Terrain Minerals Limited (ASX:TMX)

Metals & Mining

Lightning Strikes: A Starter Resource With Room to Run

Terrain Minerals Limited (ASX:TMX) delivered its maiden Mineral Resource Estimate at the Lightning gold prospect in July 2026, converting six years of drilling at the 100%-owned Smokebush Gold & Silver Project into a defined starter resource. With mineralisation still open along strike and at depth, a granted mining lease already in hand, and a distinct address alongside Vault Minerals' (ASX:VAU) Rothsay mine and Capricorn Metals' (ASX:CMM) 4.5Moz Mt Gibson project, Terrain has moved Lightning from an exploration story into the early stages of resource growth.

Key Highlights

Maiden Resource Delivered at Lightning – Independent Inferred Mineral Resource Estimate of 677,000t at 2.5g/t Au for 54,000oz gold, alongside 156,500oz of contained silver at 7.2g/t. Mineralisation starts from surface and remains open along strike and at depth.

Strategic Investment from Gandel Metals – Gandel Metals has made a $1.0m strategic investment into Terrain at a premium to market, part of a combined $2.513m placement and rights issue at $0.004 (1:1 options at $0.006, 3-year expiry). The Gandel family's backing is a meaningful vote of confidence in Terrain's execution at Lightning, putting the Company at an inflection point where that groundwork starts to convert into value. The raise funds Terrain's largest RC campaign to date, giving management the balance sheet to build on the Lightning starter resource.

IP Survey Defines High-Priority Growth Targets – Terrain's completed 2026 IP survey has identified seven new high-priority drill targets within the Lightning mining lease, including a standout chargeability anomaly immediately north of Monza, along the same structural trend hosting the existing Lightning MRE.

High-Grade Drilling Underpins the Model – Standout intercepts, including 1m at 21.80g/t Au within a broader 7m hit at 7.08g/t Au from 217m, and 8m at 6.87g/t Au from 76m (including 5m at 10.06g/t), underpinned the June 2026 quarter RC campaign (29 holes, 5,309m). Results confirmed continuity across the Lightning and Monza structures and pointed to a possible third mineralised zone.

Tier-1 Address in the Murchison – Smokebush sits approximately 10km from Vault Minerals' Rothsay Gold Mine, subject to an agreed Genesis Minerals (ASX:GMD) acquisition, within a broader corridor that also hosts Capricorn Metals' 4.5Moz Mt Gibson Gold Project. The combination of established gold operations, major development projects and recent corporate activity provides a strategically relevant backdrop as Terrain works to establish scale at Smokebush.

Mining Lease Granted, De-Risking the Path Forward – Lightning is held under granted Mining Lease M59/0796, providing greater tenure certainty as Terrain progresses resource definition and study work. Metallurgical results are due soon, with gold appearing to be associated with, rather than bound to, sulphides, indicating it is unlikely to be refractory and may be amenable to conventional processing, with Stage 1 test work due Q3 2026.

Evaluating Development Pathways – With a granted mining lease at Lightning, Terrain is advancing metallurgical and technical work alongside resource growth. The Company has also disclosed that it is seeking strategic partnerships to assess the potential for a small-scale toll-milling operation which, if pursued and technically achievable, could provide a pathway to earlier cash flow.

Project Overview

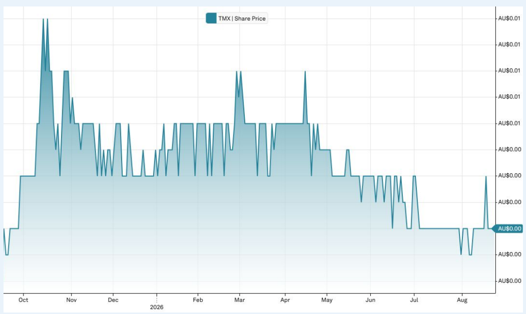
The Lightning deposit occupies the northern Smokebush tenure, with mineralisation extending over 850m of strike and depths of 75m to 175m below surface. The Inferred MRE is supported by 98 drill holes for 16,500m (94 RC, 4 diamond), mostly completed by Terrain from 2020, plus 11 legacy Minjar Gold holes from 2013 and 2014. A four-hole diamond program in April 2026 supplied the density and structural data used to finalise the underlying resource model.

Trading Data

ASX Code	TMX
Sector	Metals & Mining
Market Cap ($m)	11.1
Shares Outstanding (m)	3,711.7
Last Price (4.9.26)	$0.003
Change	$0.000 (0.00%)
Prev Close	$0.003
Volume (3m avg)	3.039m
52 Week High	$0.007
52 Week Low	$0.002
50-Day Moving Avg.	$0.003

Balance Sheet

Cash (As at 30 June 2026)	$1.4m
Debt (As at 30 June 2026)	$0.0m



Source: ASX, CapIQ

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The Maiden Lightning Mineral Resource Estimate

Terrain announced the Inferred MRE which used 98 drill holes for 16,500m, constrained within an optimised open pit shell with separate economic assumptions applied to the underground component. The resource is reported at a 0.5g/t gold cut-off, extends from surface, and remains open along strike and at depth, with the deposit under-drilled to the north of the main orebody.

Table 1: Lightning Inferred Mineral Resource Estimation

Category	Tonnes (t)	Gold (g/t)	Gold Ounces	Silver (g/t)	Silver (Ounces)
Open Pit	157,000	3.5	17,500	4.6	23,000
Underground	520,000	2.2	36,500	8.0	133,500
TOTAL	**677,000**	**2.5**	**54,000**	**7.2**	**156,500**

Source: ASX Announcement 27 July 2026 (TMX)

Table 2: Lightning Inferred Mineral Resource Estimation by Weathering Profile

Category	Tonnes (t)	Gold (g/t)	Gold (Ounces)	Silver (g/t)	Silver (Ounces)
Transitional	68,000	2.0	4,500	1.9	4,000
Fresh	609,000	2.5	49,500	7.8	152,500
TOTAL	**677,000**	**2.5**	**54,000**	**7.2**	**156,500**

*Rounding discrepancies may occur.

The more material consideration for the growth outlook is the volume of known mineralisation at Lightning that sits outside the current 54,000oz MRE. Terrain has identified four areas of known mineralisation and newly defined exploration targets that provide identifiable avenues for expanding the resource:

- Lightning & Monza Extensions — Mineralisation at Lightning remains open along strike and at depth, with Terrain planning further infill and extensional drilling to capture mineralisation currently sitting outside the MRE and expand the existing resource. Recent drilling has also indicated the potential emergence of a third mineralised structure, adding another dimension to the existing Lightning growth opportunity.
- Northern Lightning/Monza IP Target — The strongest chargeability anomaly identified in Terrain's 2026 IP program sits immediately north of Monza. The anomaly returned amplitudes greater than four times background and was assessed as the best-constrained chargeability anomaly from the program, with an amplitude comparable to responses recorded over the better gold results at Monza. Two high-priority holes have been designed to test the target.
- New Western Structure — The 2026 IP survey defined a previously untested north-south structure approximately 1.5km west of Lightning across multiple survey lines. The structure displays characteristics similar to the Lightning and Monza faults, with chargeability locally coincident with surface gold geochemistry and interpreted structures. Two high-priority and two moderate-to-high-priority holes have been designed to test the target.
- Untested silver potential at Monza — Approximately 28% of drill samples were submitted for multi-element analysis, the assay type that reports silver grade. The remaining 72% of the drilled footprint was assigned 0.00g/t Ag in the block model by default, since no assay existed to use. As tested intervals returned an average of 7.2g/t Ag, extending multi-element analysis to the untested portion would likely increase the reported silver ounces above the current 156,500oz.

Collectively, these opportunities support Terrain's strategy of growing the existing Lightning resource while advancing new targets across the broader Smokebush Project. The next phase of drilling is expected to combine infill and extension drilling with testing of new IP targets, with the objective of expanding the overall resource inventory and supporting an eventual upgrade of the current Inferred MRE to the Indicated category.

Pathway to an Indicated Resource

Terrain’s next drilling phase is expected to pursue two objectives in parallel: increasing geological confidence within the existing Lightning resource through infill drilling, while testing the limits of the mineralised system through extensional and exploration drilling. Successful infill drilling could support the conversion of portions of the current Inferred MRE to the Indicated category, while extensional drilling will target mineralisation beyond the existing resource envelope, with Lightning remaining open along strike and at depth.

Importantly, the exploration opportunity extends beyond Lightning, with several structural targets across the broader Smokebush tenure sharing similar characteristics. Terrain’s 2026 IP program generated 45 designed drill holes, including eight Priority 1 and five Priority 2 holes. Key targets include the strongest chargeability anomaly identified immediately north of Monza and a previously untested western structural corridor approximately 1.5km from Lightning.

In our view, this creates three avenues for value creation: (1) increasing confidence within the existing 54koz resource; (2) expanding Lightning and Monza beyond the current MRE envelope; and (3) discovering additional mineralised structures across Smokebush. The next RC campaign is planned to incorporate both resource-focused and selected exploration drilling.

Against this growth profile, Terrain’s current ~$11m market capitalisation provides meaningful leverage to exploration success. Successful drilling and resource growth could support a re-rating, particularly as metallurgical work and mining studies progressively de-risk the development pathway. Terrain's largest RC campaign to date at ~10,000m is now funded, following a $2.513m placement and rights issue announced 9 September 2026, including a $1.0m strategic investment from Gandel Metals.

Key Upcoming Catalysts

- Q3 2026: completion of first pass metallurgical test work to assess likely gold recoveries.
- H2 2026: commencement of the next RC drilling campaign at Lightning, infill and extensional holes targeting resource growth alongside testing of the highest-ranked IP targets along the Lightning/Monza trend and the newly defined western structure.
- Q1 2027: targeted MRE upgrade, subject to drilling outcomes and sufficient geological confidence, alongside progression of mining studies to assess potential development pathways. Discussions on joint venture mining and toll-milling arrangements are on-going, with agreements potentially following in this window.

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