

Terrain Minerals Limited

ACN 116 153 514

Notice of Extraordinary General Meeting

**Extraordinary General Meeting to be held at
Suite 2, 28 Outram Street, West Perth WA 6005 on
Monday 25 June 2018 commencing at 8:00am (WST).**

Important

This Notice of Extraordinary General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an extraordinary general meeting of the shareholders of Terrain Minerals Limited ACN 116 153 514 (**Company**) will be held at Suite 2, 28 Outram Street, West Perth WA 6005 on Monday 25 June 2018, commencing at 8:00am (WST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Business

Resolution 1: Ratification of issue of December Placement Shares

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rules 7.1 and 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 25,000,000 Shares each at \$0.0077 and 14,930,556 Shares each at an issue price of \$0.0072 (**December Placement**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a December Placement Participant and any of their associates.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 2(a) and (b): Ratification of issue of May Placement Shares

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rules 7.1, 7.1A and 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of:

- (a) 37,324,277 Shares each at an issue price of \$0.0065, which was undertaken by way of a placement under the Company's placement capacity pursuant to Listing Rule 7.1; and*
- (b) 51,444,952 Shares each at an issue price of \$0.0065, which was undertaken by way of a placement under the Company's placement capacity pursuant to Listing Rule 7.1A,*

*(together, the **May Placement**), on the terms and conditions set out in the Explanatory Memorandum."*

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a May Placement Participant and any of their associates.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board



Winton Willesee
Joint Company Secretary
Terrain Minerals Limited

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the shareholders of Terrain Minerals Limited ACN 116 153 514 (**Company**) in connection with the Resolutions to be considered at the Extraordinary General Meeting to be held at Suite 2, 28 Outram Street, West Perth WA 6005 on Monday 25 June 2018, commencing at 8:00am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

Proxies

Please note that:

- a Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Extraordinary General Meeting or handed in at the Extraordinary General Meeting when registering as a corporate representative.

To vote by proxy, please complete and sign the enclosed Proxy Form and send to the Company by:

- post at PO Box 3144, Nedlands WA 6009; or
- email at winton@azc.com.au,

so that it is received by no later than 8:00am (WST) on Saturday 23 June 2018. Proxy Forms received later than this time will be invalid.

Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Extraordinary General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5:00pm (WST) on Saturday 23 June 2018. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Extraordinary General Meeting.

REGULATORY INFORMATION

1. Resolution 1: Ratification of issue of December Placement Shares

Resolution 1 is an ordinary resolution which seeks Shareholder approval and ratification for the issue of 25,000,000 Shares at an issue price of \$0.0077 per Share and 14,930,556 Shares at an issue price of \$0.0072 per Share (**December Placement Shares**).

Background

The Company announced on 18 December 2017 that it issued 39,930,556 Shares at an average price of \$0.007513 per Share to raise \$300,000 (**December Capital Raising**).

25,000,000 Shares were issued at a price of \$0.0077 per Share and 14,930,556 Shares were issued at a price of \$0.0072 per Share.

The funds raised from the December Capital Raising will be applied towards the working capital of the Company.

The Company issued the December Placement Shares on 18 December 2017.

Listing Rule 7.1

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The Placement Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

Listing Rule 7.4

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 1 seeks Shareholder approval for the ratification of the issue of the Placement Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 1 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 without obtaining prior Shareholder approval.

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders in relation to Resolution 1:

- (a) **The number of securities issued**
- 39,930,556 fully paid ordinary shares in the Company were issued pursuant to Listing Rule 7.1.
- (b) **The price at which the securities were issued**
- 25,000,000 Shares were issued at \$0.0077 per Share.
- 14,930,556 Shares were issued at \$0.0072 per Share.
- (c) **The terms of the securities**
- Fully Paid Ordinary Shares.
- (d) **The names of the persons to whom the Company issued the securities or the basis on which those persons were determined**
- Three investors who qualify under Section 708(8) of the Corporations Act.
- (e) **The use (or intended use) of the funds raised**
- The funds were and will continue to be applied to the working capital of the Company.
- (f) **A voting exclusion statement**
- A voting exclusion statement is included in the Notice.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

2. Resolutions 2(a) and (b): Ratification of issue of May Placement Shares

Resolutions 2(a) and (b) are ordinary resolutions which seek Shareholder approval and ratification for the issue of:

- (a) 37,324,277 Shares to sophisticated investors, which was undertaken by way of a placement under the Company's placement capacity pursuant to Listing Rule 7.1; and
- (b) 51,444,952 Shares to sophisticated investors, which was undertaken by way of a placement under the Company's placement capacity pursuant to Listing Rule 7.1A, approved by Shareholders at the Company's annual general meeting held on 29 November 2017 (**AGM**).

Background

The Company announced on 30 April 2018 that it successfully completed a capital raising by issuing 88,769,229 Shares at an issue price of \$0.0065 to qualifying sophisticated investors to raise a total of \$577,000 less placement costs (**May Capital Raising**). The issue price of \$0.0065 was a 7.1% discount to the last trade price of \$0.007.

37,324,277 Shares were issued without Shareholder approval under Listing Rule 7.1 and 51,444,952 Shares were issued with Shareholder approval (given at the AGM) under Listing Rule 7.1A.

The funds raised from the May Capital Raising will be applied towards a drilling campaign at Red Mulga, advancement studies and works at the Great Western Gold project, new project generation, working capital and the costs of the May Capital Raising.

The Company issued the May Placement Shares on 2 May 2018.

Listing Rule 7.1

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The 37,324,277 Shares that were issued as part of the May Capital Raising were within the Company's 15% annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of their issued share capital through placements over the 10% Placement Period (defined below) (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the only quoted Equity Securities that the Company has on issue are its Shares.

Approval of the 10% Placement Facility is valid from the date of the AGM until the earlier of:

- 12 months after the AGM; and
- the date shareholders approve a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

The number of Equity Securities that the Company will have the capacity to issue under the 10% Placement Facility will be calculated in accordance with the following formula:

(A x D) – E

A has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity – i.e. the number of shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The 51,444,952 Shares that were issued as part of the May Capital Raising were within the Company's 10% limit permitted under Listing Rule 7.1A pursuant to Shareholder approval at the AGM.

Listing Rule 7.4

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Listing Rule 7.4 also provides that a company can reinstate its capacity to issue up to an additional 10% under Listing Rule 7.1A if shareholders ratify a previous issue of securities made pursuant to Listing Rule 7.1A.

Resolutions 2(a) and (b) seek Shareholder approval for the ratification of the issue of the May Placement Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 2(a) will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 without obtaining prior Shareholder approval. The effect of Shareholders passing Resolution 2(b) will be to reinstate the Company's ability to issue securities under the 10% Placement Facility.

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders in relation to Resolutions 2(a) and (b):

(g) The number of securities issued

37,324,277 fully paid ordinary shares in the Company were issued pursuant to Listing Rule 7.1.

51,444,952 fully paid ordinary shares in the Company were issued pursuant to Listing Rule 7.1A.

(h) The price at which the securities were issued

\$0.0065 per share.

(i) The terms of the securities

Fully Paid Ordinary Shares.

(j) The names of the persons to whom the Company issued the securities or the basis on which those persons were determined

A series of investors who qualify under Section 708(8) of the Corporations Act.

(k) The use (or intended use) of the funds raised

The funds will be applied to:

- a drilling campaign at Red Mulga;
- advancement studies and works at the Great Western Gold project;

- new project generation;
- working capital; and
- costs of the May Capital Raising.

(l) **A voting exclusion statement**

A voting exclusion statement is included in the Notice.

Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 2(a) and (b).

DEFINITIONS

In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

10% Placement Facility has the meaning given in Section 1.

10% Placement Period has the meaning given in Section 1.

AGM means the Company's annual general meeting held on 29 November 2017.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

Board means the board of Directors.

Chair means the chairperson of the Meeting.

Company means Terrain Minerals Limited ACN 116 153 514.

Corporations Act means the *Corporations Act 2001* (Cth).

December Capital Raising means the offer of 25,000,000 Shares at an issue price of \$0.0077 per Share and 14,930,556 Shares at an issue price of \$0.0072 per Share to three investors who qualify under Section 708(8) of the Corporations Act to raise a total of \$300,000.

December Placement Shares means the 39,930,556 Shares issued pursuant to the December Capital Raising.

Director means a director of the Company.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Statement means this explanatory statement incorporated in this Notice.

Listing Rules means the official listing rules of ASX.

May Capital Raising means the offer of 88,769,229 Shares at an issue price of \$0.0065 per share to investors who qualify under Section 708(8) of the Corporations Act to raise a total of \$577,000 less placement costs.

May Placement Shares means the 37,324,277 Shares issued pursuant to the May Capital Raising under Listing Rule 7.1 and the 51,444,952 Shares issued pursuant to the May Capital Raising under Listing Rule 7.1A.

Meeting or **Extraordinary General Meeting** means the Extraordinary General Meeting of Shareholders to be held on Monday 25 June 2018 at 8:00am (WST).

Notice of Meeting means the notice of extraordinary general meeting incorporating this Explanatory Statement.

Proxy Form means the proxy form attached to this Notice.

Resolution means a resolution contained in the Notice.

Share means an ordinary fully paid share in the Company.

Trading Day has the meaning given in the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

PROXY FORM
Terrain Minerals Limited
ACN 116 153 514

I/We

of

being a member of Terrain Minerals Limited ACN 116 153 514 entitled to attend and vote at the Extraordinary General Meeting, hereby

appoint

Name of Proxy

or

☐

the Chair of the Extraordinary General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Extraordinary General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Extraordinary General Meeting to be held at 8:00am (WST) on Monday 25 June 2018 at Suite 2, 28 Outram Street, West Perth WA 6005, and at any adjournment thereof.

The Chair intends to vote all available proxies in favour of all Resolutions. If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (directing the Chair to vote for, against or to abstain from voting).

OR

Voting on business of the Extraordinary General Meeting		For	Against	Abstain
Resolution 1	Ratification of issue of December Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2(a)	Ratification of issue of May Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2(b)	Ratification of issue of May Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Proxy Form

1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chair of the Extraordinary General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Extraordinary General Meeting, the Chair will be your proxy. A proxy need not be a Shareholder.

3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

4. Signing instructions

You must sign this form as follows in the spaces provided:

- **(Individual)** Where the holding is in one name, the holder must sign.
- **(Joint holding)** Where the holding is in more than one name, all of the shareholders should sign.
- **(Power of attorney)** If you have not already lodged the power of attorney with the Company's share registry, please attach a certified photocopy of the power of attorney to this form when you return it.
- **(Companies)** Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, as sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any power of attorney and/or second Proxy Form) and return to the Company by:

- post at PO Box 3144, Nedlands WA 6009; or
- email at winton@azc.com.au,

so that it is received by no later than 8:00am (WST) on Saturday 23 June 2018.

Proxy Forms received later than this time will be invalid.