



16 February 2010

Company Announcements Officer  
ASX Ltd

**MINE SCOPING STUDY OUTLINES  
POTENTIAL CASH SURPLUS OF A\$21M - A\$27M**

A mine scoping study, completed in the 2009 December quarter, by an independent mining consultant over three adjacent gold deposits: Celtic, Great Western and Wonder North at TMX's Bundarra project; has outlined a potential operating cash surplus of A\$21m - A\$27m.

The study has also highlighted the potential for further extensions to the gold deposits.

The results of the scoping study as set out in the accompanying presentation shows the potential production figures and cash flows. Various sensitivity analyses have been performed and are included to demonstrate the potential range of cash flows.

The study used mining cost estimates provided by a number of mining contractors, some reasonable assumptions regarding the costs of transport and toll treatment; plus a gold price of A\$1,200 per oz.

On behalf of the board,

Keith Wells  
Managing Director

Further information regarding Terrain's projects and exploration programs can be found on the Company's website, [www.terrainminerals.com.au](http://www.terrainminerals.com.au)

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# Bundarra Mine Scoping Studies February 2010



# Disclaimer

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This presentation is not and should not be considered as an offer or invitation to subscribe for or purchase any securities in Terrain, or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in Terrain will be entered into on the basis of this presentation.

Due care and attention has been taken into preparation of this presentation. To the fullest extent permitted by law, no liability, however arising, will be accepted by Terrain or its directors, officers or advisers, for the fairness, accuracy or completeness of the information contained in this presentation. This presentation contains certain forward-looking statements which have not been based solely on historical facts but, rather, on Terrain's current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies many of which are outside the control of Terrain and its directors, officers and advisers.



# Mine Development Projects

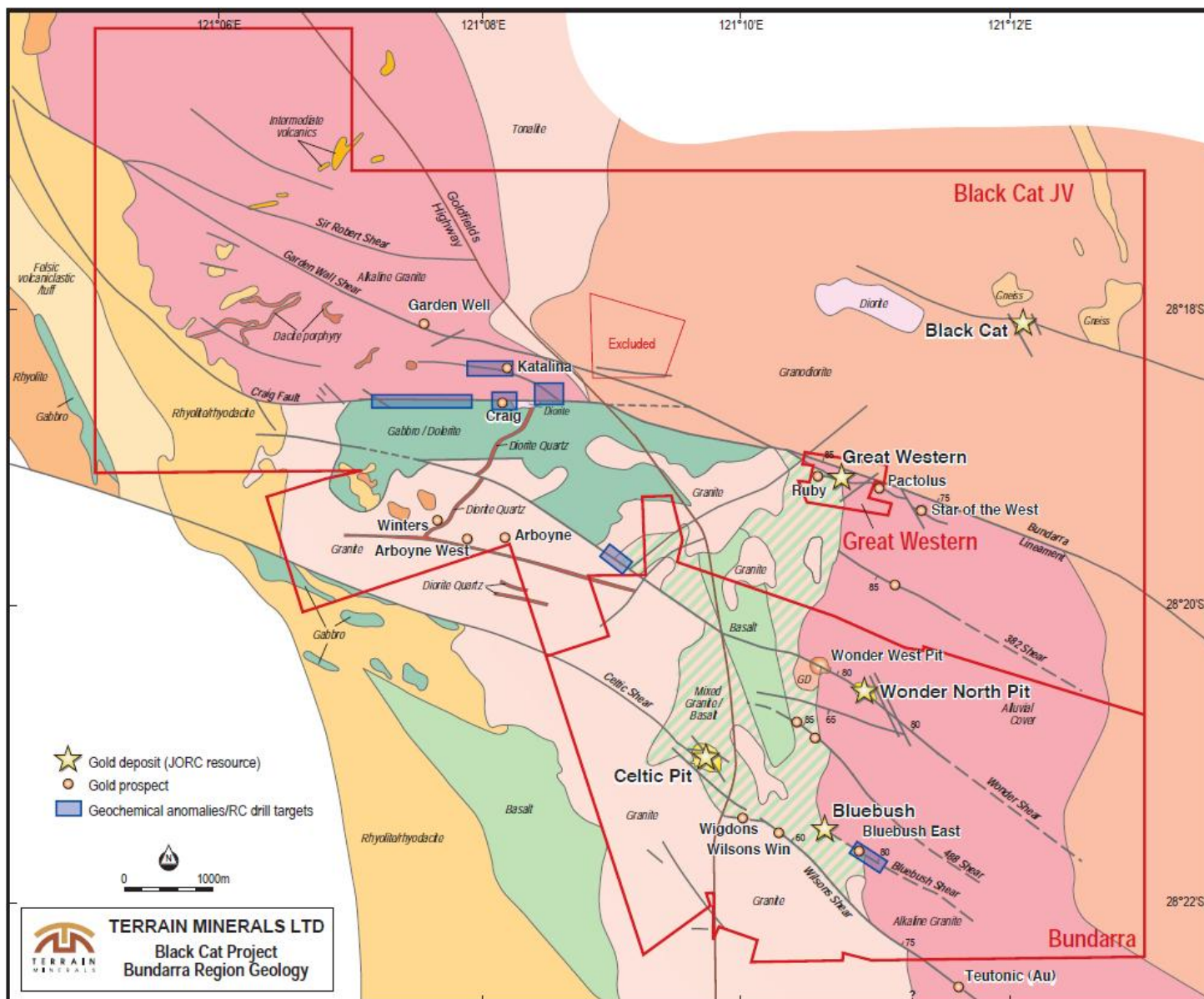
## **Mine Scoping Studies Completed**

- Celtic Open Pit
- Great Western Open Pit & Underground
- Wonder North Open Pit

## **Potential Mine Extensions**

- Great Western . underground, down plunge.
- Wonder North . underground, down plunge

# Bundarra – Regional Map





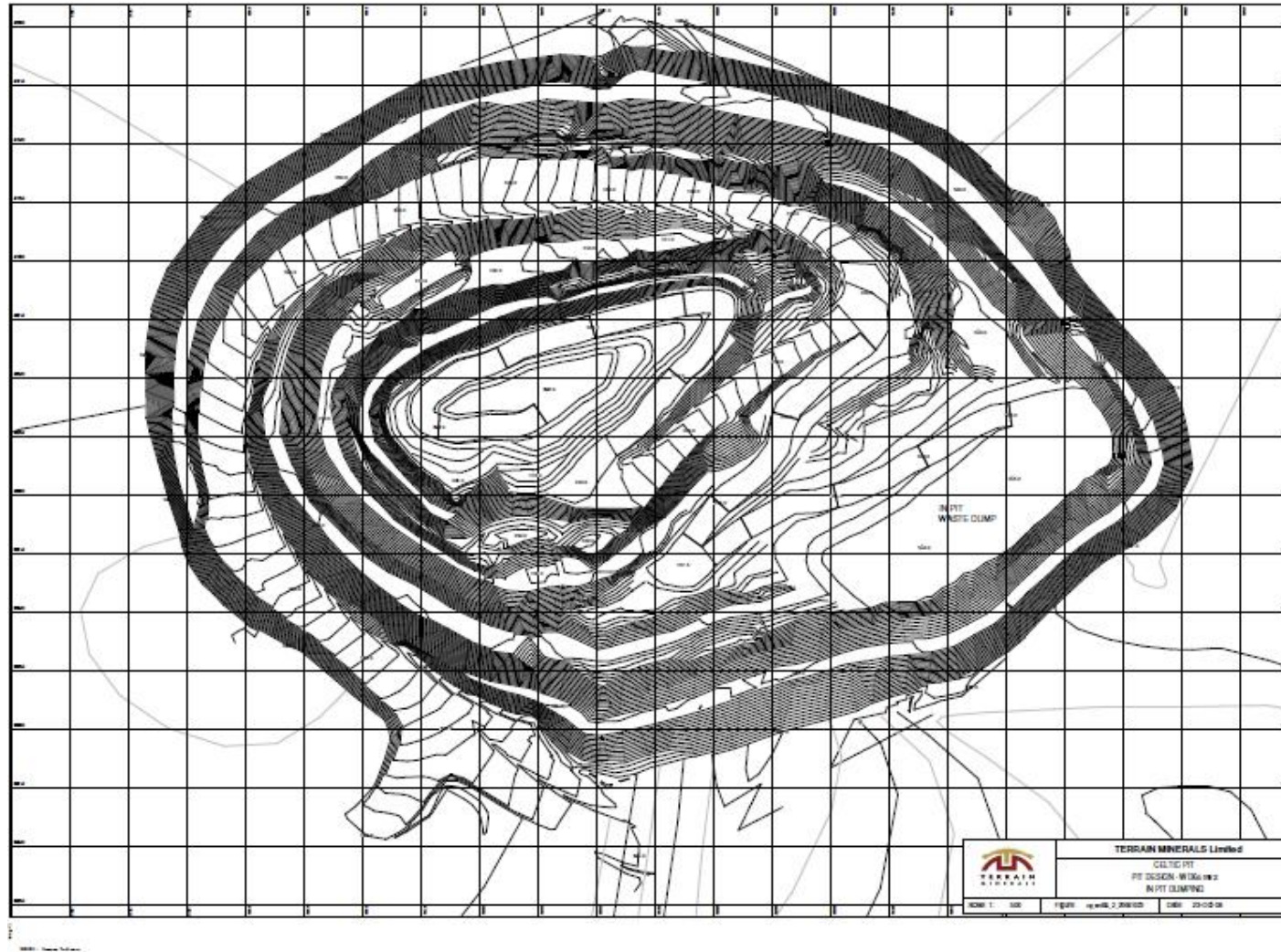
# Forecast Mine Cash Flow s

Based on Mine Scoping studies completed.

	Cash Surplus	Gross Cash
<b>Celtic Open Pit</b>	A\$2.0m - A\$3.0m	A\$3.0m - A\$4.0m
<b>Gt. Western Open Pit</b>	A\$1.0m - A\$2.0m	A\$3.0m - A\$4.3m
<b>Gt. Western Underground</b>	A\$13.1m - A\$15.1m	A\$25.1m - A\$27.1m
<b>Wonder North Open Pit</b>	A\$4.8m - A\$6.8m	A\$15.1m - A\$17.1m
<b>Forecast cash</b>	<b>A\$20.9m - A\$26.9m</b>	<b>A\$46.5m – A\$52.5m</b>

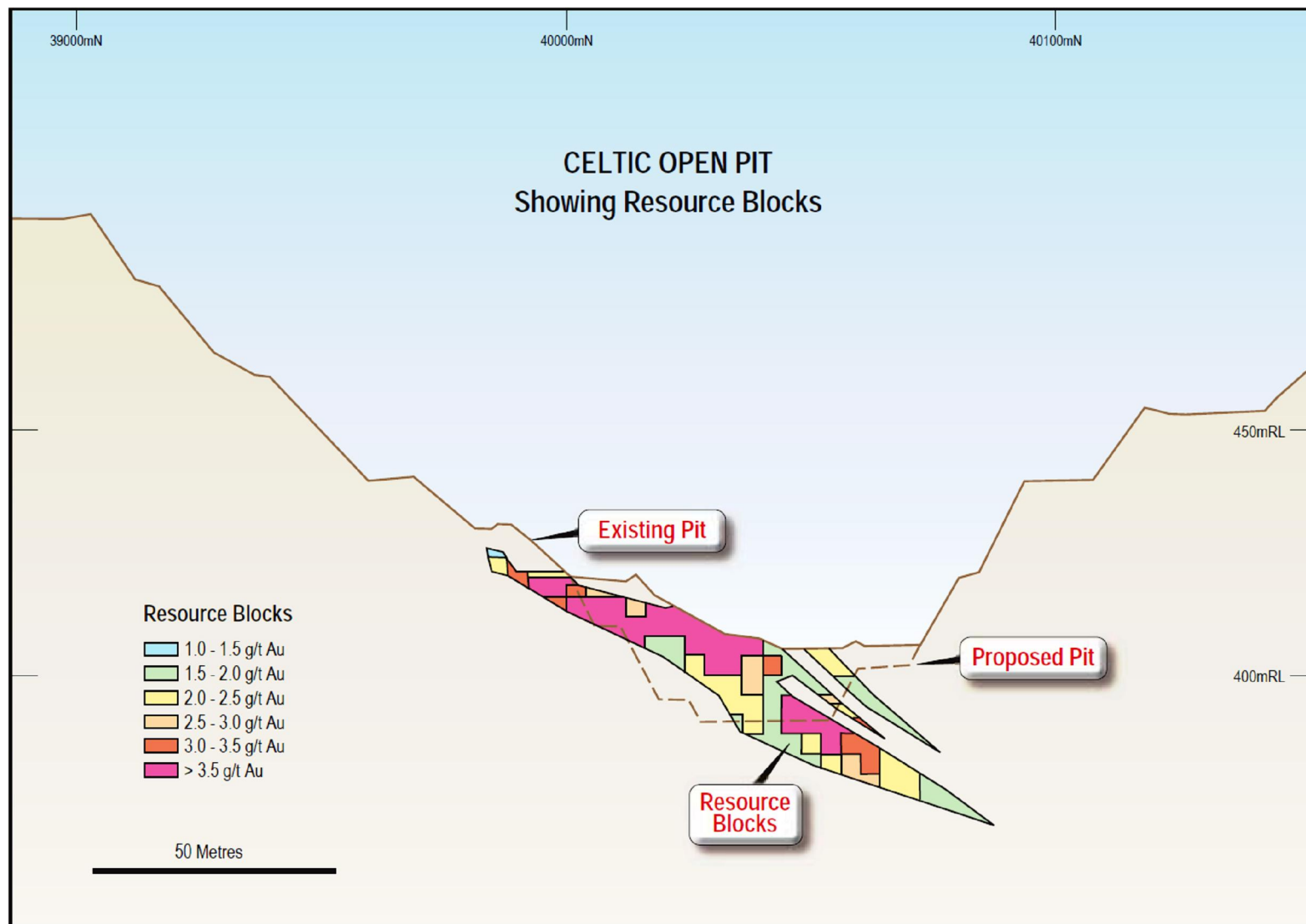
Wonder North Underground . study to be undertaken looking at reducing costs, increasing recovered oz and enhancing cash flow.







# Celtic Deposit Cross Section: Proposed Pit Extension







# Celtic Open Pit Gold Production Summary

Mine: 59,000t at 3.52g/t (from measured resource of  
684Kt @ 1.8g/t gold: Resource Table )

Produce: 6,000 oz @ cash cost of A\$650oz

Up Front Costs	A\$0.9m - A\$1m
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Cash flow generated	A\$3m - A\$4m
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Cash surplus	A\$2m - A\$3m
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# Celtic Open Pit: Sensitivity Study

		Ozs RECOVER ED	COST/Ozs \$/Ozs	Operating CASH FLOW X\$M (Negative)	Forecast CASH Surplus X\$M
<b>BASE CASE \$1200/Ozs</b>		6003	635	0.87	<b>3.4</b>
<b>GOLD PRICE \$1100/Ozs</b>		6003	628	0.87	<b>2.8</b>
<b>GOLD PRICE \$1300/OZS</b>		6003	641	0.87	<b>3.9</b>
<b>RECOVERY 85 %</b>		5669	668	0.87	<b>3.0</b>
<b>20%DILUTION @0g/t</b>		6003	692	0.87	<b>3.0</b>
<b>20%DILUTION @0.5g/t</b>		6173	675	0.87	<b>3.2</b>



# Great Western: Open Pit Gold Production Summary

Mine: 128,000t at 2.7 g/t gold (from measured, indicated & inferred resource of 473Kt @ 2.7 g/t gold: Resource Table)

Produce: 10,500 oz @ cash cost A\$1,020 per oz

Up Front Costs	A\$2.3m
Cash flow generate	A\$3.3m - A\$4.3m
Cash surplus	A\$1.0m - A\$2.0m

**Note:** The open pit will provide self funding portal access to the proposed underground operation.

# GREAT WESTERN OPEN CUT

## - Sensitivity Analysis

		Ozs RECOVER ED	COST/Ozs \$/Ozs	Operating CASH FLOW X\$M (Negative)	Forecast CASH Surplus X\$M
<b>BASE CASE \$1200/Ozs</b>		10589	1020	2.3	<b>1.9</b>
<b>GOLD PRICE \$1100/Ozs</b>		10589	1015	2.5	<b>0.9</b>
<b>GOLD PRICE \$1300/OZS</b>		10589	1025	2.1	<b>2.9</b>
<b>RECOVERY 90 %</b>		10032	1073	2.4	<b>1.3</b>
<b>20%DILUTION @0g/t</b>		10589	1093	2.5	<b>1.1</b>
<b>20%DILUTION @0.5g/t</b>		10981	1054	2.4	<b>1.6</b>
<b>MINE COST +10%</b>		10589	1066	2.6	<b>1.4</b>



# Great Western Underground: Gold Production Summary

Mine: 194,000t at 6.75 g/t gold (from measured, indicated & inferred resource of 473Kt @ 2.7g/t gold: Resource Table)

Produce: 40,000 oz @ cash cost of A\$750 per oz

Up Front Costs	A\$12.0m
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Cash flow generated	A\$25.1m - A\$27.1m
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Cash Surplus	A\$13.1m - A\$15.1m
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# Wonder North Open Pit: Gold Production Summary

Mine: 449,000t at 2.56g/t gold (from measured & indicated resource of 1226Kt @ 2.4g/t gold: Resource Table)

Produce: 35,000 oz @ cash cost of A\$1,000 per oz

Up Front Costs	A\$10.0m
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Cash flow generated	A\$14.0m - A\$16.0m
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Cash Surplus	A\$4.0m - A\$6.0m
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# Potential Mine Extensions

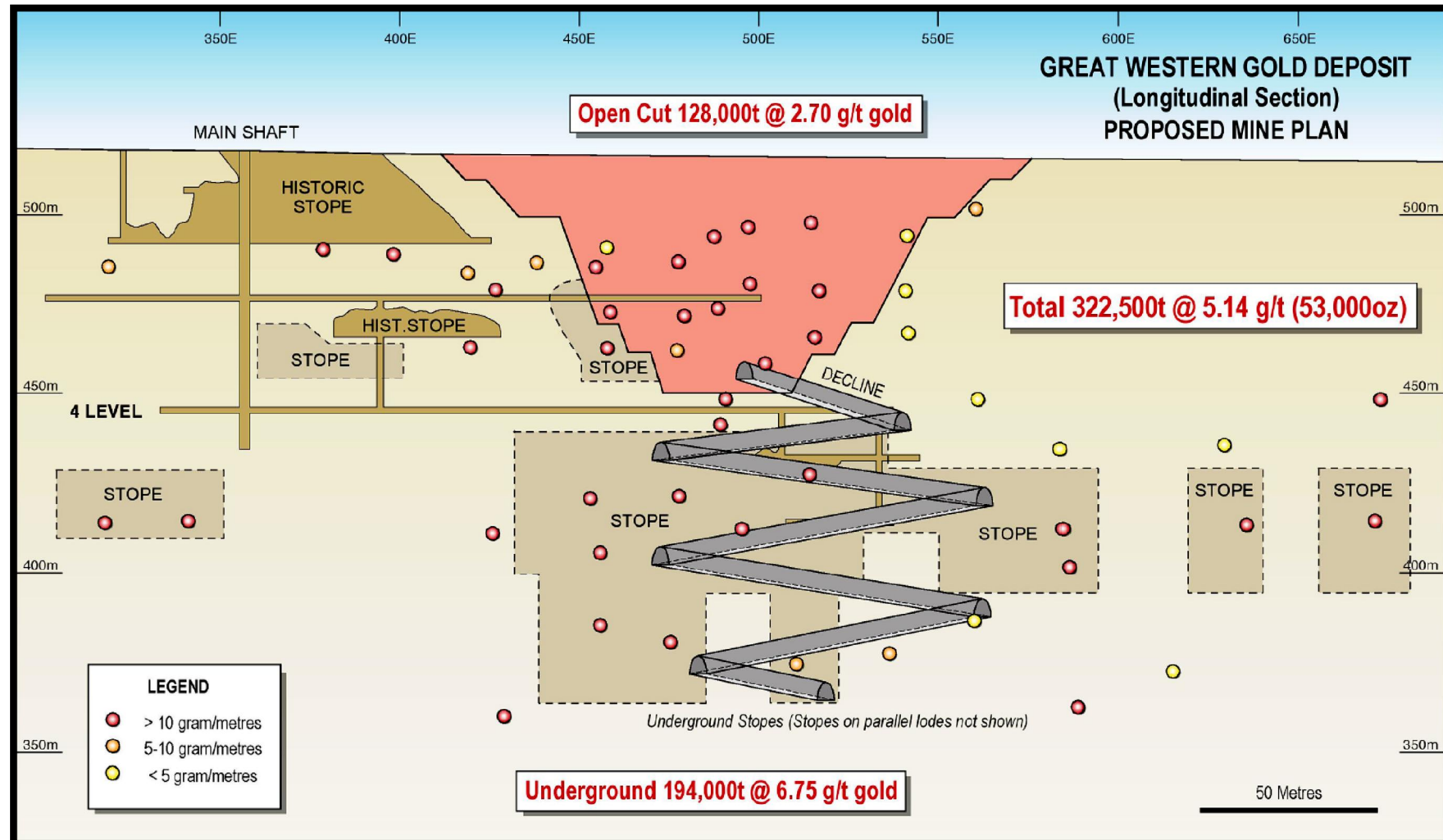
“ Great Western (g old) . down plunge

Ore shoots open down plunge

“ Wonder North (g old) . down plunge

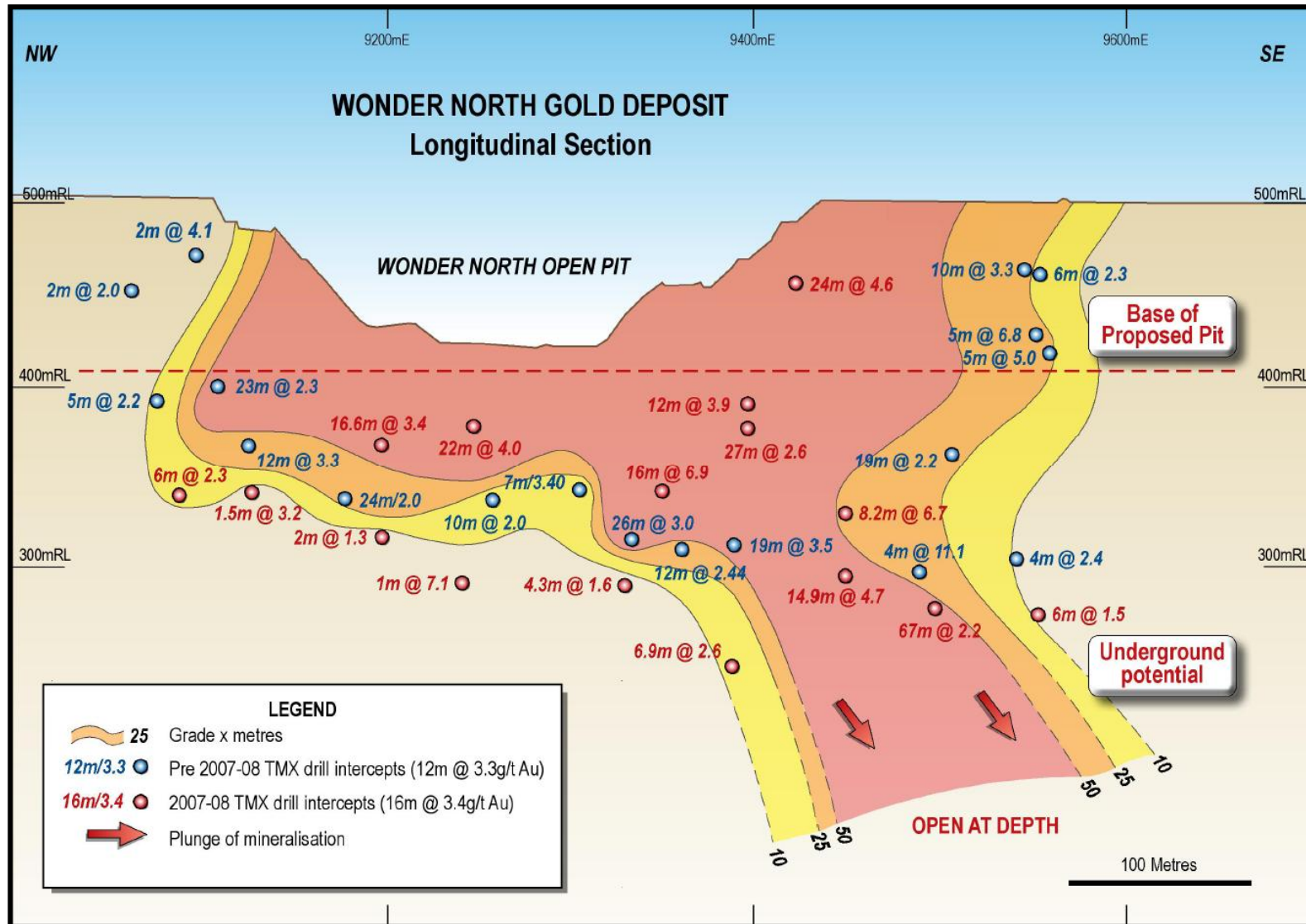
Deposit open down dip and down plunge .

Study to be undertaken looking at reducing costs,  
increasing recovered oz and enhancing cash f low.





# Wonder North Deposit





# Capital Structure

<b>CAPITAL STRUCTURE</b>	<b>BOARD OF DIRECTORS</b>
<b>Issued Shares (TMX): 137.5 m</b>	<u>Non executive</u> Chairman: Dick Sandner Vice Chair: Jonathan Lim Paul Dickson
<b>Issued Options</b>	<u>Executive</u> MD: Keith Wells
<b>Listed (TMXO): 51.6 m</b>	<b>MAJOR SHAREHOLDERS</b>
<b>Unlisted: 7.0 m</b>	Grande Pacific 12.86% Iron Mountain Ltd 12.76% Peter Tan 12.03% Jonathan Lim <u>7.61%</u> Top 20 Shareholders 74.50%
<b>Share Price (15/02/10): 6.4c</b>	
<b>Market Cap: \$8.8 m</b>	
<b>Cash at 31/12/09: \$983,000</b>	



# Bundarra Project: Resources

(1g/t gold cut-off)

Resource	Measured		Indicated		Inferred		TOTALS		
Deposit	Tonnes (±000)	Grade (g/t)	Tonnes (±000)	Grade (g/t)	Tonnes (±000)	Grade (g/t)	Tonnes (±000)	Grade (g/t)	Ounces (±000)
Wonder North	354	2.3	872	2.4	1314	1.9	2540	2.1	172.6
Celtic	684	1.8	199	1.5	204	1.5	1088	1.7	58.1
Great West.	58	3.0	284	2.8	131	2.3	473	2.7	40.9
Black Cat					134	2.5	134	2.5	10.6
Blue-bush					726	1.7	726	1.7	38.9
<b>Total</b>	<b>1096</b>	<b>2.0</b>	<b>1355</b>	<b>2.4</b>	<b>2509</b>	<b>1.9</b>	<b>4961</b>	<b>2.0</b>	<b>321.2</b>



# Competent Persons Statement

*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 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*