

TERRAIN MINERALS LTD

ACN 116 153 514

Notice of Annual General Meeting

**Annual General Meeting of Shareholders to be held at
Suite 2, 28 Outram Street, West Perth, Western Australia on
25 November 2021, commencing at 8 am (WST).**

Important

This Notice of Annual 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.

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING	3
EXPLANATORY STATEMENT	5
1. REGULATORY INFORMATION	7
2. RESOLUTION 1: APPROVAL OF REMUNERATION REPORT	7
3. RESOLUTION 2: RE-ELECTION OF DIRECTOR – JOHANNES LIN	7
4. RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY	8
5. RESOLUTION 4: APPROVAL OF GRANT OF OPTIONS TO JUSTIN VIRGIN	11
DEFINITIONS	14
ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS	16
ANNEXURE B – VALUATION OF OPTIONS	18

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an annual general meeting of the shareholders of Terrain Minerals Ltd ACN 116 153 514 (**Company**) will be held at Suite 2, 28 Outram Street, West Perth, Western Australia on 25 November 2021, commencing at 8 am (WST). The Explanatory Statement that accompanies and forms part of this Notice describes in more detail the Resolutions to be considered.

Business

Annual Report

To receive and consider the Annual Report of the Company for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1: Approval of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **advisory-only resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2021 be adopted."

Note: The votes on this Resolution are advisory only and do not bind the Directors or the Company.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution:

- by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- as a proxy by a member of Key Management Personnel or a Closely Related Party.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - o the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2: Re-Election of Director – Johannes Lin

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for all purposes, Johannes Lin, who retires by rotation in accordance with clause 11.1.3 of the Constitution and Listing Rule 14.4 and who is eligible and offers himself for re-election, be re-elected as a Director."

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- Johannes Lin; or
- an associate of that person.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
- o the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3: Approval of 10% Placement Facility

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

“That, in accordance with Listing Rule 7.1A, and for all other purposes, approval be given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - o the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4: Approval of Grant of Options to Justin Virgin

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, in accordance with Section 208 of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval be given for the issue of 6,000,000 Options to Justin Virgin (and/or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of; Resolution 4 by Justin Virgin and his nominee and any other person who will obtain a material benefit as a result of the Resolution (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any associate of those persons (as applicable).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - o the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board



Catherine Grant-Edwards
Joint Company Secretary
Terrain Minerals Ltd

25 October 2021

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the shareholders of Terrain Minerals Ltd ACN 116 153 514 (**Company**) in connection with the Resolutions to be considered at the Annual General Meeting to be held at Suite 2, 28 Outram Street, West Perth, Western Australia on 25 November 2021, commencing at 8 am (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 Annual General 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 used in this Notice and Explanatory Statement have the meaning given to them in 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 Annual General Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also speak at the Meeting;
- a proxy need not be a member of the Company;
- 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 Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of the Key Management Personnel will not be able to vote as proxy on Resolution 1 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as their proxy, the Shareholder should ensure that they direct the member of Key Management Personnel how to vote on Resolution 1.

If a Shareholder intends to appoint the Chair as their proxy for Resolution 1, Shareholders can direct the Chair how to vote by marking one of the boxes for Resolution 1 (for example, if the Shareholder wishes to vote ‘for’, ‘against’ or to ‘abstain’ from voting). If the Shareholder does not direct the Chair how to vote, then by submitting the Proxy Form, the

Shareholder will be expressly authorising the Chair to exercise the proxy in respect of Resolution 1 even though it is connected to the remuneration of members of the Key Management Personnel.

To vote by proxy, please complete and sign the enclosed Proxy Form. Please follow the instructions detailed on the Proxy Form to send it to the Company, so that it is received by no later than 8 am (WST) on 23 November 2021. Proxy Forms received later than this time will be invalid.

Voting intentions of the Chair

The Chair intends to vote all available proxies in favour of all Resolutions.

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 Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 4pm (WST) on 23 November 2021. Accordingly, transactions registered after this time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

1. REGULATORY INFORMATION

1.1 Annual Report

The Annual Report of the Company for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company.

A representative of the Company's auditor, BDO Audit (WA) Pty Ltd, is anticipated to be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

2. Resolution 1: Approval of Remuneration Report

2.1 General

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report adopted be put to a vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the Meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended 30 June 2021, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

2.2 Voting Consequences

If at least 25% of the votes cast on a resolution for the adoption of a Remuneration Report are voted against at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution proposing that another general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director (or person acting in that capacity)) would go up for re-election.

2.3 Previous Voting Results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

The Directors encourage all Shareholders to vote on Resolution 1.

3. Resolution 2: Re-Election of Director – Johannes Lin

3.1 Background

In accordance with clauses 11.1.3 and 11.1.4 of the Constitution, at every annual general meeting, one third of the Directors excluding the Managing Director must retire from office and are eligible for re-election. Under

clause 11.1.5 of the Constitution, the Directors to retire are to be those who have been longest in office since their last election. Among the Directors, Johannes Lin has been longest in office since his last election.

Listing Rule 14.4 states that no director is entitled to hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is longer. Johannes Lin retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-election.

3.2 Qualifications

A summary of Mr Lin's background and experience is set out below.

Mr Lin has over ten years of management experience as an entrepreneur and presently manages as Finance Director of Windsor Capital Pte Ltd, and Managing Director of both Windsor F&B Pte Ltd and Oprian Investments Pte Ltd which collectively owns and manages a diversified portfolio in Commercial Leasing in Manila, Philippines, a duo of Japanese Restaurants in Sentosa, Singapore, a Confectionery chain with franchisees and Automated Central Kitchen in Nanjing, China, a joint-development project for Hotel Development in Boracay, Philippines and a software development company in Singapore.

Past experience includes serving as a member of advisory team in the restructuring of a Singapore SGX listed Enzer Holdings Limited where series of debt negotiations, debt buy-out, capital raising by placements, right issues, debt to equity conversion and eventual takeover by a marine Company successfully. He has also overseen the development of Pasir Ria Apartments in Singapore, and a key investment team member in the development of Monarch Parksuites Condominium Manila, Philippines.

Mr Lin holds a Bachelor of Commerce, Accounting and Finance from the University of Western Australia.

3.3 Directors Recommendation

Other than Mr Johannes Lin who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

4. Resolution 3: Approval of 10% Placement Facility

4.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$5.9m (based on the number of Shares on issue and the closing price of Shares on the ASX on 14 October 2021).

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

4.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

(a) Period for which the 10% Placement Facility is valid

The 10% Placement Facility will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum price

Any Equity Securities issued under the 10% Placement Facility must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 4.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 10% Placement Facility

The Company intends to use any funds raised from issues of Equity Securities under the 10% Placement Facility for the acquisition of new assets or investments (including expenses associated with such acquisition) and general working capital.

(d) Risk of economic and voting dilution

Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 14 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Variable 'A' in Listing Rule 7.1A.2		50% decrease in Market Price \$0.004	Current Market Price \$0.008	100% increase in Market Price \$0.016
Current Variable 'A' 735,761,009	10% Voting Dilution	73,576,101 Shares	73,576,101 Shares	73,576,101 Shares

50% increase in current Variable 'A' 1,103,641,514	Funds raised	\$294,304	\$588,609	\$1,177,218
	10% Voting Dilution	110,364,151 Shares	110,364,151 Shares	110,364,151 Shares
100% increase in current Variable 'A' 1,471,522,018	Funds raised	\$441,457	\$882,913	\$1,765,826
	10% Voting Dilution	147,152,202 Shares	147,152,202 Shares	147,152,202 Shares
	Funds raised	\$588,609	\$1,177,218	\$2,354,435

Notes:

1. Assumes the Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
3. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
4. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
6. The market price used is \$0.008, being the closing price of Shares on 14 October 2021.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
 - (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.
- (e) **Allocation policy under the 10% Placement Facility**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its previous annual general meeting held on 20 November 2020 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 25 November 2020, the Company has not issued any Equity Securities pursuant to the Previous Approval.

(g) **Voting exclusion statement**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

5. Resolution 4: Approval of Grant of Options to Justin Virgin

5.1 Background

The Board proposes, subject to obtaining Shareholder approval, to allot and issue a total of 6,000,000 Options to Justin Virgin (or his nominee) for no cash consideration on the terms and conditions set out in Annexure A.

The proposed issue of Options to Justin Virgin (or his nominee) requires Shareholder approval under both the Corporations Act and Listing Rules.

Resolution 4 seeks Shareholder approval for the grant of 6,000,000 Options to Justin Virgin (or his nominee).

5.2 Chapter 2E of Corporations Act

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of the public company, the public company must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issue of Options to a Director requires the Company to obtain Shareholder approval because the Options constitute giving a financial benefit and as Director, Justin Virgin is a related party of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances.

5.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval for the issue of Options to Justin Virgin (or his nominee).

5.4 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Options to Justin Virgin (or his nominee) within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Options and may need to negotiate other incentive arrangements with its director Justin Virgin.

5.5 Technical information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolution 4:

- (a) The Options will be issued to Justin Virgin (or his nominee) pursuant to Resolution 4, who falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director.
- (b) The maximum number of securities to be issued to the Related Party (being the nature of the financial benefit proposed to be given) is 6,000,000 Options.
- (c) The Options are to be issued on the terms and conditions set out in Annexure A.
- (d) The Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options.
- (f) The purpose of the issue of the Options is to provide a performance linked incentive component in the remuneration package for Mr Virgin and to align the interests of the Related Party with those of Shareholders, to motivate and reward the performance of Mr Virgin in his role as a Director and to provide a cost effective way from the Company to remunerate Mr Virgin, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Party.
- (g) The number and terms of the Options to be issued to Mr Virgin are considered to be in line with options issued to directors of similar ASX listed companies.
- (h) In the event of exercise of the Options, funds raised will be used towards the working capital of the Company.
- (i) The total annual remuneration paid to Justin Virgin for the 2021 financial year was \$264,151 inclusive of superannuation entitlements (a total of \$186,150 in cash and \$78,001 in equity), and for the current year is estimated at \$198,000 in cash inclusive of superannuation entitlements.
- (j) The value of the Options and the pricing methodology is set out in Annexure B.
- (k) The Options are not being issued under an agreement.
- (l) The relevant interests of Justin Virgin in securities of the Company as at the date of this Notice are 36,000,000 shares and 18,000,000 options.
- (m) If the Options issued to the Related Party are exercised, a total of 6,000,000 Shares would be issued. This will increase the number of Shares on issue from 735,761,009 (being the total number of Shares

on issue as at the date of this Notice) to 741,761,009 (assuming that no Shares are issued and no other options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.82% by Mr Virgin.

The market price for Shares during the term of the Options would normally determine whether the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

- (n) The Company's shares have a 12 month price range of a high of \$0.014 and a low of \$0.007 with the last sale price being \$0.008 on 14 October 2021.
- (o) The Directors, other than Justin Virgin, do not have a material personal interest in the outcome of Resolution 4. Directors, who do not have a material personal interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4 for the reasons set out at Section 5.5(f) and Section 5.5(g).

Justin Virgin, who stands to gain personally from the issue of the Options, declines to make any recommendation in relation to shareholders' consideration of the resolution.

- (p) Neither the Company nor the Directors are aware of any undisclosed information that would be reasonably required by Shareholders to decide whether it is in the best interests of the Company to pass Resolution 4.

DEFINITIONS

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

10% Placement Facility has the meaning given in Section 4.2.

10% Placement Period has the meaning given in Section 4.2.

Annexure means an annexure to this Explanatory Statement.

Annual General Meeting or **Meeting** means the annual general meeting of Shareholders to be held on 25 November 2021, at 8 am (WST).

Annual Report means the annual report of the Company for the financial year ended 30 June 2021.

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.

Auditor's Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2021.

Board means the board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chairperson of the Meeting.

Closely Related Party means a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being:

- a spouse or child of the member;
- a child of that member's spouse;
- a dependent of that member or of that member's spouse;
- anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;
- a company that is controlled by that member; or
- any other person prescribed by the regulations.

Company means Terrain Minerals Ltd ACN 116 153 514.

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Statement means the explanatory statement incorporated in the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company.

Key Management Personnel means the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listing Rules means the official Listing Rules of ASX.

Notice of Annual General Meeting or **Notice** means the notice of general meeting incorporating the Explanatory Statement.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to this Notice.

Remuneration Report means the section of the Annual Report entitled 'Remuneration Report'.

Resolution means a resolution contained in the Notice.

Section means a section contained in the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Trading Day has the meaning given in the Listing Rules.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

VWAP means volume weighted average market price.

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

ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS

Terms of the Options, the subject of Resolution 4 is set out below.

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be the amount that is 170% of the 10 day VWAP prior to the date of the Meeting rounded to the nearest 100th of a cent (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5.00pm (WST) 5 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case, no later than 20 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

ANNEXURE B – VALUATION OF OPTIONS

The Options to be issued to the Directors pursuant to Resolution 4 has been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Options ascribed the following value:

Assumptions:


Valuation date	14 October 2021
Market price of Shares	\$0.008
Exercise price	\$0.0136
Expiry date (length of time from issue)	5 years
Risk free interest rate	0.01%
Volatility	100%
Indicative value per Option	\$0.0053
Total Value of Options	\$31,776
– Mr Justin Virgin	\$31,776


Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

TMX

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **8:00am (AWST) on Tuesday, 23 November 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the 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 2001) does not have a Company Secretary, a 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Terrain Minerals Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Terrain Minerals Ltd to be held at Suite 2, 28 Outram Street, West Perth, WA 6005 on Thursday, 25 November 2021 at 8:00am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – Johannes Lin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Grant of Options to Justin Virgin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

TMX

999999A



Computershare

