

ASX Announcement



31 October 2016

ABN: 45 116 153 514

ASX: TMX

Quarterly Activities Report: September 2016

HIGHLIGHTS

- **Completion of Annual Report**
- **Office Relocation**
- **Board Changes**
- **Advancement of Great Western Gold Project**
 - 62,805oz Gold JORC Compliant Recourse
 - 100% ownership & No Royalties
 - Open at Depth and to the West
- **Gimlet – Anomaly “A” Target**
 - Gold in soil auger Anomaly - untested
 - Located in the Southern Fraser Range
- **Corporate Update**

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Completion of Annual Report

Announced on the ASX 28th September 2016

Also, available on www.Terrainminerals.com.au

Change of Registered Address

The Company's Registered Office and Principal Place of Business relocated.

New address:

Suite 2, 28 Outram Street,
West Perth, WA, 6005.

All other contact details of the Company remain unchanged.

The new offices facilities are larger and better equipped and will better accommodate future growth activate at comparable costs.

Board Changes

The Board is very pleased to be working closely again with Mr Paul Dickson in his new role as Chairman. Mr Dickson, has held this position previously with the company and was vice chairman prior to this appointment. His extensive industry experience in corporate finance and deal negotiations in the resources sector and across other industries.

Also during this quarter Mr David Porter retired as a director of the Company. Mr Porter served as a director of the Company from October 2013 to July 2016. The Board thanks Mr Porter for his contribution during his time in office and wishes him well in his future endeavours. Mr Porter held no fully paid shares in Terrain only options refer to ASX announcement 28/07/2016 - Appendix 3Z.

The Company's geological requirements will continue to be managed by two senior geologists that Terrain uses regularly as well as a larger group of industry specialist, who have always advised and report directly to the board. Terrain has also developed a large network of contacts who continue to present opportunities for review.

Great Western Gold Project – Advancement

Mr Trevor Bradley – Senior Geologist

Terrain is pleased to have secured the services of Senior Geologist Trevor Bradley (on a casual basis). Mr Bradley was tasked with reviewing data and designing a strategy with the aim of advancing Great Western gold project to the mine approval. This review has been presented to the Board with findings being enacted.

Professional summary: Trevor has over 25 years of experience in the technical, operational and managerial aspects of exploration and development of mineral projects in Australia and the emerging economies of South East and Central Asia. He has held senior technical and management positions with Australian and Canadian mining companies' and multi-national mineral industry consulting groups.

Trevor has expertise in Independent Mineral Asset Valuation, Independent Technical Reports and Due Diligence Studies across a range of commodities for the purposes of investment decision, project finance and exchange listing requirements. Trevor has also assisted clients in his capacity as an Independent Technical Specialist in mediation and arbitration proceedings.

Diagram 1 - The above smaller inner pit shell on the right-hand side predominately contains the Measured and Indicated classified material. The larger dark green outer pit shell on the right contains the eastern 42% Inferred material. As this 42% Inferred represents a large percentage of metal, and now due to the new reporting standards internal confidence in this resource needs to be confirmed before being able to report the findings, a drill program has been designed to improve confidence levels.

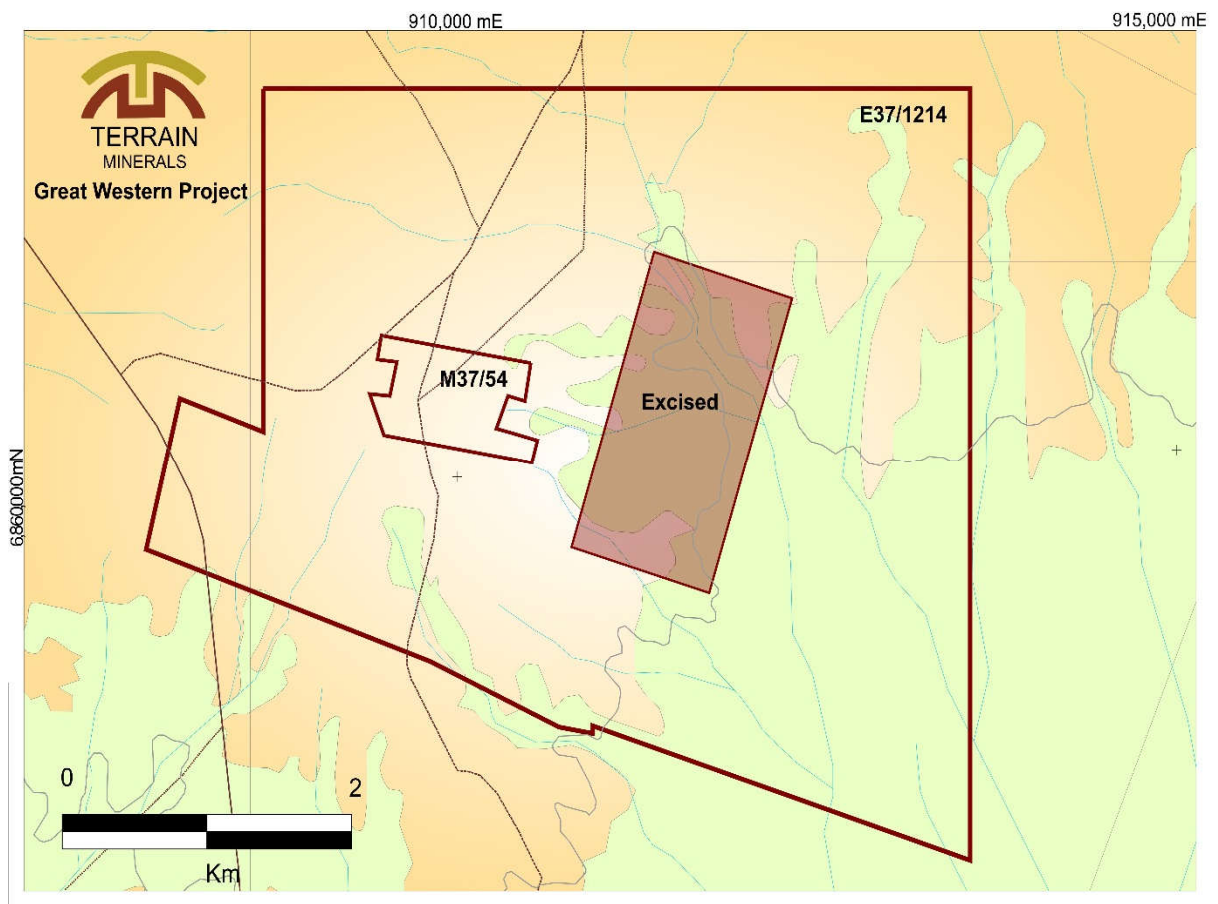


Diagram: 2 Great Western Project Area



Diagram: 3 Great Western Centre and the proximity of possible nearby processing facilities.

About Great Western:

The 100% owned project is Located 68 km north of Leonora and 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 project, which is possibly still open down plunge and along the western strike.

Gimlet - Gold Target - Anomaly "A"

The recently completed historic review of data over Terrain's Gimlet project has identified an untested gold soil Anomaly "A". This represents a 'walk up' untested Gold target. Planning for a small Rab/Aircore drilling program is underway, including POW and land access as it is on privately owned land which may be presently under cultivation.

Highlights from the historic data review include:

- Greater than 600m by 200m auger anomaly (Gold target);
- Drilling just to the west encountered low 2 to 3 metres overburden;
- Drill program (aircore/rab) has been Board approved with planning underway; and
- Project area 100% held by Terrain all situated on freehold acreage
- Total area now consists of 26 blocks and 146 blocks have been relinquished.
- Land now 100% Terrain with spotter fee agreement and related royalties cancelled for no consideration.

Anomaly A is a discrete east-west trending 600x200m gold in soil anomaly, defined by a historic 200x100m spaced auger sampling. The low level 15-30ppb anomaly is located on private arable land.

Magnetic testing displays complex underlying bedrock geology. Three shallow aircore drill holes drilled 200m to the west of the anomaly intersected quartz-feldspathic gneisses, and while no anomalism was identified, the holes show transported cover to be thin (<3m), suggesting the anomaly is not part the extensive palaeo-channel system transecting the area, and potentially reflects a bedrock source.

The anomaly represents a modest lithostructural and geochemical target. The Company plans to test the structure with a small rab/aircore program in due course.

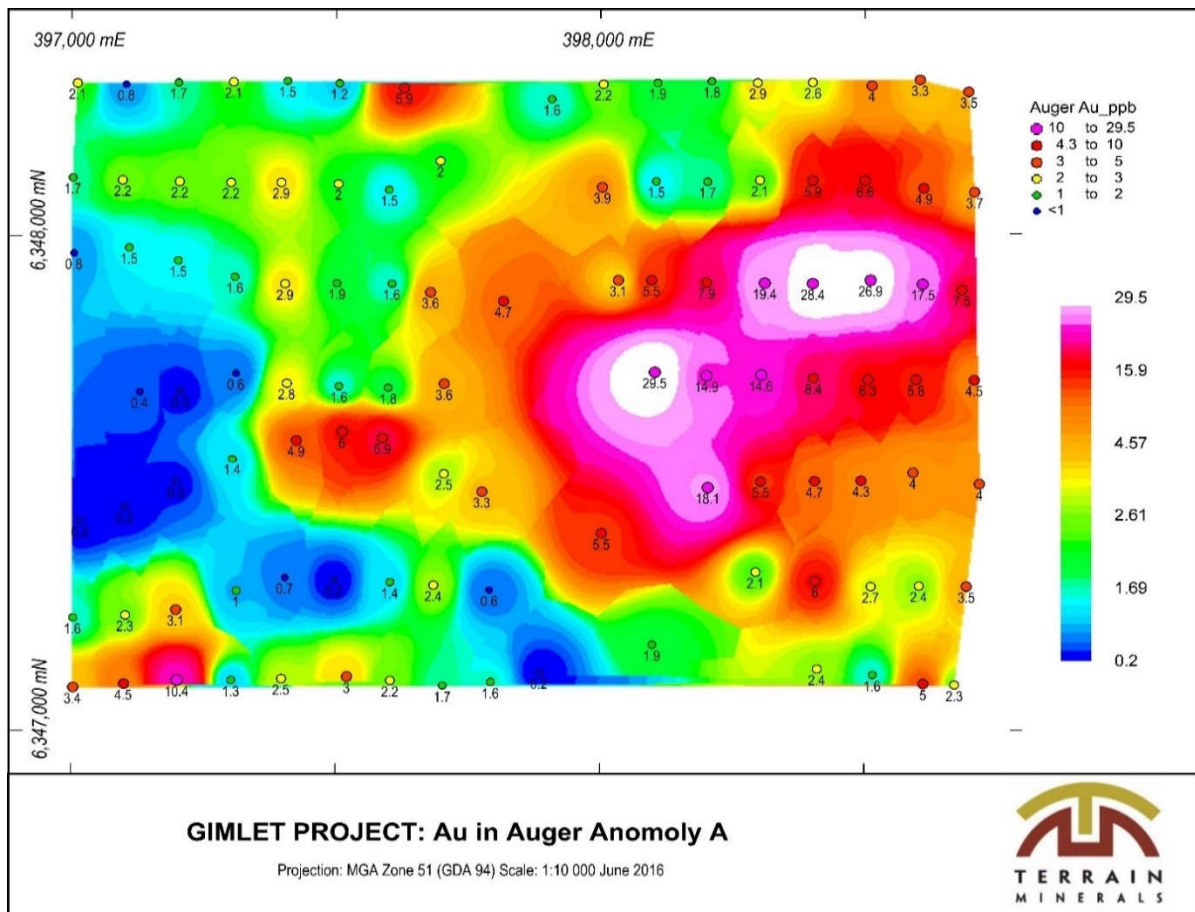


Diagram: 4 Untested Auger Soil Anomaly

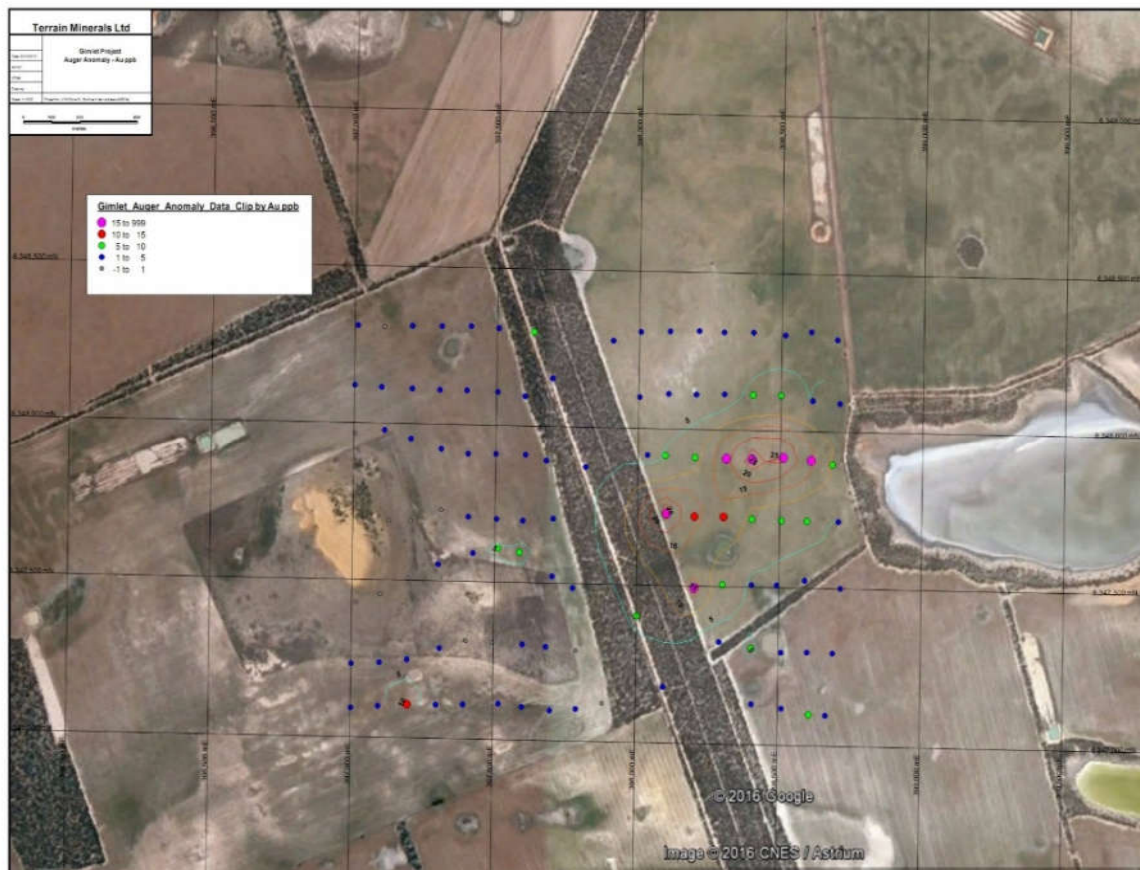


Diagram: 5 Anomaly "A" is located over free hold agricultural land. Permission to access and first pass drill test this the area is underway

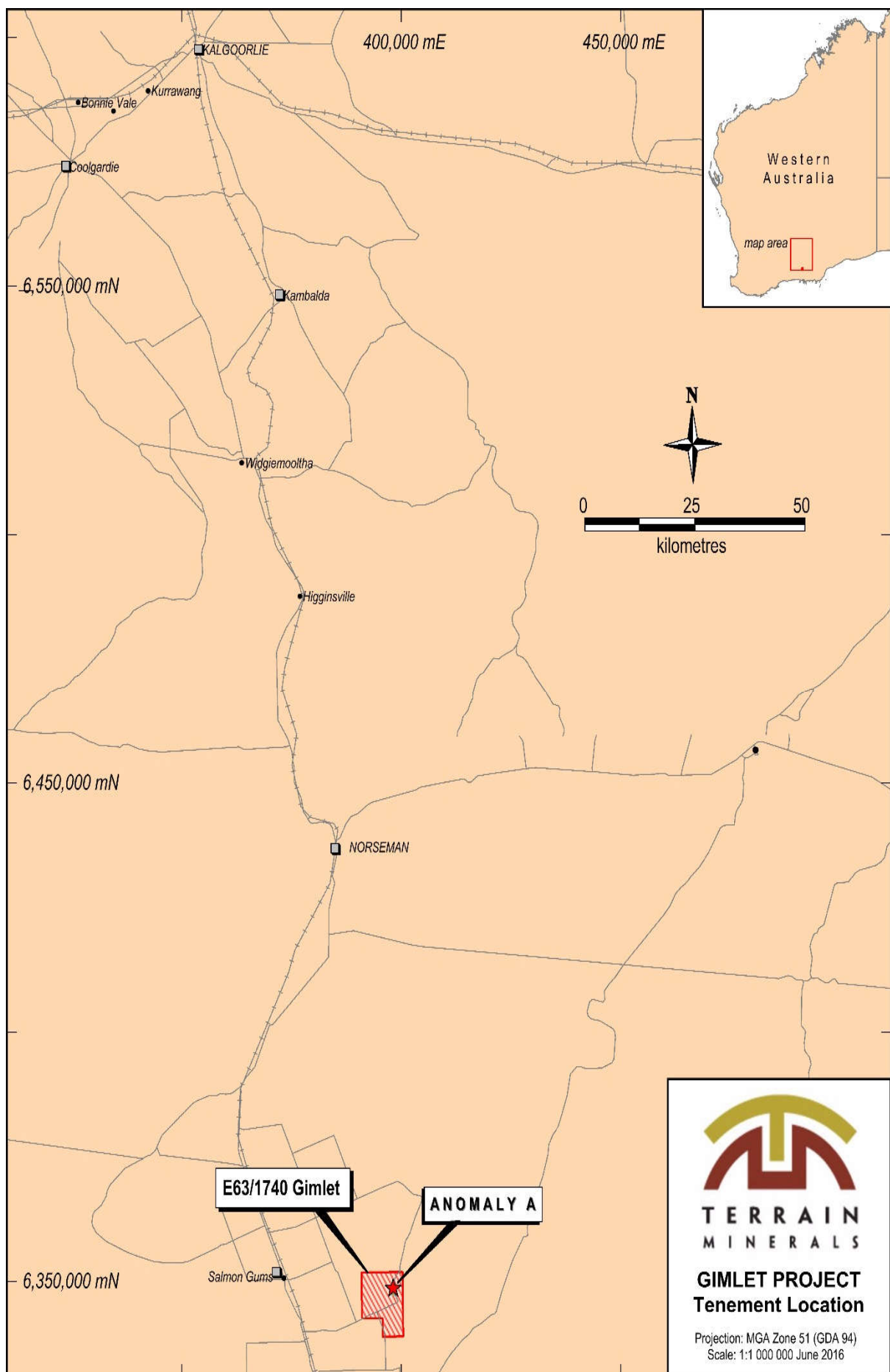


Diagram: 6 Gimlet project location

Rembrandt Gold Project

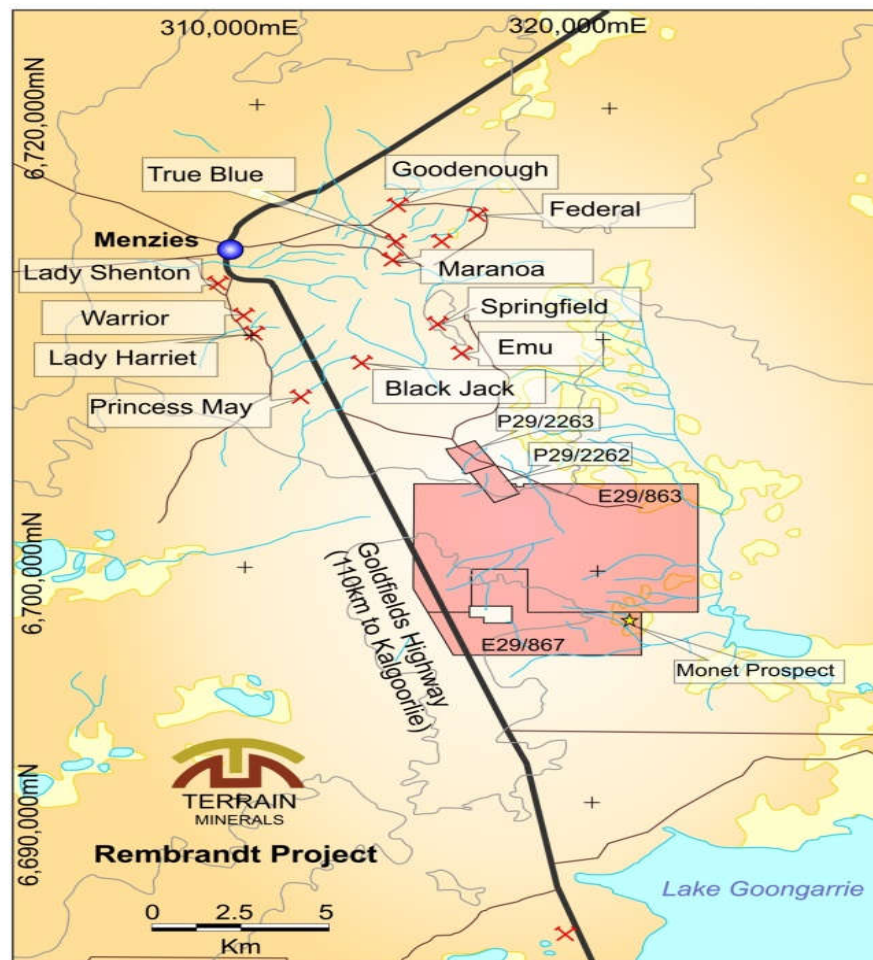


Diagram 7: Rembrandt Project Location Plan

High grade gold intercepted in drilling at Monet Prospect

- Multiple high grade drill results including:
 - TMXMRC016: 1m @ 17.9g/t Au from 26m & 2m @ 1.9g/t Au from 30m
 - TMXMRC018: 1m @ 6.5g/t Au from 46m
 - TMXMRC030: 1m @ 80.4g/t Au from 43m
 - TMXMRC039: 1m @ 18.85g/t Au from 11m
 - TMXMRC041: 1m @ 2.7g/t Au from 32m & 3m @ 1.7g/t Au from 39m
 - TMXMRC063: 1m @ 20g/t Au from 16m
 - TMXMRC064: 1m @ 10.3g/t Au from 28m
 - TMXMRC065: 2m @ 3.54 g/t Au from 36m
 - TMXMRC066: 2m @ 1.8g/t Au from 46m
- Mineralisation open at depth
- Confirms presence of high grade near surface gold mineralisation

Divestment activities continue.

Corporate

Terrain continues to explore ways to realise cash flow or value from Great Western and has continued to receive interest from several new groups. The board is now focusing on adding value to the project by advancing Great Western to mine approval stage and potentially into production.

Other Business

Terrain Minerals is currently searching and assessing potential projects: Gold in Australia, several Lithium, Cobalt & Gold opportunities in Africa, (and other regions). Several jurisdictions of interest have now been identified. All economic commodities are being considered as indicated in previous Quarterly reports.

For further information, please contact:

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Phone: +61 8 9381 5558

Competent Person Disclosures

Rembrandt Gold Project

The information relating to Rembrandt Gold Project has been extracted from the Company's ASX announcements dated 4 December 2015 and 2 March 2016 and is available to view on <http://terrainminerals.com.au/investor-relations/asx-releases-reports>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company further confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Great Western

The information relating to Great Western was prepared and first disclosed under the JORC Code 2004 (refer to ASX announcements dated 16 February 2010 and 22 September 2010), and was subsequently updated to comply with the JORC Code 2012 on 24 August 2015. Information contained within this announcement has been extracted from the Company's ASX announcement dated 24 August 2015 and is available to view on <http://terrainminerals.com.au/investor-relations/asx-releases-reports>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

TERRAIN MINERALS LIMITED

ABN

45 116 153 514

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(28)	(28)
(b) staff costs	(31)	(31)
(c) administration and corporate costs	(67)	(67)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(118)	(118)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

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

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	617	617
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(118)	(118)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	499	499

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	20	146
5.2 Call deposits	479	471
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	499	617

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
31

Director fees including superannuation

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	64
9.2 Development	-
9.3 Production	-
9.4 Staff costs	44
9.5 Administration and corporate costs	52
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	160

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer Table On page 5			
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Schedule of Exploration Tenements held as at 30 September 2016 - Listing Rule 5.3.3

Interests in Mining Tenements


Project/Tenements	Location	Held at end of quarter	Acquired/Disposed during the quarter	Disposed during the quarter
Gimlet E63/1740	Western Australia	100%		-
Great Western ML 37/0054	Western Australia	100%	-	-
M37/1214		100%	-	-
Rembrandt P29/2262 P29/2263 E29/0867 E29/0863	Western Australia	100%	-	-

Farm-in Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

Farm-out Agreements / Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

Compliance statement

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

Sign here: 

(Company secretary)

31 October 2016

Date:

Print name: Winton Willesee

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.