



## **QUARTERLY REPORT**

**For the period ending 31 March 2007**

### **Highlights**

- Acquisition of the Great Western Gold Project with known high grade resources adjacent to the historical workings and the potential to expand the resource along a 2.5km strike.
- Excellent results from first pass drilling at the Great Western prospect, with best results of:
  - **7m @ 10.02g/t gold, from 43m;**
  - **21m @ 5.21g/t gold, from 117m; including 4m @ 13.80g/t gold, from 117m; and 2m @ 11.20g/t gold, from 134m**
- Geological mapping and rock chip sampling has defined the Great Western shear zone, hosting gold mineralisation, over a strike length of 2.5kms.
- Commitment to an 8,000m RAB drilling program to commence testing the other Northwest trending shear zones in late May. The shears host all the known gold mineralisation in the Bundarra area, including the Black Cat, Wonder North and Celtic deposits.
- Commitment to a 2,000m initial RAB drilling program at the Redcastle project commencing in June, to test a major mineralised shear zone.

### **Bundarra**

In January 2007 Terrain announced the acquisition of the Great Western gold prospect, which completes the Company's ground acquisition strategy in this highly prospective area. Historic production from the Great Western mine amounts to 27,000t @ 13.7g/t gold (12,000 oz) from a series of quartz reef up to 4m wide.

A 5,000m RC drilling program commenced early in April 2007, to test the Great Western prospect: The first half of the program has been designed to confirm and upgrade the current resource estimate to JORC compliance, before testing the down dip and strike extensions of the deposit.

Drill intercepts from the first nine RC holes include:

- **7m @ 10.02g/t gold, from 43m; including 2m @ 26.80g/t gold, from 43m**
- **7m @ 3.51g/t gold, from 83m**

- **3m @ 11.63g/t gold, from 61m**
- **21m @ 5.21g/t gold, from 117m; including  
4m @ 13.80g/t gold, from 117m; and  
2m @ 11.20g/t gold, from 134m**
- **4m @ 6.82g/t gold, from 47m**

The limited drilling to date shows that the deposit extends down dip below the historic workings and that a series of high grade Hanging Wall and Foot Wall reefs remain largely untouched by any mine development.

The drilling program is ongoing, initially to test beneath the workings and the 20m @ 5.7g/t gold reported from the western end of 4 Level. This will be followed by further testing of the area of previous high grade intercepts down plunge from the historic workings (Longitudinal Section).

The current and previous drilling has been limited to <150m from surface and <400m strike length of the Great Western shear. Geological mapping and rock chip sampling (Geological Map) has defined the shear zone over a strike length of 2.5kms. The shear is marked by laminated quartz veins, historical workings and areas of dry blowings. Drill testing of the Ruby and Pactolus prospects will be included in the current RC drilling program.

The Great Western shear is one of a number of west northwest trending shear zones, which host gold mineralisation and have been outlined by airborne magnetics and geological mapping, as well as marked by a number of historic and more recent mine workings. The various shears host the Black Cat deposit, where drilling late in 2006 intercepted: 3m @ 10.00g/t gold from 91m, 6m @ 5.65g/t gold from 127m and 2m @ 13.70g/t gold from 131m; the Wonder North deposit (1.978mt @ 2.13g/t gold (136,500 oz)) and the Celtic deposit (1.087mt @ 1.66g/t gold (58,100 oz)). The majority of the shears remain untested and an 8,000m RAB drilling contract will commence in late May 2007, after the completion of the current RC drilling program.

## **Redcastle**

Terrain has reviewed its tenement position in the Redcastle area and has identified a major mineralised shear zone which will be the focus of future work on the project. A 2,000m RAB drilling program will be undertaken in June 2007, to commence testing the shear zone.

As a result of the tenement review the company has withdrawn from an agreement to acquire a number of other tenements located away from the major shear system. Terrain is constantly reviewing and testing its tenements with a view to always focusing on the areas with the best prospects to contain potential economic mineralisation.

## **Finance**

Exploration expenditure in the December quarter was \$510,000. At the end of the quarter the company had cash resources of A\$2.53 million.

## ABOUT TERRAIN

Terrain Minerals Ltd (ASX: TMX) is a focused gold explorer with four projects in the Eastern Goldfields of Western Australia: Bundarra, East Kambalda, Redcastle and Euro; all include immediate drilling targets.

Resources include:

Bundarra – Celtic:	1,087,700t @ 1.66g/t gold ( 58,100 oz)
Wonder North	<u>1,978,300t @ 2.13g/t gold (136,500 oz)</u>
	<b>3,066,000t @ 1.96g/t gold (194,600 oz)</b>
East Kambalda – Coogee	<u>277,400t @ 3.91g/t gold ( 34,870 oz)</u>
<b>Total:</b>	<b>3,342,500t @ 2.12g/t gold (229,500 oz)</b>

Terrain listed on the ASX in March 2006; raising \$5 million. A vigorous exploration program has been underway since listing and encouraging results have been received from all the projects, particularly Bundarra and Redcastle

For 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)

### **Keith Wells**

#### **Managing Director**

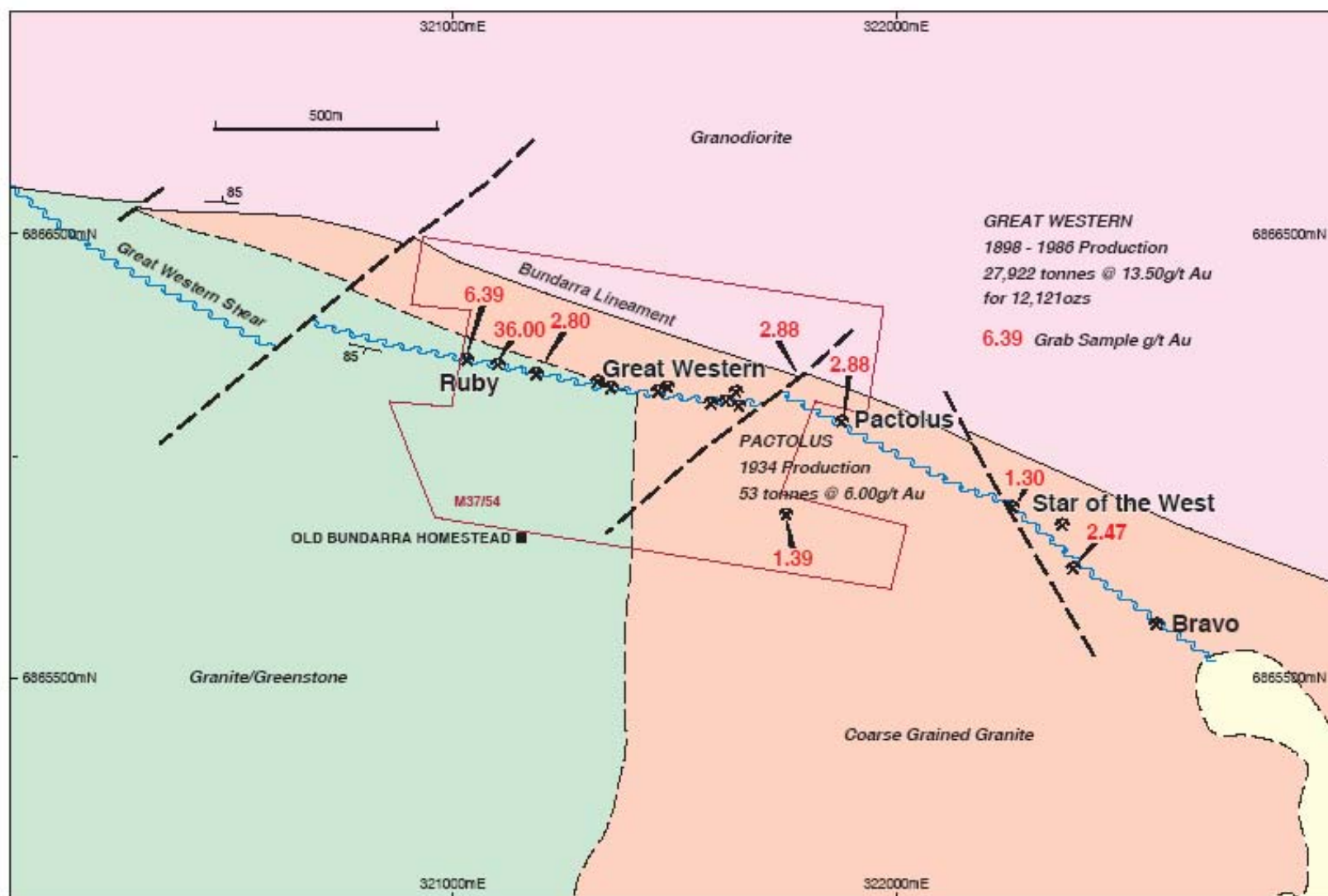
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*The information in this report that relates to Exploration Results is based on information compiled by Mr. Keith Wells, who is a full-time employee of Terrain Minerals Ltd. Mr. Wells is a member of The Australian Institute of Geoscientists and has 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.*





## GREAT WESTERN PROJECT