



ASX RELEASE

ABN: 45 116 153 514

28 October 2016

ASX: TMX

Underwritten Share Purchase Plan

Terrain Minerals Limited (ASX: TMX) (Terrain or the Company) is pleased to offer eligible shareholders the opportunity to apply for new, fully paid ordinary shares (New Shares) in Terrain under a Share Purchase Plan (the SPP).

The SPP is underwritten to \$500,000 by Patersons Securities Limited (Patersons) who are acting as Lead Manager and Underwriter to the offer.

It is intended that Mr Justin Virgin (Executive Director) and Mr Jonathan Lim (Non-Executive Director) will participate as sub-underwriters to the extent of \$100,000 each subject to shareholder approval of their respective participation.

The SPP provides the opportunity for eligible shareholders to subscribe for up to \$15,000 worth of New Shares without incurring brokerage or other transaction costs.

The issue price will be determined at the issue date of New Shares under the SPP based on a 15% discount to the volume weighted average price of Terrain shares traded on the ASX during the 5 days immediately prior to the issue date of the New Shares.

Funds raised under the SPP will be used for advancement activities at the Great Western Gold project and general working capital.

The Directors have determined that offers under the SPP will be made to eligible shareholders, being those who are the registered holders of fully paid ordinary shares in the Company as at 5.00pm WST on 27 October 2016 (Record Date), and whose address in the Company's register is in Australia or New Zealand.

Executive Director of Terrain, Mr Justin Virgin said:

"We look forward to conducting additional drilling and advancing our Great Western gold project.

Additionally, we can now accelerate our exploration program at Gimlet and continue to review some exciting opportunities that are now presenting themselves. Terrain is focusing on the following commodities, gold, copper, lithium and cobalt.

I am also very pleased with the support shown by Patersons in underwriting \$500,000 of this issue."

Full details can be found in the accompanying letter to shareholders, the SPP Booklet and Application Form for Eligible Shareholders.

If you have any enquiries in relation to the SPP, please contact the Company Secretary Winton Willesee on winton@azc.com.au or 0410667844

Justin Virgin

Executive Director

| Terrain Minerals Limited | ASX:TMX | ABN 45 116 153 514 |

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ABOUT TERRAIN MINERALS LIMITED:

Terrain Minerals Limited (ASX:TMX) is a minerals exploration company with a Western Australian based asset portfolio consisting of:

- **Great Western** 100% TMX (Au)- near term development opportunity, resource estimation and economic study have shown positive outcomes. Work is now underway to prepare data and work towards getting all mining approvals;
- **Gimlet** 100% TMX (Gold & Ni-Cu)- exploration licence located in the Fraser Range Province. Identified untested Gold auger soil drill target to be tested; and
- **Rembrandt**, 100% TMX (Au)- high grade gold intersected at Monet Prospect. Divestment process has commenced for Rembrandt;



28 October 2016

Dear Shareholder,

Share Purchase Plan

Your board is writing to you today with an offer to participate in a Shareholder Share Purchase Plan (SPP) which entitles all shareholders to apply for parcels of new shares in Terrain valued at \$500 \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 and \$15,000.

Terrain Minerals is pleased to confirm that Patersons Securities Limited (Patersons) has agreed to underwrite the SPP to the amount of \$500,000, subject to standard terms and conditions. Patersons has also agreed to act as the lead manager to the SPP.

It is intended that Mr Justin Virgin (Executive Director) and Mr Jonathan Lim (Non-Executive Director) will participate as sub-underwriters to the extent of \$100,000 each subject to shareholder approval of their respective participation.

Terrain has not asked shareholders for any funds since November 2011. Having instead electing to cut costs and streamlined Terrain to ensure that it survived the global commodities downturn and the difficult trading environment in the resources industry on the ASX. These endeavours have maintained the capital structure and greatly limited diluting the company's share structure.

The Board believes that with the strengthening commodities market, in particular the current strong Australian Dollar and gold price, along with the studies Terrain is progressing on the Great Western Gold deposit which have been announced, that more work is warranted and that Terrain aims to continue along the pathway towards production, with the aim to reposition Terrain as an emerging gold producer. The board strongly believes this course of action has the potential to add value to the company.

Terrain is an exploration company that has in the past focused on gold and nickel in Western Australia. In recent times project opportunities in other economic commodities and situated in foreign jurisdiction has been assessed and considered for their merits. Although advancing Great Western is our focus, Terrain has built up a good network and will continue to look for company making projects, gold, copper, lithium & cobalt are currently commodities of interest for Terrain and advanced projects are being assessed.

Each of the board members intends to fully participate personally in the share purchase plan and subject to shareholder approval two members will be personally participating in the sub-underwriting of the issue as a sign of confidence in the company and in the Great Western Project.

Please refer to the Investor Presentation enclosed or www.terrainminerals.com.au

Your continuing support is greatly appreciated.

On behalf of your Board

Justin Virgin
Executive Director

TERRAIN MINERALS LTD
SHARE PURCHASE PLAN – 28 OCTOBER 2016
TERMS AND CONDITIONS

These are the Terms and Conditions of the Share Purchase Plan (**Plan**) of Terrain Minerals Ltd (**TMX**) that have been approved by the board of TMX.

1. Offer

Under the Plan, Eligible Shareholders (defined below) are offered the opportunity to participate in the Plan to apply for parcels valued at \$500, \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000 of fully paid ordinary shares in the capital of TMX pursuant to these Terms and Conditions (**Offer**). Please read these Terms and Conditions carefully, as Eligible Shareholders will be bound by them by participating in the Plan. All fully paid ordinary shares in the capital of TMX (**Shares**) issued under the Offer will rank equally with existing Shares from the date of issue, and carry the same voting rights, dividend rights and other entitlements as existing Shares. All amounts referred to in these Terms and Conditions are in Australian dollars.

2. Participation in the Plan

Shareholders who are entered in the register of members at 5.00pm (WST) on 27 October 2016 (**Record Date**) and who have a registered address in Australia or New Zealand (**Eligible Shareholders**) may apply to participate in the Offer in accordance with this Plan. The following rules apply to participation by Eligible Shareholders in the Plan:

- (a) **Single holders** – If you are the registered holder of Shares, but you receive more than one Offer under the Plan (for example, due to multiple registered holdings), you may only apply for up to a maximum amount of \$15,000 worth of Shares.
- (b) **Joint holders** – If you are recorded with one or more persons as the joint holder of a holding of Shares, that joint holding is considered to be a single registered holding for the purpose of the Plan. Joint holders are only entitled to participate in the Plan in respect of that single holding. If the same joint holders receive more than one Offer under the Plan due to multiple identical holdings, the joint holders may only apply for up to one maximum amount of \$15,000 worth of Shares.
- (c) **Custodians and nominees** – If you are an Eligible Shareholder who holds Shares as a custodian, trustee or nominee (within the definition of 'custodian' in Australian Securities and Investments Commission (**ASIC**) Class Order 09/425) (**Custodian**) or in any more specific relief granted to TMX in relation to this Offer, and hold Shares on behalf of one or more persons ("**beneficiaries**"), this Offer is made to you and you have the discretion whether to extend this Offer to the beneficiaries on whose behalf you hold Shares. You may apply for up to a maximum amount of \$15,000 worth of Shares in respect of each beneficiary, however, TMX will not issue Shares under the Plan to you unless you certify the following in writing to TMX:
 - (i) that you hold the Shares on behalf of one or more persons (each a "**participating beneficiary**") on the Record Date who have subsequently instructed you to apply for Shares on their behalf under the Plan;
 - (ii) the number of participating beneficiaries;
 - (iii) the name and address of each participating beneficiary;
 - (iv) the number of Shares that you hold on behalf of each participating beneficiary;
 - (v) the number and dollar amount of Shares which each participating beneficiary has instructed you to apply for on their behalf;

- (vi) there are no participating beneficiaries in respect of which the total of the aggregate application price for the following exceeds \$15,000:
 - (A) the Shares applied for by you on behalf of a participating beneficiary under the Plan; and
 - (B) any Shares issued to you in the 12 months before the application as a result of an instruction given by a participating beneficiary to you to apply for Shares on their behalf under an arrangement similar to the Plan;
- (vii) that a copy of the Plan was given to each beneficiary; and
- (viii) where you hold Shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed Custodian.

Custodians should request a custodian certificate when making an application on behalf of participating beneficiaries (**Custodian Certificate**). To request a Custodian Certificate, and if you would like further information on how to apply, you should contact our share registry Computershare Investor Services Pty Limited (**Share Registry**) on custodians@computershare.com.au or on 1300 850 505.

- (d) **Participation** – Applications under the Plan may only be made in the following amounts:

Total \$
\$500
\$1,000
\$2,500
\$5,000
\$7,500
\$10,000
\$12,500
\$15,000

Eligible Shareholders who receive more than one offer under the Plan (for example, because they have more than one holding under a separate account) may apply on different Application Forms for Shares but they are not permitted to acquire more than \$15,000 worth of Shares in aggregate. The total application price for the Shares acquired by the Eligible Shareholder on his or her own behalf, by a Custodian on his or her behalf and by a Custodian in relation to which another Custodian holds beneficial interests in the Shares his or her behalf must not exceed \$15,000 in any 12 month period.

If you apply for Shares under the Plan, you are applying for a certain value of Shares at the Offer Price (**as defined below**), rather than a certain number of Shares. Fractional Shares will not be issued and any fraction of a Share will be rounded up to the nearest whole number of Shares.

Participation in the Plan is entirely optional and the Offer of Shares under the Plan is not a recommendation. You should seek independent advice if you are unsure whether you should participate in the Plan. The Offer of Shares under the Plan is non-renounceable which means that Eligible Shareholders cannot transfer their entitlement to purchase Shares under the Plan to another person.

The Application Form attached to these Terms and Conditions (**Application Form**) specifies a minimum (\$500) and maximum (\$15,000) value of Shares for which

applications may be made and application may not be made for a value of Shares less than the minimum or greater than the maximum. If an Eligible Shareholder applies for:

- (i) a value of Shares greater than the maximum that is provided for in the Application Form, the maximum number of Shares under the Plan will be issued and the excess amount paid will be refunded without interest; or
 - (ii) a value of Shares less than the minimum that is provided for in the Application Form, no Shares will be issued under the Plan and any amount paid will be refunded without interest.
- (e) **Limit** – If total applications exceed the \$500,000 to be raised under the Plan, the directors of TMX may, in their absolute discretion, accept or scale-back all applications on an equitable basis.

3. Application Form

Unless payment is made by using the BPAY® facility, applications to participate in the Plan must be made on the enclosed Application Form and must be received by the Share Registry (with the correct payment) no later than 5.00pm (Perth time) on 25 November 2016. TMX reserves the right to return any payment and not issue any Shares if payment is received after that time. By returning the enclosed Application Form or by making a BPAY® payment, you agree to be bound by the Terms and Conditions of this Plan and certify that the aggregate of the application price paid by you for the Shares the subject of the Application Form or BPAY® payment, and any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf, under the Plan or under any similar arrangement operated by TMX in the 12 months prior to the date of application under the Plan, does not exceed \$15,000. Applications and payments under the Plan may not be withdrawn once they have been received. Any payment made to TMX pursuant to an application to participate in the Plan will not bear interest under any circumstances.

4. Payments by cheque, bank draft, money order or BPAY®

If payment is made using the BPAY® facility (Australian bank accounts only), there is no requirement for the Application Form to be returned. Payment must be received by no later than 2.00pm (Perth time) on 25 November 2016. Eligible Shareholders must ensure that funds submitted through BPAY® are received by this time as their own financial institutions may implement earlier cut off times with regards to electronic payment.

Applicants should be aware that their own financial institution may implement earlier cut off times for electronic payments and should take this into consideration when making a payment via BPAY. You may also have your own limit on the amount that can be paid by BPAY. It is your responsibility to ensure that the amount you wish to pay via BPAY does not exceed your limit and is received by the Share Registry prior to the close of the Offer. If you have multiple holdings you will have multiple customer reference numbers. To ensure you receive your Shares in respect of that holding, you must use the customer reference number shown on each personalised Application Form when paying for any new Shares that you wish to apply for in respect of that holding. Shareholders who have multiple holdings must ensure they comply with the requirements in clause 2. Applications can only be made for Shares in the amounts specified on the Application Form. Please do not forward cash. Receipts for payment will not be issued. Application Forms returned by fax will not be accepted. Payments made pursuant to an application for Shares will only be accepted if your cheque, bank draft or money order is drawn, or your BPAY payment is made, in Australian currency. Cheques must be drawn on an Australian financial institution. Payments made pursuant to an application for Shares will not bear interest as against TMX under any circumstances.

5. Offer Price

The Shares under the Plan will be a 15% discount to the volume-weighted average market price for the Shares of TMX calculated over the last 5 days on which sales in the Shares were

recorded before the Issue Date (**as defined in the Indicative Timetable below**) down to the nearest tenth of a cent.

The Shares of TMX are a speculative investment, and the price of the Shares might rise or fall between the date of this Offer and the date the Shares are issued. This means that the price paid for a Share under the Plan may be greater or less than the price of Shares at the time they are issued to Eligible Shareholders and affect the actual number of Shares to be issued to each applicant pursuant to the Plan.

6. Shares to be Issued

Shares issued under the Plan will rank equally in all respects with existing Shares of TMX. Promptly after issue, application will be made by for Shares issued under the Plan to be listed for quotation on the official list of the Australian Securities Exchange. Transaction Confirmation Statements will be despatched to the Issuer Sponsored and CHESS participants for Shares issued under the Plan. No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders for their application for, or issue of, Shares under the Plan. This Offer of Shares under the Plan is made in accordance with ASIC Class Order 09/425 and Class Order 10/105, which grants relief from the requirement to prepare a prospectus for the offer of shares under the share purchase plans.

7. Underwriting

The Offer is underwritten by Patersons Securities Limited (ABN 69 008 896 311) (Underwriter) to the value of \$500,000 (**Underwritten Amount**). In the event that Eligible Shareholders do not subscribe for Shares under the Plan to the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount will, subject to the terms of the underwriting agreement, be placed at the discretion of the Underwriter. The underwriting agreement contains customary conditions, warranties and undertakings and is subject to various termination events exercisable by either parties.

It is intended that Mr Justin Virgin (Executive Director) and Mr Jonathan Lim (Non-Executive Director) will participate as sub-underwriters to the extent of \$100,000 subject to shareholder approval of their respective participation.

In addition to the Underwritten Amount, TMX may in consultation with the Underwriter elect to undertake a placement of additional shares at the same price as the Offer of Shares under the Plan (**Top-Up Placement**).

The Underwriter will be entitled to a fee of 6% (consists of 1% management fee and 5% selling fee) of the funds raise under the SPP and the amount raised in the Top-Up Placement.

8. TMX's discretion with regard to application

TMX may accept or reject any application under the Plan at its discretion. When determining if an application is to be accepted or rejected, or the amount (if any) by which to scale back an application, the Company may take into account a number of factors, including the size of an applicant's shareholding, the extent to which Eligible Shareholders have sold or bought additional shares after the Record Date and the date an application was made.

Without limiting the above, TMX may issue to any person fewer Shares than the person applied for under the Plan if the issue of Shares applied for would contravene any applicable law or the Listing Rules of ASX.

If TMX rejects or scales-back an application or purported application, TMX will promptly return to the shareholder the relevant application monies, without interest.

9. Variations, Waivers and Resolution of Disputes

The Plan is governed by the law in force in Western Australia and TMX reserves the right to:

- (a) vary the Closing Date (including closing the Offer early) and Issue Date for Shares under the Plan;
- (b) waive compliance with any of these Terms and Conditions;
- (c) refuse to issue Shares where it believes there has been a breach of the Terms and Conditions of this Plan;
- (d) amend or vary these Terms and Conditions or suspend or terminate the Plan at any time (In the event the Plan is terminated before the issue of Shares, all application monies will be returned to you, without interest as soon as practicable.);
- (e) scale back applications; and
- (f) settle in any manner it thinks fit any disputes or anomalies which may arise in connection with the Plan. Any determinations by TMX will be binding on all Eligible Shareholders and other persons to whom the determination relates.

TMX's rights may be exercised by the board of TMX or any delegate thereof.

10. Applications and Notices

Applications and notices given to TMX for the Plan must be in writing and in such form as TMX may from time to time require. Such applications and notices will be effective on receipt by TMX subject to:

- (a) these Terms and Conditions; and
- (b) in the case of applications, acceptance by TMX before the Closing Date (**as defined in the Indicative Timetable below**).

11. Raising Amount and Scale Back

TMX seeks to raise \$500,000. Notwithstanding this, TMX reserves absolute discretion regarding the amount raised under the SPP.

In the event of an oversubscription by the Closing Date the directors of TMX may, in their absolute discretion, accept or scale-back all applications on an equitable basis.

If applications under the Plan are received in excess of \$500,000, TMX retains the discretion to issue more Shares to satisfy all or part of such applications, subject to the maximum number of Shares to be issued under the Plan not exceeding 30% of the issued share capital TMX immediately preceding the Issue Date.

If TMX rejects or scales-back an application or purported application, TMX will promptly return to the shareholder the relevant application monies, without interest.

12. Indicative Timetable

Event	Date
Record Date (5.00pm WST)	27 October 2016
Announcement of the Plan	28 October 2016
Opening Date	3 November 2016

Closing Date	25 November 2016
Issue Date of new Shares and Dispatch of Holding Statements	1 December 2016
New Shares commence trading on ASX	2 December 2016

These dates are indicative only. TMX may vary the dates and times of the Offer without notice. TMX reserves the right to close the Plan early. Accordingly, Eligible Shareholders wishing to subscribe under the Offer are encouraged to submit their Application Forms as early as possible.

13. Questions

If you have any questions, please contact TMX's Company Secretary Winton Willesee on winton@azc.com.au or +61 (0) 410 667 844.



ABN: 45 116 153 514

ASX: TMX

NOTICE UNDER CLASS ORDER 09/425

In accordance with ASIC Class Order 09/425 (CO 09/425), **Terrain Minerals Ltd (ASX: TMX)**, (Company) advises that:

1. The Company will make offers to issue ordinary shares under a Share Purchase Plan (SPP) without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (Act);
2. This notice is given in accordance with CO 09/425 and in particular, paragraph 7(f)(ii) of CO 09/425 which requires that the Company gives this notice to ASX within the 24 hours period before the SPP offer.
3. As at the date of this notice, the Company 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.
4. As at the date of this notice, there is no excluded information as defined in section 708A(7) and section 708A(8) of the Act which is required to be disclosed by the Company

| Terrain Minerals Limited | ASX:TMX | ABN 45 116 153 514 |

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