



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
Alan Coles Managing Director
Paul Dickson Non-Exec Director
Ian Hobson Company Secretary

PRINCIPAL REGISTERED OFFICE

Terrain Minerals Ltd
ABN: 45 116 153 514

Suite 4, Level 1
230 Rokeby Road
Subiaco 6008
Western Australia

Postal Address
PO Box 1702
Subiaco WA 6904

CONTACT

Alan Coles
Terrain Minerals Ltd
PH: +61 8 9381 5558
Fax: +61 8 9381 5551
WEB: www.terrainminerals.com.au
EMAIL: terrain@terrainminerals.com.au

22 July 2011
Company Announcement

TERRAIN SIGNS A\$8.0M HEADS OF AGREEMENT TO SELL THE GREAT WESTERN AND BUNDARRA GOLD ASSETS

As part of the gold asset divestment program announced 17/02/2011 TMX is pleased to announce that it has signed a heads of agreement with S R Mining Pty Ltd (SRM) for the sale of Great Western and some of the Bundarra Gold Assets for \$8.0m by way of cash and an ongoing income from gold production.

The agreement involves:

- A\$1.3m cash 3 days after TMX shareholders give approval
- A\$0.7m cash when first gold produced or 1 year after receipt of initial payment
- 1.0 grams/ounce produced up to a total value of A\$6.0m with a minimum payment of A\$600,000 per year

Total value A\$8.0m equates to 3.7 cents per share.

A caveat will be held by TMX until full payment is received and if leases are on sold, full payment of the A\$6.0m remainder will become due.

A formal contract is to be agreed and completion will be subject to shareholder and regulatory approval. A shareholder meeting to approve the transaction is anticipated in September. Negotiations to repay the holder of the Convertible Note Zulu Capital will then commence.

Mining at Celtic Pit has DMP approval and SRM is expected to commence mining soon after the transaction has settled.

Future Direction

TMX will be considering options to maximise shareholder value from the remaining gold assets (Coogee, Dodgers Well and Black Cat JV) which may include continuing to explore those projects or divestment.

Significant focus for TMX will be for nickel at Aztec Dome in the East Kambalda area of WA.

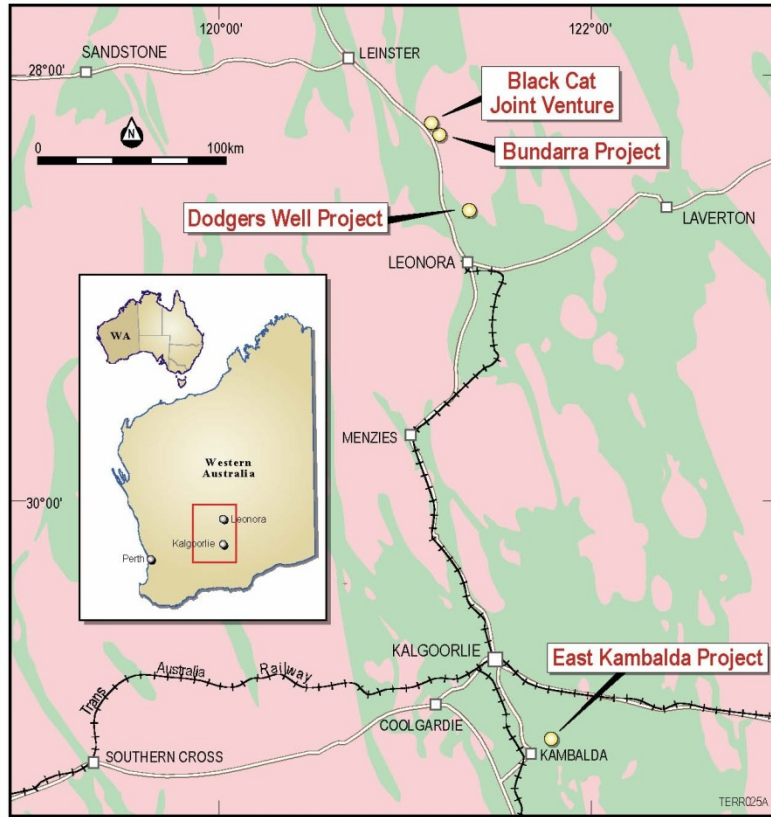
On behalf of the Board:

Alan Coles
Managing Director

Terrain Minerals Ltd ABN: 45 116 153 514

Telephone: +61 8 9381 5558
Facsimile: +61 8 9381 5551
Email: terrain@terrainminerals.com.au

Project Location Map



Bundarra Sale Area

