



## ASX ANNOUNCEMENT

ASX CODE: TMX, TMXOA

### CAPITAL STRUCTURE

TMX - Shares on Issue 217.98m  
TMXOA - Options on Issue 18.24m  
- Unlisted Options 56.81m

### DIRECTORS & KEY MANAGEMENT

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

### PRINCIPAL REGISTERED OFFICE

Terrain Minerals Ltd  
ABN: 45 116 153 514

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Thursday 28 April 2011  
Company Announcement

## QUARTERLY REPORT: MARCH 2011

### HIGHLIGHTS

- Great Western Deposit resource, in the Bundarra region of Western Australia, has been upgraded by approximately 50% to greater than 60,000 ounces.
- New resource interpretation undertaken at 0.5 g/t gold lower cut-off allows for more continuous definition of mineralised lodes.
- New JORC compliant resource is now –
  - 686,000 tonnes at 2.9 g/t gold for 63,100 ounces (at a 0.5 g/t lower cut-off), or
  - 566,000 tonnes at 3.3 g/t gold for 60,200 ounces (at a 1 g/t gold lower cut-off).
- New JORC compliant resource for the nearby Bluebush Deposit is 640,000 tonnes at 1.8 g/t gold for 38,100 ounces.
- Bundarra region JORC compliant resources now stand at 333,200 ounces.
- Strong interest received for divestment of the Bundarra and Dodgers Well gold assets. Future focus will be on the encouraging nickel project at Aztec Dome, with other nickel opportunities to be also considered.
- Successful capital raising of \$1,063,500.

On behalf of the Board:

Chris Tomich,  
Managing Director

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## BUNDARRA

### Great Western

A new interpretation of the mineralised units, using a 0.5 g/t gold lower cut-off (previous interpretation at 1g/t), has resulted in a more continuous better definition of the quartz veins hosting the highly varied gold mineralisation at the Great Western Deposit. A new JORC compliant mineral resource has been defined at a 0.5 g/t gold and 1 g/t gold lower cut-off grade, resulting in a significant improvement in the contained gold to over 60,000 ounces, as summarised below –

Cut-off	Resources	Measured	Indicated	Inferred	Totals
1 g/t Au	Tonnes	88,000	224,000	254,000	<b>566,000</b>
	Grade g/t	2.5	3.2	3.7	<b>3.3</b>
	Ounces	7,200	23,000	30,000	<b>60,200</b>

Cut-off	Resources	Measured	Indicated	Inferred	Totals
0.5 g/t Au	Tonnes	96,000	263,000	327,000	<b>686,000</b>
	Grade g/t	2.4	2.8	3.0	<b>2.9</b>
	Ounces	7,500	23,900	31,700	<b>63,100</b>

The previously reported 2008 JORC compliant resource was 473,000 tonnes at 2.7 g/t gold for 40,900 ounces at a 1 g/t gold lower cut-off.

Using the same drilling database to a maximum vertical depth of approximately 150m, the new JORC compliant resource has an increase of approximately 50% on the 2008 resource. The “nugget effect” is calculated to be 50-60%. The new resource was calculated by Ordinary Kriging using a block model with parent cell dimensions of 10mE X 5mN X 5mRL. Top cuts of 6 g/t, 30 g/t and 50 g/t were applied to various mineralised lodes.

Mineralisation remains open at depth and down plunge to the east.

Historically, the Great Western deposit has recorded production of 27,095 tonnes at 13.85 g/t gold for approximately 12,000 ounces. The Mineral Resource reported above excludes this production.

### Bluebush

A new JORC compliant resource has been calculated for the Bluebush Deposit, incorporating the results of 2010 RC infill drilling. The new resource, at a 1 g/t gold lower cut-off, contains 38,100 ounces and is summarised below –

Cut-off	Resources	Measured	Indicated	Inferred	Totals
1 g/t Au	Tonnes		200,000	440,000	<b>640,000</b>
	Grade g/t		1.9	1.8	<b>1.8</b>
	Ounces		12,200	25,900	<b>38,100</b>

The new resource was estimated using Inverse Distance to the power of 3 into a block model aligned to the mineralisation strike orientation with parent cell dimensions of 5mE X 25mN X 5mRL. A top cut of 15 g/t was applied to the mineralised lodes.

The resource category has been improved to include some “indicated” mineral resources – previously all 2008 resources were “inferred”. This new resource has lower tonnes and a higher grade, but slightly lower ounces than the previous 2008 JORC figure of 726,000t @ 1.7g/t Au (38,900oz).



## **Celtic**

Following a review of historic resource data for the Celtic Deposit a revised resource of 891,000 tonnes at 1.8 g/t gold for 51,700 ounces (at a lower cut-off grade of 1 g/t) is considered valid.

The overall effect of these new resource upgrades and reviews, described above, is that the Bundarra region JORC compliant resources have been increased to 333,200 ounces from 321,200 ounces previously.

Following late 2010 Celtic Pit grade control drilling results and the associated new pit redesign in early 2011, which takes account of an historic slippage in the old pit, the Celtic Pit undiluted mining inventory has increased from 6,600 ounces at a cut off grade of 1.00 g/t gold to approximately 16,800 ounces.

At a cut-off grade of 1.50 g/t gold the new mine inventory is approximately 14,800 ounces.

The new pit design has a bigger cut back and takes the pit deeper, increasing the undiluted ore tonnes to be mined, from approximately 60,000 tonnes to approximately 165,000 tonnes (at a 1.50 g/t gold cut-off).

Mining activities at the Celtic Pit were put on hold following an early 2011 expression of interest to sell the Bundarra and Dodgers Well gold assets.

## **OTHER PROJECTS**

The previous 2010 sale agreement with New Global Mining has expired and the Coogee Gold Deposit remains on the market for sale.

## **CORPORATE**

There has been strong interest received for divestment of the Company's gold assets at Bundarra and Dodgers Well. To date three offers have been received and are being evaluated. Following divestment of the gold assets the company will concentrate on the Aztec Dome project in the East Kambalda area, where encouraging exploration results have highlighted the prospectivity for nickel sulphide mineralisation, and will also look for other opportunities for nickel exploration

During the quarter a two tranche capital raising via sophisticated investors was completed which raised \$1,063,500 before costs. This capital raising resulted in the issue of 46,239,130 shares with an accompanying free unlisted option exercisable at \$0.05 expiring 5 April 2014.

## **About Terrain Minerals Ltd (ASX: TMX & TMXOA)**

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 333,000 oz of gold in a closely related cluster of deposits including: Wonder North, Celtic, Great Western, Bluebush and Black Cat (see resource tables). All the deposits remain open down dip and down plunge. Mining scoping studies, including metallurgical test work, pit optimisations, pit designs and mine scheduling have indicated favourable mining economics with potential cash surpluses of >\$30 million (at a gold price of A\$1,350/oz). The company has also identified a potential for larger

mining operations and drill programs are planned to test for extensions to the known deposits as well a number of new drilling targets.

Black Cat Joint Venture with St Barbara (TMX at 60%, earning to 75%) contains a series of prospective gold drill targets, including an untested strong soil anomaly, 1km long X 160m wide.

#### East Kambalda (15 kms east of Kambalda)

The Aztec Dome is believed to be an analogue of the nearby Kambalda Dome which hosts a series of high grade nickel sulphide deposits. At the Aztec Dome drilling in December 2009 confirmed the existence of ultramafic rocks with anomalous nickel values associated with high MgO rocks. Trace amounts of nickel sulphide minerals were detected in several drill holes. Two distinct and strong EM conductors have been defined on the eastern edge of the Aztec Dome and further deep drilling is planned to test these encouraging targets as well as several other geological and geophysical targets.

The Coogee gold deposit contains a JORC compliant resource of 277,500t @ 3.9 g/t gold (35,000 oz). A pit optimisation and pit design have been completed and indicate that the resource would support a profitable mining operation. The Coogee deposit has been put up for sale.

#### Dodgers Well (30 kms north of Leonora)

The Dodgers Well Mining Centre contains a series of historic gold workings, some with historic production up to 2 oz/t gold. Previous rock chip sampling returned results up to 210 g/t gold. Drilling underneath several workings in mid-2010 returned very encouraging results including 4m @ 36.10 g/t Au (including 1m @ 115.7 g/t gold which re-assayed at 1m @ 220.5 g/t gold) and 3m @ 9.67 g/t gold, both in areas not previously drilled. Followup drilling is planned to further evaluate these encouraging mineralised targets.

## **Competent Persons Statements**

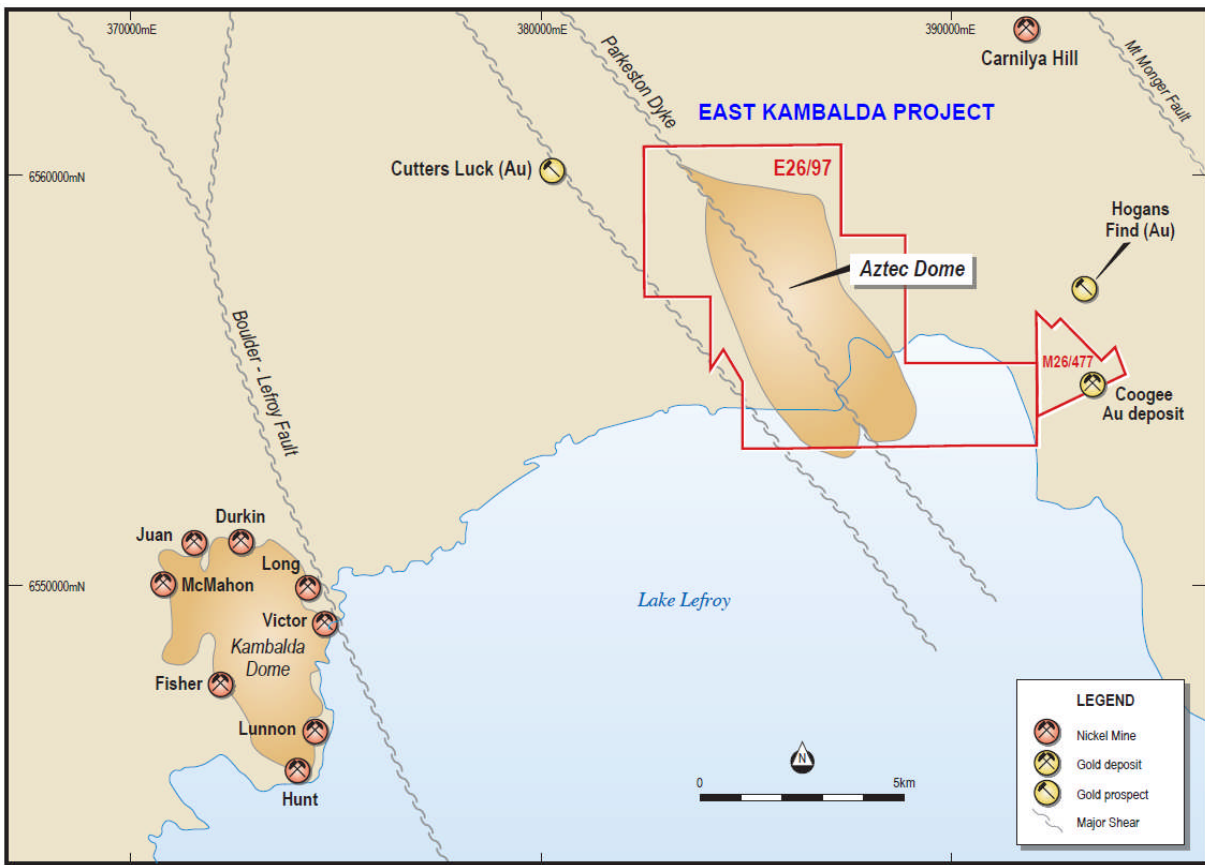
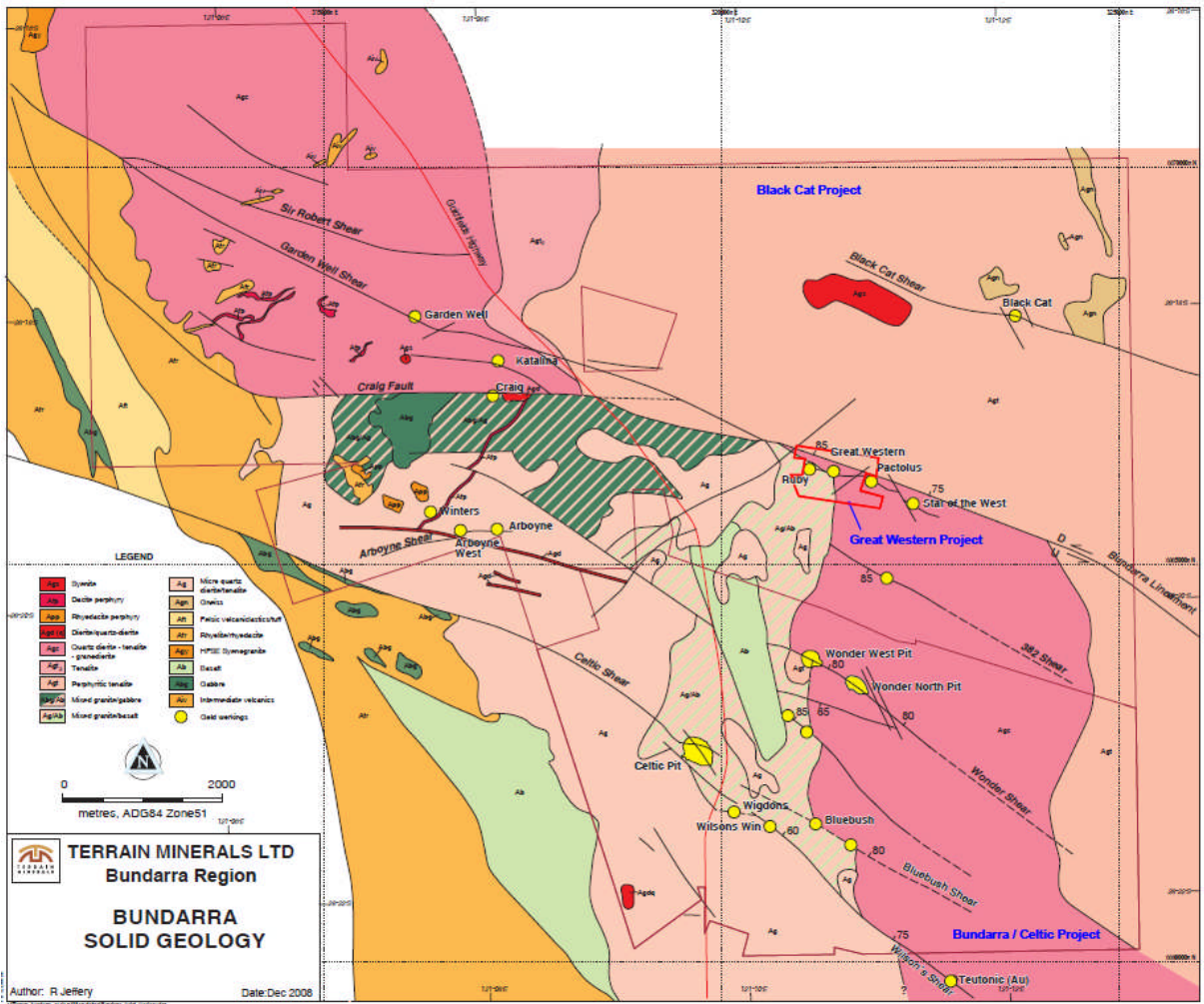
*The information in this report that relates to Exploration Results is based on information compiled by Mr Chris Tomich, who is a full time employee of Terrain Minerals Ltd. Mr Tomich is a member of the Australian Institute of Geoscientists (MAIG) and has sufficient experience which is relevant to the 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 Tomich 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 (at 1g/t gold cut-off) for the Wonder North and Black Cat deposits at Bundarra were completed by consultant 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 Result 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 (at +3g/t gold cut-off) for the Wonder North deposit at Bundarra was completed by consultant Mr. Steve Le Brun of LBC Resources Pty Ltd, who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and is a Competent Person as defined by the Australasian Code for the Reporting of Exploration Result 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 estimates (reported at both 0.5 and 1g/t gold cut-off) for the Bluebush and Great Western deposits at Bundarra were completed by consultant Mr. Peter Ball of DataGeo Geological Consultants, who is a Member of the Australasian Institute of Mining and 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.*

*The Mineral Resource estimate for the Coogee deposit was reviewed by consultant Mr. Malcolm Castle, who is a Member of the Australian Institute of Mining & Metallurgy (MAusIMM) 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.*



**JORC Compliant Resource Table (at 1 g/t gold lower cut-off)**

<b>Deposit</b>	<b>Resources</b>	<b>Measured</b>	<b>Indicated</b>	<b>Inferred</b>	<b>Totals</b>
<b>Bundarra Project</b>					
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		200,000	440,000	640,000
	Grade g/t		1.9	1.8	1.8
	Ounces		12,200	25,900	38,100
Black Cat	Tonnes			134,000	134,000
	Grade g/t			2.5	2.5
	Ounces			10,600	10,600
Great Western	Tonnes	88,000	224,000	254,000	566,000
	Grade g/t	2.5	3.2	3.7	3.3
	Ounces	7,200	23,000	30,000	60,200
Sub-Total	Tonnes	442,000	1,296,000	2,142,000	3,880,000
	Grade g/t	2.3	2.5	2.1	2.2
	Ounces	33,200	101,700	146,700	281,500
Celtic	Tonnes	578,000	152,000	161,000	891,000
	Grade g/t	1.9	1.6	1.6	1.8
	Ounces	35,500	7,900	8,300	51,700
<b>Bundarra Totals</b>	<b>Tonnes</b>	<b>1,020,000</b>	<b>1,448,000</b>	<b>2,303,000</b>	<b>4,771,000</b>
	<b>Grade g/t</b>	<b>2.1</b>	<b>2.4</b>	<b>2.1</b>	<b>2.2</b>
	<b>Ounces</b>	<b>68,700</b>	<b>109,600</b>	<b>155,000</b>	<b>333,200</b>
<b>East Kambalda Project</b>					
Coogee	Tonnes		138,000	140,000	278,000
	Grade g/t		4.1	3.7	3.9
	Ounces		18,200	16,600	34,800
<b>TOTAL RESOURCES</b>					
<b>All Deposits</b>	<b>Tonnes</b>	<b>1,020,000</b>	<b>1,586,000</b>	<b>2,443,000</b>	<b>5,049,000</b>
	<b>Grade g/t</b>	<b>2.1</b>	<b>2.5</b>	<b>2.2</b>	<b>2.3</b>
	<b>Ounces</b>	<b>68,700</b>	<b>127,800</b>	<b>171,600</b>	<b>368,000</b>

**Wonder North JORC Compliant Resource Table  
(at 3 g/t gold lower cut-off)**

<b>Cut-off</b>	<b>Resources</b>	<b>Measured</b>	<b>Indicated</b>	<b>Inferred</b>	<b>Totals</b>
3 g/t Au	Tonnes	0	494,000	127,000	<b>621,000</b>
	Grade g/t	0	4.9	4.4	<b>4.8</b>
	Ounces	0	78,100	18,000	<b>96,100</b>

**Great Western JORC Compliant Resource Table  
(at 0.5 g/t gold lower cut-off)**

<b>Cut-off</b>	<b>Resources</b>	<b>Measured</b>	<b>Indicated</b>	<b>Inferred</b>	<b>Totals</b>
0.5 g/t Au	Tonnes	96,000	263,000	327,000	<b>686,000</b>
	Grade g/t	2.4	2.8	3.0	<b>2.9</b>
	Ounces	7,500	23,900	31,700	<b>63,100</b>

Note: Rounding errors may occur. The numbers shown in the above tables have been rounded (tonnes to nearest 1,000, grade to 0.1 g/t, and ounces to 100) and thus the totals may not reflect the sum of the individual numbers.