



ASX ANNOUNCEMENT

ASX CODE: TMX, TMXO

CAPITAL STRUCTURE

TMX	- Shares on Issue	137.51m
TMXO	- Options on Issue	51.62m
	- Unlisted Options	10.57m

DIRECTORS & KEY MANAGEMENT

Dick Sandner	Non-Exec Chairman
Jonathan Lim	Non-Exec Vice Chairman
Keith Wells	Managing Director
Paul Dickson	Non-Exec Director
Ian Hobson	Company Secretary

PRINCIPAL REGISTERED OFFICE

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TERRAIN AGREES TO SELL COOGEE GOLD DEPOSIT FOR A\$1.15M

As anticipated by the Directors in Section 8 of its current rights issue prospectus, on 6 May 2010 Terrain Minerals Ltd ("Terrain") signed an agreement with New Global Mining Ltd ("NGM") to sell the Coogee Gold Deposit for up to A\$1.15M in cash and script.

The Coogee Gold Deposit is located 20 km northeast of Kambalda, WA (Figure 1), and has a JORC compliant indicated and inferred resource totalling 277,500 tonnes @ 3.91 g/t gold for 34,870 ounces.

NGM is a new company which has entered into agreements to acquire interests in a broad range of projects throughout WA, including an extensive land holding east of Kambalda. NGM is preparing an IPO and expects to list on the ASX in mid-2010.

The agreement involves sale of M26/477, which hosts the Coogee Gold Deposit, and the grant of rights to explore for minerals in relation to two adjoining sub-blocks of E26/97 (Figure 2), which Terrain will continue to own and deal with subject only to the NGM mineral exploration rights over the two sub-blocks.

The sale agreement involves payment of \$400,000 cash and up to 3,000,000 NGM shares and is subject to NGM obtaining conditional approval to be admitted to the ASX by 31 August 2010.

A\$50,000 of the cash payment was received on the execution date of the agreement with the balance of the cash and up to 3,000,000 shares anticipated to be paid when NGM lists on the ASX.

The proceeds of the sale will add to the funds being raised by Terrain's current rights issue. The funds raised will be used to test Terrain's large number of attractive gold targets at the Bundarra and Dodgers Well Projects and nickel targets at Aztec Dome in the East Kambalda Project.



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 (Table 1). 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 forecast a mine operating cash surplus of A\$21m – A\$27m. 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.

Kambalda (15 kms east of Kambalda)

At the Aztec Dome drilling in December 2009 confirmed the existence of ultramafic rocks with anomalous nickel values associated with high MgO rocks. . Further drilling is planned for 2010.

Coogee gold deposit (277,500t @ 3.9 g/t gold (35,000 oz)) (Table 1)

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 east of Leonora)

TMX recently exercised an option to purchase this project for \$50,000 worth of Terrain shares. Preliminary work has identified high grade (up to 240g/t gold) quartz reef deposits, and drilling programs are planned for mid 2010.

Corporate

Shares on Issue (TMX) - 137.51m

Options on Issue (TMXO) - 51.62m

Directors:	Dick Sandner	– Non-Exec Chairman
	Jonathan Lim	– Non-Exec Vice-Chairman
	Keith Wells	– Managing Director
	Paul Dickson	– 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 consultant 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.

For further information:

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Terrain Minerals Ltd: Resources

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

Figure 1: Project Location Plan

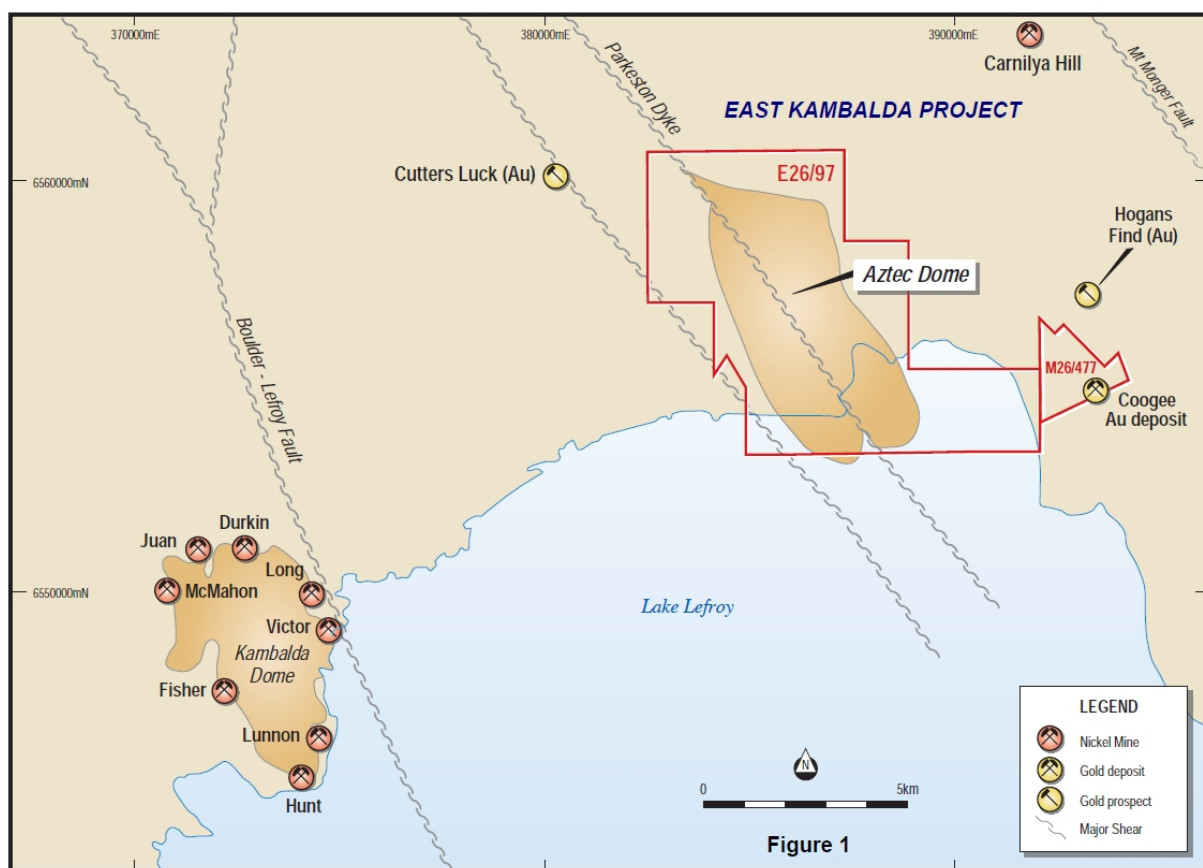


Figure 2: Tenement Location Map

