NEW Early Redemptions beginning September 30, 2013

TERRA mining+energy Flow-Through LPs

EXECUTIVE SUMMARY OF

TERRA 2012 FLOW-THROUGH LIMITED PARTNERSHIP

PROVEN PERFORMANCE ✓ SELECTIVE INVESTING ✓ EARLY ROLLOVER

A TAX-ADVANTAGED INVESTMENT IN THE CANADIAN MINING & ENERGY SECTORS

INVESTMENT FUND	**Terra 2012 Flow-Through Limited Partnership**
FUNDSERV CODES	FE: **TER312** and NL: **TER412**
INVESTMENT OBJECTIVE	To invest in a portfolio of flow-through shares of public mining and energy firms which offer good value and potential for capital appreciation. Investors receive very favourable tax savings towards their 2012 and 2013 income tax returns. A strong preference will be given to companies with existing production, which the Portfolio Manager believes should mitigate downside risk relative to investing in earlier stage companies. Terra's 2012 flow-through limited partnership features low fees and selective, prudent investing to deliver superior returns to investors. **We have created this fund for investors interested in saving substantial taxes and in obtaining quality portfolio management at lower cost.**
TAX SAVINGS	**Per $10,000 investment,** investors will receive: ‣ **tax deductions** of up to **$11,736**. ‣ **additional tax credit** enhanced super flow-through deduction of up to **$1,454**. ‣ further additional tax credits through a **charitable donation**. See "Financial Aspects for Investors" on page 3.
PORTFOLIO MANAGER	Gerry Brockelsby, founder and Chief Investment Officer for Marquest, has been retained by the General Partner to manage the Partnership's investment portfolio. Mr. Brockelsby has over 37 years investment experience and prior to founding Marquest in 1985, was Chief Investment Officer for INCO Limited pension fund. He has a particularly strong capability in the small and medium cap resource market where the majority of the best flow-through offerings occur and he also manages the 5-star rated Marquest Resource Fund. See "Portfolio Manager" on page 2.
LIQUIDITY ADVANTAGE	**Investment in public resource companies listed on Canadian exchanges only. To ensure liquidity, the fund does not invest in private companies.**
DIVERSIFICATION	The LP invests in a diversified portfolio of approximately 35 publicly traded firms in both the mining and energy sectors.
EARLY REDEMPTION	**Beginning September 30, 2013** investors may redeem their mutual fund shares or hold for longer-term returns.
MUTUAL FUNDS	Flexibility to switch between four corporate class mutual funds on a tax-deferred basis after rollover.
LOW MANAGEMENT FEE	In 2013, the LP will pay a fee equal to 2.00% of the Partnership's Net Asset Value.
LOW COST / BREAK-EVEN	The effective purchase cost (money at-risk) after deducting the tax savings is amongst the lowest available for its category.

HOW TO PURCHASE

ELIGIBLE INVESTORS	This Offering is available to investors in all provinces and territories of Canada who qualify as either an *accredited* or *eligible* investor. For more details on eligibility, see the "Invest" tab on Terra's website at www.terrafunds.ca.
PURCHASE DETAILS	Minimum purchase is $10,000 or 100 Units. Subscription price is $100 per Unit. Any investment in excess of $10,000 per investor must be made in multiples of $1,000 (10 Units). Terra Fund Management Ltd. must receive a completed Terra Subscription Agreement (with Risk Acknowledgment, if an *eligible* investor) in original form.
FUNDSERV CODES	**TER 312** (A Class) and **TER 412** (F Class)
CLOSINGS	**Monthly, subject to availability.**
CONTACT	**Terra Fund Management Ltd.** 517 Wellington Street West, Suite 207, Toronto, Ontario M5V 1G1 Tel: 416.203.2477 or 1.888.449.4645 / E-mail : info@terrafunds.ca / Website: www.terrafunds.ca

OFFERING SUMMARY

ISSUER	**Terra 2012 Flow-Through Limited Partnership**
FUNDSERV CODES	FE: **TER312** and NL: **TER412**
FORM OF ISSUE	Tax-advantaged limited partnership Units.
ISSUE SIZE	Maximum $50,000,000 (500,000 Units); Minimum $250,000 (2,500 Units).
MINIMUM PURCHASE	$10,000 (100 Units). Any investment in excess of $10,000 must be made in multiples of $1,000.
GENERAL PARTNER	Terra Flow-Through GP Management Ltd. See "General Partner" on page 4.
PORTFOLIO MANAGER	Marquest Asset Management Inc. (Marquest) will source and direct investments for the Partnership. Gerry Brockelsby, BA, CFA founder and Chief Investment Officer for Marquest, has been retained by the General Partner to manage the Partnership's investment portfolio. The manager has extensive experience investing in the resource sector and brings established relationships in the industry, which will assist the Partnership in sourcing quality flow-through offerings. The portfolio manager has a particularly strong capability in the small and medium capitalization areas where the majority of the best flow-through offerings occur. Mr. Brockelsby has over 37 years investment experience and prior to founding Marquest in 1985, was Chief Investment Officer for INCO Limited pension fund. The portfolio manager manages the 5-star rated Marquest Resource Fund. Marquest is a registered investment counsel and portfolio manager in British Columbia, Alberta, Saskatchewan, Ontario and Québec.
PREVIOUS PARTNERSHIPS	The following table sets out the past performance for previous Terra Flow-Through Partnerships and the corresponding net asset values on rollover or December 31, 2011. The Terra 2005 and 2006 FTLPs are hypothetical funds and represent the average return on the rollover date for an equal investment in each separate mining and energy FTLP for that year; they have been combined for comparison purposes only.

LIMITED PARTNERSHIP	INVESTED AMOUNT	STATUS	NAV	AFTER-TAX RETURN
Terra 2011	$10,000	Active	$6,545	9%
Terra 2011 Foundation	$10,000	Rolled over	$7,173	10%
Terra 2010 Mining & Energy	$10,000	Rolled over	$8,785	47%
Terra 2009 Mining & Energy	$10,000	Rolled over	$9,285	62%
Terra 2008 Mining & Energy	$10,000	Rolled over	$6,578	21%
Terra 2007 Energy & Mining	$10,000	Rolled over	$4,567	-19%
Terra 2006 Energy & Mining (Avg.)	$10,000	Rolled over	$6,311	20%
Terra 2005 Energy & Mining (Avg.)	$10,000	Rolled over	$10,297	85%

LEGAL & TAX COUNSEL	Stikeman Elliott LLP
AUDITORS	PricewaterhouseCoopers LLP, Chartered Accountants
MANAGEMENT FEE	In 2013, a one-time fee equal to 2.00% of the Net Asset Value for the Partnership.
PERFORMANCE BONUS	Performance bonus is 10% of any gains over the starting $100 per Unit value. In other words, 100% of the profits from the Partnership go to the investor until the original investment is fully recouped. Thereafter, the investor keeps 90% of all profits. The bonus is payable once only and is calculated on the rollover date of the Partnership.
MUTUAL FUND ROLLOVER	On or about June 30, 2013, the LP intends to complete the Mutual Fund Rollover Transaction pursuant to which Limited Partners will receive redeemable Terra Mutual Fund Corporate Class Shares.
ELIGIBILITY	LP Units are not qualified investments under the Tax Act for RRSPs, RRIFs, DPSPs, RESPs or TFSAs. However, once the LP has rolled over to the Mutual Fund, the investor's MF Shares become qualified for RSPs and TFSAs.
CLOSINGS	**Monthly, subject to availability.**

FINANCIAL ASPECTS FOR INVESTORS

1. TAX DEDUCTIONS & TAX CREDIT - maximum per $10,000 investment

In the table below, a $10,000 investment in A Class Units is projected to provide the following maximum tax deductions and super flow-through tax credit in 2012 and additional tax deductions in the 2013 to 2016 periods. Additional provincial tax credits may also apply on qualified investments.

	2012	2013 & beyond	Total
Total deductions	$9,567	$2,169	$11,736
Super Flow-Through Tax Credit *(expressed as a tax deduction)*	$1,454	$0	$1,454
Total deductions & credits	**$11,021**	**$2,169**	**$13,190**

2. TAX SAVINGS, MONEY AT-RISK AND BREAK-EVEN CALCULATION - per $10,000 investment

The tax savings received by investors in flow-through shares represents a substantial reduction in the investment cost. This lower net cost is commonly referred to as the money at-risk (i.e. effective purchase cost) and is the difference between the invested amount (i.e.$10,000) and the tax savings. The break-even proceeds represents the amount an investor must receive such that, after paying capital gains tax, the investor would recover the money at-risk. Downside protection is the amount the original investment ($10,000) can decline in percentage terms before an investor begins to lose money. The calculations assume the highest marginal income tax rate for each province. Actual results may vary from the estimates below, depending on an investor's province of residence and actual marginal tax rate.

	TAX SAVINGS & BREAK-EVEN BY PROVINCE						
	BC	AB	SK	MB	ON	QC	NS
Marginal tax rate	43.70%	39.00%	44.00%	46.40%	46.41%	48.22%	50.00%
A. Investment	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
B. Tax deductions (maximum)	$11,736	$11,736	$11,736	$11,736	$11,736	$11,736	$11,736
C. Super flow-through deduction-net	$870	$1,056	$859	$780	$779	$725	$675
D. Tax savings (maximum)	**$5,509**	**$4,989**	**$5,542**	**$5,807**	**$5,808**	**$6,009**	**$6,206**
E. Capital gains tax	$379	$339	$382	$403	$403	$419	$434
F. Money at-risk (A - D + E)	$4,870	$5,350	$4,840	$4,596	$4,595	$4,410	$4,229
G. Break-even proceeds	**$6,233**	**$6,647**	**$6,205**	**$5,985**	**$5,984**	**$5,811**	**$5,638**
H. Downside protection (%)	38%	34%	38%	40%	40%	42%	44%

Notes & Assumptions:

Investors should refer to the Offering Memorandum for a more detailed description of the assumptions and notes. This offering is available only to qualified investors in all provinces and territories of Canada. The figures are for illustrative purposes only and are not intended as a forecast of future events. The description assumes AMT does not apply. Tax rates are subject to change. Actual results may vary.

1. Canadian Exploration Expense (CEE) is the qualified resource exploration expenditure that may be claimed as a deduction by an investor.
2. In 2013, a maximum additional 15% CEE deduction may result if certain investment targets are achieved by the Partnership and if some flow-through shares purchased in 2012 are sold in 2013 to fund the acquisition of new flow-through shares. If no additional flow-through shares are purchased, CEE is nil in 2013.
3. 'Total Deductions & credits' includes the additional CEE deductions of $1,500 that may result from the acquisition of further flow-through shares in 2013.
4. Assumes investors will receive a federal 15% investment tax credit on up to 50% of qualified mining investments. Additional provincial tax credits on qualified expenditures have been ignored. In 2012, any tax credit received is reported as taxable income. For an Ontario investor this will mean the following: $675 x 46.41% is equal to $313 payable in 2013.
5. 'Money at-Risk' (i.e. effective purchase cost) represents the actual cost after factoring in the net tax savings. For example, under 'Tax Savings & Break-even by Province', the Money at-Risk per $10,000 investment for an Ontario investor is the following: $10,000 original cost, less $5,808 in tax savings plus $403 capital gains tax is equal to $4,595.
6. As a result of certain proposals announced in the Québec budget of March 30, 2004, it is assumed that for Québec provincial tax purposes only, a Limited Partner who is an individual resident (including a trust) or subject to tax in Québec, has investment income that exceeds his or her investment expenses for a given year. For these purposes, investment expenses include certain interest, losses of a Limited Partner and 50% of CEE incurred outside Québec. Pursuant to the proposals, CEE not deducted in a particular taxation year may be carried over and applied against net investment income earned in any of the three previous taxation years or any subsequent taxation year.

ABOUT US

GENERAL PARTNER

John Jacobi, B.Comm, MBA, is the President and Chief Executive Officer and a director of Terra Flow-Through GP Management Ltd. Mr. Jacobi has been offering tax-advantaged products to investors since 1993. He is the President, CEO and a director of the Terra 2005, 2006, 2007, 2008, 2009, 2010, 2011 and 2012 Flow-Through Limited Partnerships. Mr. Jacobi also serves as President of Linden Mills Investments Inc. Prior to 1993, Mr. Jacobi held a number of senior management positions with high technology start-ups. Mr. Jacobi has a Bachelor of Commerce degree from Queen's University and a Masters of Business Administration from the Ivey School of Business, University of Western Ontario.

ADVISORY BOARD

The General Partner has established an advisory board for the partnership. Mr. Don Hunter, FCA, ICD.D, was appointed to the advisory board of Terra Fund Management Ltd. in June 2005. Mr. Hunter is a professional director. Prior to July 2005, he was a partner in PricewaterhouseCoopers LLP since 1982. He was the audit engagement partner on a number of Canada's largest financial services companies in the banking, investment and asset management sectors. In 2009, Mr Hunter was elected the FCA designation which is the highest designation that the Institute of Chartered Accountants confers and honors members who have given outstanding service to the profession or brought distinction to it. Mr. Hunter has been on the Accounting and Auditing Advisory panel of the Financial Services Commission of Ontario, has lectured at the University of Toronto and the CICA. Mr. Hunter has an MBA from York University, a B.E.Sc. (Engineering) from the University of Western Ontario and is a Chartered Accountant.

PORTFOLIO MANAGER

Marquest Asset Management Inc. (Marquest) will source and direct investments for the Partnership. Gerry Brockelsby, BA, CFA founder and Chief Investment Officer for Marquest, has been retained by the General Partner to manage the Partnership's investment portfolio. The manager has extensive experience investing in the resource sector and brings established relationships in the industry, which will assist the Partnership in sourcing quality flow-through offerings. The portfolio manager has a particularly strong capability in the small and medium capitalization areas where the majority of the best flow-through offerings occur. Mr. Brockelsby has over 37 years investment experience and prior to founding Marquest in 1985, was Chief Investment Officer for INCO Limited pension fund. The portfolio manager manages the 5-star rated Marquest Resource Fund. Marquest is a registered investment counsel and portfolio manager in British Columbia, Alberta, Saskatchewan, Ontario and Québec.

SECTOR OUTLOOK

CANADIAN ENERGY SECTOR

The growing rate of oil depletion and current world economic growth trends will likely lead to much higher oil and gas prices in the future. In 2002, crude oil was trading for approximately US $20 per barrel. After hitting a 2008 peak of approximately US $147 per barrel, crude oil has traded at around $100 per barrel in early 2012. The rapid urbanization and development of China, India and Brazil, has caused the International Energy Agency (IEA) to forecast a growing gap between oil supply and oil demand. For 2012 the IEA expects oil demand at 90.3 million barrels per day growing to 95 million barrels per day by 2016 with oil consumption in developing countries driving this growth. Canadian oil-sands remain one of the few oil-producing regions with the ability to grow production volumes significantly. Alberta's oil-sands are estimated to contain 175 billion barrels of recoverable oil, second to Saudi Arabia's 259 billion, according to the Canadian Association of Petroleum Producers. The General Partner believes that the long-term trend for the sectors remains favourable because oil consumption will likely resume as economic growth returns.

Advancements in oil and natural gas extraction and reduced royalty payments has caused potential investment returns and enterprise value for oil and gas firms to dramatically increase. The energy industry also continues to consolidate as fewer new reserves of oil are discovered. Oil and natural gas firms are unique in that startup capital can be converted to an actual cash flow stream in a relatively short period of time. The General Partner expects investor interest for junior and intermediate producers to re-emerge and gain strength in the future.

CANADIAN MINING SECTOR

The General Partner believes the resource sectors, especially mineral exploration and development, will continue to grow, despite recent short-term weakness. Over much of the past decade, soft commodity prices and limited capital have constrained exploration and development. The credit crises and general economic slowdown have further discouraged the replenishment of producer reserves and has limited funding for grassroots exploration. These factors and others have adversely impacted commodity prices and mining firms. Despite recent volatility, the General Partner believes many mining companies are currently trading at historical lows and, at times, trading below their intrinsic value.

Commodities including gold likely remain in the midst of a long-term bull market. Gold traded at US $270 per ounce at the beginning of 2002, and more recently has traded over US $1,600 per ounce in early 2012. Other commodities of interest to the LP include copper, zinc, uranium, iron ore, nickel and coal.