



## ASX ANNOUNCEMENT

ASX CODE: TMX, TMXOA

### CAPITAL STRUCTURE

TMX - Shares on Issue 217.98m  
TMXOA - Options on Issue 18.24m  
- Unlisted Options 59.1m

### 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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Subiaco 6008  
Western Australia

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### CONTACT

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Monday 9 May 2011  
Company Announcement

## AMENDMENT TO CONVERTIBLE NOTE

Terrain Minerals Limited ("TMX") and Zulu Capital Limited ("Zulu"), in accordance with the original agreement dated 20 October 2010, have extended its operation for a further eight months and agreed (subject to shareholder approval) to amend the terms of the convertible note to reflect the terms of TMX's last capital raising, as detailed below –

- The conversion price of the shares has been altered to \$0.023 per share from \$0.038 per share previously;
- The free attaching option price has been altered to \$0.05 from \$0.08 previously;
- Zulu has the right to convert the outstanding convertible note monies of \$1.5m to shares in multiples of \$250,000 to a maximum of 20% of TMX's issued capital;
- TMX will call an extraordinary general meeting in June 2011 to seek shareholder approval to the amendments to the original convertible note agreement.

TMX is in the process of divesting its Bundarra and Dodgers Well gold assets and has received several offers which are currently under review.

TMX will carry out a further capital raising to progress work at Aztec Dome.

On behalf of the Board:

Chris Tomich,  
Managing Director

**Terrain Minerals Ltd** ABN: 45 116 153 514

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## 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.

## About Zulu Capital Ltd

Zulu Capital is an investment-banking firm focused on serving emerging growth companies and global alternative asset managers.

<http://www.zulucapital.com>

## 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.*

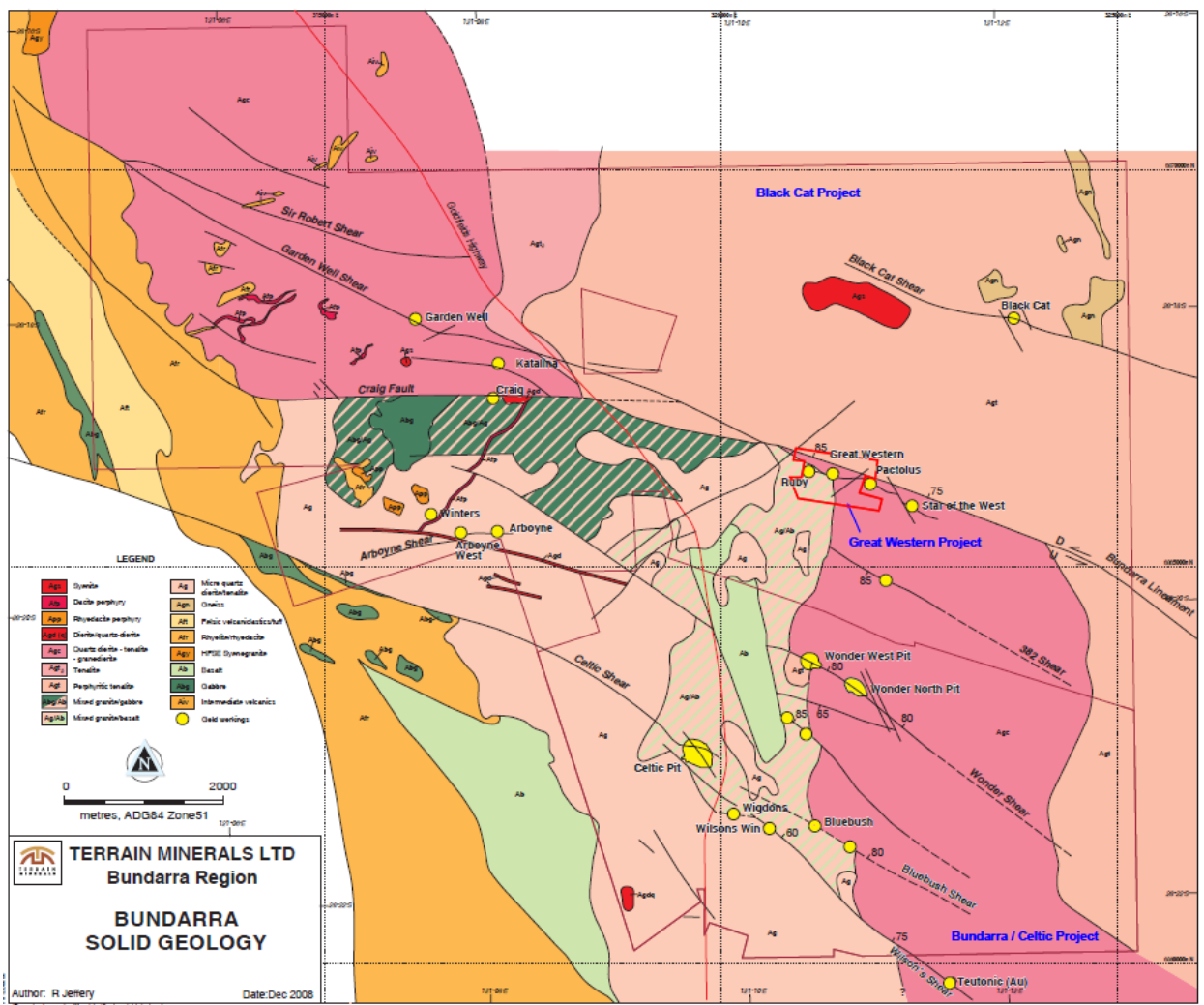
*The Mineral Resource estimates (at 1g/t gold cut-off) for the Wonder North and Black Cat deposits at Bundarra were completed by consultant Mr. Shane Fieldgate of CSA Global Pty Ltd, who is a Member of the Australian Institute of Geoscientists (MAIG) and is a Competent Person as defined by the Australasian 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.