



12 May 2009

NOTICE OF PRO-RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE

Terrain Minerals Limited (**Company**) is pleased to announce a pro-rata non-renounceable entitlements issue (**Entitlements Issue**) to all shareholders of the Company who are registered as shareholders at 5pm Western Standard Time on 22 May 2009 (**Record Date**).

The shares offered pursuant to the Entitlements Issue will be offered at an issue price of 4.75 cents for each fully paid ordinary share (**Share**) on the basis of 1 Share for every 6 existing Shares held on the Record Date.

The rights attaching to the Shares together with all other relevant information relating to the Entitlements Issue will be set out in a prospectus which will be lodged with the ASX on 12 May 2009. A copy of the prospectus, together with the Entitlement and Acceptance Form will be sent to shareholders on or about 25 May 2009.

Key Dates

The proposed timetable for the Entitlements Issue is as follows:-

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| Lodgment of Prospectus and Appendix 3B | 12 May 2009 |
| Notice to Shareholders | 13 May 2009 |
| "Ex" date | 18 May 2009 |
| Record Date to determine entitlements | 22 May 2009 |
| Offer Document and Entitlement & Acceptance Form sent to Shareholders | 25 May 2009 |
| Closing Date | 9 June 2009 |
| Shares quoted on a deferred settlement basis | 10 June 2009 |
| Allotment and dispatch of holding statements | 17 June 2009 |

The dates are subject to change and are indicative only.

Yours sincerely
TERRAIN MINERALS LIMITED

Ian Hobson
Company Secretary

P: (08) 9481 2455 F: (08) 9481 2566 E: terrain@terrainminerals.com.au www.terrainminerals.com.au

Suite 5, 1327 Hay Street, West Perth WA 6005 PO Box 1170, West Perth WA 6872

TERRAIN MINERALS LTD ACN 116 153 514 ABN 45 116 153 514