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Great Western Scoping Study Progress Update

Terrain Minerals Limited (ASX: TMX) is pleased to provide the following update on its Great Western Project.

The Great Western scoping study findings to date are encouraging. Due to the new reporting regime on announcing results at scoping study level Terrain has been examining what additional information is required to lift the scoping study to pre-feasibility level. Terrain has been working with mining consultants CSA Global Limited to complete the scoping study.

Additional works identified for Great Western for a single open pit operation study include:

- 42% of the JORC 2012 compliant model is classified as Inferred and the majority of this sits at the eastern end of the current block model. Refer to Diagram 1 below for further explanation.
- An RC drilling program is warranted to infill the current gaps in the eastern portion of the inferred resource. Assuming positive drilling results the current JORC 2012 model will be updated so to reclassify the eastern portion from Inferred to Indicated status and for inclusion in the pre-feasibility model.
- The scoping study has identified that an onsite process study is also warranted. To this end:
 - Work is underway to better define mining, transport and toll treating costs.
 - A metallurgist is currently designing a ~250 ton per annum onsite crushing and gravity circuit using available used components and budgets for installation and operational costs.
 - Previous Abdel metallurgical test work indicated a high gravity recovery was achieved.

Terrain intends to update the market with findings on projects economics once the additional work is complete. Terrain feels that this additional work is warranted and Great Western has the potential to be advanced as a standalone operation using either of the above proposed processing methods.

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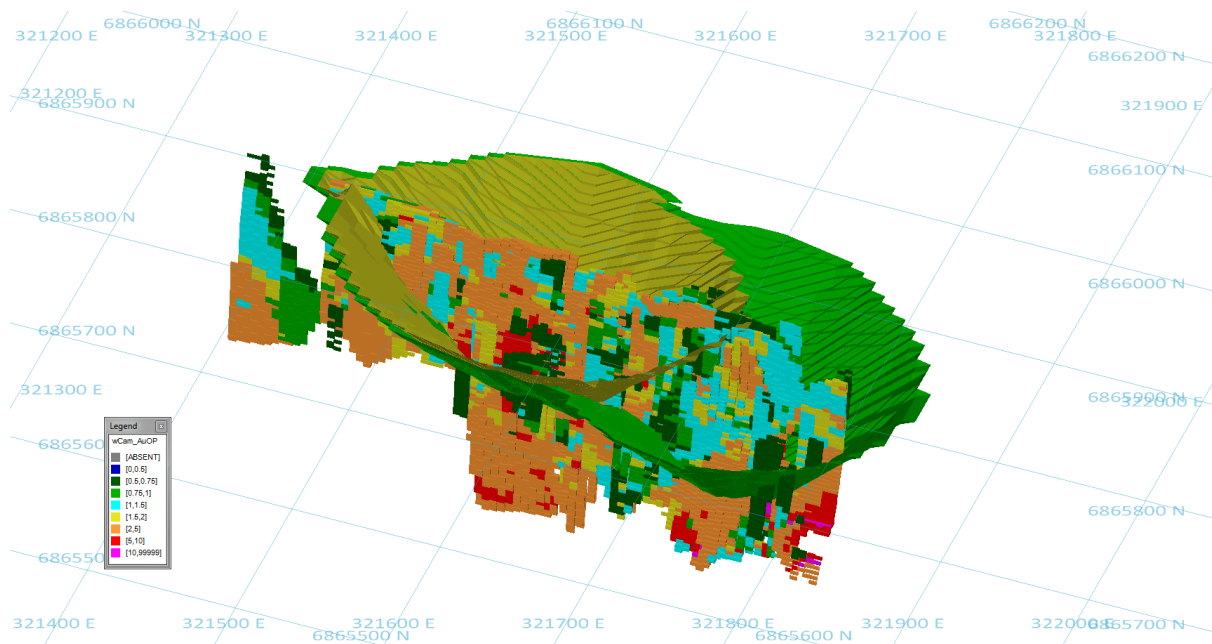


Diagram 1. Two of the proposed pit shells from Scoping study

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 publicly, a drill program is currently being designed. It is estimated that around 700m of additional RC drilling will be required.

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About Great Western:

The 100% owned project is located 68km 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, ready to mine opportunity which is possibly still open down plunge and along strike. Further exploration has the potential to expand the mine life of the current mining plan of 322,500 tonnes @ 5.14 grams per tonne (Refer to Mining study released 16/02/2010. The resource utilised for this can be found in 2010 annual report release 22/09/2010). This information was prepared and first disclosed under the JORC Code 2004. It has since been updated to comply with the JORC Code 2012 as announced on the 24/08/2015 and all material assumptions underpinning the JORC 2012 compliant resource estimate continue to apply and have not materially changed. The current scoping studies have been based on a single open pit.