



ASX ANNOUNCEMENT

Monday, 27 July 2009

CAPITAL STRUCTURE

TMX	- Shares on Issue	117.2M
TMXO	- Options on Issue	55.1M

DIRECTORS & KEY MANAGEMENT

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

PRINCIPAL REGISTERED OFFICE

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QUARTERLY REPORT: JUNE 2009

HIGHLIGHTS

JUNE QUARTER

- A placement and rights issue, supported by a substantial Singapore based investment group, raised \$1.36m. A standby facility providing access of up to \$5m over 3 years was also approved by shareholders
- The hostile, unsolicited, off market, all script bid for TMX by Iron Mountain Ltd (IRM) was defeated. The bid closed on 29 June 2009 with only 15.43% acceptances.
- Preliminary mining studies on the Celtic and Wonder North deposits at Bundarra and the Coogee deposit at East Kambalda have outlined open pit mine designs containing 1,039,200t @ 2.51g/t gold (83,126 oz); potentially generating undiscounted cash flows totalling ~\$18m.

FUTURE PROGRAMS

Bundarra

- The preliminary mining studies are being reviewed to determine final pit designs and optimal production rates. The mining studies will be extended to include the Great Western and Black Cat gold deposits.
- Applications for mining approvals are due to be lodged with the Department of Mines & Petroleum.

East Kambalda

- The preliminary mine design for the Coogee gold deposit will be reviewed and finalised and the best development option; either sale or mine development to be determined.
- The IP/EM geophysical survey will be completed over the Aztec Dome nickel project



CORPORATE

- At the EGM on 25 May 2009 shareholders approved two resolutions:
 - A placement of ~17 million shares to raise ~\$806,000.
 - A standby Subscription Agreement with Fortrend Securities Pty Ltd to provide a \$5 million funding facility to be drawn down at TMX's discretion. TMX has the right but not the obligation to use the facility at any time over the next three years.
- On 19 June 2009 TMX also completed a 1 for 6 non-renounceable rights issue raising ~\$554,000. The rights issue and the placement together successfully raised a total of \$1.36 million. Both capital raisings were supported by Singapore based investment group, Grande Pacific Ltd; which has now become one of TMX's largest shareholders with 15.09% of the shares on issue.
- The hostile, unsolicited, off market, all script takeover bid announced by IRM on 10 March 2009 closed on 26 June 2009 having attracted only 18,090,043 acceptances. Of the total acceptances, 17,464,682 shares came from UOG Ltd, a company associated with IRM and sharing common directors. Over the course of the bid UOG did not participate in any of the capital raisings; as a result the UOG/IRM equity in TMX has been reduced from 19.73% to 15.43%.

BUNDARRA PROJECT

- Pit Optimisation studies and preliminary open pit mine plans have been completed over the Celtic and Wonder North deposits (Fig 1)
- At a 1g/t gold cut off and a price of A\$1200 per oz, the preliminary open pit designs contain:

<i>Deposit</i>	<i>Preliminary Pit Design (recovered oz of gold)</i>
Celtic	240,000t @ 2.12g/t gold (16,200 oz of gold)
Wonder N.	697,200t @ 2.45g/t gold (55,326 oz of gold)
TOTAL	937,200t @ 2.37g/t gold (71,526 oz of gold)

- The pit designs indicate potential operating, undiscounted cash surplus in excess of \$10.0m for the Wonder North deposit and ~\$4.0m for the Celtic deposit.
- The preliminary pit designs are currently being reviewed and the open pit inventory is expected to increase following pit optimisation and mine studies currently underway on the Great Western deposit

- The mining studies have also highlighted the potential to extend mine developments underground at the Wonder North, Great Western and Black Cat deposits. Further mine studies are planned.
- Applications for statutory approvals to mine the Celtic and Wonder North deposits will be lodged with the WA Department of Mines and petroleum during the September quarter.
- Reports have now been received relating to the Aboriginal Heritage Survey undertaken in the previous quarter, over a number of exploration target areas. The majority of the areas have been cleared for further work, but additional archeological surveys will be required over some restricted areas.

EAST KAMBALDA PROJECT

- A pit optimisation study and preliminary pit design has been completed on the Coogee gold deposit. The pit design contains 102,000t @ 3.82g/t gold, (11,600 recoverable oz) (Fig 2). At A\$1200 per oz the pit design indicates potential operating, undiscounted cash surplus of \$4.0m.
- Further mine studies are in progress, but priority is being given to developments at Bundarra. The option of selling the deposit is still under consideration.
- At the Aztec Dome nickel prospect planning is underway to complete the IP/EM geophysical survey over the entire dome.

DODGERS WELL PROJECT

- The previous exploration data is being validated ahead of integration with geological mapping and sampling data collected by Terrain. All the data will then be accurately plotted to assist with planning of proposed drilling programs.

EXPENDITURE

- Exploration expenditure in the June quarter amounted to \$114,000. Cash reserves at 30 June were \$1,311,000, plus bonds of \$334,000; a total of \$1,665,000.
- Anticipated exploration expenditure in the September quarter amounts to \$300,000.



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

A handwritten signature in black ink that reads 'Keith Wells'.

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.

Figure 1: Bundarra Project - Wonder North Preliminary Open Pit Plan

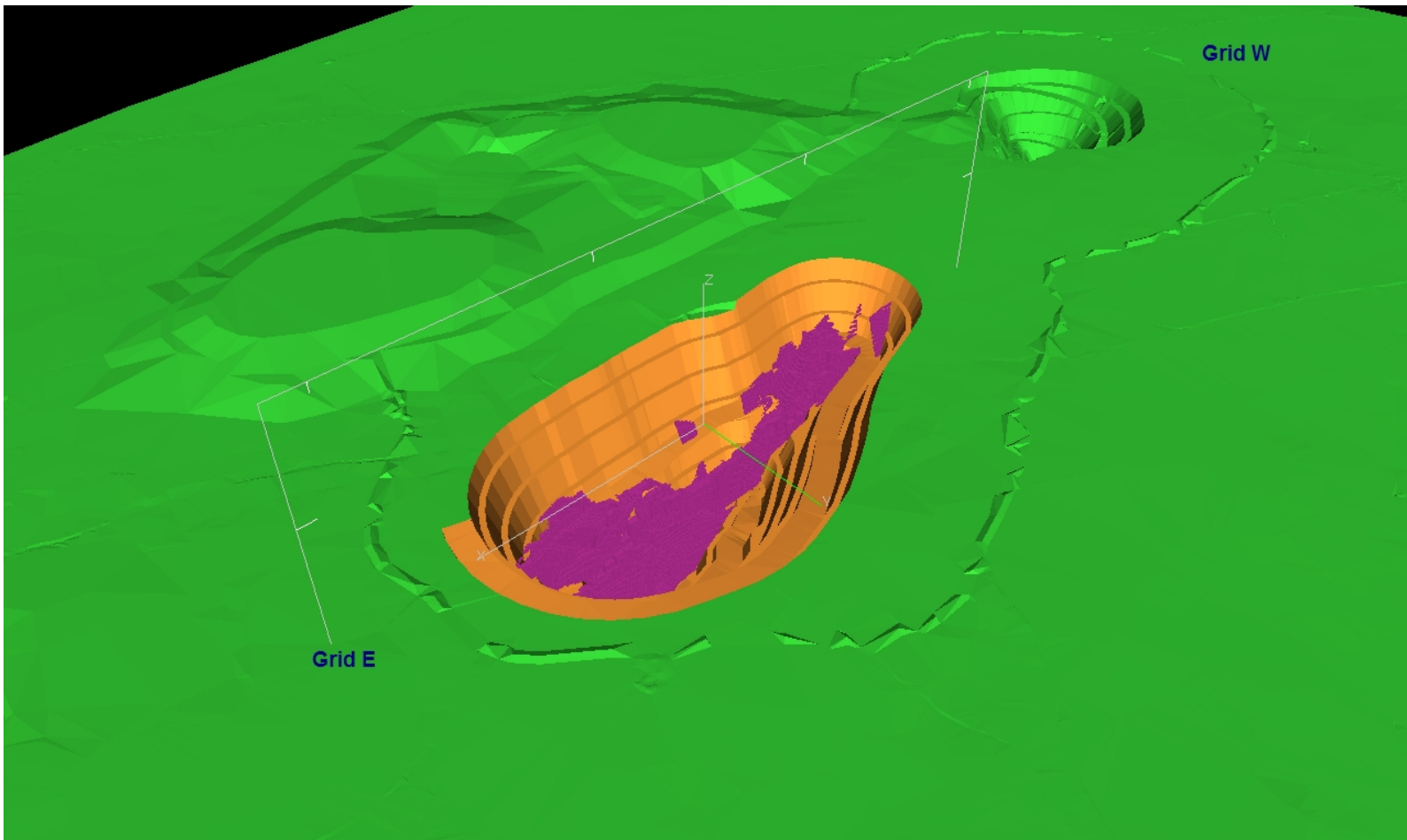


Figure 2: East Kambalda Project - Coogee Open Pit Plan

