



ASX ANNOUNCEMENT

Friday, 29 January 2010

ASX CODE: TMX, TMXO

CAPITAL STRUCTURE

TMX	- Shares on Issue	137.5M
TMXO	-Listed Options on Issue	51.6M
	-Unlisted Options	10.8M

DIRECTORS & KEY MANAGEMENT

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

PRINCIPAL REGISTERED OFFICE

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QUARTERLY REPORT: DECEMBER 2009

HIGHLIGHTS

EAST KAMBALDA

- The Directors believe that the Aztec Dome has the potential to be a repeat of the Kambalda Dome and its associated nickel sulphide deposits.
- A nine hole RC drilling program was completed in December 2009 to test four separate IP anomalies at the Aztec Dome nickel prospect.
- Disseminated sulphides were detected with all four IP anomalies tested and at Anomaly A a 143m wide zone of anomalous nickel values (up to 0.32% nickel) was intersected associated with disseminated sulphides, also high Chrome and high MgO values, typical of ultramafic rocks.
- The IP anomaly is associated with a deeper conductor and will be the site of further drilling planned for mid 2010.

BUNDARRA

Celtic

- Negotiations are continuing to finalise mining and treatment of ore.

Great Western and Wonder North

- Mine scoping studies have also outlined potential mining operations at Great Western and Wonder North.
- The Great Western deposit remains open within the mine envelope and down plunge. Further drilling will be required to determine the full size of this potential operation.
- Terrain has earned 60% equity in the Black Cat Joint Venture area and is currently increasing its equity to 75% through the expenditure of \$750,000.

DODGERS WELL

- Shares to the value of \$50,000 were issued to exercise the option to purchase 100% of P37/6950.



EAST KAMBALDA (Fig 2)

- The Directors believe that the Aztec Dome has the potential to be a repeat of the Kambalda Dome and its associated nickel sulphide deposits.
- A RC drilling program totalling 2,691m, in nine holes was completed in December to test four IP anomalies at the Aztec Dome nickel prospect (Figure 3).
- The program was the first step in a planned drilling campaign targeting Kambalda style massive nickel sulphide deposits.
- Disseminated sulphides (up to 20%) were detected associated with all four IP anomalies. At Anomaly C the sulphides are associated with high magnesian basalts and some narrow bands of ultramafic, which appear to be above the main ultramafic horizon(s).
- At Anomaly A drill hole AZRC 009 intersected a 143m wide zone (81m – 224m) of anomalous nickel values (up to 0.32%) was intersected, associated with disseminated sulphides, high chrome (up to 0.35%) and high MgO (up to 22%), values typical of ultramafic rocks. Ultramafic rocks host the target nickel sulphides. Similar mineralisation has been intersected in historic drill hole ASD 001, located 300m further south.
- IP and EM surveys over the same area have detected a deeper conductor (which could relate to a massive sulphide zone), which will be one of the targets for a deeper diamond drilling program planned for mid 2010.
- The board considers the drilling results, particularly from AZRC 009, to be very encouraging and down hole geophysical logging of some selected holes, to try and define other conductors, will be undertaken ahead of a deeper diamond drilling program proposed for mid 2010.

BUNDARRA (Fig 4)

Celtic

- Negotiations to mine and process ~60,000t of ore at a grade of 3.52g/t gold, from a cutback of the Celtic open pit, to produce >6,000 oz, are at an advanced stage.
- Subject to the completion of negotiations for mining and treatment of ore and the clearance being obtained for Aboriginal heritage requirements the Directors will make a decision to proceed with mining.
- A mining approval has been received from the Department of Mines and Petroleum (DMA), an aboriginal heritage clearance is pending.



Great Western and Wonder North

- Mine scoping studies have outlined mining operations at
 - (a) Great Western deposit, which potentially could support ongoing gold production from a small open pit followed by underground mining with a portal within the open pit.

The mine scoping study has confirmed that the deposit may be extended from (1) within the existing mine envelope and (2) remains open down plunge. Further drilling is required to determine the full size of the mining potential of both of these targets.
 - (b) Wonder North deposit by extending the existing open pit. Potential exits for underground mining if a study concludes that high grade shoots exist (above 3 g/t).

Black Cat JV

- Black Cat joint venture partner, St Barbara Ltd (SBM) has elected not to contribute to ongoing exploration expenditure. TMX can now increase its equity from 60% to 75% by spending a further \$750,000.
- The Black Cat joint venture area includes the Black Cat gold deposit (134,000t @ 2.5g/t gold (10,600 oz) and the large untested drill targets adjacent to the historic Craig and Katalina prospects (Fig 2). The drill targets are gold in soil anomalies, with values upto 50x background, upto 160m wide and extending for 1,000m along a shear zone extending west from the historic workings. Previous shallow drilling immediately adjacent to the workings included intercepts of 6m @ 37.83g/t gold from 15m, 6m @ 3.83g/t gold from 12m and 9m @ 2.37g/t gold from 10m. Drill testing of these targets is planned for later in the year once all statutory approvals have been received.

DODGERS WELL

- Shares to the value of \$50,000 were issued in December 2009 to exercise the option to purchase 100% of P37/6950. Two adjoining PLs were granted to TMX in November 2009 (Fig 5).
- Geological mapping and rock chip sampling has located gold mineralisation over a strike length of 1,000m, associated with the Sheffield/Champion line of historic working, with values up to 240g/t gold. At the Glen Lyon/Myrtle line of workings, epithermal breccias have been identified with gold values up to 92g/t gold.
- A drill program to commence testing the mineralisation is planned for the second quarter of 2010.



CORPORATE

- 10,459,387 shares of the 31,226,940 share placement, approved at the AGM on 30 November 2009, had been issued within the time frame allowed. The placement raised \$522,969.
- TMX shares on issue now total 137,512,000.
- Non-executive director, Mr. W. Bannister resigned from the board of directors on 18 November 2009. Mr. Bannister will continue to consult to the company on selected projects.

EXPENDITURE

- Exploration expenditure in the December quarter amounted to \$352,000. Available cash reserves at 31 December 2009 were \$983,000
- Anticipated exploration expenditure in the March quarter, 2010 amounts to \$550,000.

For further information:

A handwritten signature in black ink that reads "Keith Wells".

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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 (Table 1). All the deposits remain open down dip and down plunge. Mining studies are currently in progress, including metallurgical test work, pit optimisations, pit designs and mine scheduling. These mining studies are anticipated to be completed in the fourth quarter 2009 and mining operations to commence in 2010.

On the adjoining Black Cat JV area (TMX increasing equity from 60% to 75%), 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)

At the Aztec Dome drilling in December 2009 confirmed the existence of ultramafic rocks with anomalous nickel values associated with high MgO rocks. . Further drilling is planned for 2010.

Coogee gold deposit (277,500t @ 3.9 g/t gold (35,000 oz)) (Table 1)

A pit optimisation and pit design have been completed and indicate that the resource would support a profitable mining operation. Mining development is currently focussed on the Bundarra project and the Coogee deposit is being offered for sale.

Dodgers Well (30 kms north east of Leonora)

TMX recently exercised an option to purchase this project for \$50,000 worth of Terrain shares.. Preliminary work has identified high grade (up to 240g/t gold) quartz reef deposits, and drilling programs are planned for mid 2010.

Corporate

Shares on Issue (TMX) - 137.5m: Options on Issue (TMXO) - 51.6m

Directors: Dick Sandner – Non-Exec Chairman

Jonathan Lim – Non-Exec Vice-Chairman

Keith Wells – Managing Director

Paul Dickson – Non-Exec Director

Ian Hobson – Company Secretary

Further information regarding the company, Terrain's projects and exploration programs can be found on the

Company's website: www.terrainminerals.com.au

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



Figure 1: Project Locations

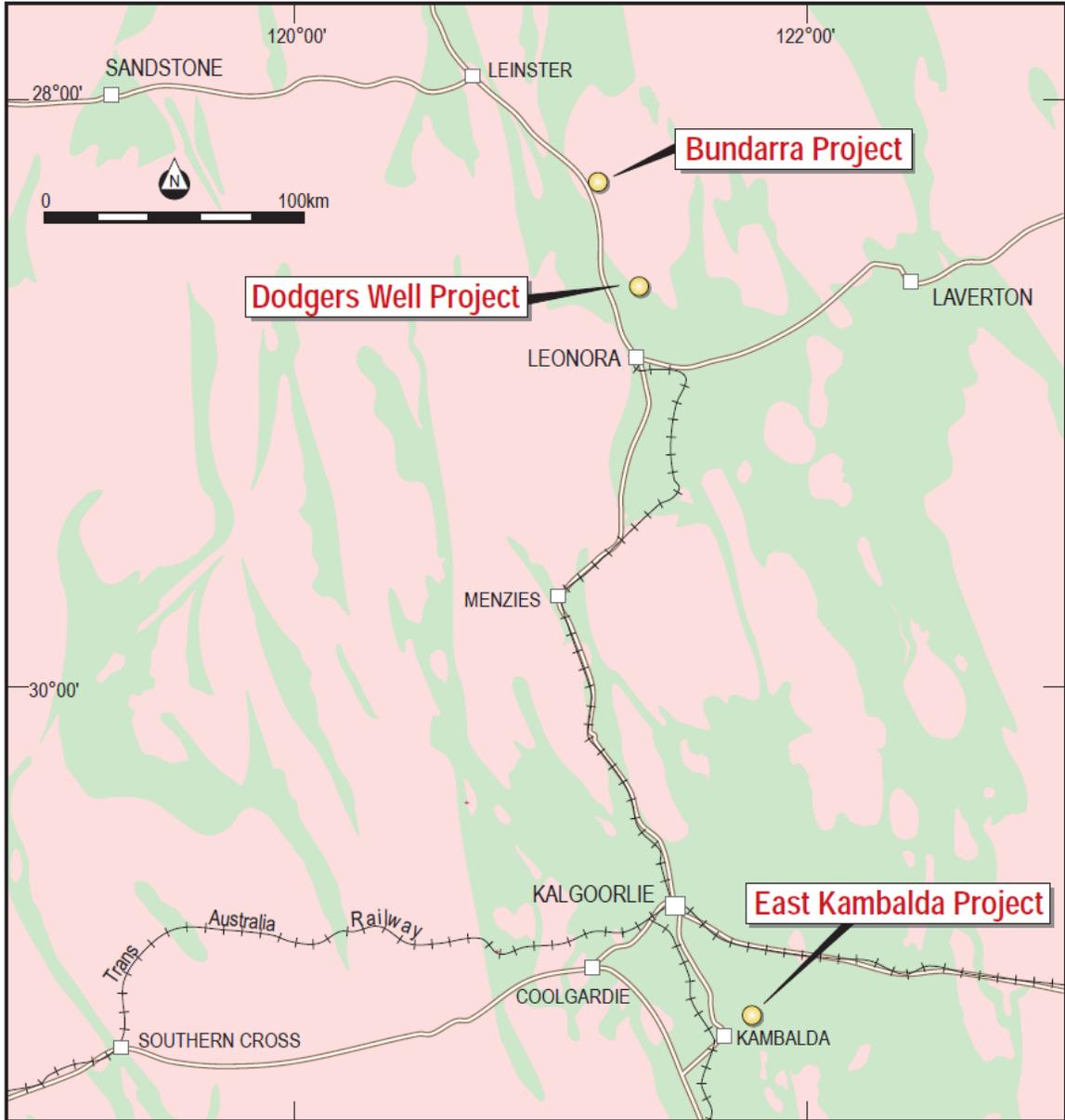




Figure 2: East Kambalda: Location and Prospects

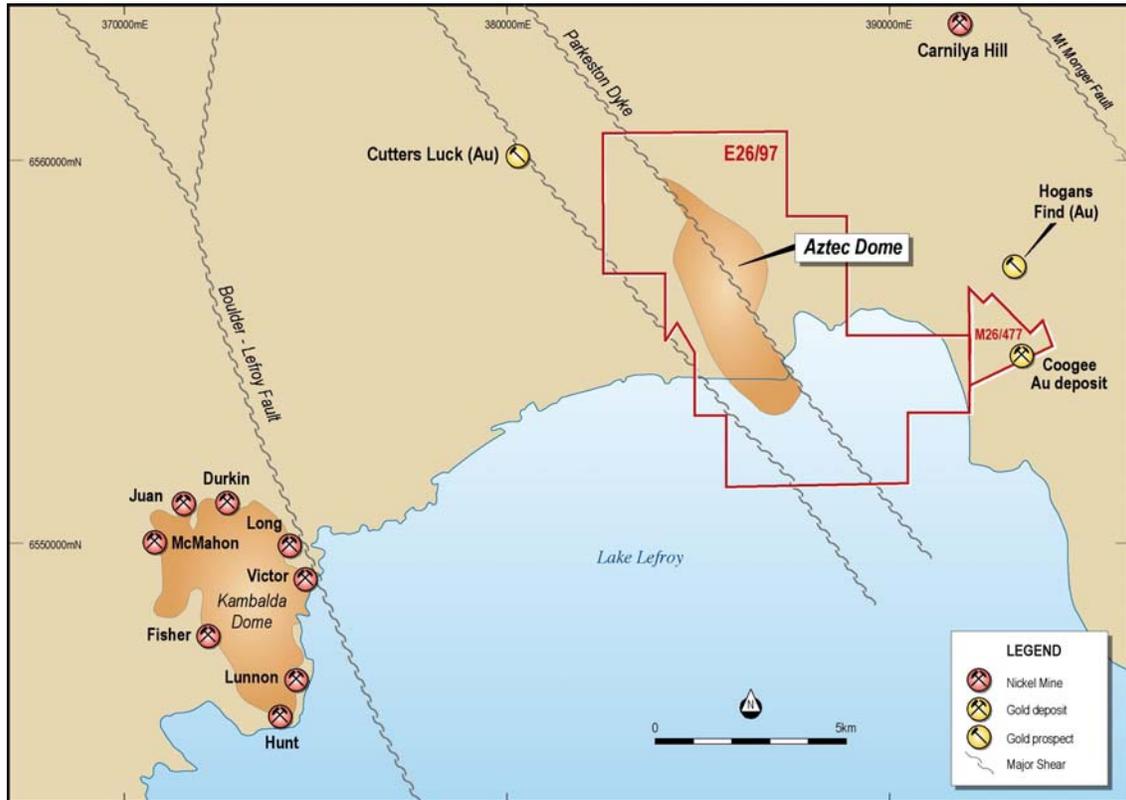


Figure 3: Aztec Dome: IP Anomalies & Drill Holes

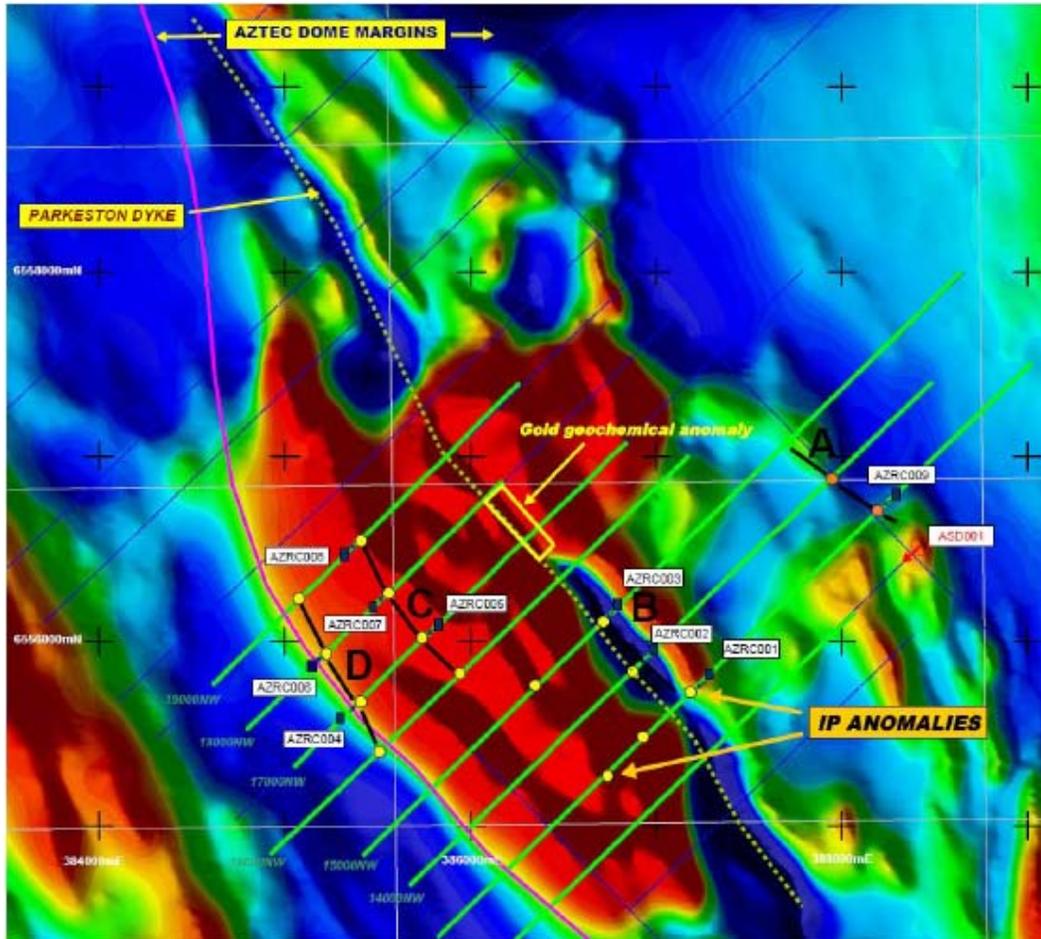




Figure 4: Bundarra Project: Geology, Gold Deposits and Prospects

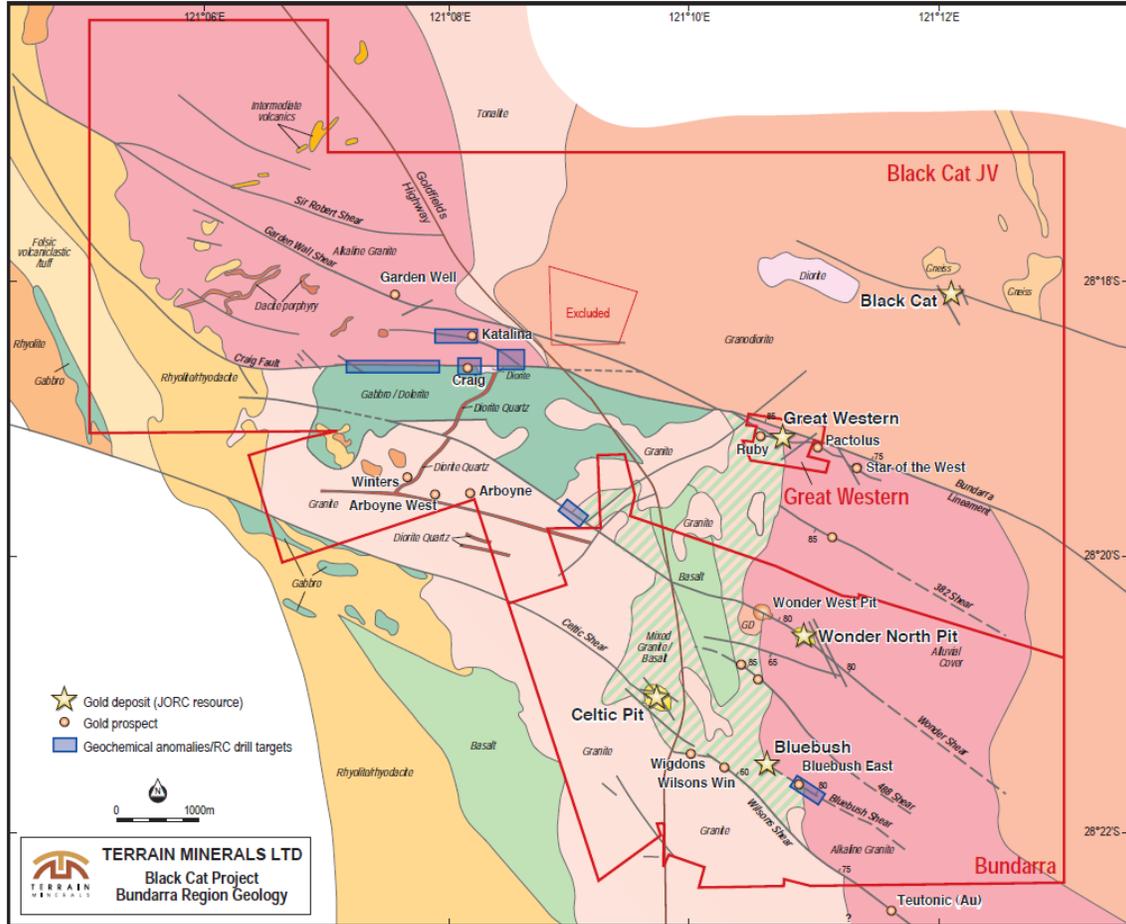


Figure 5: Dodgers Well Project

