



15 November 2011

Dear Shareholder

### **Renounceable Rights Issue - Underwritten**

Terrain Minerals Limited (TMX) is pleased to announce a renounceable Rights Issue to Eligible Shareholders of up to 115,510,741 New Shares at an issue price of \$0.02 per share on the basis of 1 New Share for every 2 Existing Shares held, to raise up to approximately \$2.31 million before issue costs.

Eligible Shareholders will be able to apply for Top Up Shares existing on the Closing Date for the Issue. The allocation of the Top Up Shares will be at the Company and the Underwriter's discretion. Following completion of the capital raising, the Company will be well funded to pursue its exploration activities at the Aztec Dome and the Black Cat JV.

The Offer is fully underwritten by Patersons Securities Limited subject to the terms of the Underwriting Agreement dated 15 November 2011. The Underwriting Agreement provides that the Underwriter may terminate the Underwriting Agreement and be relieved of its obligations if the usual and appropriate termination events occur before the allotment date in the Underwriting Agreement.

#### **SUMMARY OF THE RIGHTS ISSUE**

<b>Amount to be raised</b>	Up to A\$2.31m (before costs of the Rights Issue).
<b>Issue Price</b>	\$0.02 per share offered under the Rights Issue which represents a 23 per cent discount to the closing price of the Company's shares on Thursday, 10 November 2011 of A\$0.026.
<b>Entitlement</b>	<p>One new ordinary share for every two existing ordinary shares held at 5pm (AWST) on the register on the Record Date. Only shareholders with a registered address in Australia and New Zealand will be eligible to participate.</p> <p>Each new ordinary share will be issued on the same terms as those ordinary shares already issued by the Company.</p> <p>Fractions will be rounded up to the nearest whole number.</p>
<b>Record Date</b>	5pm (AWST), 24 November 2011
<b>Renounceable</b>	The Rights Issue is renounceable and rights will be tradeable on ASX. Rights' trading commences 18 November 2011 and ceases on 7 December 2011.
<b>Underwriting</b>	The Rights Issue is underwritten by Patersons Securities Limited.

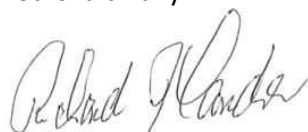
<b>Top -up facility</b>	Eligible Shareholders will be able to apply for Top Up Shares existing on the Closing Date for the Issue. The allocation of the Top Up Shares will be at the Company and the Underwriter's discretion.
<b>New shares to be issued (maximum)</b>	115,510,741
<b>Shares on issue after Rights Issue</b>	346,532,224
<b>Options currently on issue</b>	90,420,606 existing options at various exercise prices between \$0.046 and \$0.20.

A Prospectus setting out the offer and the procedural details of the Rights Issue will be lodged with ASX and despatched to shareholders in accordance with the timetable set out below. This will be accompanied by a personalised entitlement and acceptance form and instructions on how eligible shareholders may accept or sell all or part of their entitlement. Any eligible shareholder who wishes to acquire new shares under the Rights Issue will need to complete the personalised entitlement and acceptance form that will accompany the Rights Issue offer document.

**PROPOSED TIMETABLE**

Announcement of Issue	15 November 2011
Lodgement Date (Prospectus lodged with ASIC & ASX)	15 November 2011
Trading of Rights commences	18 November 2011
Record Date	24 November 2011
Opening Date	30 November 2011
Trading of Rights closes	7 December 2011
Trading of Rights Shares commences on a deferred settlement basis	8 December 2011
Closing Date	14 December 2011
Shortfall Notice Deadline Date	16 December 2011
Shortfall Settlement Date	21 December 2011
Allotment of Rights issue Shares and Despatch of holding statements	22 December 2011
Allotment of Shortfall Shares and Despatch of holding statements	22 December 2011
Normal trading commences	23 December 2011

Yours faithfully



Richard Sandner  
Chairman