



ABN: 45 116 153 514

ASX ANNOUNCEMENT

Wednesday, 28 January 2009

ASX CODE

TMX, TMXO

DIRECTORS & KEY MANAGEMENT

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

PRINCIPAL REGISTERED OFFICE

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QUARTERLY REPORT

For Period Ending 31 December 2008

HIGHLIGHTS

Corporate

- **Coogee Gold Deposit sold for \$3.25 million**
- **Fully underwritten Rights Issue to raise \$550,000 in February 2009**

Bundarra Project

- **A soil sampling program outlined a number of strong gold anomalies, coincident with prospective geological structures in the western part of the project area. The anomalies represent immediate drill targets**

East Kambalda Project

- **EM and IP geophysical surveys, over the coincident magnetic and gravity highs at the Aztec Dome, have detected several anomalies and further surveys are planned ahead of drill testing**

Corporate

Sale of Coogee Gold Deposit

- An agreement was reached, in early December 2008, with private company, Argonaut Mining Group to sell the Coogee Gold Deposit, East of Kambalda;
 - **The total sale price is \$3.25 million**, consisting of a series of payments to be made at various stages of a mine development.
 - Subsequent to the sale agreement there has been a delay to Argonaut's funding arrangements and an amended payment schedule is currently being negotiated.

Rights Issue

- A fully underwritten rights issue was announced to the ASX on 6 January 2009.
- The issue is a non-renounceable pro-rata entitlement offer to shareholders of up to 11,064,250 shares. After the rights issue the total number of fully paid, ordinary shares on issue will amount to 88,513,998.
- The offer ratio is 1 share for every 7 shares held at 16 January 2009, at an issue price of 5c **to raise a total of \$553,212.**
- **The rights issue is fully underwritten** by Bligh Capital Melbourne Pty Ltd and sub-underwritten by Manna Resources Pte Ltd.

The funds raised by both the sale of Coogee and through the rights issue will be used to continue exploration of the drill targets already outlined at Bundarra and East Kambalda.

Bundarra Area

- A number of prospective shear zones, identified by geological mapping, in the northwest part of the tenement block have been soil sampled.
- The initial sampling interval was 200m x 20m; follow up sampling at 100m X 20m intervals was undertaken over anomalous zones.
- Four anomalies have been identified in the vicinity of the historic Katalina and Craig prospects, plus another to the west of the Wonder North deposit (Figure 2).
- The largest anomaly, up to 160m wide extends for 1,000m along the shear zone extending west from the Craig prospect. Anomalous assays up to 243 ppb gold were detected on a **background of <5ppb gold.**
- Previous drilling results in the vicinity of the Craig and Katalina workings included;

Katalina
6m @ 3.8g/t gold
9m @ 2.3g/t gold
2m @ 25.6g/t gold

Craig
6m @ 37.8g/t gold
6m @ 2.34g/t gold

- The five newly identified soil anomalies, plus the Bluebush East RAB anomaly: **20m @ 1.1g/t gold, 30m @ 0.6g/t gold and 22m @ 0.6g/t gold,** present **five new RC drill targets;** in addition to the resources totalling **4.96mt @ 2.0g/t gold (321,000 oz)** already identified at the Celtic, Wonder North, Bluebush, Great Western and Black Cat deposits (Figures 1 & 2).
- A number of other prospective shear zones remain to be sampled.
- The Directors regard the results as confirmation of the prospectivity of the Bundarra gold camp and look forward to drill programs testing both extensions to the known resources as well as the prospects outlined above.

East Kambalda Project

- Orientation IP and/or EM geophysical surveys were completed over two 3 kms long traverses across the coincident magnetic and gravity anomalies, overlying the Aztec Dome.
- The Aztec Dome is a similar geological structure to the Kambalda Dome, which hosts a number of nickel deposits. The Aztec Dome exhibits similar rock types, magnetic and gravity anomalies to the Kambalda Dome and historic drilling has intersected significant widths (up to 40m) of disseminated nickel sulphides.
- The orientation surveys detected a number of anomalies and further geophysical surveys are planned ahead of drilling programs scheduled for later in 2009.

Euro Project

- After reviewing the company's exploration priorities and expenditure commitments, the decision was taken to relinquish the project in November 2008.

Expenditure

- Exploration expenditure in the December quarter amounted to \$231,000. Cash reserves at 31 December were \$234,000, plus bond deposits of \$334,000; a total of \$568,000 (not including the proceeds from the sale of the Coogee Deposit and the Rights Issue, to be received in the March Quarter).
- Anticipated exploration expenditure in the March quarter amounts to \$172,000.

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



Keith Wells
Managing Director

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.

Figure 1: 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

Figure 2: Bundarra: Geology, Gold Deposits and Geochemical Anomalies

