



ASX ANNOUNCEMENT

ASX CODE: TMX, TMXOA

CAPITAL STRUCTURE

TMX - Shares on Issue 171.23m
TMXOA - Options on Issue 16.89m
- Unlisted Options 10.57m

DIRECTORS & KEY MANAGEMENT

Dick Sandner Non-Exec Chairman
Jonathan Lim Non-Exec Vice Chairman
Chris Tomich Managing Director
Keith Wells Non-Exec 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

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

Friday 22 October 2010
Company Announcement

TOLL TREATMENT AGREEMENT WITH GOLD FIELDS FINALISED

Terrain Minerals Ltd (TMX) has signed an agreement with Gold Fields' Agnew Gold Mine to toll treat gold ore from the Celtic Pit, in the Bundarra Project, north of Leonora in Western Australia.

Ore from the Celtic Pit mining inventory amounting to approximately 60,000t @ 3.5g/t gold (undiluted, at a 1.0g/t gold lower cut-off grade) will be trucked 90km to Agnew for processing.

It is expected that approximately 6,000oz of gold will be recovered from toll treatment of this ore, which should yield a cash surplus of \$2-3 million over a mining period of 2-3 months.

Gold Fields will be paid for these services through a share of the gold recovered. With no cash outlay this greatly assists TMX with its cash flow.

Mining preparation activities are already underway, ahead of scheduled mining in November and December 2010.

The finalisation of this toll treatment agreement is another significant step for TMX as it progresses from explorer to producer status.

On behalf of the Board:

Chris Tomich,
Managing Director

Terrain Minerals Ltd ABN: 45 116 153 514

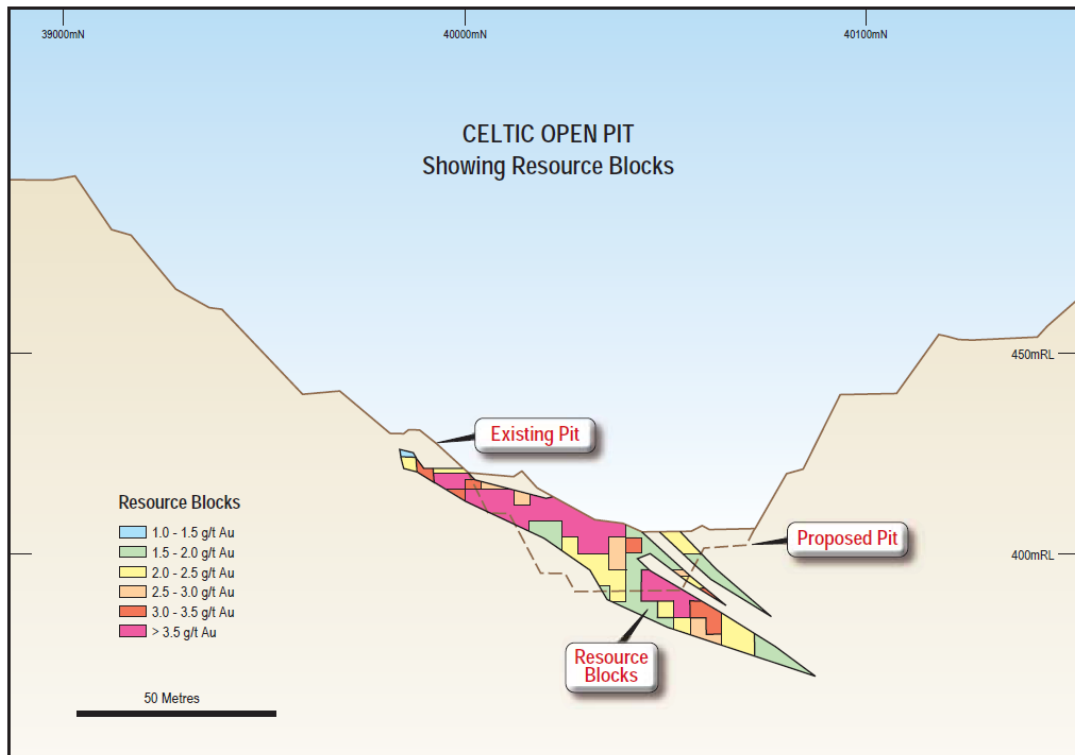
Contact
Telephone: +61 8 9381 5558
Facsimile: +61 8 9381 5551
Email: terrain@terrainminerals.com.au



Celtic Pit: Looking west



Celtic Pit: Generalised cross section of planned open pit mining





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 321,000 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.

The Celtic Pit is now being dewatered in preparation for mining in November – December 2010. Approximately 60,000t @ 3.5 g/t gold (undiluted) is to be treated at a nearby mill some 90km away. Toll treatment costs are to be deducted from gold sales.

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. Mining development is currently focused on the Bundarra project and the Coogee deposit is being offered 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, Bluebush, Great Western 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 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)



Deposit	Resources	Measured	Indicated	Inferred	Totals
Bundarra Project					
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			726,000	726,000
	Grade			1.7	1.7
	Ounces			38,900	38,900
Black Cat	Tonnes			134,000	134,000
	Grade			2.5	2.5
	Ounces			10,600	10,600
Great Western	Tonnes	58,000	284,000	131,000	473,000
	Grade	3.0	2.8	2.3	2.7
	Ounces	5,600	25,800	9,500	40,900
Totals	Tonnes	412,000	1,156,000	2,305,000	3,873,00
	Grade	2.4	2.5	1.9	2.1
	Ounces	31,600	92,300	139,200	263,100
Celtic	Tonnes	683,900	199,400	204,400	1,087,700
	Grade	1.8	1.5	1.5	1.7
	Ounces	39,300	9,300	9,500	58,100
TOTALS	Tonnes	1,095,900	1,355,400	2,509,400	4,960,700
	Grade	2.0	2.4	1.9	2.0
	Ounces	70,900	101,600	148,700	321,200
East Kambalda Project					
Coogee	Tonnes		137,800	139,700	277,500
	Grade g/t		4.12	3.70	3.91
	Ounces		18,250	16,620	34,870
Total Resources					
All Deposits	Tonnes	1,095,900	1,493,200	2,649,100	5,238,200
	Grade	2.00	2.56	1.99	2.10
	Ounces	70,900	119,850	165,320	356,070

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

CLASSIFICATION	TONNES	GRADE g/t GOLD	GOLD OUNCES
Measured	0	0	0
Indicated	494,450	4.9	78,080
Inferred	127,150	4.4	18,000
TOTAL	621,600	4.8	96,080