



1st September 2009

Company Announcements Officer
ASX Ltd

**GEOPHYSICAL SURVEY TO COMMENCE
ON THE AZTEC DOME NICKEL PROJECT, KAMBALDA**

- A combined IP/EM geophysical survey commenced on 29 August 2009 to follow up on the previous successful orientation IP/EM program undertaken over the Aztec Dome nickel project.
- The new survey will comprise a minimum of 15 line kms, plus fill-in traverses and further geophysical detailing. The survey is expected to take approximately three weeks to complete.
- The Aztec Dome is located 12 kms north-east of Kambalda, WA (Fig 1) and has the potential to be a repeat of the Kambalda Dome and its associated high grade nickel sulphide deposits. Exploration programs over the Aztec Dome have identified a number of similarities to the Kambalda Dome:
 - A dome structure 3kms wide by 6kms long extending further south under Lake Lefroy.
 - Similar rock types, including a similar geological succession and intrusions
 - Coincident magnetic and gravity anomalies. The interpreted depth and shape of the source rock for these anomalies coincides with the location of a spinifex textured, komatiitic ultramafic (Fig 2).
 - The only deep hole in the project area terminated in the spinifex textured, komatiitic ultramafic and intersected wide (40m) zones of disseminated sulphides with nickel values up to 0.3% nickel.

The prospective ultramafic horizon does not outcrop and as a result there has been limited previous work over the project area.

- The orientation IP/EM geophysical traverse completed in late 2008 identified five anomalies, four of which are coincident with magnetic/gravity anomalies and/or structures (Fig 3).
- The new survey will complete the geophysical coverage of the entire Aztec Dome north of Lake Lefroy; the results will help to determine drill priorities for 2010.

For further information:

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About Terrain Minerals Ltd (ASX: TMX)

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 320,000 oz of gold in a closely related cluster of deposits including: Wonder North, Celtic, Great Western, Bluebush and Black Cat. All the deposits remain open down dip and down plunge. Mining studies are currently in progress, including metallurgical test work, pit optimisations, pit designs and mine scheduling. These mining studies are anticipated to be completed in the fourth quarter 2009.

On the adjoining Black Cat JV area (TMX 60%), a number of strong geochemical anomalies coincident with geological features, similar to the known deposits remain to be drill tested.

Kambalda (15 kms east of Kambalda)

Aztec Dome – subject of this announcement.

Coogee gold deposit (277,500t @ 3.9 g/t gold (35,000 oz))

Pit optimisation, pit design and mine scheduling studies are currently in progress and various development options are currently being considered

Dodgers Well (30 kms north east of Leonora)

TMX has entered into an option to purchase agreement over this project. Preliminary work has identified high grade (up to 130g/t gold) quartz reef deposits. It is anticipated that the option to purchase will be exercised before the end of 2009, ahead of drilling programs in 2010.

Corporate

Shares on Issue (TMX) - 117.2m: Options on Issue (TMXO) - 55.1m

Directors: Dick Sandner – Non-Exec Chairman
 Keith Wells – Managing Director
 Paul Dickson – Non-Exec Director
 William Bannister – Non-Exec Director
 Ian Hobson – Company Secretary

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

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.

The Mineral Resource estimates for the Wonder North, Bluebush, Great Western and Black Cat deposits at Bundarra 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 Mineral Resource estimate for the Coogee deposit was reviewed by Mr. Malcolm Castle, who is a Member of the Australian Institute of Mining & Metallurgy (AUSIMM) 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.

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

Figure 1: Aztec Dome Location Plan

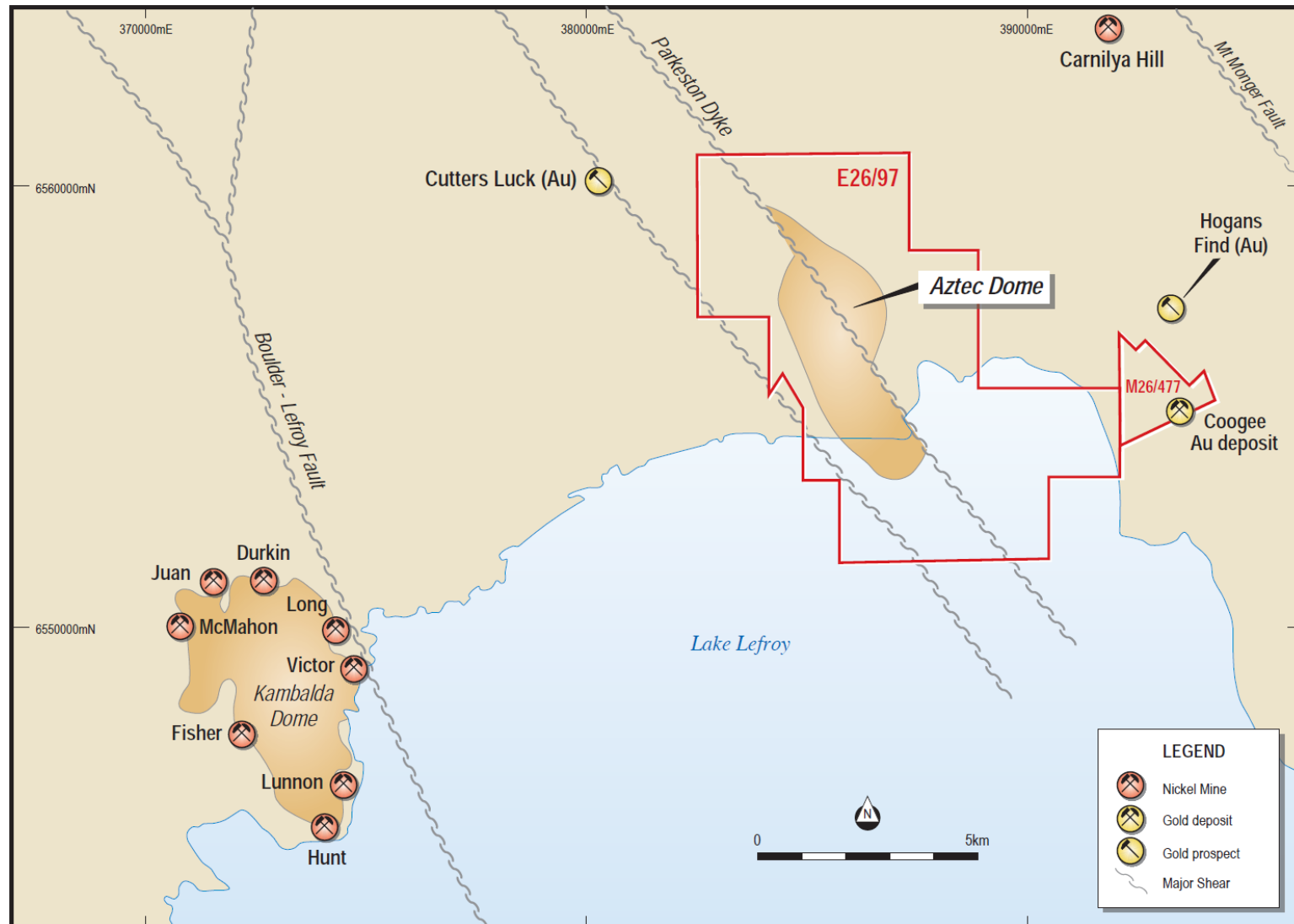


Figure 2: Aztec Dome - Magnetic (top) & Gravity (middle) Responses over Isosurface (spinifex textured, komatiitic ultramafic)

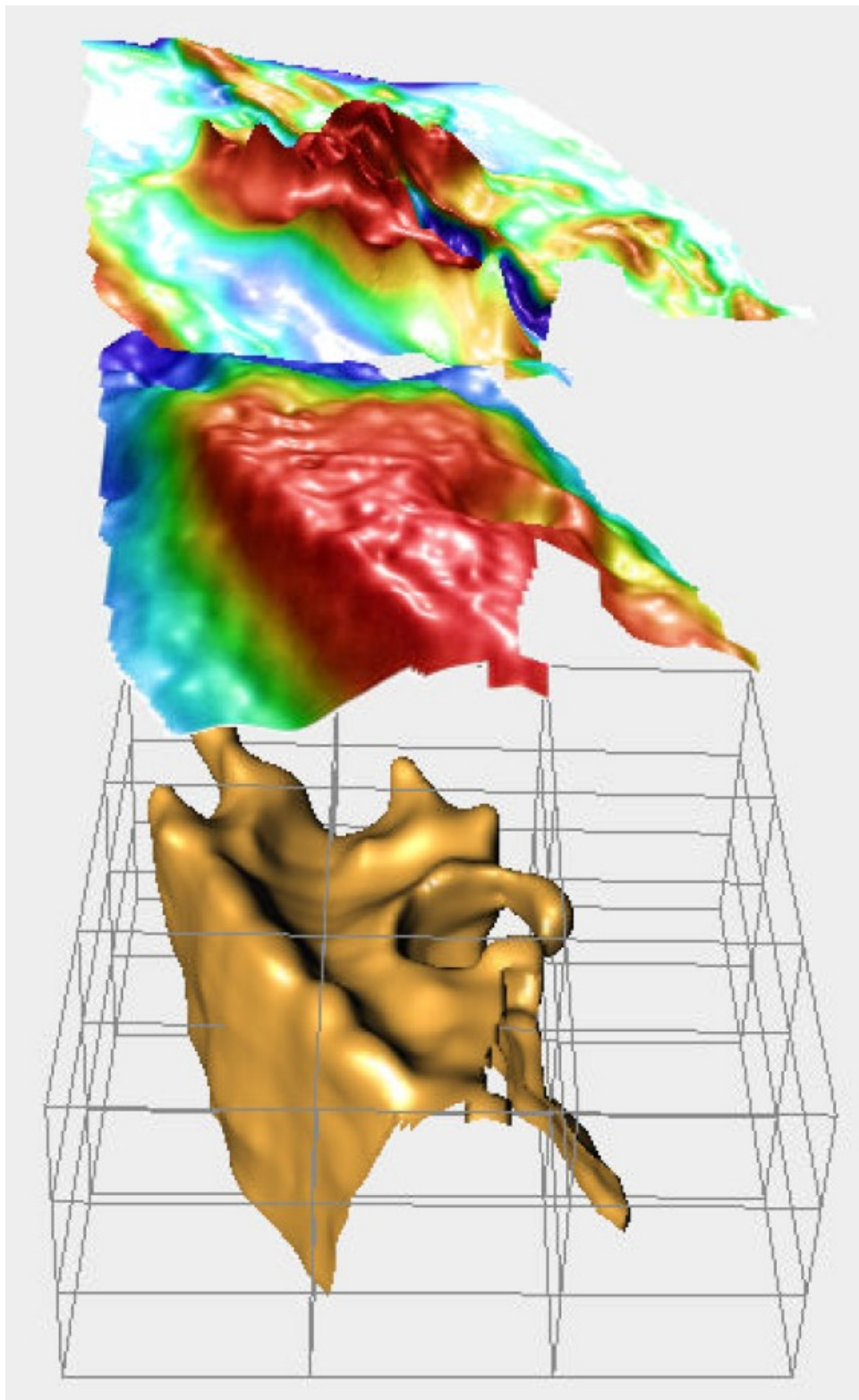


Figure 3: Aztec Dome – IP/EM Anomalies: Orientation Survey – Traverse 13000N

