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TSX-V: TXR
Frankfurt: TX0
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News Release

TerraX starts second drill on Yellowknife City Gold project – focus is on generating new discoveries

Vancouver, August 23, 2016 -- TerraX Minerals Inc. (TSX.V: TXR; Frankfurt: TX0; OTC: TRXXF - <https://www.youtube.com/watch?v=-GzVvn4J7gQ>) is pleased to announce that it has added a second drill to the 27,000 metre drill program now underway on its wholly-owned Yellowknife City Gold project ("YCG") in the Northwest Territories. The current drill program began in July on the Mispickel target, where drilling during the winter of 2016 returned discovery holes of 8.60 m @ 12.87 g/t Au and 7.30 m @ 23.60 g/t Au (News release of February 23, 2016), followed by an intersection of 8.0 m @ 60.60 g/t Au drilled down dip on that same section announced on June 6, 2016.

The first drill remains focused on expanding Mispickel mineralized zones while the second drill will be drilling aggressive step-out holes along other sub-parallel mineralized structures at Mispickel identified by surface mapping and sampling. Having recently completed a \$7.5 Million funding, TerraX currently has over \$11.7 Million in cash on hand and is fully funded through the balance of this program.

The technical information contained in this news release has been approved by Joseph Campbell, the President of TerraX, who is a Qualified Person as defined in "National Instrument 43-101, Standards of Disclosure for Mineral Projects."

About the Yellowknife City Gold Project

Yellowknife City Gold ("YCG") encompasses 129 sq km of contiguous land immediately north and south of the City of Yellowknife in the Northwest Territories. Through a series of acquisitions, TerraX now controls one of the six major high-grade gold camps in Canada. Being within 15 km of the City of Yellowknife, the YCG is close to vital infrastructure, including transportation, service providers, hydro-electric power and skilled tradespeople.

The YCG lies on the prolific Yellowknife greenstone belt, covering 23 km of strike length on the southern and northern extensions of the shear system that hosted the high-grade Con and Giant gold mines. The project area contains multiple shears that are the recognized hosts for gold deposits in the Yellowknife gold district, with innumerable gold showings and recent high grade drill results that serve to indicate the project's potential as a world-class gold district.

For more information on the YCG project, please visit our web site at www.terraxminerals.com.

On behalf of the Board of Directors

"JOSEPH CAMPBELL"

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