



ASX ANNOUNCEMENT

Friday, 29 August 2008

ASX CODE

TMX, TMXO

DIRECTORS & KEY MANAGEMENT

Ross Gillon Chairman	- Non-Exec
Keith Wells	- Executive Director
David Zohar Director	- Non-Exec
William Bannister Director	- Non-Exec
Ian Hobson Secretary	- Company

PRINCIPAL REGISTERED OFFICE

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HIGHLIGHTS

BUNDARRA RESOURCE INCREASED BY 60% TO 321,000 OZ OF GOLD

- **New resource estimate of 4.96mt @ 2.0 g/t gold (321,000 oz)**
- **Resource grade cut off 1g/t gold**
- **New resources have been outlined at the Wonder North, Bluebush, Great Western and Black Cat deposits.**
- **All the resources remain open down dip and down plunge.**
- **Terrain on track to define interim target of 400 - 600,000 oz of gold.**

- Following the completion of a 16,000m RC and Diamond drilling program in May 2008 geological consultants CSA Global Pty Ltd have undertaken resource estimates on a cluster of deposits within the Bundarra project area. These deposits include: Wonder North, Bluebush, Great Western and Black Cat (Figure 1).
- Additional resources have previously been defined at the Celtic deposit.
- At a grade cut off of 1g/t gold the resources total **4.96mt @ 2.0g/t gold (321,000 oz)** (Figure 2).



- All the deposits remain open down dip and down plunge.
- In addition there are a number of other prospects: Garden Well, Katalina, Craig and Wilsons Win, with drill intercepts up to **37.8 g/t gold**. All these prospects require further drilling.
- With deposit extensions and a number of other attractive targets still to be tested, the directors are confident that the new resource estimate demonstrates significant progress towards the interim **target of 400 - 600,000 oz of gold #**
- Planning for follow up drilling programs are well advanced.

The target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource and that it is uncertain that further exploration will result in a Mineral Resource.

Further information regarding Terrain's projects and exploration programs can be found on the Company's website, www.terrainminerals.com.au.

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The Mineral Resource estimates for the Wonder North, Bluebush, Great Western and Black Cat deposits were completed by 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 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 information in this report that relates to Exploration Results is based on information compiled by Mr. Keith Wells, who is a full-time employee of Terrain Minerals Ltd. Mr. Wells is a member of The Australian Institute of Geoscientists 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. Wells consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Figure 1: Bundarra Project – Gold Deposits

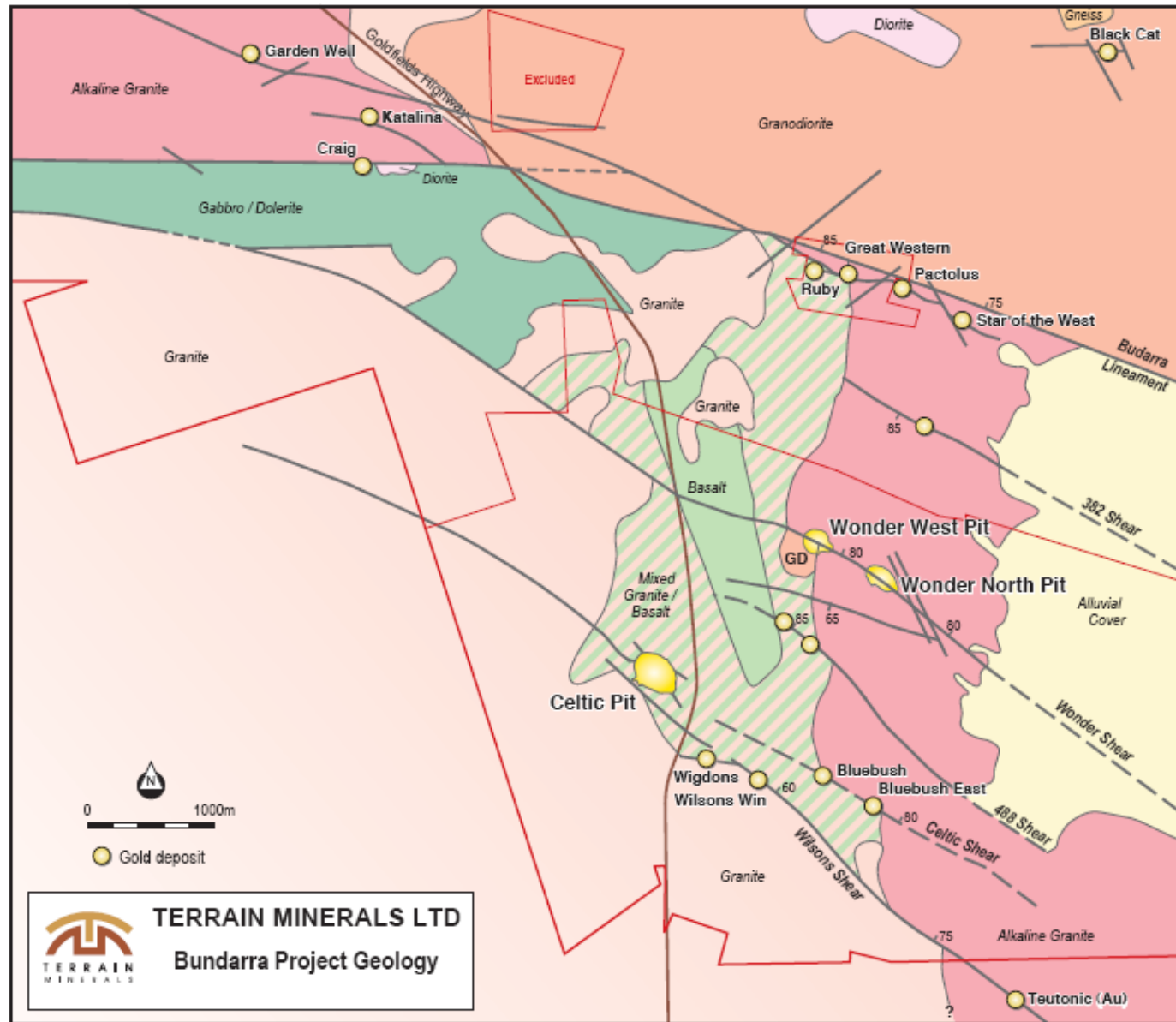




Figure 2: Bundarra Resources (at 1 g/t gold cut off)

Deposit	Resources	Measured	Indicated	Inferred	Totals
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

* - Celtic Resource previously published in Terrain Prospectus dated March 2006