



ASX ANNOUNCEMENT – 6 January 2009

Notice of Fully Underwritten Non-Renounceable Rights Issue

Terrain Minerals Ltd (ASX: TMX) is pleased to announce a non-renounceable rights issue to raise approximately \$0.55m before costs ("**Rights Issue**").

The Rights Issue offers 1 new share for every seven shares held at the record date of 16 January 2009 for an application price of 5 cents per new share. The funds raised will be used for working capital purposes.

The Rights Issue is fully underwritten by Bligh Capital Melbourne Pty Ltd and sub-underwritten by Manna Resources Pte Ltd.

The Directors are of the view that a fully underwritten issue, providing certainty, avoiding hangover of stock upon conclusion of the issue and being made on a pro rata basis to all shareholders is the most responsible and fair means of raising capital in the current market.

Further information regarding the effect of the Rights Issue and a copy of the notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) will be provided to shareholders together with an entitlement and acceptance form on 19 January 2009. The indicative timetable for the Rights Issue is as follows:

Lodgement of Offer Document	6 January 2009
Notice to shareholders	7 January 2009
Ex date	12 January 2009
Record date for determining shareholder entitlements	16 January 2009
Opening date and despatch of Offer Document to shareholders	19 January 2009
Offer closing date	9 February 2009
Shares quoted on a deferred settlement basis	10 February 2009
Allotment and dispatch of holding statements	17 February 2009

Yours sincerely

Keith Wells

Managing Director