sharewise

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TMX: Strategic Investment from Gandel Metals at a 33% Premium

Strategic $1.0M investment from Gandel Metals underpins Terrain's largest-ever drilling campaign at the Lightning gold-silver project.

TMX · ASX

FEATURED

Dear {{contact.firstname}},

Terrain Minerals Limited (ASX: TMX) has secured a **$2.51 million capital raising** through a strategic placement and non-renounceable rights issue, anchored by a $1.0 million strategic investment from Gandel Metals. The funds will drive Terrain's largest-ever drilling campaign at its 100%-owned Lightning gold-silver project.

The standout feature is the pricing. Gandel Metals has committed at **$0.004 per share, a 33.33% premium to the last market close**, an unusual and powerful endorsement given placements are almost always struck at a discount. Existing shareholders are offered the same terms through the rights issue.

For shareholders, a sophisticated resources investor paying up to participate signals genuine conviction in the Lightning project, which hosts a maiden Inferred Resource of **677,000t at 2.5g/t gold for 54,000oz**. The raise fully funds a **~10,000m RC drilling program** aimed at growing that resource and lifting confidence categories ahead of an updated estimate targeted for Q1 2027.

KEY HIGHLIGHTS

- **Strategic investment at a premium.** Gandel Metals committing $1.0 million at a 33.33% premium to the last close is a rare and strong signal of conviction from a substantial resources investor.
- **$2.51 million total raise.** Comprising a $914k placement, an $86k Gandel rights subscription and a $1.6 million rights issue to existing eligible shareholders, all on the same terms.
- **Attaching options.** Each new share carries a 1:1 attaching unlisted option exercisable at $0.006 with a 3-year expiry, providing additional leverage to future project success.
- **Building on a maiden resource.** Drilling expands on Lightning's recently defined maiden Inferred MRE of 677,000t at 2.5g/t gold for 54,000oz, high-grade, from surface, and open along strike and at depth.
- **Largest-ever drill program.** A ~10,000m RC campaign at Lightning targeting infill and extensional drilling to lift the resource from inferred to indicated, plus

testing of newly identified IP targets.

- **Resource upgrade targeted Q1 2027.** Drilling is designed to build resource confidence and support an updated Mineral Resource Estimate for the Lightning gold-silver project.

$2.51M TOTAL RAISE	+33% PREMIUM TO CLOSE	$1.0M GANDEL INVESTMENT	54koz MAIDEN GOLD MRE

Why the Premium Matters

Small-cap placements are almost always priced at a discount to market to attract capital. A strategic investor instead committing at a 33.33% premium is the opposite, and the single most important signal in this announcement. It indicates Gandel Metals sees value in Lightning well above where the market currently prices Terrain, and is prepared to pay up to secure a position.

Gandel Metals is the investment vehicle chaired by Ian Gandel, a member of one of Australia's most prominent business families and an active mining investor since 1994. Mr Gandel is a long-standing director and former chairman of ASX-listed gold producer Alkane Resources, which he helped build into a company now worth around $2.5 billion, and has held senior board roles at Alliance Resources and rare earths group Australian Strategic Materials. Backing of this pedigree brings not only capital but a validation effect, lending real credibility to the Lightning development story.

Putting the Funds to Work

The program builds directly on Lightning's recently released maiden Inferred Mineral Resource Estimate of 677,000 tonnes at 2.5g/t gold for 54,000oz, reported as a starter resource with mineralisation starting from surface and remaining open along strike and at depth. The drilling targets infill and extensional holes designed to grow that inventory and lift the resource from inferred into the higher-confidence indicated category.

The program will also test newly identified IP targets across the granted mining leases, opening the potential for new discoveries alongside resource growth. An updated MRE is targeted for Q1 2027, with the balance of funds allocated to exploration across other projects and general working capital.

Structure and Timing

The raise combines a $914k placement using the Company's available Listing Rule 7.1 capacity, an $86k Gandel rights subscription, and a $1.6 million non-renounceable rights issue offering eligible shareholders 1 new share for every 9.85 held at the record date. A top-up facility allows shareholders to apply for additional shares, including to lift holdings to a marketable parcel.

Separately, Terrain proposes a 14-for-1 share consolidation following completion of the rights issue, subject to shareholder approval, alongside a planned unmarketable parcel buy-back to give small holders a fee-free exit. Full timetable details are set out in the announcement, with the rights issue expected to close on 16 October 2026.

SHAREWISE VIEW

The premium is the story. A strategic investor paying a 33% premium when it could almost certainly have negotiated a discount is a genuine vote of confidence, and rare in the small-cap space. The dollar amount is modest, but the signal Gandel Metals sends by paying up is what matters most here.

Fully funded for a real catalyst. The ~10,000m program is Terrain's largest ever and is aimed squarely at converting inferred resources to indicated, the category shift that underpins economic studies. A funded path to a Q1 2027 MRE upgrade gives shareholders a defined value event to track.

Read the structure clearly. Existing holders should note the raise is dilutive, and a 14:1 consolidation plus a rights issue changes the optics of the share count and price. The attaching 1:1 options add leverage to the upside, but shareholders should weigh participation, dilution and the consolidation together rather than in isolation.

Management Commentary

> *"The Gandel Metals $1.0 million commitment, at a 33.33% premium to market close, provides further confirmation and excitement around the future direction of our 100% owned Lightning gold-silver project."*
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> *"Funds raised enable Terrain to commence the next exciting RC drilling program, the company's largest to date at ~10,000m, targeting growth and building resource confidence as well as new discoveries as we test new IP targets, while remaining disciplined in capital deployment that is 100% focused on delivering exciting results."*
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> **Justin Virgin**
> Executive Director, Terrain Minerals Limited