



ASX ANNOUNCEMENT
22 October 2009

CAPITAL STRUCTURE

TMX	- Shares on Issue	117.3 M
TMXO	- Options on Issue	55.1 M

DIRECTORS & KEY MANAGEMENT

Dick Sandner	- Non-Exec Chairman
Jonathan Lim	- Non-Exec Vice Chairman
Keith Wells	- Managing Director
Paul Dickson	- Non-Exec Director
William Bannister	- Non-Exec Director
Ian Hobson	- Company Secretary

PRINCIPAL REGISTERED OFFICE

Terrain Minerals Ltd
Suite 4
230 Rokeby Road
Subiaco WA 6008
PO Box 1702
Subiaco WA 6904

CONTACT

Keith Wells

Terrain Minerals Ltd
ACN: 116 153 514
PH: +618 9381 5558
WEB: www.terrainminerals.com.au
EMAIL: terrain@terrainminerals.com.au

CAPITAL RAISING TO FUND:

- **DRILL TESTING AT THE AZTEC DOME AND NEW TARGETS AT BUNDARRA**
- **PROGRESS MINE PLANNING AT BUNDARRA**

KEY POINTS:

- **Terrain Minerals is to raise \$1.97 million.**
- **Terrain to place approx 39.5M shares at 5 cents in two Tranches.**
- **Terrain's new Vice Chairman, Jonathan Lim to take a substantial equity position in Terrain.**
- **Terrain plans to spend approximately \$1.5m to drill test nickel and gold targets at the Aztec Dome and new gold targets at Bundarra.**
- **The balance of the monies raised will be used to further progress the mining plans at Bundarra.**



PLACEMENTS:

The board of Terrain Minerals Ltd is pleased to announce the issue of 39,549,940 new Ordinary Fully Paid Shares to sophisticated investors at an issue price of 5c per share.

The placements will be in two tranches, with the initial tranche of 8,323,000 fully paid Ordinary Shares being issued today at 5 cents per share to raise \$416,150. The placement falls under Terrain's capacity to place 15% of its issued capital.

Tranche 2 involves the placement of 31,226,940 fully paid Ordinary Shares at a share price of 5 cents per share to raise \$1,561,347, and is subject to shareholder approval, which will be sought at Terrain's Annual General Meeting to be held on 30 November 2009.

The two participants in Tranche 2 of the placement (Jonathan Lim and Grande Pacific Ltd) are related parties and post the placement will hold 31.21% of the issued capital in Terrain. As such they will be seeking shareholder approval to proceed. An Independent Expert's Report will accompany the notice of the annual general meeting to assist shareholders in their decision making.

Both placements are undertaken pursuant to the "excluded offer" provisions (Section 708) of the Corporations Act 2001 (Cth).

Post approval of these placements Terrain anticipates having 156,816,278 shares on issue.

PLANNED PROGRAMS:

The moneys raised will be used to drill test nickel and gold targets at the Aztec Dome, East Kambalda and new gold targets at Bundarra:

Aztec Dome

A RC drilling program will be undertaken before Christmas 2009 (subject to receipt of statutory approvals) to test a series of attractive IP anomalies, outlined by the geophysical program completed in September 2009.

A series of deeper holes to confirm the Kambalda type stratigraphy is planned for 2010.

Bundarra

In addition to the known resources (321,000 oz of gold) there are a number of other strong gold anomalies coincident with prospective geology which will also be tested in early 2010.

Mining studies on the known resources will be completed.

A handwritten signature in blue ink, appearing to read 'Ian Hobson'.

Ian Hobson
Company Secretary

About Terrain Minerals Ltd (ASX: TMX)

TMX is a Perth based exploration company with a number of gold and nickel projects in the Eastern Goldfields of Western Australia, including the advanced gold project at Bundarra.

Bundarra (60 kms north of Leonora)

TMX has outlined JORC compliant resources of 320,000 oz of gold in a closely related cluster of deposits including: Wonder North, Celtic, Great Western, Bluebush and Black Cat. All the deposits remain open down dip and down plunge. Mining studies are currently in progress, including metallurgical testwork, pit optimisations, pit designs and mine scheduling. These mining studies are anticipated to be completed in the fourth quarter 2009.

On the adjoining Black Cat JV area (TMX 60%), a number of strong geochemical anomalies coincident with geological features, similar to the known deposits remain to be drill tested.

Kambalda (15 kms east of Kambalda)

Aztec Dome Nickel prospect: An Induced Polarisation survey has recently been completed over the Aztec Dome. A number of anomalies have been identified and will require drill testing.

Coogee gold deposit (277,500t @ 3.9 g/t gold (35,000 oz))

Pit optimisation, pit design and mine scheduling studies are currently in progress and various development options are currently being considered.

Dodgers Well (30 kms north east of Leonora)

TMX has entered into an option to purchase agreement over this project. Preliminary work has identified high grade (up to 130g/t gold) quartz reef deposits. It is anticipated that the option to purchase will be exercised before the end of 2009, ahead of drilling programs in 2010.

The information in this report that relates to Exploration Results is based on information compiled by Mr Keith Wells, who is a full time employee of Terrain Minerals Ltd. Mr Wells is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' Mr Wells consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The Mineral Resource estimates for the Wonder North, Bluebush, Great Western and Black Cat deposits at Bundarra were completed by Mr. Shane Fieldgate of CSA Global Pty Ltd, who is a Member of the Australian Institute of Geoscientists (MAIG) and is a Competent Person as defined by the Australasian Code for the Reporting of Exploration Results Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on his information in the form and context in which it appears

The Mineral Resource estimate for the Coogee deposit was reviewed by Mr. Malcolm Castle, who is a Member of the Australian Institute of Mining & Metallurgy (AUSIMM) and is a Competent Person as defined by the Australasian Code for the Reporting of Exploration Results Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Terrain Minerals Ltd: Resources

Deposit	Resources	Measured	Indicated	Inferred	Totals
Bundarra Project					
Wonder North	Tonnes	354,000	872,000	1,314,000	2,540,000
	Grade g/t	2.3	2.4	1.9	2.1
	Ounces	26,000	66,500	80,200	172,600
Bluebush	Tonnes			726,000	726,000
	Grade			1.7	1.7
	Ounces			38,900	38,900
Black Cat	Tonnes			134,000	134,000
	Grade			2.5	2.5
	Ounces			10,600	10,600
Great Western	Tonnes	58,000	284,000	131,000	473,000
	Grade	3.0	2.8	2.3	2.7
	Ounces	5,600	25,800	9,500	40,900
Totals	Tonnes	412,000	1,156,000	2,305,000	3,873,000
	Grade	2.4	2.5	1.9	2.1
	Ounces	31,600	92,300	139,200	263,100
Celtic*	Tonnes	683,900	199,400	204,400	1,087,700
	Grade	1.8	1.5	1.5	1.7
	Ounces	39,300	9,300	9,500	58,100
TOTALS	Tonnes	1,095,900	1,355,400	2,509,400	4,960,700
	Grade	2.0	2.4	1.9	2.0
	Ounces	70,900	101,600	148,700	321,200
East Kambalda Project					
Coogee	Tonnes		137,800	139,700	277,500
	Grade		4.12	3.70	3.91
	Ounces		18,250	16,620	34,870
Total Resources					
All deposits	Tonnes	1,095,900	1,493,200	2,649,100	5,238,200
	Grade	2.00	2.56	1.99	2.10
	Ounces	70,900	119,850	165,320	356,070