



ABN: 45 116 153 514

ASX: TMX

7 December 2016

Secondary Trading Notice Pursuant To Section 708A(5)(e) of the Corporations Act 2001

Terrain Minerals Limited (ASX: TMX) gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) ("Act").

The Company advises that it has issued ordinary fully paid shares in the capital of the Company and options to acquire ordinary fully paid ordinary shares in the capital of the Company ("Securities") as per the Appendix 3B accompanying this notice.

The Company advises that the Securities were issued without disclosure to investors under Part 6D.2 of the Act.

The Company, as at the date of this notice, has complied with:

- a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- b) section 674 of the Act.

As at the date of this notice there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

For further information, please contact:

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

TERRAIN MINERALS LIMITED

ABN

45 116 153 514

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | ⁺ Class of ⁺ securities issued or to be issued | Fully Paid Ordinary Shares
Unlisted Options (\$0.0188, 7 December 2021) |
| 2 | Number of ⁺ securities issued or to be issued (if known) or maximum number which may be issued | (i) Placement
31,250,000 Fully Paid Ordinary Shares
(ii) SPP Shortfall
17,125,000 Fully Paid Ordinary Shares
(iii) AGM Options
12,000,000 Unlisted Options (\$0.0188, 7 December 2021)
(iv) Option Exercise
12,250,000 Fully Paid Ordinary Shares |
| 3 | Principal terms of the ⁺ securities (e.g. if options, exercise price and expiry date; if partly paid ⁺ securities, the amount outstanding and due dates for payment; if ⁺ convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares

Unlisted Options exercisable at \$0.0188 on or before 7 December 2021. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities? If the additional ⁺securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Shares - Yes Options – No. Options are a new class of unlisted securities. Shares issued upon the exercise of these Options will rank equally with existing quoted fully paid ordinary shares.
5 Issue price or consideration	(i) Placement \$0.008 per Share (ii) SPP Shortfall \$0.008 per Share (iii) AGM Options Issued for nil cash consideration pursuant to Resolutions 3, 4 and 5 approved by shareholders at the AGM held on 28 November 2016. (iv) Option Exercise \$0.0078 per Share
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(i) Placement To advance the Great Western Gold Project. (ii) SPP Shortfall Issued to sub underwriters to the Share Purchase Plan which was completed on 1 December 2016. (iii) AGM Options Issued pursuant to Resolutions 3, 4 and 5 approved by shareholders at the AGM held on 28 November 2016. (iv) Option Exercise Issued upon the exercise of 12,250,000 Unlisted Options (\$0.0078, 1 December 2016)

⁺ See chapter 19 for defined terms.

6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	28 November 2016
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	31,250,000 Shares
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	N/A
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	17,125,000 SPP Shortfall Shares 12,000,000 AGM Options Shareholder Meeting held on 28 November 2016
6f	Number of ⁺ securities issued under an exception in rule 7.2	12,250,000 Shares issued upon the exercise of options
6g	If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR7.1 – 42,817,333 LR7.1A – 49,378,222

⁺ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

7	⁺Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	7 December 2016										
8	Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the ⁺securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>525,032,224</td><td>Fully paid ordinary shares</td></tr></table>	Number	⁺ Class	525,032,224	Fully paid ordinary shares						
Number	⁺ Class											
525,032,224	Fully paid ordinary shares											
9	Number and ⁺class of all ⁺securities not quoted on ASX (<i>including</i> the ⁺securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>12,000,000</td><td>Options (\$0.004 expiring 24 December 2019)</td></tr><tr><td>6,000,000</td><td>Options (\$0.03 expiring 1 August 2018)</td></tr><tr><td>22,600,000</td><td>Options (\$0.0117 expiring 24 November 2020)</td></tr><tr><td>12,000,000</td><td>Options (\$0.0188 expiring 7 December 2021)</td></tr></table>	Number	⁺ Class	12,000,000	Options (\$0.004 expiring 24 December 2019)	6,000,000	Options (\$0.03 expiring 1 August 2018)	22,600,000	Options (\$0.0117 expiring 24 November 2020)	12,000,000	Options (\$0.0188 expiring 7 December 2021)
Number	⁺ Class											
12,000,000	Options (\$0.004 expiring 24 December 2019)											
6,000,000	Options (\$0.03 expiring 1 August 2018)											
22,600,000	Options (\$0.0117 expiring 24 November 2020)											
12,000,000	Options (\$0.0188 expiring 7 December 2021)											
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged.										

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	

⁺ See chapter 19 for defined terms.

15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|---|--|
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Issue date | |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) ☒ +Securities described in Part 1 **Shares Only**
- (b) ☐ All other +securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over

+ See chapter 19 for defined terms.

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought

39 ⁺Class of ⁺securities for which quotation is sought

40 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?

If the additional ⁺securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)

42 Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in clause 38)	Number	⁺ Class

⁺ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 7 December 2016
Joint Company Secretary

Print name: Winton Willesee

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital					
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated					
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	409,032,224				
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	<table> <tr> <td>1/12/2016</td><td>55,375,000</td></tr> <tr> <td>7/12/2016</td><td>84,750,000</td></tr> </table>	1/12/2016	55,375,000	7/12/2016	84,750,000
1/12/2016	55,375,000				
7/12/2016	84,750,000				
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0				
“A”	493,782,224				

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	74,067,333
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	7/12/2016 31,250,000
“C”	31,250,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	74,067,333
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	31,250,000
Total [“A” x 0.15] – “C”	42,817,333 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	493,782,224
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	49,378,222
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	49,378,222
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	49,378,222 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.