



30 January 2012

Company Announcement

ASX ANNOUNCEMENT

ASX CODE: TMX, TMXOA

CAPITAL STRUCTURE

TMX	- Shares on Issue	346.53
TMXOA	- Options on Issue	18.24m
	- Unlisted Options	73.18m

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

QUARTERLY REPORT: DECEMBER 2011

HIGHLIGHTS

- \$2.3m successfully raised by Patersons Securities Ltd in Underwritten Rights Issue.
- \$8.0m term sale of Bundarra Gold assets completed in October. The company is debt free.

FUTURE EVENTS

- Stratigraphic diamond drilling commenced in January 2012 at Aztec Dome in an attempt to prove the geological sequence is similar to the Kambalda Dome where nickel sulphide ore bodies occur.
- Sale of Coogee Gold deposit to Ramelius Resources Ltd for \$0.9m was announced in January 2012.

On behalf of the Board:

Alan Coles
Managing Director

Terrain Minerals Ltd ABN: 45 116 153 514

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



East Kambalda

Site preparation for the drilling program at Aztec Dome was completed. Digirock were appointed manager of the project and a contract let to the diamond drill company 'DDH1' to undertake the work.

Corporate

At the Extraordinary General Meeting on 19 October, shareholders approval was given for the sale of the Bundarra Lease to S R Mining. The sale was settled on 26 October 2011 with \$1.3m paid. A further \$0.7m is due on 26 October 2012 followed by 1.0 grams/ounce produced up to a total value of A\$6.0m with a minimum payment of \$600,000 per year.

The Zulu Capital Limited Convertible Note was repaid by a cash payment of \$1.2m with \$300,000 being converted into 13,043,478 shares and 13,043,478 options exercisable at 5 cents, expiring 31 December 2012.

Terrain has successfully completed a 1 for 2 Underwritten Rights Issue at 2 cents per share to raise \$2.3m The company is debt free and has sufficient funds & incoming cash flow to fund its exploration programs for nickel at Aztec Dome and gold at Black Cat.

In January the company announced the sale of the Coogee Gold Deposit to Ramelius Resources for \$900,000.

Terrain is now well funded with the Coogee sale bringing the cash plus receivables to \$3.9m within the next 12 months.

Future Direction

The company will concentrate its exploration for nickel at the Aztec Dome project in East Kambalda.

AZTEC DOME

At Aztec Dome the proposed diamond drilling programme was commenced in January 2012 and will drill two stratigraphic holes in an attempt to prove the geological sequence is similar to the nearby Kambalda Dome where the first nickel sulphide ore deposit in Australia was discovered in 1967.

The drilling programme includes two stratigraphic diamond drill holes to depth of one kilometre with the aim of identifying the base to the ultramafics on which the nickel sulphide ore deposits occur at Kambalda.

The second target is to explore two EM anomalies identified in previous work. This will be completed by initially drilling four holes totalling 1,300m total.

BLACK CAT JV (earning 75% interest by spending \$750,000)

Exploration at the Black Cat JV planned to commence mid February 2012, testing the Craig Extended 1.0km long gold soil anomaly. The RC program will drill 15 holes to test the contact zone with 5 rows of 3 holes each 200m apart.

The sales and capital raisings have ensured Terrain Minerals Ltd is well funded to be able to undertake its exploration objective.

About Terrain Minerals Ltd (ASX: TMX & TMXOA)

TMX is a Perth based exploration company with gold and nickel projects in the Eastern Goldfields of Western Australia.



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.

It is noted that over 1,000,000 tonnes of contained nickel has been produced from the Kambalda dome and is still in production (Source: Dept of Industry & Resources – Gold and Nickel Deposits in the Archaean Norseman-Wiluna Greenstone Belt, Yilgarn Craton, Western Australia – A Field Guide - Compiled by P Neumayr, M Harris & SW Beresford, Record 2004/16, Page 9).

Black Cat Joint Venture

The Black Cat Joint Venture with St Barbara (TMX at 60% earning 75%) contains a series of prospective gold targets. The site has an untested soil anomaly 1 km long and 160 m wide, directly along strike from the old Craig workings. Drill targets exist below the old workings at Garden Well, Craig and Katalina.

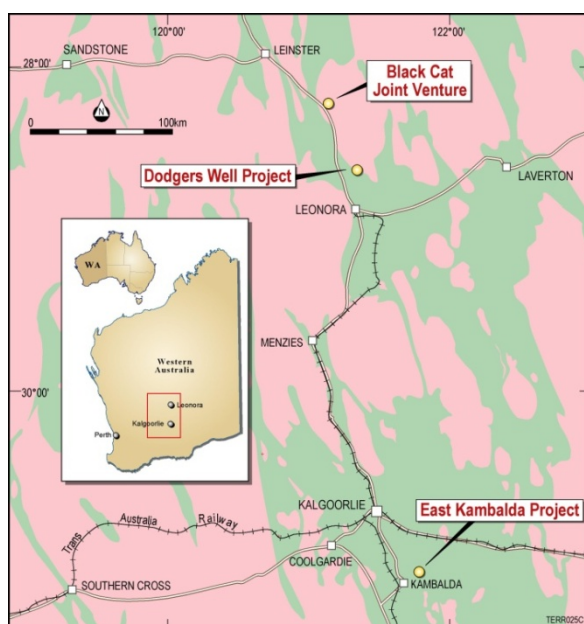
Dodgers Well (30 kms north of Leonora)

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. The project is being evaluated for possible joint venture or sale.

Competent Persons Statements

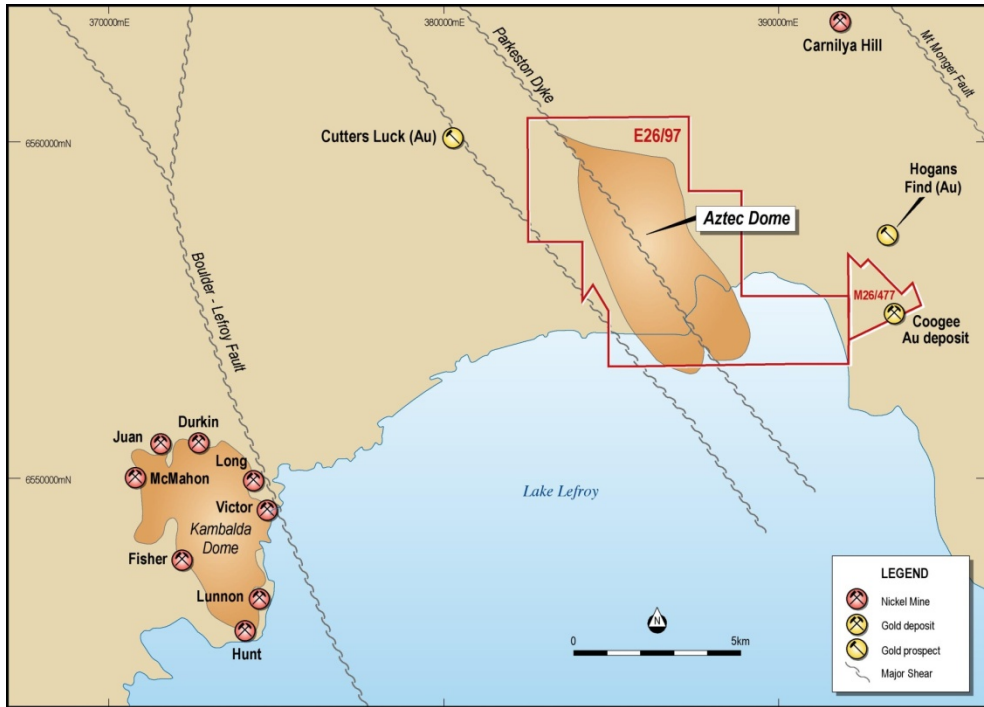
The information in this report that relates to Exploration Results and JORC compliant Mineral Resources is based on information compiled by Mr Alan Coles, who is a full time employee of Terrain Minerals Ltd. Mr Coles is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and has 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 Coles consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Project Location Map





Aztec Dome Project



Black Cat Project

