



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
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CONTACT

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31 August 2011 Company Announcement

A\$8.0M BINDING CONTRACT SIGNED FOR THE SALE OF THE GREAT WESTERN AND BUNDARRA GOLD ASSETS

TMX has signed the A\$8.0m binding contract with S R Mining Pty Ltd (SRM) for the sale of the Great Western & some of the Bundarra gold assets as announced on 22 July 2011.

The agreement is dependent on shareholder approval and involves:

- A\$1.3m cash initial payment
- A\$0.7m cash when first gold produced or 1 year after receipt of initial payment
- 1.0 grams per 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.

The contract is subject to certain conditions precedent which must be satisfied within 60 days. A shareholders meeting is being called to approve the sale. Negotiations will be held with Zulu Capital to repay the A\$1.5m convertible note.

The Bundarra sale will ensure the continuing future of Terrain Minerals as a successful long term explorer.

Future Direction

TMX will be maximising shareholders value of the remaining gold assets (Coogee, Dodgers Well and Black Cat JV) by continuing the exploration program or divestment.

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

A diamond drilling program to prove the stratigraphy is a repeat of Kambalda has been approved by DMP and is planned to commence this year.

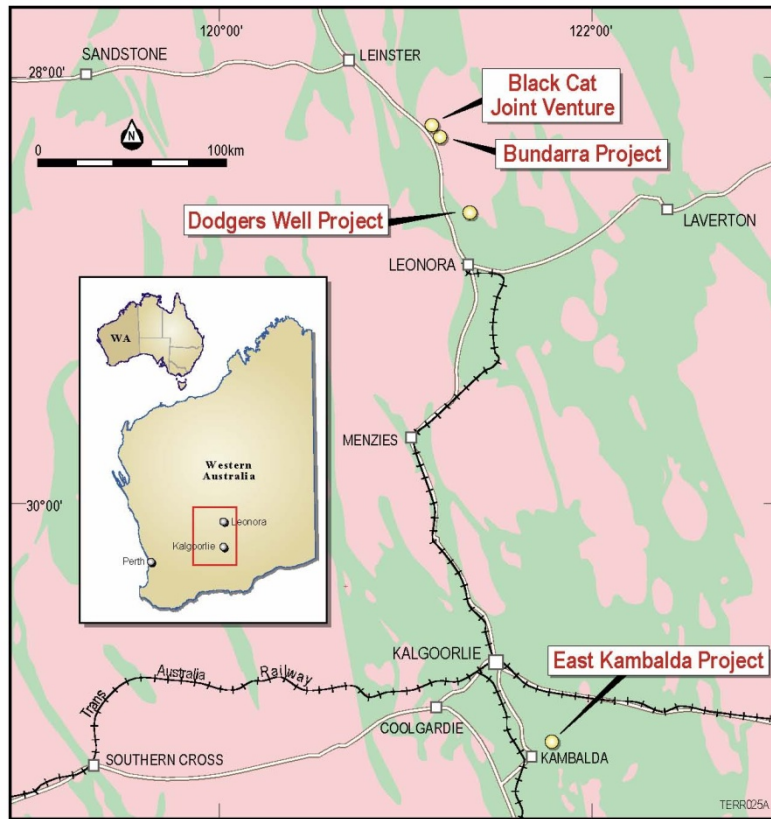
On behalf of the Board:

Alan Coles
Managing Director

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Project Location Map



Bundarra Sale Area

