

MINE talk

Terrain secures \$5m to start up new mines

By Ngaire McDiarmid
ngaire.mcdiarmid@wanews.com.au

JUNIOR gold and nickel explorer Terrain Minerals is looking to start up several mines in the Eastern and Northern Goldfields after securing \$5 million in funding last week.

Terrain, which listed on the ASX in 2006, said the three-year, \$5 million funding deal with Fortrend Securities would enable the company to develop its proposed mining operations and test established exploration targets.

Terrain managing director Keith Wells said the company was fortunate to have resources it could convert to mining operations, which made it more attractive given the current market conditions.

"We, like every other junior, have been smashed not down to the floor but through it," he said.

"The fact Fortrend was prepared to put up that money we regard as a vote of confidence.

"On top of that funding we've also just done a rights issue and raised \$1.36 million, which is another vote of confidence from our shareholders."

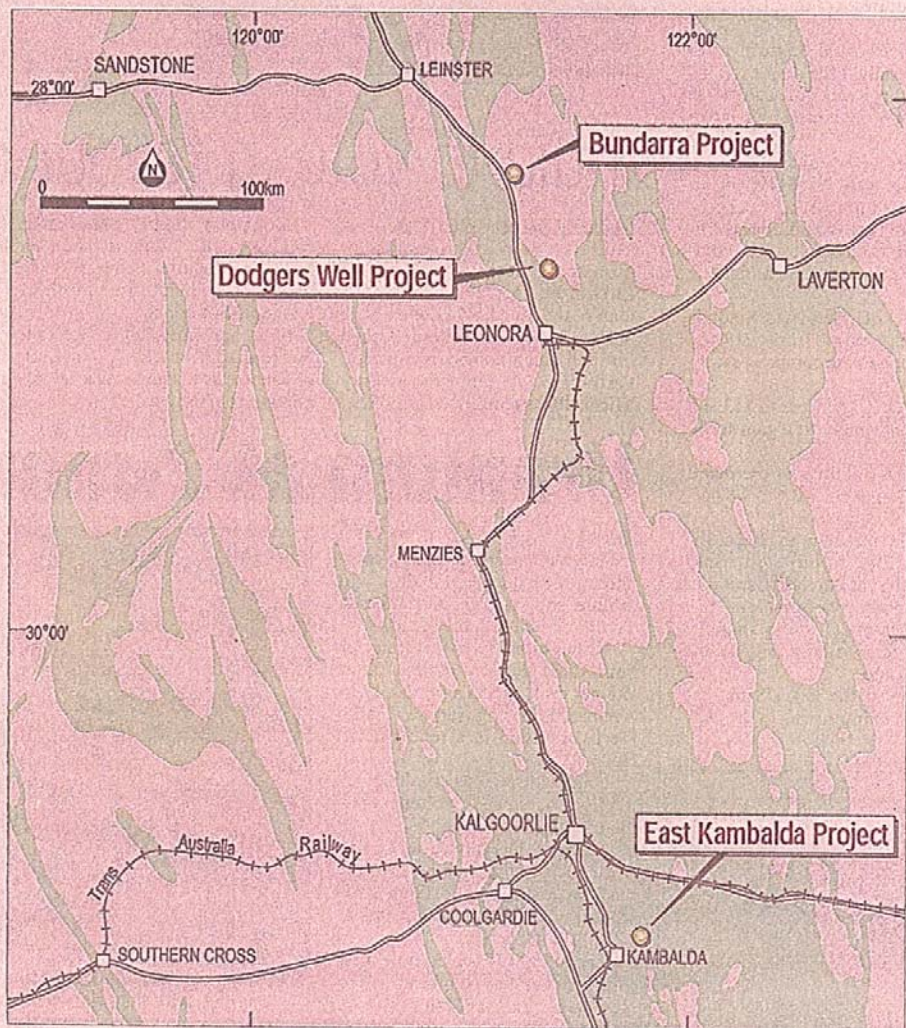
Meanwhile, Terrain is urging its shareholders to ignore an off-market bid by Iron Mountain Mining, which closes tomorrow.

Terrain released an independent valuer's conclusion to the ASX that the Iron Mountain bid was "neither fair nor reasonable" and given the Friday deadline, Mr Wells did not expect it to be successful.

Mr Wells said Terrain's top priority was at its Bundarra Project, about 70km north of Leonora, which has gold resources of 4.96 million tons at 2g/t gold (321,000oz).

"Wonder North (at Bundarra) has 55,000oz of recoverable gold and we're working the mine design up on that," he said.

The company is also working up mine plans for its Celtic and



Project locations: The map shows Terrain Minerals' projects in the Eastern and Northern Goldfields.

Great Western deposits, within the Bundarra project, and seeking mining approvals.

"Once we have that we can start mining straight away," Mr Wells said.

Terrain would then turn its attention to its East Kambalda nickel project where the compa-

ny was confident the area had the potential to be the next Kambalda Dome.

Mr Wells said among Terrain's other exploration targets was Dodgers Well, 30km north-east of Leonora, where sampling

revealed gold values up to 136g/t. "We're hot to trot, but we need

the cash to do it, hence the focus on mining to move these targets forward," he said. Fortrend chief executive Joe Forster said Terrain had some "very exciting" gold and nickel prospects.

"We are delighted to be able to help Terrain fund the development of these projects," he said.