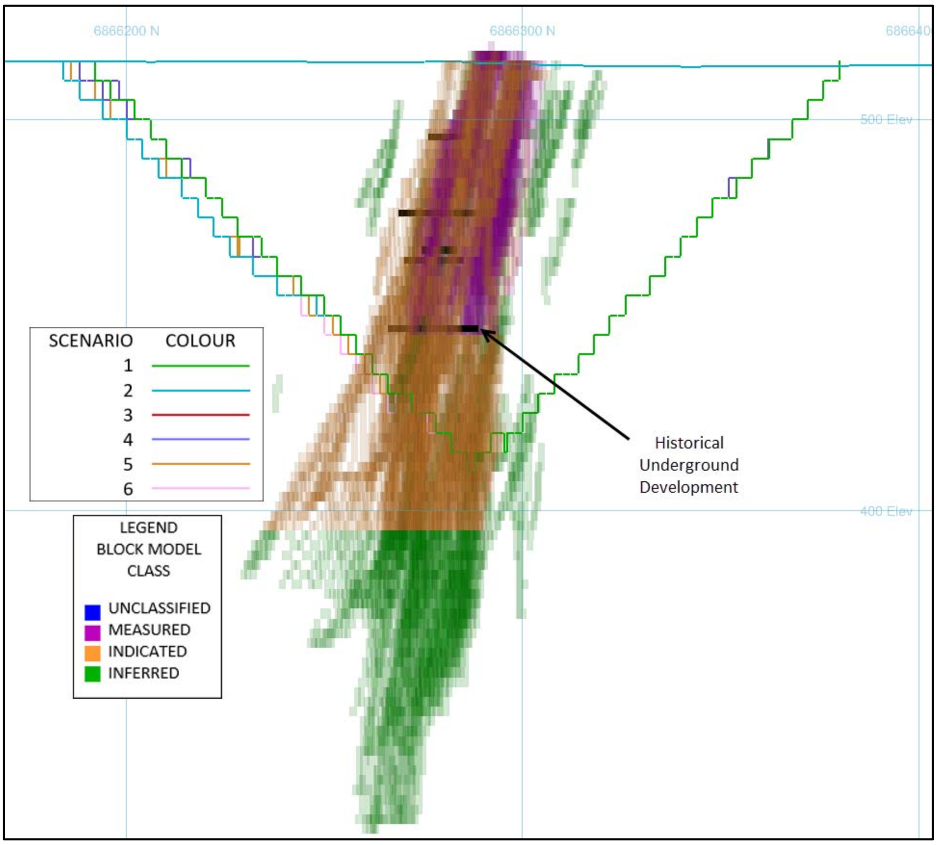

Figure 4: Section 2 – Pit shell intersections for all scenarios with block model Resource class & AU>1.0 g/t

Figure 4 highlights the resources categories and highlights further drilling is required to upgrade deeper mineralisation and is required to test the open depth extensions.

Conclusion
All pit shell optimisation scenarios analysed return positive undiscounted cash flow, indicating that the Great Western deposit is likely to be a viable deposit for a small scale open cut mining operation.

The conclusions of this report are made based on the latest Mineral Resource model (DataGeo, 2017) which accounts for estimated depletion from historical underground workings.

Installing a small gravity recovery facility onsite, to mine and treat ore onsite is indicated to be a viable scenario. With limited capital costs which are under review, which covering processing plant, site establishment, contractor mobilisation, and permitting, it is likely that this option will generate reasonable return a reasonable return on invested capital.

Additional information on Great Western can be found by referring to the following ASX releases:
- 2nd August 2017 - Great Western – Scoping Study Update & Onsite Gold Processing
- 27th March 2017 - JORC 2012 Resource Upgrade at Great Western

RED MULGA - BASE PROJECT

The Red Mulga project is located within the Yilgarn Craton and lies within the boundaries of Yallalong station some 170km NNE of Geraldton in the Murchison region of Western Australia. Exploration leases E09/2246 & E09/2247 have recently been granted and other lease applications are pending.

Pegging of the Red Mulga project has enabled Terrain to secure a complex geological feature situated within a magnetic high, located in a prospective and under explored area of Western Australia.
The tenements are situated proximal to the edge of the Yilgarn Craton and the Darling Fault. Little to no sampling has previously been carried out and none of these targets have previously been drilled.

Terrain completed several field reconnaissance visit where geological mapping and limited surface sampling were undertaken. This work focused on the central tenement area E09/2247. Of interest was the anomalous cobalt and nickel content.

Table 3. Cobalt & Nickel Rock Chip Sample Results at Anomaly MG1:

Sample	Cobalt	Nickel	Chromium
S1	62.7	907	3,510
S2	23.5	107	160
S3	77.1	806	3,000
S4	3	36	40
S5	76.9	949	3,130
S6	113	1330	3,340
S7	127	1470	4,110
S8	75.5	740	2,910

Note: Readings in PPM (description & locations on table 4)

Terrain identified the area as prospective after initiating a high-level geophysical study using publicly available data sets (refer to diagram 11). Modelling of a significant gravity feature also supported Terrain's interpretation that this tenement package is situated within a prospective structural corridor that has seen little modern-day exploration. The interpretation suggests that mafic or ultramafic intrusive rocks may occur on surface or at shallow depths within this area which could potentially host base metal mineralisation.

Initial field assessment further supports this interpretation. Field mapping and limited rock chip sampling has shown that outcropping rocks in the project area are predominantly felsic granite-gneisses of the Archaean Yilgarn Craton. However, smaller mafic and ultramafic dykes, pipes and fault slices were found to outcrop. This suggests the possibility that a mafic-ultramafic intrusive complex may occur at shallow depths (reflected in the gravity data, diagram 9). The complex has not been de-roofed by erosion, and the potential exists for the discovery of base metal deposits associated with these rocks.

Geochemical analysis has resulted in the identification of five distinct anomalous targets that are untested. These surficial targets are all situated within highly weathered material and drilling will seek to intersect the target zones below the weathered soil profile.

Planning for approximately ~1,000m of RC drilling to test Cobalt Nickel targets MG1 & MG2 and the Thumbo Well Copper Gold target. The programme of works was approved, and preparation for mobilization commenced and the drilling program begun in July 2018 (refer to the 2018/19 reporting period).

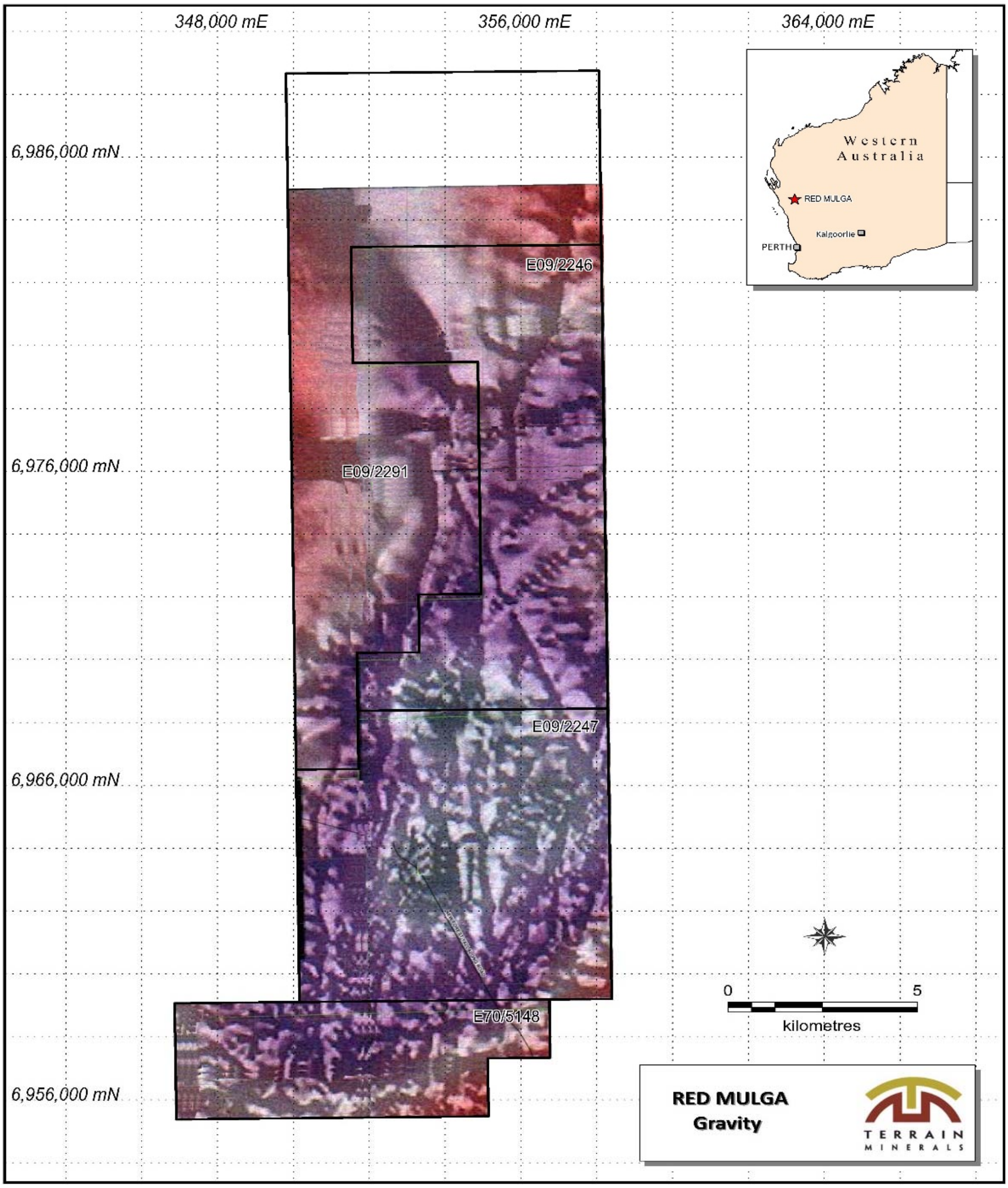

Diagram 9: Combined Magnetics & Gravity High Feature Relative to Red Mulga Tenements

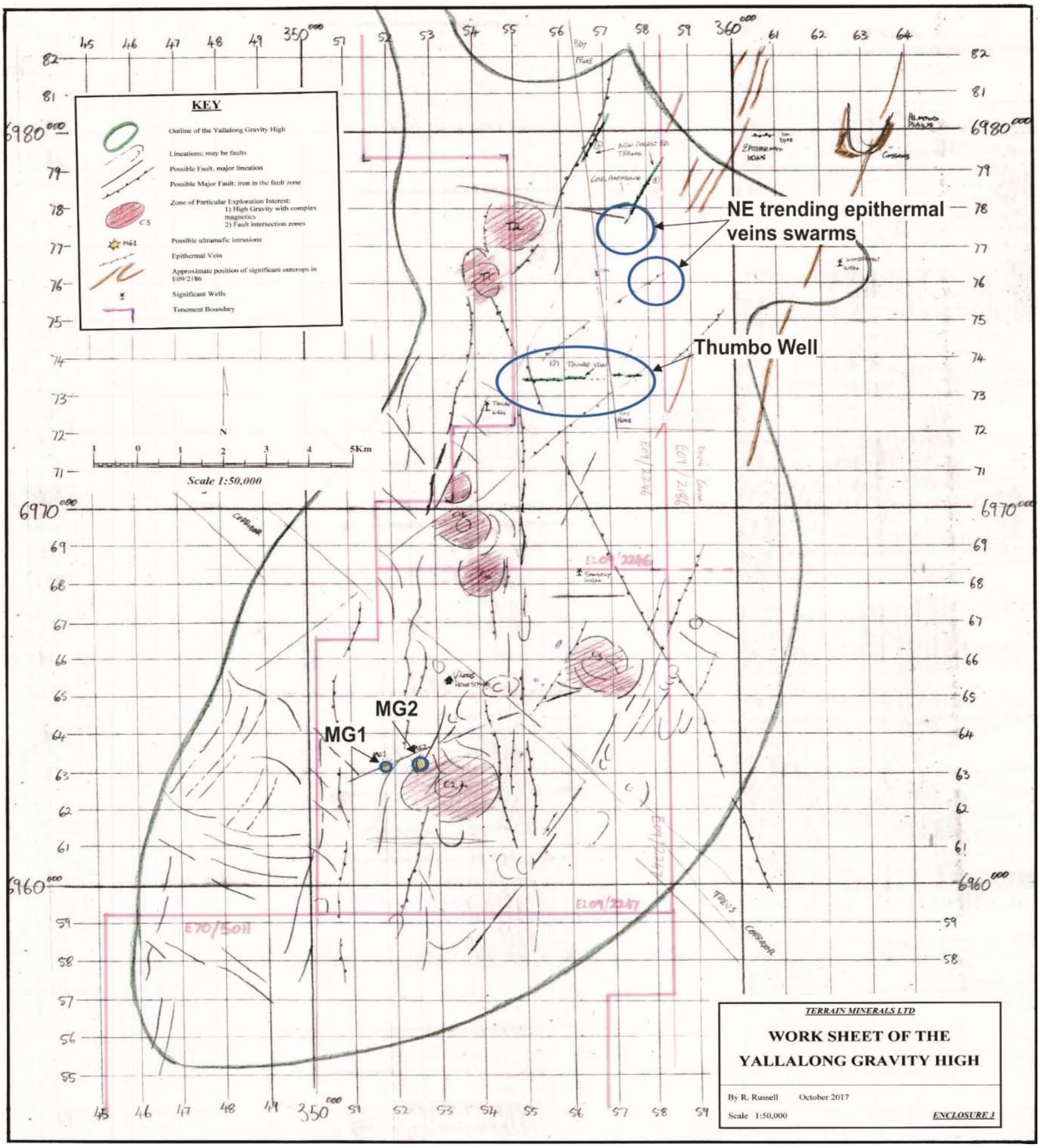

Diagram 10. Red Mulga Field Map & Key Areas

Identified Drill Targets:

MG1 & MG2 Ultramafic Anomalies - Two pipe-like ultramafic intrusions about 200 metres in diameter located in the southwest of the project. The intrusions contain what are considered to be anomalous cobalt, nickel and chrome geochemical results. Highly weathered remnants of the original ultramafic rocks outcrop near the centre of one of the intrusions. These rocks have an intense boxwork texture, possibly after sulphides or a micro-breccia.

Thumbo Epithermal Vein - An east-west trending epithermal vein of 0.5 to 2m width which extends for over 2km through the central part of the project. A 300m section of this vein has been shown to contain elevated gold, silver, copper and lead geochemistry.

Northeast Epithermal Veins - A northeast trending epithermal vein swarm in the northeast of the project area has been identified. Some of the larger veins contain anomalous antimony (up to 228ppm) with minor silver (over 0.5g/t).

Photograph 1: The silcretised outcrops of the ultramafic rocks at the centre of the MG1 anomaly have a fibrous boxwork texture which may be derived from a massive sulphide or micro-breccia in the original rock.

Photograph 2: Magnesite (foreground) forms an apron around outcrops of highly altered ultramafic units in the background at the MG1 anomaly.

Photograph 3: Chalcedonic quartz in the Thumbo epithermal vein. The characteristic 'dogs tooth' intergrowth of crystals is common along the trend.

Photograph 4: Mineralised quartz from the Thumbo epithermal vein at rock chip sample site SO33. This sample returned 551ppm Cu (although much of the copper was lost during sampling), over 2000ppm Pb, 0.9g/t Ag and 84ppb Au.

Photograph 5: Calcrete from MG1 Apron, Sample 8 (Scale in mm).

Photograph 6: Silcretised ultramafic, Sample 7 (Scale mm).

Photograph 7: Silcretised ultramafic, Sample 7 (Scale mm).

GEOPHYSICAL MODELLING

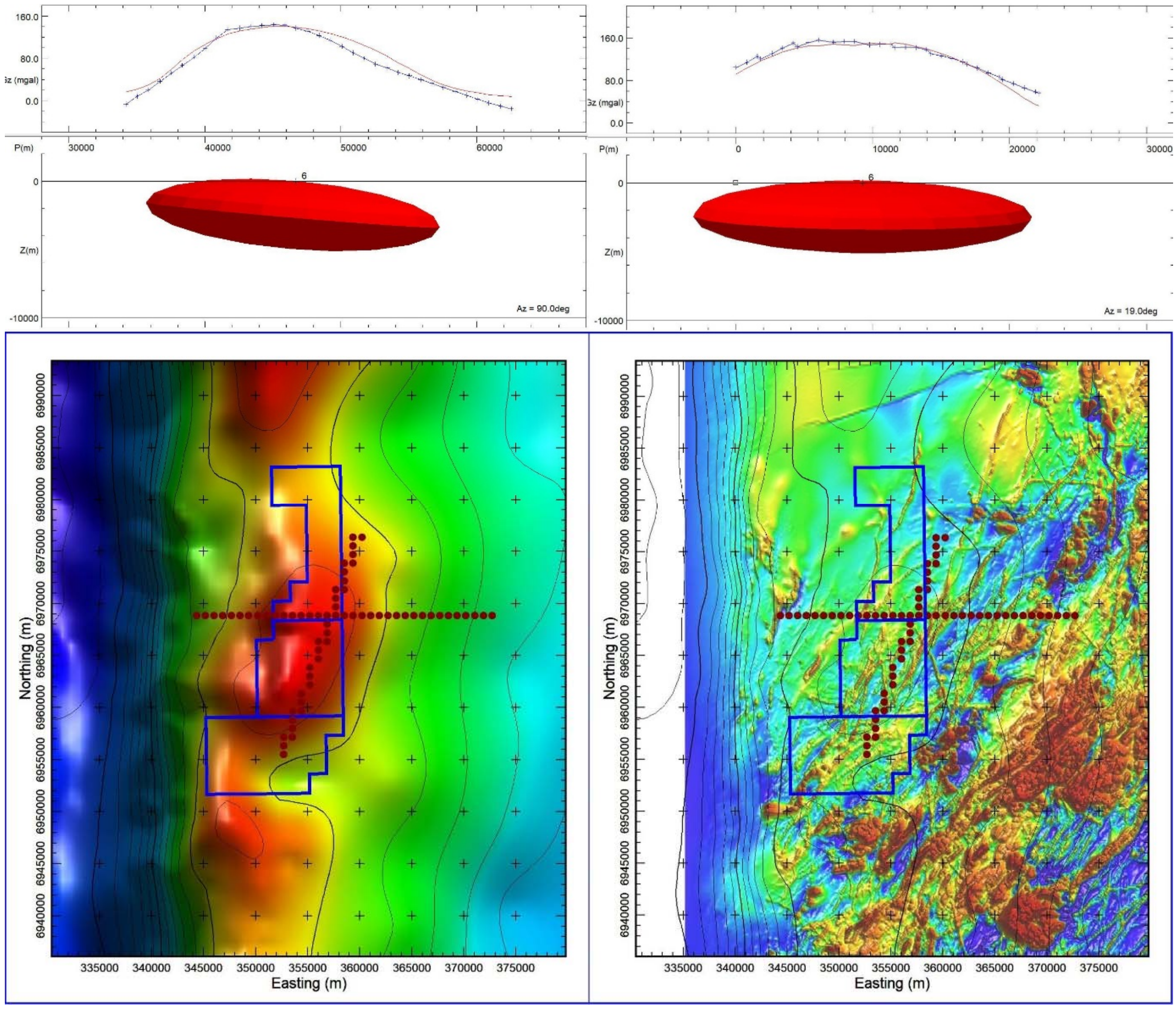

Diagram 11. Geophysical modelling

Diagram 11 shows the modelled gravity feature which can be modelled as a large high-density intrusion that could represent a mafic-ultramafic complex. As the country rock is said to be felsic, such intrusion, if shallow, would require a density in the upper ultramafic rock density range. The top panels are the results of the modelling of the East-West traverse of gravity data (left), and NNE-SSW traverse (right). Measured data illustrated by black line with '+' markers, and modelled data with a red line. The bottom two panels are plan view maps of gravity (left) and magnetics (right), with the two gravity traverses (data points) used in the modelling in dark red circles. Terrain's Exploration Permit Applications are indicated with blue outlines.

Table 4. Location & Details of Rock Chip Samples S1 to S8

Sample No.	Easting	Northing	Area	Geology	Rock Type	Type
S1	351817	6963035	Rockhole Anomaly MG1	Ultramafic pipe	Iron Silcrete	Rock chip
S2	351810	6963034	"	Calcrete apron	Magnesite, calcrete	"
S3	351821	6963077	"	Ultramafic pipe	Iron Silcrete	"
S4	351801	6963086	"	Dyke	Amphibolite/ quartz	"
S5	351792	6963098	"	Xenolith Raft	Amphibolite	"
S6	351760	6963053	"	Ultramafic pipe	Iron Silcrete	"
S7	351791	6963123	"	Ultramafic pipe	High Mg, Fe, Iron Silcrete	"
S8	351884	6963107	"	Calcrete apron	High Mg & Cr in Calcrete	"

Additional information on Red Mulga can be found by referring to following ASX releases:

- 28th November 2017 - Cobalt & Nickel Assay Hits at Red Mulga
- 15th March 2018 - Red Mulga Exploration Update
- 10th April 2018 - Red Mulga Cobalt, Nickel and Copper Drilling Update & Combined Magnetics and Gravity Map
- 04th May 2018 - Presentation - Drilling Campaign

PROJECT GENERATION

Throughout the year Terrain has been searching and assessing potential projects. These come from a variety of sources and industry networks that have been established and continue to be developed. Once an internal process of review has been undertaken the more promising opportunities are re-examined by external consultants in order to maintain a high degree of objectivity in the project selection process. Terrain is focused on acquiring quality assets that have the potential to drive the company forward and increase shareholder value. Terrain will concurrently continue to seek out near term cash flow opportunities and consider advanced exploration projects. It is important to ensure opportunities are in favourable jurisdictions and provide access to potential deposits of minerals that are in demand.

Commodities that have been pursued include Gold, Cobalt, Copper Lithium and industrial minerals in jurisdictions such as Australia, Africa, the America's, Continental Europe and Asia. All potentially economic commodity opportunities are being considered as indicated in previous Quarterly reports.

GREAT WESTERN CORPORATE AND DEVELOPMENT INITIATIVES

Terrain has been identifying and speaking with a number of groups who have indicated interest in developing the Great Western gold project. These groups have signed confidentiality agreements and continue to express interest in the project. Various agendas include full or partial sale, joint venture and funding arrangements.

This process has been on going as additional information has become available as a result of programs and studies undertaken throughout the year. These studies have all been focused on adding value and have attracted parties who are either willing to assist Terrain in developing the project or acquire the project from Terrain.

The board will consider all proposals and has not ruled out mining Great Western itself and continuing regional exploration to add to its gold inventory.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

FINANCIAL POSITION

The net assets of Terrain Minerals Limited has increased by $425,435 from 30 June 2017 to $1,641,182 on 30 June 2018 year end.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as mentioned in the Review of Operations, no significant changes in the state of affairs of the Company occurred during the financial period.

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The management team and Board of Directors ("the Board") of the Company are continuing to review opportunities available to the Company, which includes the exploration of the Company's existing tenements and assessment of new opportunities.

ENVIRONMENTAL REGULATIONS

The Company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007. The Energy Efficiency Opportunities Act 2006 requires the Company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the company intends to take as a result. The Company continues to meet its obligations under this Act.

The National Greenhouse and Energy Reporting Act 2007, requires the Company to report its annual greenhouse gas emissions and energy use. The Company has implemented systems and processes for the collection and calculation of the data required and submitted its 2010/11 report to the Greenhouse and Energy Data Officer on 24 October 2011. Other than the above, the company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

INFORMATION ON DIRECTORS' AND DIRECTORS' INTERESTS IN SECURITIES OF TERRAIN

The names and particulars of the Directors of the Company during or since the end of the financial year are:

INFORMATION ON DIRECTORS

Mr Paul Dickson	Non-Executive Chairman (appointed to Chairman 26 July 2016)
Experience	Mr Dickson has over twenty nine years' experience in the Securities and Finance Industries since 1988, with an initial three years in banking followed by approximately thirteen years in stock broking with the majority of his career spent at tier one firm Ord Minnett Ltd. In the past nine years as a corporate advisor, with the majority of his time as a principal and co-founder of Paradigm Capital, Paul has originated IPO's and equity placements across the industrial and mining sectors for listed entities and been involved in seed capital raisings, and sub-underwritings during this time. Paul was recently a director of Private Equity firm Proserpine Capital and has recently joined Merchant Bank Henslow as a principal.
Interest in Shares and Options	10,000,000 options over ordinary shares and 3,687,837 shares.
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr Dickson is also Non-Executive Director of the ASX listed company. Alligator Energy Ltd, which listed in February 2011.

Mr Trevor Bradley	Non-Executive Director (appointed 1 May 2017)
Experience	Trevor Bradley B(*App*) Sc. Hons, LL.M (*Distinction)*, M.A.I.G. Trevor is a geologist with over thirty years' experience in key technical, operational, and managerial aspects of exploration and development of mineral projects in Australia, South East Asia and Central Asia. He holds an Applied Science Degree with Honors (geology) from UTS Sydney, and a Masters of Law Degree with Distinction (Natural Resource Law and Policy) from the Centre for Energy, Petroleum, Mineral Law and Policy (CEPMLP) at the University of Dundee in the UK. Prior to entering private practice Trevor held senior technical and management positions within several large Australian and Canadian mining companies' as well as Principal Consultant and managerial roles within two of Australia's leading multi-national mineral industry consulting groups. Currently Trevor practices as an Independent consultant who specializes in the provision of mineral asset valuation, technical audit, and due diligence studies across a range of commodities for the purposes of investment decision, project finance and exchange listing requirements. Trevor also specializes in assisting clients in his capacity as an Independent Expert in court matters, mediation and arbitration proceedings.
Interest in Shares and Options	4,000,000 options over ordinary shares
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr Bradley held no other directorships of ASX listed companies during the last three years.

Mr Justin Virgin	Executive Director
Experience	Mr Virgin has over twelve years of experience in the financial services and Securities industry with expertise in providing a wide range of financial services which includes capital raisings, promotion, providing general corporate advice listed small-cap companies and other investment advice involved in negotiations, mergers, acquisitions and valuations. Mr Virgin also has over ten years of on site mining experience operating in remote and isolated sites throughout WA and NT on site. His experience covers mine closures and rehabilitation works as well as extensive preventative maintenance planning and execution on onsite mobile fleet.
Interest in Shares and Options	19,000,000 options over ordinary shares and 18,420,000 shares.
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr Virgin held no other directorships of ASX listed companies. Former Non-Executive Director of the ASX listed Blina Minerals NL resigned 25 October 2016.

Mr Johannes Lin	Non-Executive Director (appointed 1 May 2017)
Experience	Mr Lin has seven years of management experience as an entrepreneur and Principal/Managing Director of Oprian Investments Pte Ltd with interest and focus in minerals and properties/property construction of Pasir Ria Apartments in Singapore and investment team member of Monarch Parksuites Condominium in Manila, Philipines. Past experience includes corporate restructuring as member of advisory team in the restructuring as a member of advisory team in the restructuring of Singapore listed Enzer Holdings Limited where series of debt negotiations, debt buy-out, capital raising by placements, right issues, debt to equity conversion and eventual takeover by a marine group successfully. Mr Lin holds a Bachelor of Commerce, Finance and Accounting from the University of Western Australia.
Interest in Shares and Options	2,000,000 options over ordinary shares and 15,451,548 shares.
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr Lin held no other directorships of ASX listed companies during the last three years.

INFORMATION ON DIRECTORS (CONTINUED)

MEETINGS OF DIRECTORS

During the financial year, four meetings of Directors were held. Attendances by each Director were as follows:

	DIRECTORS' MEETINGS	
	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Mr Paul Dickson	4	4
Mr Trevor Bradley	4	4
Mr Justin Virgin	4	4
Mr Johannes Lin	4	4

INDEMNIFYING OFFICERS OR AUDITORS

Terrain Minerals Limited has paid premiums to insure Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of Terrain Minerals Limited, other than conduct involving a wilful breach of duty in relation to Terrain Minerals Limited.

OPTIONS

At the date of this report, the unissued ordinary shares of Terrain Minerals Limited under option, including those options issued during the year and since 30 June 2018 to the date of this report, are as follows:

OPTIONS

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER UNDER OPTION
28 November 2014	24 December 2019	0.0040	12,000,000
24 November 2015	24 November 2020	0.0117	22,600,000
7 December 2016	7 December 2021	0.0188	12,000,000
18 December 2017	18 December 2022	0.0175	6,000,000
			52,600,000

For details of options issued to Directors and executives as remuneration, refer to the remuneration report. During the year, no ordinary shares (2017: 12,250,000) of Terrain Minerals Limited were issued on the exercise of options granted.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of Terrain Minerals Limited or intervene in any proceedings to which Terrain Minerals Limited is a party for the purpose of taking responsibility on behalf of Terrain Minerals Limited for all or any part of those proceedings.

Terrain Minerals Limited was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 41 of the financial report.

The auditor did not provide any non-audit services for the year ended 30 June 2018 (30 June 2017: Nil).

REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Assessing performance:

The Board is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the Board receives detailed reports on performance from management which are based on independently verifiable data such as financial measures and market performance of the Company and peer group.

Alignment to shareholders' interests:

- focuses on exploration success as the creation of shareholder value and returns
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution.

The framework currently consists of fixed salaries and options.

The overall level of executive reward takes into account the performance of the company. The Company is involved in mineral exploration and did not derive a profit and therefore growth in earnings is not considered relevant. Shareholder wealth is dependent upon exploration success and has fluctuated accordingly. During the same period, average executive remuneration has been maintained in accordance with industry standards.

Non-executive Directors
Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' Fees
The current base remuneration was last reviewed with effect from November 2015. Directors' remuneration is inclusive of committee fees.

REMUNERATION REPORT (CONTINUED) (AUDITED)

REMUNERATION POLICY (CONTINUED)

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The total maximum currently stands at $200,000.

Retirement allowances for Directors
There is no provision for retirement allowances for non-executive Directors.

Performance Based Remuneration
All staff (including executive and non-executive Directors) are eligible to participate in the Employee Share Scheme. The scheme is designed to reward employees for a significant improvement in the share price.

Company Performance, Shareholder Wealth and Director's and Executives' Remuneration
The fees paid to non-executive Directors have not increased since November 2013. Executive remuneration remains in the bottom quartile of remuneration for comparable positions in the minerals industry.

Executive Pay
The executive pay and reward framework has three components:

i. base pay and benefits
ii. long-term incentives through participation in the Employee Share Option Scheme
iii. other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration;

i. Base pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There is no guaranteed base pay increases included in any senior executives' contracts.

Executives may receive benefits including memberships, car allowances and reasonable entertainment.

ii. Incentives

Through participation in the Employee Share Option Scheme as and when determined by the Board. Individual performance reviews are carried out annually. Any allotment of options to executives are considered by the Board depending on individual performance. Performance remuneration is not related to company performance. The Company is still in exploration and development phase.

iii. Other

Directors and employees are permitted to nominate a superannuation fund of their choice to receive superannuation contribution.

REMUNERATION REPORT (CONTINUED) (AUDITED)

EMPLOYMENT DETAILS OF MEMBERS OF KEY MANAGEMENT PERSONNEL AND OTHER EXECUTIVES

The following table provides employment details of persons who were, during the financial year, members of key management personnel of Terrain Minerals Limited.

KEY MANAGEMENT PERSONNEL	POSITION HELD AS AT 30 JUNE 2018	CONTRACT DETAILS (DURATION & TERMINATION)
Mr Paul Dickson	Non-Executive Chairman	On-going basis with no termination benefits
Mr Trevor Bradley	Non-Executive Director	On-going basis with no termination benefits
Mr Justin Virgin	Executive Director	Executive agreement effective 1 December 2015
Mr Johannes Lin	Non-Executive Director	On-going basis with no termination benefits

The employment terms and conditions of key management personnel are formalised in contracts of employment.

On 1 December 2015 the Company entered into an Executive Service Agreement with Director Justin Virgin. Under the terms of the contract:

- Mr Virgin will be paid a minimum remuneration package of $100,000 p.a. base salary plus superannuation.
- The Company may terminate this agreement in writing if the Executive becomes incapacitated by illness or accident for an accumulated period of two months or a period aggregating more than three months in any twelve month period.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.
- If the Company terminates the agreement for any reason other than the above, the Company must pay the Executive an amount equal to six month's salary.
- If Mr Virgin terminates the agreement, he must provide the Company with 60 days’ notice period.

REMUNERATION REPORT (CONTINUED) (AUDITED)

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2018

Details of the nature and amount of each element of the emoluments of each member of the key management personnel of Terrain Minerals for the year ended 30 June 2018 and 30 June 2017 are set out in the following tables:

For the year ended 30 June 2018

	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	EQUITY-SETTLED SHARE-BASED PAYMENTS		
KEY MANAGEMENT PERSONNEL	SALARY, FEES AND LEAVE $	OTHER $	SUPERANNUATION $	SHARES $	OPTIONS $	TOTAL $
Mr Paul Dickson	30,000	-	2,850	-	-	32,850
Mr Trevor Bradley	30,000	-	2,850	-	24,419	57,269
Mr Justin Virgin	100,000	-	9,500	-	-	109,500
Mr Johannes Lin	30,000	-	2,850	-	12,209	45,059
TOTAL KEY MANAGEMENT PERSONNEL	**190,000**	**-**	**18,050**	**-**	**36,628**	**244,678**

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2017

	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	EQUITY-SETTLED SHARE-BASED PAYMENTS		
KEY MANAGEMENT PERSONNEL	SALARY, FEES AND LEAVE $	OTHER $	SUPERANNUATION $	SHARES $	OPTIONS $	TOTAL $
Mr Paul Dickson	30,000	-	2,850	-	27,281	60,131
Mr Trevor Bradley[1]	24,163	-	2,260	-	-	26,423
Mr Justin Virgin	100,000	-	9,500	-	54,560	164,060
Mr Johannes Lin[1]	5,000	-	-	-	-	5,000
Mr Jonathan Lim[2]	27,500	-	-	-	27,281	54,781
Mr David Porter[3]	3,333	-	-	-	-	3,333
TOTAL KEY MANAGEMENT PERSONNEL	**189,996**	**-**	**14,610**	**-**	**109,122**	**313,728**

REMUNERATION REPORT (CONTINUED) (AUDITED)

SHARE-BASED PAYMENTS

During the year ended 30 June 2018, 6,000,000 (30 June 2017: 12,000,000) options were issued to the directors.

KEY MANAGEMENT PERSONNEL	REMUNERATION TYPE	GRANT DATE	NUMBER OF OPTIONS	GRANT VALUE $	PERCENTAGE VESTED/PAID DURING THE YEAR %	PERCENTAGE FORFEITED DURING YEAR %	PERCENTAGE REMAINING AS UNVESTED %
Mr Trevor Bradley	Options	18 Dec 17	4,000,000	24,419	100	-	-
Mr Johannes Lin	Options	18 Dec 17	2,000,000	12,209	100	-	-

DESCRIPTION OF OPTIONS/RIGHTS ISSUED AS REMUNERATION

2018

The options granted to Directors, in the year 30 June 2018 were for nil consideration as remuneration, exercisable at $0.0175 options with an expiry date of on or before 18 December 2022. They vested immediately. The value per option was $0.006.

They were valued using Black Scholes with the below assumptions:

Number of options in series	6,000,000
Grant date share price	$0.008
Exercise price	$0.0175
Expected volatility	122%
Option life	5 years
Dividend yield	0.00%
Interest rate	2.34%

2017

The options granted to Directors and Company Secretary, Mr Damian Delaney (resigned 6 May 2016), in the year 30 June 2016 were for nil consideration as remuneration, exercisable at $0.0117 options with an expiry date of on or before 24 November 2020. They vested immediately. The value per option was $0.007.

They were valued using Black Scholes with the below assumptions:

Number of options in series	12,000,000
Grant date share price	$0.011
Exercise price	$0.0188
Expected volatility	132%
Option life	5 years
Dividend yield	0.00%
Interest rate	2.09%

REMUNERATION REPORT (CONTINUED) (AUDITED)

KEY MANAGEMENT PERSONNEL OPTIONS AND RIGHTS HOLDINGS

The number of options over ordinary shares held by each key management person of Terrain Minerals Limited during the financial year is as follows:

30 JUNE 2018	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	EXERCISED DURING THE YEAR	PRICE PAID FOR EXERCISED OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR	VESTED DURING THE YEAR	VESTED AND EXERCISABLE	VALUE OF OPTIONS GRANTED AS REMUNERATION
				$					$
Mr Paul Dickson	10,000,000	-	-	-	-	10,000,000	-	10,000,000	-
Mr Trevor Bradley	-	4,000,000	-	-	-	4,000,000	4,000,000	4,000,000	24,419
Mr Justin Virgin	19,000,000	-	-	-	-	19,000,000	-	19,000,000	-
Mr Johannes Lin	-	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	12,209
	29,000,000	6,000,000	-	-	-	35,000,000	6,000,000	35,000,000	36,628

REMUNERATION REPORT (CONTINUED) (AUDITED)

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

The number of ordinary shares in Terrain Minerals Limited held by each key management person of Terrain Minerals Limited during the financial year is as follows:

	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR	OTHER CHANGES DURING THE YEAR [4]	BALANCE AT END OF YEAR
30 June 2018					
Mr Paul Dickson	3,687,837	-	-	-	3,687,837
Mr Trevor Bradley	-	-	-	-	-
Mr Justin Virgin	18,420,000	-	-	-	18,420,000
Mr Johannes Lin	15,451,548	-	-	-	15,451,548
	37,559,385	-	-	-	37,559,385

VOTING AND COMMENTS MADE AT THE COMPANY'S 2017 ANNUAL GENERAL MEETING

At the Annual General Meeting held on 29 November 2017, the Company's shareholders did not record a vote of more than 25% against the Remuneration Report and no questions were raised at the meeting relating to the Remuneration Report.

The Company does not have a remuneration consultant. The remuneration committee is a committee of the Board of the Company.

END OF AUDITED REMUNERATION REPORT

The directors' report incorporating the remuneration reports is signed in accordance with a resolution of the Board of Directors made pursuant to s298(2) of the Corporations Act 2001.

Justin Virgin

Executive Director

Dated: 21 September 2018

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF TERRAIN MINERALS LIMITED

As lead auditor of Terrain Minerals Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 21 September 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 $	2017 $
Revenue from continuing operations		**3,709**	13,304
Other income		**-**	5,000
Net income	2	**3,709**	18,304
Administrative expenses		**(88,354)**	(111,395)
Share based payments	2	**(36,628)**	(109,122)
Depreciation expenses		**-**	(4,279)
Exploration expenditure write off	7	**-**	(187,038)
Employee benefits expenses		**(205,050)**	(176,353)
Other expenses		**(125,953)**	(104,286)
Loss before income taxes		**(452,276)**	(674,169)
Income tax expense	3	**-**	-
Loss after income tax for the year		**(452,276)**	(674,169)
Other comprehensive income			-
Total comprehensive loss for the year attributable to owners of Terrain Minerals Limited		**(452,276)**	(674,169)
Loss from continuing operations attributable to owners of Terrain Minerals Limited		**(452,276)**	(674,169)
Loss per share attributable to owners of TMX			
From continuing operations:			
Basic loss per share (cents)	11	**(0.08)**	(0.14)
Diluted loss per share (cents)	11	**(0.08)**	(0.14)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

TERRAIN MINERALS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	NOTE	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**1,056,776**	728,291
Trade and other receivables	5	**11,604**	6,579
Prepayments		**8,564**	14,479
TOTAL CURRENT ASSETS		**1,076,944**	749,349
NON-CURRENT ASSETS			
Other receivables	5	**20,000**	20,000
Exploration expenditure	7	**578,892**	482,337
TOTAL NON-CURRENT ASSETS		**598,892**	502,337
TOTAL ASSETS		**1,675,836**	1,251,686
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	**34,654**	35,939
TOTAL CURRENT LIABILITIES		**34,654**	35,939
TOTAL LIABILITIES		**34,654**	35,939
NET ASSETS		**1,641,182**	1,215,747
EQUITY			
Issued capital	9	**20,670,229**	19,829,146
Reserves	10	**1,606,799**	1,570,171
Accumulated losses	10	**(20,635,846)**	(20,183,570)
TOTAL EQUITY		**1,641,182**	1,215,747

The above statement of financial position should be read in conjunction with the accompanying notes

TERRAIN MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	ORDINARY SHARES $	OPTIONS RESERVE $	ACCUMULATED LOSSES $	TOTAL $
Balance at 1 July 2017	**19,829,146**	**1,570,171**	**(20,183,570)**	**1,215,747**
Loss attributable to members of the parent entity	**-**	**-**	**(452,276)**	**(452,276)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**(452,276)**	**(452,276)**
Transactions with owners, in their capacity as owners, and other transfers				
Contributions of equity, net of transaction costs	**841,083**	**-**	**-**	**841,083**
Issue of options	**-**	**36,628**	**-**	**36,628**
Balance at 30 June 2018	**20,670,229**	**1,606,799**	**(20,635,846)**	**1,641,182**
Balance at 1 July 2016	19,056,224	1,461,049	(19,509,401)	1,007,872
Loss attributable to members of the parent entity	-	-	(674,169)	(674,169)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(674,169)	(674,169)
Transactions with owners, in their capacity as owners, and other transfers				
Contributions of equity, net of transaction costs	772,922	-	-	772,922
Options based payments	-	109,122	-	109,122
Balance at 30 June 2017	19,829,146	1,570,171	(20,183,570)	1,215,747

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 $	2017 $
CASH FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		**(426,296)**	(402,707)
Interest received		**3,535**	13,304
Net cash used in operating activities	18	**(422,761)**	(389,403)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net Exploration and evaluation expenditure		**(89,837)**	(257,515)
Proceeds from sale of subsidiary		**-**	5,000
Net cash used in investing activities		**(89,837)**	(252,515)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**877,000**	845,550
Payment of share issue costs		**(35,917)**	(72,628)
Net cash provided by financing activities		**841,083**	772,922
OTHER ACTIVITIES:			
Net cash increase in cash and cash equivalents		**328,485**	131,004
Cash and cash equivalents at beginning of year		**728,291**	597,287
Cash and cash equivalents at end of the year	4	**1,056,776**	728,291

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTE 1: BASIS OF PREPARATION

This financial report includes the financial statements and notes of Terrain Minerals Limited (the company) and was approved for issue on 21 September 2018 by the Board of directors of the Company.

Terrain Minerals Limited is a for-profit company limited by shares, incorporated and domiciled in Australia. The financial report is a general purpose financial statement that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Terrain Minerals limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements of Terrain Minerals Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Historical cost convention
The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. These financial statements are presented in Australian dollars, rounded to the nearest dollar.

Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

NOTE 2: REVENUE AND SIGNIFICANT EXPENSES ITEMS

	2018	2017
	$	$
Revenue from continuing operations:		
Interest income	**3,709**	13,304
Sale of subsidiary	**-**	5,000
	3,709	18,304
Expenses:		
Share based payments	**(36,628)**	(109,122)

Accounting policy

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of the amount of goods and services tax (GST).

NOTE 3: INCOME TAX

THE COMPONENTS OF TAX EXPENSE COMPRISE		
Current tax	**-**	-
Deferred tax	**-**	-
Income tax attributable to entity	**-**	-
THE PRIMA FACIE TAX ON LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX IS RECONCILED TO THE INCOME TAX:		
Prima facie tax benefit on loss from continuing activities before income tax at 30% (2017: 27.5%)	(135,683)	(185,397)
Add/(less) tax effect of:		
- Share based payments	10,988	30,009
- Other non-deductible expenses	32	16,638
- Revenue losses not recognised	130,196	143,806
- Deferred tax balances not recognised	(5,533)	(5,056)
	-	-

NOTE 3: INCOME TAX (CONTINUED)

Deferred tax recognised at 30% (2017:27.5%) (%) (i):		
Deferred tax liabilities:		
- Exploration expenditure	(146,337)	(104,375)
- Other	(93)	-
Deferred tax assets:		
- Carry forward revenue losses	146,430	104,375
Net deferred tax	-	-

d. Unrecognised deferred tax assets at 30% (2017: 27.5%) (i):

Carry forward revenue losses	4,550,977	4,051,724
Carry forward capital losses	1,148,660	1,052,938
Other	29,155	23,459
	5,728,792	5,128,121

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

(i) the corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2027 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

The 2017 comparatives have been updated to be consistent with the 2018 format. The current and deferred tax position has not changed

Accounting policy

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

NOTE 3: INCOME TAX (CONTINUED)

Accounting policy (continued)
Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 4: CASH AND CASH EQUIVALENTS

	2018	2017
	$	$
Cash at bank	**1,056,576**	728,091
Petty cash	**200**	200
	1,056,776	728,291

The company's exposure to interest rate risk is disclosed in note 13. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of cash and cash equivalents.

Accounting policy
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT	2018	2017
	$	$
Other receivables	**174**	-
GST paid	**11,430**	6,579
	11,604	6,579
NON-CURRENT		
Other receivables	**20,000**	20,000

NOTE 6: OTHER ASSETS

Current		
Prepayments	**8,564**	14,479
	8,564	14,479

NOTE 7: EXPLORATION EXPENDITURE

Balance at beginning of the year	**482,337**	401,008
Expenditure during the year	**96,555**	268,367
Written off exploration expenditure	**-**	(187,038)
	578,892	482,337

The recoupment of deferred exploration and evaluation costs carried forward is dependent upon the successful development and commercialisation or sale of the areas of interests being explored and evaluated.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. During the period, the Company has identified that there are assets where no exploration program can be justified and the tenements should be relinquished and therefore capitalised expenditure allocated to these tenements was written off in accordance with AASB 6 'Exploration for and Evaluation of Mineral Resources'. The Board has approved the write down of Nil (June 2017: $187,038) during the financial period in the Statement of Profit or Loss and Other Comprehensive Income.

Accounting policy
Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

i) the rights to tenure of the area of interest are current; and
ii) at least one of the following conditions is also met:

NOTE 7: EXPLORATION EXPENDITURE (CONTINUED)

Accounting policy (continued)

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are occurring.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

KEY JUDGEMENTS - EXPLORATION AND EVALUATION EXPENDITURE

The company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

NOTE 8: TRADE AND OTHER PAYABLES

	2018	2017
	$	$
CURRENT		
Trade payables – unsecured	**28,400**	12,430
Other payables – unsecured	**6,254**	23,509
	34,654	35,939

All trade payables are non-interest bearing and are normally settled on 30 day terms.
The Company's exposure to risks arising from trade and other payables is disclosed in Note 13. The carrying amounts of trade and other payables approximate the fair values.

Accounting policy
Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

NOTE 9: ISSUED CAPITAL

	2018 Number	2018 $	2017 Number	2017 $
Fully paid ordinary shares	**643,732,009**	**20,670,229**	515,032,224	19,829,146

Description	Date	Number of shares	Issue Price	$
2018				
Opening balance	1 July 2017	**515,032,224**		**19,829,146**
Placement (i)	18 December 2017	**25,000,000**	$0.0077	**192,500**
Placement (i)	18 December 2017	**14,930,556**	$0.0072	**107,500**
Placement (ii)	2 May 2018	**88,769,229**	$0.0065	**577,000**
Less: Transaction costs				**(35,917)**
Closing balance	30 June 2018	**643,732,009**		**20,670,229**

Description	Date	Number of shares	Issue Price	$
2017				
Opening balance	1 July 2016	**409,032,224**		**19,056,224**
Share purchase plan (iii)	1 December 2016	**62,500,000**	$0.0080	**500,000**
Placement	7 December 2016	**31,250,000**	$0.0080	**250,000**
Exercise of options	7 December 2016	**12,250,000**	$0.0078	**95,550**
Less: Transaction costs				**(72,628)**
Closing balance	30 June 2017	**515,032,224**		**19,829,146**

(i) On 18 December 2017 Terrain completed a placement with Acuity Capital under the equity line. The placement was 39,930,556 at an average of $0.00745.

(ii) On 30 April 2018 Terrain completed a placement to sophisticated investors of 88,769,229 at $0.0065. The issues costs are in relation to the placement.

(iii) On 1 December 2016 Terrain completed a Share Purchase Plan (“SPP”). The SPP was 62,500,000 shares at $0.008. The issue costs of $48,983 are in relation to the SPP.

Accounting policy

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

OPTIONS

As at reporting date, the Group has the following options on issue:

2018 Number	Exercise Price	Grant	Expiry
12,000,000	$0.0040	28 November 2014	24 December 2019
6,000,000	$0.0300	21 August 2015	1 August 2018
22,600,000	$0.0117	24 November 2015	24 November 2020
12,000,000	$0.0188	7 December 2016	7 December 2021
6,000,000	$0.0175	18 December 2017	18 December 2022
58,600,000			

NOTE 9: ISSUED CAPITAL (CONTINUED)

Movements in the number of options on issue during the year are as follows:

Description	**2018 Number**	**Weighted Average Exercise Price**	2017 Number	Weighted Average Exercise Price
Options				
Opening balance	52,600,000	0.0359	**57,100,000**	0.0220
Issued during the period (i)	6,000,000	0.0175	**12,000,000**	0.0300
Exercised during the period	-	-	**(12,250,000)**	(0.0078)
Expired during the period	-	-	**(4,250,000)**	(0.0078)
Balance at 30 June	58,600,000	0.0534	**52,600,000**	0.0359

(i) Options (valued at $0.006) were issued to the Directors were valued using Black Scholes with the below assumptions:

2018	**Unlisted options**
Number of options in series	6,000,000
Grant date share price	$0.008
Exercise price	$0.0175
Expected volatility	122%
Option life	5 years
Dividend yield	0.00%
Interest rate	2.34%
Total value	$36,628

Options (valued at $0.009) were issued to the Directors were valued using Black Scholes with the below assumptions:

2017	**Unlisted options**
Number of options in series	12,000,000
Grant date share price	$0.011
Exercise price	$0.0188
Expected volatility	132%
Option life	5 years
Dividend yield	0.00%
Interest rate	2.09%
Total value	$109,122

NOTE 9: ISSUED CAPITAL (CONTINUED)

Accounting policy

The Company operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

CAPITAL RISK MANAGEMENT

The board controls the capital of the company in order to maintain a good debt to equity ratio, ensure the Company can fund its operations and continue as a going concern. The company's debt and capital includes ordinary shares and financial liabilities.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2018 and 30 June 2017 are as follows:

	2018 $	2017 $
Cash and cash equivalents	**1,056,776**	728,291
Trade and other receivables	**11,604**	6,579
Trade and other payables	**(34,654)**	(35,939)
Working capital position	**1,033,726**	718,931

There are no externally imposed capital requirements. The board effectively manages the Company's capital by assessing the financial risks and adjusting its capital structure in response to changes in risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

NOTE 10: RESERVES AND ACCUMULATED LOSSES

(A) OPTION RESERVE

	2018 $	2017 $
Opening balance	**1,570,171**	1,461,049
Option expenses	**36,628**	109,122
Closing balance	**1,606,799**	1,570,171

(B) ACCUMULATED LOSSES

Opening balance	**(20,183,570)**	(19,509,401)
Net loss for the year	**(452,276)**	(674,169)
Closing balance	**(20,635,846)**	(20,183,570)

(C) NATURE AND PURPOSE OF OTHER RESERVES

SHARE - BASED PAYMENTS

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of shares issued to employees

NOTE 11: LOSS PER SHARE

	2018 $	2017 $
Loss used to calculate basic EPS	**(452,276)**	(674,169)
Loss used in calculation of dilutive EPS	**(452,276)**	(674,169)

Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	NUMBER	NUMBER
Weighted average number of ordinary shares outstanding during the year - No. used in calculating basic EPS	**550,604,587**	469,476,745
Weighted average number of ordinary shares outstanding during the year - No. used in calculating diluted EPS	**550,604,587**	469,476,745
Total basic loss per share attributable to the ordinary equity holders of the Company (cents)	**(0.08)**	(0.14)
Total diluted loss per share attributable to the ordinary equity holders of the Company (cents)	**(0.08)**	(0.14)

NOTE 11: LOSS PER SHARE (CONTINUED)

Accounting policy
Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 12: CAPITAL AND LEASING COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS

	2018 $	2017 $
Payable:		
- not later than 12 months	**117,000**	30,000
- between 12 months and 5 years	**552,000**	357,500
- greater than 5 years	**-**	-
	669,000	387,500

NOTE 13: FINANCIAL RISK MANAGEMENT

Financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2018 $	2017 $
FINANCIAL ASSETS			
Cash and cash equivalents	4	**1,056,776**	**728,291**
TOTAL FINANCIAL ASSETS		**1,056,776**	**728,291**
FINANCIAL LIABILITIES			
Trade and other payables	8	**34,654**	**35,939**
TOTAL FINANCIAL LIABILITIES		**34,654**	**35,939**

The carrying amounts of these financial instruments approximate their fair values.

NOTE 13: FINANCIAL RISK MANAGEMENT (CONTINUED)

FINANCIAL RISK MANAGEMENT POLICIES

Exposure to key financial risks is managed in accordance with the Company's risk management policy with the objective to ensure that the financial risks inherent in mineral exploration activities are identified and then managed or kept as low as reasonably practicable.

The main financial risks that arise in the normal course of business are market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments for exploration expenditure. Exposure to liquidity risk is limited by anticipating liquidity shortages and ensures capital can be raised in advance of shortages. Interest rate risk is managed by limiting the amount interest bearing loans entered into by the Company. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit exposure to price risk.

Primary responsibility for identification and control of financial risks rests with the Board. The Board is apprised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

The carrying values less the impairment allowance for receivables and payables are assumed to approximate fair values due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

(A) CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Company.

The Company has no customers and consequently no significant exposure to bad debts or other credit risks.

With respect to credit risk arising from financial assets, which comprise cash and cash equivalents and receivables, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. At reporting date cash and deposits were held with Westpac Banking Corporation, which has a A credit rating.

(B) LIQUIDITY RISK

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Company's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Company monitors its ongoing research and development cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The Company has no undrawn financing facilities. Trade and other payables, the only financial liability of the Company, are due within 3 months.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

NOTE 13: FINANCIAL RISK MANAGEMENT (CONTINUED)

FINANCIAL LIABILITY AND FINANCIAL ASSET MATURITY ANALYSIS	WITHIN 1 YEAR		1 TO 5 YEARS		TOTAL CONTRACTUAL CASH FLOW	
	2018	2017	2018	2017	2018	2017
	$	$	$	$	$	$
FINANCIAL LIABILITIES DUE FOR PAYMENT						
Trade and other payables	**34,654**	35,939	-	-	**34,654**	35,939
Total contractual outflows	**34,654**	35,939	-	-	**34,654**	35,939
Total expected outflows	**34,654**	35,939	-	-	**34,654**	35,939
FINANCIAL ASSETS - CASH FLOWS REALISABLE						
Trade and other receivables	**174**	-	**-**	-	**174**	-
Total anticipated inflows	**174**	-	**-**	-	**174**	-

(c) MARKET RISK

i. Interest rate risk

The company's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. At reporting date, the company does not have any borrowings. The Company does not enter into hedges. An increase/ (decrease) in interest rates by 1% during the whole of the respective periods would have led to an increase/ (decrease) in both equity and losses of less than $10,000. 1% was thought to be appropriate because it represents four 0.25 basis point rate rises/falls, which is appropriate in the recent economic climate.

ii. Price risk

Price risk relates to the risk that the commodity price of the underlying resource being targeted by the Company's exploration activities could fluctuate. Management does not currently hedge nor participate in diversification of the type of minerals explored for in an attempt to mitigate the price risk.

Price risk also relates to the risk that share price can fluctuate and where assets are held in shares, as tradeable on a recognisable exchange, then the price of these shares and therefore the value of the assets can fluctuate.

NOTE 14: OPERATING SEGMENTS

Terrain Minerals Limited has determined that the Group has one reportable segment, being mineral exploration. As the Group is focused on mineral exploration, the Board monitors the Group based on actual versus budgeted revenues and expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic steering committee.

NOTE 15: INTERESTS OF KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of Terrain Minerals Limited's key management personnel for the year ended 30 June 2018.

The totals of remuneration paid to key management personnel of the Company during the year are as follows:

	2018	2017
	$	$
Short-term employee benefits	**190,000**	189,996
Post-employment benefits	**18,050**	14,610
Share-based payments	**36,628**	109,122
	244,678	313,728

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

There have been no other transactions with Key Management Personnel.

NOTE 16: AUDITOR'S REMUNERATION

	2018	2017
	$	$
Remuneration of the auditor of the company for:		
BDO Audit (WA) Pty Ltd - auditing or reviewing the financial report	**29,272**	29,000
	29,272	29,000

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at reporting date, there are no known contingent liabilities or contingent assets.

NOTE 18: CASH FLOW INFORMATION

(A) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX

	2018	2017
	$	$
Net loss for the year	**(452,276)**	(674,169)
Other income		
Non-cash items in profit/(loss)		
Depreciation	**-**	4,279
Share based payments	**36,628**	109,122
Exploration written off	**-**	187,038
Loss on impairment of receivable	**-**	-
Changes in assets and liabilities		
Decrease/(increase) in trade and term receivables	**(5,025)**	1,352
Decrease/(increase) in prepayments	**(5,915)**	(519)
Increase/(Decrease) in trade payables and accruals	**3,827**	(16,506)
Net cash used in operating activites	**(422,761)**	(389,403)

NOTE 19: EVENTS AFTER THE END OF THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

NOTE 20: OTHER ACCOUNTING POLICIES

(A) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(B) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

KEY ESTIMATES – IMPAIRMENT

The company assesses impairment at the end of the reporting period by evaluating conditions specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

KEY JUDGEMENTS - SHARE-BASED PAYMENT TRANSACTIONS

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes method. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

KEY JUDGEMENTS – CONTINGENT LIABILITIES

The Company has made the judgement to not recognise the payable or contingent liability relating royalties' payable on certain tenements. A judgment was made that these agreements did not meet the contingent liability recognition criteria.

KEY JUDGEMENTS – TAXATION

Balances disclosed in the financial statements and the notes thereto, related to taxation, and are based on the best estimates of Directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the Directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

(C) NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the company. The Company's assessment of the impact of these new standards and interpretations is set out below.

NOTE 20: OTHER ACCOUNTING POLICIES (CONTINUED)

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by Company
AASB 9 Financial Instruments	AAB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting.	There will be no impact on the Company's accounting for financial assets and financial liabilities, as the new requirements only effect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such financial assets or financial liabilities. The new hedging rules align hedge accounting more closely with the Company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.	Must be applied for financial years commencing on or after 1 January 2018. Therefore application date for the company will be 30 June 2019. The Company does not currently have any hedging arrangements in place.
IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the Company has not yet made an assessment of the impact of this standard and does not have a material impact.	Must be applied for annual reporting periods beginning on or after 1 January 2018. Therefore application date for the Company will be 30 June 2019.
AASB 16 (issued February 2016) Leases	AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 *Leases.* It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with	The Company is continuing to assess the impact of this standard.	To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments. Thereafter, earnings before interest,

	a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.		depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 *Leases*. This trend will reverse in the later years. There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.

The following standards are not yet effective and are not expected to have a significant impact on the Company's financial statements:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2016-3 'Amendments to Australian Accounting Standards - Clarifications to AASB 15	1 January 2018	30 June 2019

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2018

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(b) the financial statements and accompanying notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board;

(c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, other mandatory professional reporting requirements including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

Justin Virgin

Executive Director
Dated: 21 September 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of Terrain Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Terrain Minerals Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 7 to the financial report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Company. In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation expenditure required significant judgement by management in determining whether there are any facts or circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Company and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Company's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 7 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 40 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Terrain Minerals Limited, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 21 September 2018

Corporate Governance

The Company's 2018 Corporate Governance Statement is contained in the 'Corporate Governance' section of the Company's website at www.terrainminerals.com.au

ASX INFORMATION

FOR THE YEAR ENDED 30 JUNE 2018

The shareholder information set out below was applicable as at 5 September 2018.

1. Quotation

Listed securities in Terrain Minerals Limited are quoted on the Australian Securities Exchange under ASX code TMX (Fully Paid Ordinary Shares).

2. Voting Rights

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

(a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and

(b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

There are no voting rights attached to options on issue.

3. Distribution of Shareholders

(i) Fully Paid Ordinary Shares

Shares Range	Holders	Units	%
1 – 1,000	41	9,717	0.00
1,001 – 5,000	23	78,239	0.01
5,001 – 10,000	38	354,293	0.06
10,001 – 100,000	411	23,835,033	3.70
100,001 and above	523	619,454,727	96.23
Total	**1,036**	**643,732,009**	**100.00%**

On 5 September 2018, there were 370 holders of unmarketable parcels of less than 11,285,166 ordinary shares (based on the closing share price of $0.007).

(ii) Unlisted Options exercisable at $0.004 on or before 24 December 2019

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	4	12,000,000[1]	100.00
Total	**4**	**12,000,000**	**100.00%**

[1]Holders who hold more than 20% of securities are:
Mr Keng Hock Jonathan Lim – 3,000,000 options
Mr David Porter – 3,000,000 options
Ricketts Point Investments Pty Ltd <Dickson Family Fund A/C> – 3,000,000 options
Mr Justin Anthony Virgin <J Virgin T/A Stockfeed A/C> – 3,000,000 options

(iii) Unlisted Options exercisable at $0.0117 on or before 24 November 2020

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	1	100,000	0.44
100,001 and above	5	22,500,000[1]	99.56
Total	**6**	**22,600,000**	**100.00%**

[1]Holders who hold more than 20% of securities are:
Mr Justin Anthony Virgin <J Virgin T/A Stockfeed A/C> – 10,000,000 options

(iv) Unlisted Options exercisable at $0.0188 on or before 7 December 2021

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	3	12,000,000[1]	100.00
Total	**3**	**12,000,000**	**100.00%**

[1]Holders who hold more than 20% of securities are:
Mr Justin Anthony Virgin <J Virgin T/A Stockfeed A/C> - 6,000,000 options
Mr Keng Hock Jonathan Lim – 3,000,000 options
Ricketts Point Investments Pty Ltd <Dickson Family Fund A/C> – 3,000,000 options

(v) Unlisted Options exercisable at $0.0175 on or before 18 December 2022

Shares Range	Holders	Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 and above	2	6,000,000[1]	100.00
Total	**2**	**6,000,000**	**100.00%**

[1]Holders who hold more than 20% of securities are:
Mr Trevor Bradley - 4,000,000 options
Mr Johannes Lin – 2,000,000 options

4. Substantial Shareholders

The names of the substantial shareholders listed on the Company's register as at 5 September 2018 are:

Name: Mr Jonathan Lim
Holder of: 46,599,196 fully paid ordinary shares, representing 11.48%
Notice Received 13 October 2015

Name: Grande Pacific Ltd
Holder of: 26,536,223 fully paid ordinary shares, representing 6.53%
Notice Received

5. Restricted Securities

There are no restricted securities listed on the Company's register as at 5 September 2018.

6. On market buy-back

There is currently no on market buy back in place.

7. Twenty Largest Shareholders

The twenty largest shareholders of the Company's quoted securities as at 5 September 2018 are as follows:

	Name	No. of Shares	%
1	GRANDE PACIFIC LTD	28,411,223	4.41
2	MR JONATHAN KENG HOCK LIM	26,564,081	4.13
3	ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD <ACUITY CAPITAL HOLDINGS A/C>	25,030,092	3.89
4	JOHN WARDMAN & ASSOCIATES PTY LTD <WARDMAN SUPER FUND A/C>	24,650,000	3.83
5	J MOODY NOMINEES PTY LTD <THE MOODY SUPER FUND A/C>	21,650,000	3.36
6	ARMCO BARRIERS PTY LTD	16,000,000	2.49
7	MR JOHANNES Y LIN	15,451,548	2.40
8	MR JUSTIN ANTHONY VIRGIN <J VIRGIN T/A STOCKFEED A/C>	14,300,000	2.22
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,444,978	2.09
10	SILVERINCH PTY LTD <SILVERINCH S/F A/C>	10,430,556	1.62
11	DRYCA PTY LTD <DRYCA EMPLOYEES RET/F A/C>	10,000,000	1.55
11	RINGWOOD MANAGEMENT PTY LIMITED <RINGWOOD SUPER FUND A/C>	10,000,000	1.55
11	VAN AM MARKETING PTY LTD	10,000,000	1.55
14	MR MARK ANDREW TKOCZ + MS SUSAN ELIZABETH EVANS <TKOCZ SUPER FUND A/C>	9,500,000	1.48
15	MR BOON KHENG ONG	8,070,569	1.25
16	TIMMS GROUP PTY LTD	7,492,307	1.16
17	FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	6,500,000	1.01
18	MR KENG HOCK JONATHAN LIM	6,335,115	0.98
19	MR ZHONGLI LI	6,170,000	0.96
20	MRS LUYE LI	6,161,538	0.96
	Total	**276,162,007**	**42.90%**

8. Tenement Listing

The Company has an interest in the following tenements:

Project	Tenement	Status	Interest
Great Western	M37/0054	Granted	100%
"	E37/1214	Granted	100%
Forrest	E09/2246	Granted	100%
"	E09/2247	Granted	100%
"	E70/5011	Application	100%
"	E09/2291	Application	100%

9. Mineral Resources and Ore Reserves Statement

The mineral resource estimate for the Great Western Deposit has been completed and reported in accordance with the JORC 2012 code by DataGeo Geological Consultants.

In the course of preparing this mineral resource estimate, various consultants have:

- Reviewed all historical data available for the Great Western deposit;
- Recent drilling was incorporated and mineralisation interpretation was updated based on gold grade, minimum down hole lengths and overall orientation of the main structures;
- Mineralisation interpretation was based on 150 RC and diamond holes totalling approximately 15,600m;
- Mineralisation was solid modelled and loaded into a block model with parent block size of 10mE x 2mN x 5mRL;
- Drill hole samples were composited down hole to 1m length within the mineralisation interpretation;
- The position of existing stopes were determined by reference to the geological logs;
- Grade was estimated using ordinary kriging techniques for lodes with sufficient information and inverse distance to the power of 3 for lodes with less information;
- Composite grades were top cut when required to between 10 and 50g/t and some grade influence restrictions were applied.
- Resource tonnes were determined by default specific gravity values;
- The Mineral Resource was validated against the input data and classified according to geological confidence, continuity of grade and proximity to previously recorded workings that delivered 27,000 tonnes at 13.85g/t Au;
- For reporting of the mineral resource open cut mining is considered likely to be viable to a maximum of 120m below surface with in situ grades of +2g/t. Beneath that underground mining at higher grades (+4g/t) may be possible;
- Knowledge of similar mined deposits in the area were used as the basis of likely metal recovery and amenability of the deposit to conventional processing; and
- Reported the Mineral Resource estimate and compiled the supporting documentation in accordance with the JORC Code, 2012 Edition.

Refer to announcement made on 27 March 2017 and the Review of Operations within this Annual Report for further details of the mineral resource estimate for the Great Western Deposit, including the Table below.

The mineral resource as at 30 June 2017 is shown in the following Table along with a note to confirm that there has been no change to the data since 30 June 2017 and therefore the Table also represents the resource as at 30 June 2018.

Whilst scoping studies to date have provided positive results for the open cut mining and subsequent processing of the Measured and Indicated component of the mineral resource at this time no ore reserve has been determined for the Great Western Deposit.

Reportable Mineral Resource as at 30 June 2017
No changes made during the Year

Great Western Deposit Reportable in situ Mineral Resource depleted for mining						
	Open Cut (0.5g/t)		**Underground (1.5g/t)**		**Combined**	
Class	Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t
Measured	131,000	2.58			131,000	2.58
Indicated	332,000	**3.15**	17,000	4.03	349,000	3.19
Inferred	128,000	1.45	101,000	2.89	229,000	2.08
TOTAL	**591,000**	**2.65**	**118,000**	**3.05**	**709,000**	**2.72**

The tonnes have been rounded to the nearest 1000

Note that the mineral resource reported in 2017 was for open cut mining to a depth of 100m below surface with underground beneath that.

Governance Arrangements and Internal Controls

The Company has ensured that the mineral resource estimates quoted above are subject to governance arrangements and internal controls. A summary of these are outlined below.

The mineral resource estimate has been prepared using industry standard practices and are reported in accordance with JORC 2012 guidelines.

Audit of the estimation of mineral resources is addressed as part of the annual internal audit plan approved by the Board in its capacity as the Audit and Risk Committee. In addition to routine internal audit, the Board monitors the mineral resource status by using consultants for the management review/audit mineral resources on an as-needed basis and the Board approves the final outcome.

The mineral resource estimation processes followed internally are well established and are subject to systematic internal and external peer review. Independent technical reviews and audits are undertaken on an as-needs basis as a product of risk assessment.

Competent Persons Statement

Great Western Gold Project – Mineral Resource Estimate

The information relates to the Mineral Resource estimate is based on information compiled by Peter Ball, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy, membership number 109775. Mr Ball is employed by and is a Director of DataGeo Geological Consultants and was contracted by Terrain Minerals Ltd to estimate the mineral resource stated within this announcement. Mr Ball has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Ball consents to the use of the information within this report in the form and context in which it appears.

Competent Persons Statement

Great Western - Exploration

The information in this report that relates to Exploration Results is based on information compiled by Mr. G. Purcell, who is a Member of the Australian Institute of Geoscientists and a consultant to Terrain Minerals Limited. Mr Purcell 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. Purcell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement

Red Mulga -Exploration

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Dr J. Richard Russell (PhD, MAusIMM), principal of R. Russell and Associates, who is a Member of the Australian Institute of Geoscientists and a consultant to Terrain Minerals Limited. Dr Russell 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'. Dr. Russell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.