TERRA METALS

For personal use only

Annual Report 25










Annual Report for the year ended 30 June 2025

Terra Metals Limited

ABN: 44 155 933 010



For personal use only

CONTENTS

	PAGE
Directors' Report	1
Auditor's Independence Declaration	19
Consolidated Statement of Profit or Loss and Other Comprehensive Income	20
Consolidated Statement of Financial Position	21
Consolidated Statement of Changes in Equity	22
Consolidated Statement of Cash Flows	23
Notes to and Forming Part of the Financial Statements	24
Consolidated Entity Disclosure Statement	45
Directors' Declaration	46
Independent Auditor's Report	47
Corporate Governance	52
ASX Additional Information	53

Corporate Directory

DIRECTORS
Mr Ian Middlemas – Chairman
Mr Thomas Line – CEO & Managing Director
Mr Benjamin Cleary – Non-Executive Director
Mr Haydn Smith – Non-Executive Director
Mr Mark Pearce – Alternate Director

COMPANY SECRETARY
Mr Gregory Swan

REGISTERED OFFICE
Level 9, 28 The Esplanade
Perth WA 6000

WEBSITE
www.terrametals.com.au

STOCK EXCHANGE LISTING
Australian Securities Exchange

SHARE REGISTRY
Computershare Investor Services
Level 17, 221 St Georges Terrace
Perth WA 6000

LAWYERS
Thomson Geer Lawyers

AUDITOR
William Buck Audit (WA) Pty Ltd

For personal use only

DIRECTORS' REPORT

The Directors of Terra Metals Limited present their report on Terra Metals Limited ("**Company**" or "**Terra**") and the entities it controlled during the year ended 30 June 2025 ("**Consolidated Entity**" or "**Group**").

OPERATING AND FINANCIAL REVIEW

Overview

During the financial year, the Company continued to advance its 100%-owned Dante polymetallic project ("**Dante Project**") in Western Australia, targeting a unique, multi-commodity system rich in titanium ("Ti"), vanadium ("V"), copper ("Cu"), gold ("Au"), and platinum group metals ("PGMs"), which culminated in the reporting of a maiden Mineral Resource estimate for the Dante Project, after the end of the financial year.

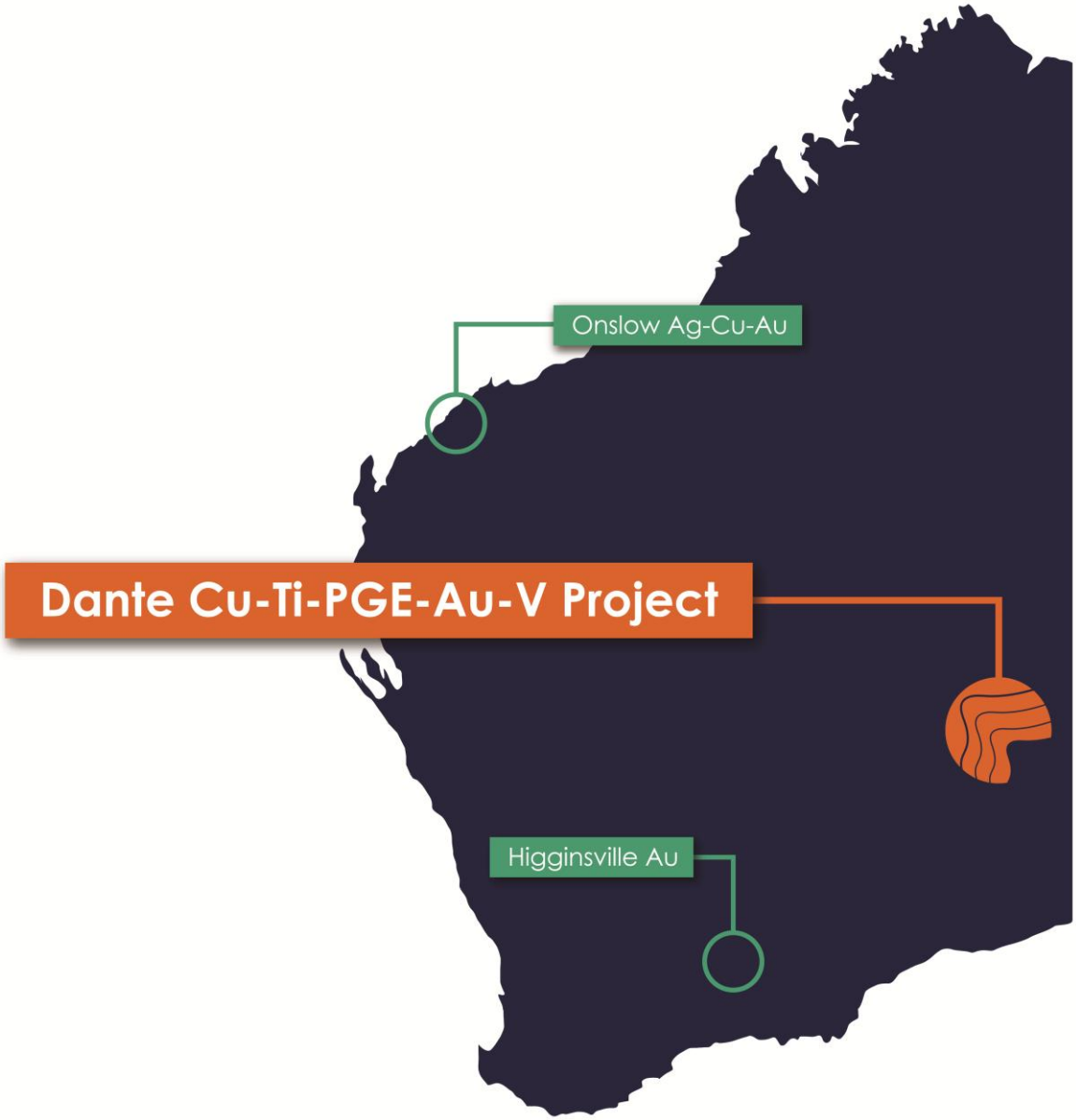


Figure 1. *Company project locations*

For personal use only

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Highlights

Highlights during and since the end of the year include:

- Completed Phase 2 drill program at the Dante Project in the West Musgrave region of Western Australia, comprising over 150 drillholes for over 17,000m of drilling.
- Phase 2 drilling results provided further confidence in the scale and grade of the Dante Reefs discovery, demonstrating high-grade reefs from surface and continuity of mineralisation at Reef 2 North, part of the Dante Reefs, closing a 2.7km gap in previous drilling.
- Completed a maiden Mineral Resource Estimate ("MRE") for the Dante Project, comprising 148Mt at 14.8% TiO_2, 0.54% V_2O_5, 0.18% Cu, and 0.33g/t 3PGE[1] (Indicated and Inferred) containing approximately 22Mt TiO_2, 800Kt V_2O_5, 270Kt Cu, and 1.6Moz 3PGE.
- MRE completed by independent consultant, Ken Lomberg from Pivot Mining Consultants, who is a leading expert in the estimation of Mineral Resources relating to layered intrusions such as the Bushveld Complex with over 38 years' experience.
- Completed Phase 1 metallurgical testwork which demonstrated the potential of the Dante Reefs to produce three high-grade concentrates using simple and low-cost processing techniques from representative samples taken from within the MRE at the Company's Dante Project in Western Australia.
- Metallurgical testwork completed by highly respected metallurgist, Dr. Evan Kirby, who is experienced in PGMs and vanadiferous titanomagnetite deposits.
- Commended Phase 3 drill program at the Dante Project, focused on testing priority copper-critical metals targets including outcropping reefs layers and electromagnetic ("EM") anomalies, as well as infill and resource expansion drilling at the Reef 1 and Reef 2 discoveries.
- Completed acquisition of a contiguous tenement package covering 618km^2 located adjacent to the Dante Project, with potential extensions to the Dante Reefs.
- Completed a placement to raise gross proceeds of $4 million to new strategic investors, including Golden Energy and Resources Pte. Ltd. ("GEAR"), Mr. Matt Latimore (Founder and President of M Resources Pty Ltd), and the Company's existing largest shareholder, Tribeca Investment Partners ("Tribeca").
- Announced a placement to institutional and sophisticated investors to raise gross proceeds of $15 million. The Placement was led by existing shareholders, GEAR, Mr. Matt Latimore (Founder and President of M Resources Pty Ltd), and Tribeca, confirming their support for the Company's 100%-owned Dante Project in Western Australia.

[1] 3PGE includes platinum (Pt), palladium (Pd), and gold (Au).

For personal use only

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Dante Project Overview

The Dante Project, located in the West Musgrave region of Western Australia, contains large-scale magmatic copper, gold, PGMs, titanium and vanadium discoveries in the same geological complex and in close proximity to one of the world's largest mining development projects, BHP's Nebo-Babel deposit.

During the 2024 financial year, the Company made two large Bushveld-style Cu-Au-PGMs-V-Ti reef discoveries (the "Dante Reefs") extending for at least 20km of strike. The Dante Reefs are large mineralised stratiform reefs hosted within the Jameson Layered Intrusion, part of the Giles Complex.

The Giles Complex is hosted within the broader Musgrave block (140,000km^2) in central Australia which is located at the junction of three major crustal elements: the West Australian, North Australian, and South Australian cratons. It is a Mesoproterozoic, east-west trending orogenic belt and comprises a variety of high grade (amphibolite to granulite facies) basement lithologies overprinted by several major tectonic episodes.

There are several other mapped (outcropping and sub-cropping) and interpreted reefs throughout the Dante Project, which are yet to be drill tested.

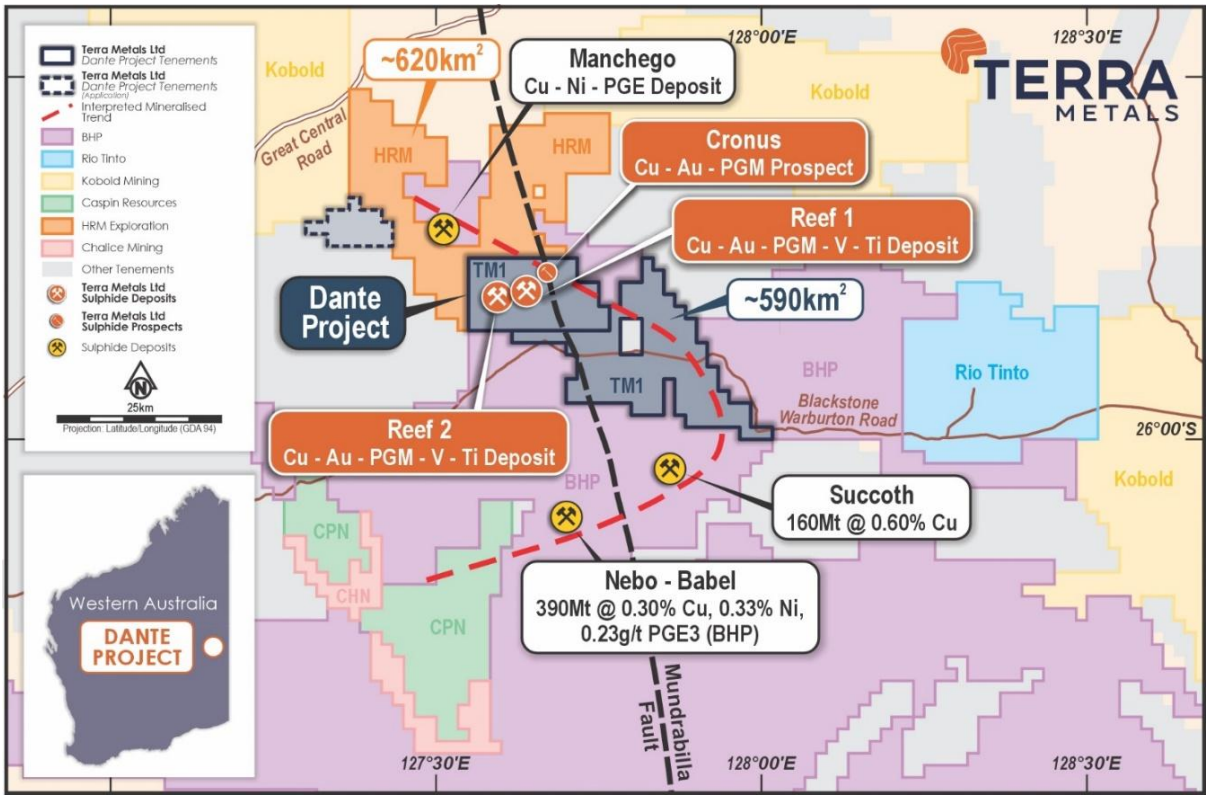


Figure 2. *Dante Project location map displaying surrounding companies' tenure and major deposits*

For personal use only

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Drilling Programs

During the year, the Company completed its Phase 2 RC drill program, comprising 66 holes for a total of 4,875m, and its Phase 1 diamond drill program, comprising 18 holes for a total of 3,208m, at its Dante Project.

Assay results from the Phase 2 RC and Phase 1 diamond drill programs continue to confirm extensive shallow high-grade mineralisation over 2.5km of strike at Reef 1 North, including high-grade titanium oxide complemented with copper, gold, PGMs, and vanadium in the same mineralised layer.

The drilling results reinforce the Dante Reefs as a significant multi-commodity discovery, with high-grade titanium, complemented by vanadium, copper, gold, and PGMs. The unique metal assemblage presents strong economic potential, positioning Dante Reefs as a strategic asset within Australia's critical minerals sector. While titanium has seen increasing market interest, these results highlight the broader value of the project, with multiple metals providing potential revenue streams and increasing its commercial appeal.

Subsequent to the end of the year, the Company commenced its Phase 3 drill program at the Dante Project, focused on testing priority copper-critical metals targets including outcropping reefs layers and electromagnetic ("EM") anomalies, as well as potential infill and extensional drilling at the Reef 1 and Reef 2 discoveries.

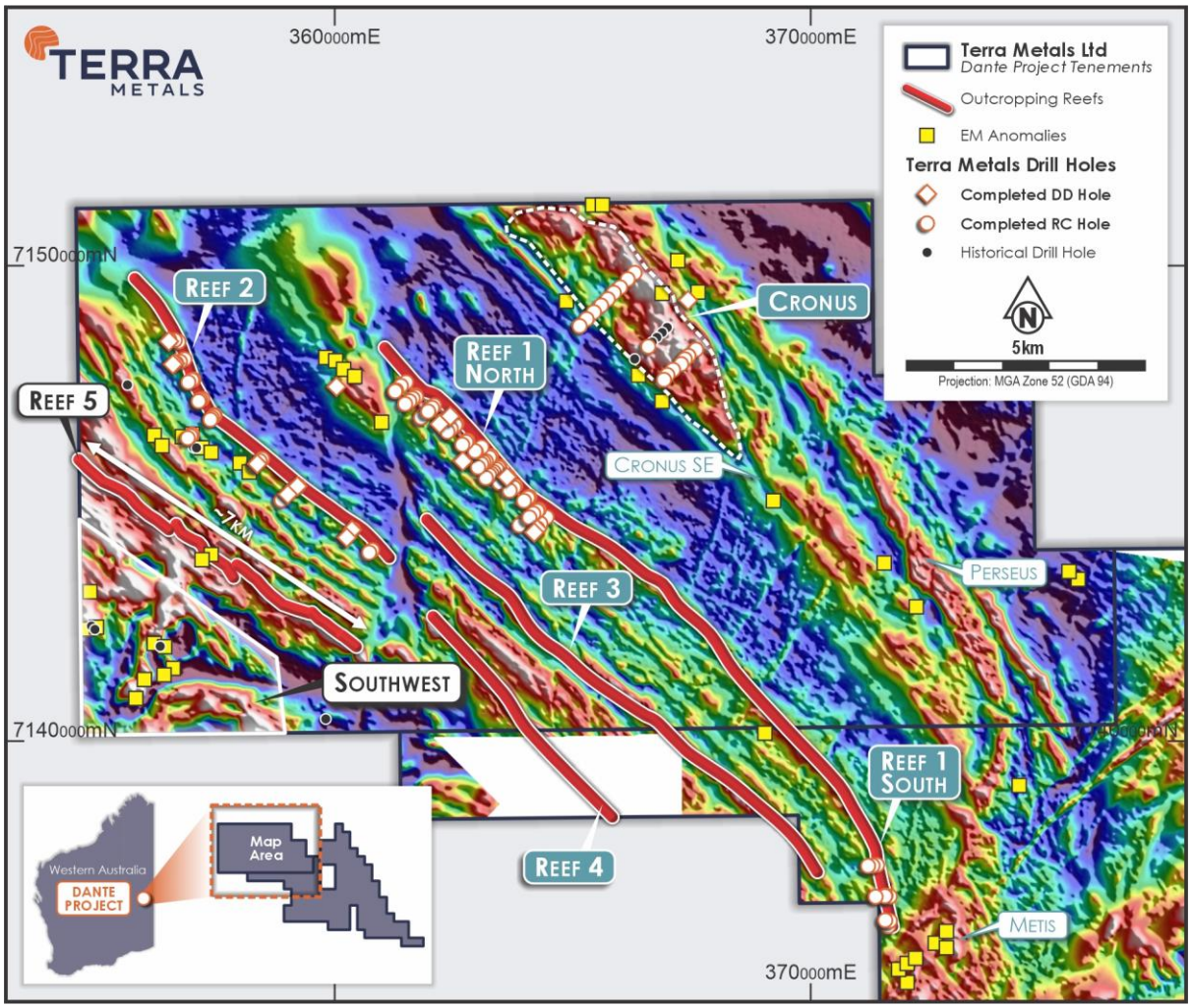


Figure 3. *TMI image showing prospects in the western portion of Dante Project Reef 1 and Reef 2 discoveries with selected results.*

For personal use only

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Maiden Mineral Resource

Subsequent to the end of the year, the Company reported the maiden Mineral Resource Estimate ("MRE") for its 100%-owned Dante Project, located in the West Musgrave region of Western Australia.

The Dante Reefs discovery hosts a large-scale, near-surface, polymetallic system comprising titanium, vanadium, copper, gold, and PGMs mineralisation. The MRE was independently prepared by Pivot Mining Consultants, led by Ken Lomberg, and delivered just 12 months from the initial discovery.

The total Mineral Resource reported in accordance with the JORC Code (2012 Edition) comprised 148Mt at 14.8% TiO_2, 0.54% V_2O_5, 0.18% Cu, 0.33g/t 3PGE (1.38% CuEq), containing approximately 22Mt TiO_2, 800kt V_2O_5, 270kt Cu, and 1.6Moz 3PGE.

The higher-grade Indicated Mineral Resource comprised 38Mt @ 18.4% TiO_2, 0.73% V_2O_5, 0.23% Cu, 0.71g/t 3PGE (1.87% CuEq), containing approximately 7.0Mt TiO_2, 280kt V_2O_5, 90kt Cu, and 870koz 3PGE.

Mineralisation remains open along strike and at depth, with the current resource area covering less than 10% of the mapped mineralised trend.

Table 1: *Dante Project Mineral Resources (August 2025)*

Category	Tonnage (Mt)	Grade							
		TiO_2 (%)	V_2O_5 (%)	Cu (%)	3PGE (g/t)	Au (g/t)	Pt (g/t)	Pd (g/t)	Cu Eq (%)
Indicated	38	18.4	0.73	0.23	0.71	0.16	0.41	0.14	1.87
Inferred	110	13.5	0.47	0.16	0.21	0.06	0.11	0.04	1.21
Total	**148**	**14.8**	**0.54**	**0.18**	**0.33**	**0.08**	**0.18**	**0.07**	**1.38**

Category	Tonnage (Mt)	Contained Metal						
		TiO2 (Mt)	V_2O_5 (kt)	Cu (kt)	3PGE (Koz)	Au (koz)	Pt (koz)	Pd (koz)
Indicated	38	7.0	280	90	870	200	500	180
Inferred	110	15	520	180	730	200	380	150
Total	**148**	**22**	**800**	**270**	**1,600**	**400**	**880**	**330**

Note: Some numbers may not add up due to rounding.

For personal use only

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Initial Metallurgical Results

During the year, the Company completed its Phase 1 metallurgical testwork, successfully producing three high-grade concentrates using simple, low-cost processing techniques.

The testwork was directed by highly respected metallurgist, Dr Evan Kirby, who has hands on experience in working with PGMs and vanadiferous titanomagnetite ("VTM") ore deposits. All testwork was conducted by ALS Laboratories in Perth, Western Australia.

A Cu-Au-PGM sulphide concentrate was produced, containing 28.0% copper, 17 g/t gold, and 21.4 g/t PGMs, with recovery rates of 95.8% for copper, 75.8% for gold, and 74.4% for PGMs. Additionally, a vanadium-magnetite concentrate grading 1.81% V_2O_5 was achieved with a 90.9% recovery rate, and a high-purity titanium-ilmenite concentrate grading 40% TiO_2 was produced using magnetic separation.

These results underscore the Dante Reefs' potential to yield multiple commercial grade concentrates through cost-effective processing methods.

High-grade Cu-Au-PGM sulphide concentrate:

- Concentrate grade: 28.0% Cu, 17g/t Au, 21.4g/t PGM (recleaner concentrate).
- Metal recoveries: Cu: 95.8%; Au: 75.8%; PGM: 74.4% (rougher concentrate).

High-purity Ti-ilmenite concentrate grading 40% TiO_2 produced using low-cost magnetic separation:

- Exceeds hard rock ilmenite concentrate achieved by leading producers globally using magnetic separation.
- Optimisation expected to increase concentrate grade.
- Used in production of high-value TiO_2 pigment and synthetic rutile products.

High-grade V-magnetite concentrate grading 1.81% V_2O_5 produced using low-cost magnetic separation:

- Vanadium recovery: 90.9%.
- Exceeds industry benchmark concentrate grade of 1.5% V_2O_5 for cost-effective production of high-purity 98% V_2O_5 pentoxide flake.
- Phase 2 optimisation testwork has commenced, focusing on improving concentrate qualities and recoveries.

For personal use only

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Expansion of Dante Project

During the year, the Company completed its acquisition of HRM Exploration Pty Ltd ("HRM") ("Acquisition"). HRM holds four (4) exploration licenses covering 618km^2 that are contiguous with the Company's Dante Project.

The Acquisition will strengthen Terra's already substantial position in the highly prospective Jameson Layered Intrusion, which is analogous to the Bushveld Province of South Africa.

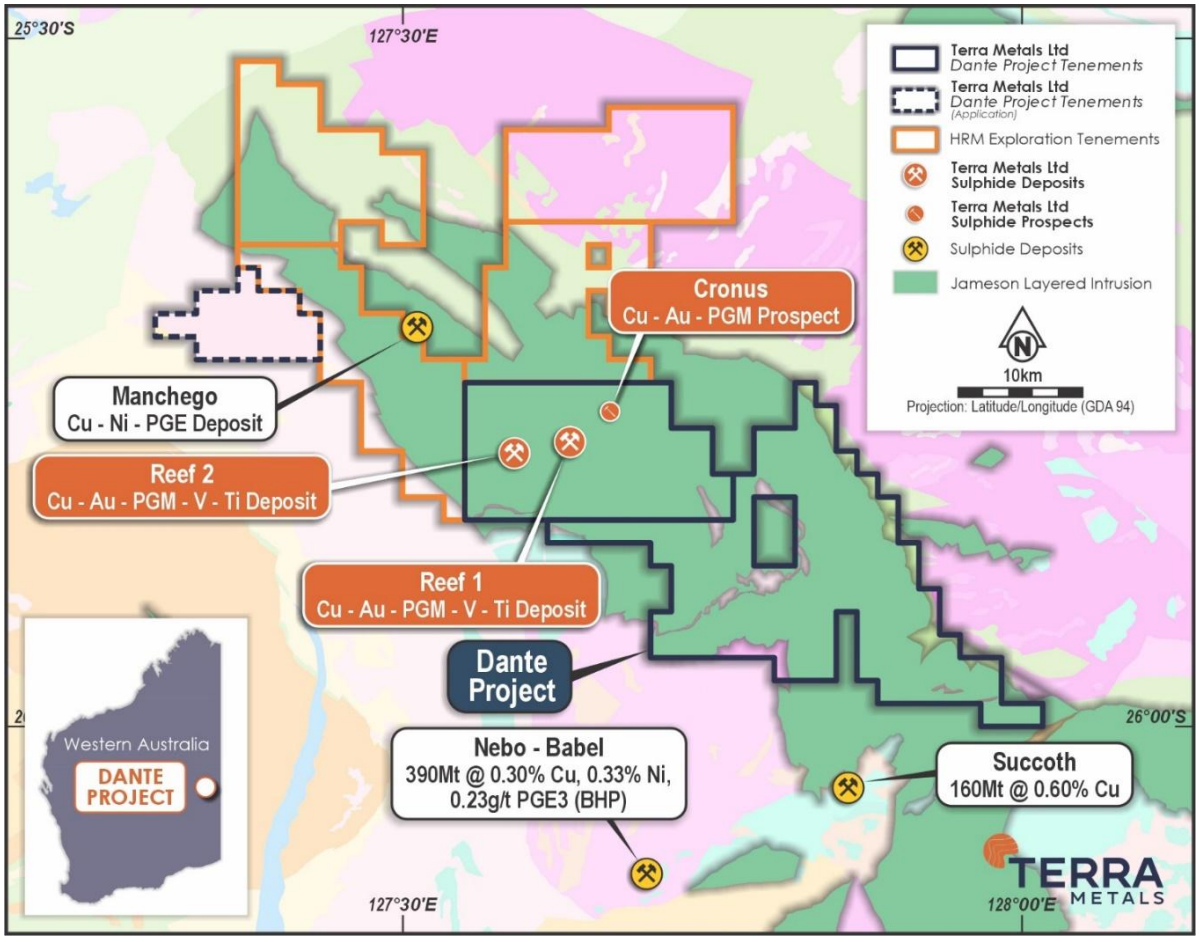


Figure 4. *Geology map of the West Musgrave Region, showing the highly prospective Jameson Layered Intrusion, the existing significant deposits, Dante Project tenure, and the HRM tenements.*

For personal use only

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Other Projects

During the year, the Company relinquished its interests in its non-core Bonaparte and Tarrawarra projects and subsequent to the end of the year, the Company relinquished its interest in its non-core Southern Cross project, in order to preserve costs and focus on the Company's core Dante Project.

The Company continues to seek a partnership or divestment of its remaining non-core Onslow and Higginsville projects to allow the focus to remain on the development of the Dante Reefs polymetallic discovery.

Corporate

During the year, the Company announced a placement of 114,285,715 new shares to strategic investors at an issue price of $0.035 per share to raise gross proceeds of $4,000,000. The first tranche of the placement (comprising 62,761,904 new shares) was completed in June 2025 and the second tranche of the Placement (comprising 51,523,811 new shares) was completed in August 2025 following shareholder approval. The placement was made to new strategic investors, including GEAR, Mr. Matt Latimore (Founder and President of M Resources Pty Ltd), and the Company's largest existing shareholder, Tribeca.

Subsequent to the end of the year, the Company announced a placement of 214,285,715 new shares to institutional and sophisticated investors at an issue price of $0.07 per share to raise gross proceeds of $15,000,000. The first tranche of the placement (comprising 96,000,000 new shares) was completed in September 2025 and the second tranche of the Placement (comprising 118,285,715 new shares) is expected to be completed in October 2025 following shareholder approval. The Placement was led by existing shareholders, GEAR, Mr. Matt Latimore (Founder and President of M Resources Pty Ltd), and Tribeca, confirming their support for the Company's 100%-owned Dante Project in Western Australia.

Results of Operations

The net loss of the Group for the year ended 30 June 2025 was $5,944,351 (2024: $4,891,907). The major item contributing to this result was the exploration and evaluation expenses of $4,374,842 (2024: $3,897,900).

Financial Position

At 30 June 2025, the Group had cash reserves of $3,271,260 (2024: $648,420), net assets of $7,506,344 (2024: $4,838,240) and net cash outflows from operating activities of $5,869,770 (2024: $3,943,836).

Subsequent to the end of the year, the Company announced a placement of 214,285,715 new shares to institutional and sophisticated investors at an issue price of $0.07 per share to raise gross proceeds of $15,000,000. The first tranche of the placement (comprising 96,000,000 new shares) was completed in September 2025 and the second tranche of the Placement (comprising 118,285,715 new shares) is expected to be completed in October 2025 following shareholder approval.

Loss Per Share

	2025 $	2024 $
Basic and diluted loss per share from operations	**(0.01)**	(0.02)

Environmental Regulation and Performance

The Consolidated Entity's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. The Directors are not aware of any non-compliance with environmental laws by the Consolidated Entity.

For personal use only

OPERATING AND FINANCIAL REVIEW (Continued)

Business Strategies and Prospects for Future Financial Years

The objective of the Group is to create long-term shareholder value through the successful exploration and development of its projects. To achieve its objective, the Group currently has the following business strategies and prospects:

- Complete additional infill and extensional reverse circulation ("RC") and diamond drilling at the Dante Project to expand existing Mineral Resource and target new discoveries;
- Complete new exploration drilling across other polymetallic Ti-V-Cu-Au-PGM sulphide targets defined within the Dante Project, including untested outcropping reefs, interpreted reefs under shallow cover, and massive sulphide targets;
- Complete an updated Mineral Resource estimate for the Dante Project in accordance with the JORC Code;
- Complete additional surface exploration programs including geological mapping and sampling to further assess new targets across the broader Dante Project area;
- Complete metallurgical optimisation test work for the Dante Project to assess economic factors associated with mineral processing and concentrate/product quality; and
- Complete a Scoping Study on the Dante Project in accordance with the JORC Code to assess the viability of a potential future mining operation.

All of these activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely activities will be achieved. The material business risks faced by the Group that could have an effect on the Group's future prospects, and how the Group manages these risks, include:

- *The Group's exploration programmes may not identify an economic deposit* - The Group's projects are at an early stage of exploration and current/potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. The success of the Group depends, among other things, on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. There is no assurance that exploration and development of the mineral interests owned by the Group, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited;
- *The Group's exploration properties may never be brought into production* – The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Group will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Group will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. However there can be no guarantee that the studies will confirm the technical and economic viability of the Group's mineral properties or that the properties will be successfully brought into production;
- *Fluctuations in commodity prices* – commodity prices fluctuate widely and are affected by numerous factors beyond the control of the Group. Future production, if any, from the Group's mineral exploration properties will be dependent upon the commodity price being adequate to make these properties economic. The Group currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Group's operations change, this policy will be reviewed periodically going forward;
- *The Group's activities will require further capital* – the exploration and any development of future and current projects will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and any development of the Group's projects or even a loss of project interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Group; and
- *Global financial conditions* – Economic conditions, both domestic and global, may affect the performance of the Group. Adverse changes in macroeconomic conditions, including global and Australian growth rates, the cost and availability of credit, the rate of inflation, interest rates, exchange rates, government policy and regulations, general consumption and consumer spending, input costs, employment rates and industrial disruptions, among others, are variables generally outside the Group's control. A slowdown in the financial markets or other economic conditions may result in material adverse impacts on the Group's businesses and its operational and financial performance, and position.

For personal use only

DIRECTORS' REPORT (Continued)

DIRECTORS

The names and details of the Company's Directors in office at any time during or since the end of the financial year are as follows:

Mr Ian Middlemas	Non-Executive Chairman
Mr Thomas Line	Managing Director and CEO
Mr Benjamin Cleary	Non-Executive Director
Mr Haydn Smith	Non-Executive Director
Mr Mark Pearce	Alternate Director for Mr Ian Middlemas
Mr Ryan de Franck	Non-Executive Director *(resigned 17 June 2025)*

Unless otherwise stated, Directors held their office from 1 July 2024 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr Ian Middlemas *B.Com, CA*
Chairman

Mr Middlemas is a Chartered Accountant and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience and is currently a Director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed as a Director of the Company on 16 October 2013 and as Chairman on 7 January 2014. During the three-year period to the end of the financial year, Mr Middlemas has held directorships in GBM Resources Limited (June 2025 – present), NGX Limited (April 2021– present), Constellation Resources Limited (November 2017 – present), Apollo Minerals Limited (July 2016 – present), Berkeley Energia Limited (April 2012 – present), GreenX Metals Limited (August 2011 – present), Salt Lake Potash Limited (Receivers and Managers Appointed) (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present) and Odyssey Gold Limited (September 2005 – present).

Mr Thomas (Tom) Line *B.Sc(Hons), MAusIMM,*
Managing Director & Chief Executive Officer

Mr Line is an experienced geologist, project generator and executive with over 12 years' experience in mining, exploration and resource development including his most recent role as CEO of Taruga Minerals Ltd (ASX: TAR). Mr Line holds an honours degree in geology, is a member of the Australian Institute of Geoscientists and is committed to the successful development of the Company's West Australian critical mineral projects.

Mr Line was appointed as a Director of the Company on 30 October 2023. During the three-year period to the end of the financial year, Mr Line has not held a directorship in any other listed companies.

Mr Benjamin (Ben) Cleary *BEcon, SA FIN, MAICD*
Non-Executive Director

Mr Cleary is a Portfolio Manager and Director of Tribeca Investment Partners. He has had an extensive career in the natural resources sector over the last 20 years and the Tribeca Global Natural Resources strategies that he manages have been involved in over $10 billion of transactions within the natural resources sector. Mr Cleary holds a Bachelor of Economics from the University of Queensland, a Graduate Diploma in Applied Finance from FINSIA and is a member of the Australian Institute of the Company Directors.

Mr Cleary was appointed as a Director of the Company on 16 June 2022. During the three-year period to the end of the financial year, Mr Cleary has held a directorship in Tribeca Global Natural Resources Limited (July 2018 – present).

DIRECTORS' REPORT (Continued)

CURRENT DIRECTORS AND OFFICERS (Continued)

Mr Haydn Smith *B.Com, SA FIN, GAICD*
Non-Executive Director

Mr Haydn Smith is the Managing Director of Wundowie Carbon, a biocarbon business focused on reducing GHG emissions in hard-to-abate sectors such as steel making. He previously managed the Natural Resources Credit business at Tribeca Investment Partners following a 20-year career at Macquarie Bank where he was an Executive Director & Executive Committee Member with the Commodities and Markets Group. Mr Smith holds a Bachelor of Commerce from the University of Sydney, a Graduate Diploma in Applied Finance from FINSIA and is a Graduate of the Australian Institute of Company Directors.

Mr Smith was appointed as a Director of the Company on 16 June 2022. During the three-year period to the end of the financial year, Mr Smith has not held a directorship in any other listed companies.

Mr Mark Pearce *B.Bus, CA, FCIS, FFin*
Alternate Director for Ian Middlemas

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and a member of the Financial Services Institute of Australasia.

Mr Pearce was appointed as alternate Director for Mr Ian Middlemas on 16 June 2022. During the three-year period to the end of the financial year, Mr Pearce has held directorships in NGX Limited (April 2021 – present), Constellation Resources Limited (July 2016 – present), GreenX Metals Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present) and Sovereign Metals Limited (July 2016 – present).

Mr Gregory (Greg) Swan *BCom, CA, FCIS, FFin*
Company Secretary

Mr Swan is a Chartered Accountant with over 19 years' experience in the formation and development of publicly listed natural resources companies. He currently serves as Chief Financial Officer and/or Company Secretary for several listed companies that operate in the resources sector. He commenced his career at a large international Chartered Accounting firm and has since been involved with a number of mining exploration and development companies, including Piedmont Lithium Inc., IperionX Limited, Mantra Resources Limited, and Papillon Resources Limited.

Mr. Swan was appointed as Company Secretary of the Company on 25 November 2013. Mr Swan also served as Non-Executive Director of the Company from 26 February 2021 to 16 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year consisted of mineral exploration and development.

For personal use only

For personal use only

DIRECTORS' REPORT (Continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

(i) On 14 August 2024, the Company completed the second and final tranche of a placement of 100,000,000 new ordinary shares in the Company to institutional and sophisticated investors at an issue price of $0.06 per share, to raise gross proceeds of $6,000,000;

(ii) On 8 May 2025, the Company acquired 100% of HRM Exploration Pty Ltd ("HRM"), a private Australian company, which holds four (4) exploration licenses that are contiguous with the Company's flagship Dante Project in Western Australia. Consideration for the Acquisition comprised the issue of 15,833,333 ordinary shares in the Company and 11,250,000 deferred ordinary shares in the Company upon the satisfaction of certain performance milestones; and

(iii) On 13 June 2025, the Company announced a placement of 114,285,715 new ordinary shares in the Company to strategic investors at an issue price of $0.035 per share, to raise gross proceeds of $4 million. The first tranche of the placement (comprising 62,761,904 shares) was completed in June 2025 and the second tranche of the Placement (comprising 51,523,811 new shares) was completed in August 2025 following shareholder approval.

There were no other significant changes in the state of affairs of the Group during the year ended 30 June 2025 not otherwise disclosed.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

(i) On 28 August 2025, the Company announced a placement of 214,285,715 new ordinary shares in the Company to institutional and sophisticated investors at an issue price of $0.07 per share, to raise gross proceeds of $15,000,000. The first tranche of the placement (comprising 96,000,000 new shares) was completed in September 2025 and the second tranche of the Placement (comprising 118,285,715 new shares) is expected to be completed in October 2025 following shareholder approval; and

(ii) On 15 August 2025, the Company issued 27,772,000 unlisted options (exercisable at $0.07 each and expiring 16 June 2027) following shareholder approval, including: (i) 10,000,000 unlisted options to the Company's CEO and Managing Director of the Company; (ii) 9,000,000 unlisted options to other key employees and consultants of the Company; and (iii) 8,772,000 unlisted options to Tribeca for advisory services provided (of which 5,858,000 were granted and accounted for before year end).

Other than the above, at the date of this report, there are no matters or circumstances, which have arisen since 30 June 2025 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2025, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2025, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2025, of the Group.

DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

	Shares[1]	Performance Shares[5]	Listed Options[2]	Unlisted Options[3]	Performance Rights[4]
Mr Ian Middlemas	11,500,000	-	280,000	-	-
Mr Thomas Line	2,581,516	1,410,729	-	17,500,000	7,000,000
Mr Ben Cleary	-	-	-	-	-
Mr Haydn Smith	3,000,000	-	-	-	-
Mr Mark Pearce	3,134,500	-	689,085	-	-

Notes:

(1) "Shares" means a fully paid ordinary share in the capital of the Company.

(2) "Listed Options" means an option to subscribe for a fully paid ordinary share in the capital of the Company.

(3) "Unlisted Options" means an unlisted option to subscribe for one Ordinary Share in the capital of the Company.

(4) "Performance Rights" means an unlisted performance right that converts to one Ordinary Share in the capital of the Company upon the satisfaction of the relevant performance condition.

(5) "Performance Shares" means an unlisted performance share that converts to one Ordinary Share in the capital of the Company upon the satisfaction of the relevant performance condition.

For personal use only

DIRECTORS' REPORT (Continued)

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company or Group for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

The Company has paid, or agreed to pay, premiums in respect of Directors' and Officers' Liability Insurance and Company Reimbursement policies for the 12 months ended 30 June 2025 and 2024, which cover all Directors and officers of the Company against liabilities to the extent permitted by the Corporations Act 2001. The policy conditions preclude the Company from any detailed disclosures including premium amount paid.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

CONVERTIBLE SECURITIES

At the date of this report the following Options, Performance Rights and Performance Shares have been issued over unissued Shares of the Company:

- 37,713,240 Listed Options exercisable at $0.07 each on or before 16 June 2027;
- 10,000,000 Unlisted Options exercisable at $0.07 each on or before 27 May 2027;
- 10,000,000 Unlisted Options exercisable at $0.09 each on or before 27 May 2027;
- 5,000,000 Unlisted Options exercisable at $0.09 each on or before 16 June 2027;
- 5,500,000 Unlisted Options exercisable at $0.07 each on or before 16 June 2027;
- 3,750,000 Unlisted Options exercisable at $0.14 each on or before 30 June 2028;
- 20,000,000 Class A Performance Shares that vest after the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling completed by the Company on the Dante Tenements totalling not less than 10-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t; and (B) the Company achieving a VWAP of at least $0.10 over 20 consecutive trading days ("Class A Milestone"), expiring on 28 August 2027;
- 20,000,000 Class B Performance Shares that vest after the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling completed by the Company on the Dante Tenements totalling not less than 20-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t; and (B) the Company achieving a VWAP of at least $0.15 over 20 consecutive trading days ("Class B Milestone"), expiring on 28 August 2027;
- 20,000,000 Class C Performance Shares that vest upon the announcement by the Company to ASX of an independently assessed JORC Code Mineral Resource from the Dante Tenements of not less than 100,000 tonnes of Ni equivalent at a minimum resource grade of 0.5% Ni equivalent and a cut-off grade of not less than 0.1% Ni equivalent ("Class C Milestone"), expiring on 28 August 2028;
- 3,500,000 Class A Performance Rights that vest upon satisfaction of the Class A Milestone, expiring 28 August 2027; and
- 3,500,000 Class B Performance Rights that vest upon satisfaction of the Class B Milestone, expiring 28 August 2027.

During the year ended 30 June 2025, no Shares were issued as a result of the exercise of Options. Subsequent to year end, and up until the date of this report, no Shares have been issued as a result of the exercise of Options.

For personal use only

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("KMP") of the Group.

Details of Key Management Personnel

Details of the KMP of the Group during or since the end of the financial year are set out below:

Mr Ian Middlemas	Non-Executive Chairman
Mr Thomas Line	Managing Director and CEO
Mr Ben Cleary	Non-Executive Director
Mr Haydn Smith	Non-Executive Director
Mr Mark Pearce	Alternate Director for Mr Ian Middlemas
Mr Ryan de Franck	Non-Executive Director *(resigned 17 June 2025)*

Unless otherwise disclosed, the KMP held their position from 1 July 2024 until the date of this report.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP: (a) the Group is currently focused on undertaking exploration and development activities; (b) risks associated with small cap resource companies whilst exploring and developing projects; and (c) other than profit which may be generated from asset sales, the Company does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

The objective of the Group's remuneration structure reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered.

Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance-based component (short term incentive and long-term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds, and other non-cash benefits. Non-cash benefits may include provision of car parking, health care benefits, health insurance and life insurance.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices. No external remuneration consultants were used during the financial year.

Performance Based Remuneration – Short Term Incentives ("STI")

Some executives are entitled to an annual or semi-annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as:

(a) successful exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs);
(b) successful development activities (e.g. completion of technical studies);
(c) successful corporate activities (e.g. recruitment and management of key personnel and investor relations activities); and
(d) successful business development activities (e.g. corporate transactions and capital raisings).

During the 2025 financial year, STI cash bonuses of $75,000 (2024: nil) were paid or payable to executive KMP.

For personal use only

REMUNERATION REPORT (AUDITED) (Continued)

Performance Based Remuneration – Long Term Incentives ("LTI")

The Group has a long-term equity incentive plan comprising the grant of Performance Rights and/or Incentive Options to reward Executive KMP and other employees and contractors for long-term performance. To achieve its corporate objectives, the Group needs to attract, incentivise, and retain its key employees and contractors. The Board believes that grants of Performance Rights and/or Incentive Options to Executive KMP will provide a useful tool to underpin the Group's employment and engagement strategy.

(i) Performance Rights

The Group may grant unlisted performance share rights ("Performance Rights") to some KMP and/or other employees and contractors.

Performance Rights are issued for no consideration and no amount is payable upon conversion thereof. Performance Rights granted to KMP and other employees and contractors will be linked to the achievement by the Group of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

During the financial year, nil Performance Rights were granted to executive KMP and no Performance Rights held by executive KMP vested during the financial year. At 30 June 2025, 7,000,000 Performance Rights were held by executive KMP.

(ii) Incentive Options

The Group may grant unlisted incentive options ("Incentive Options") to some KMP and/or other employees and contractors.

The Board's policy is to grant Incentive Options to KMP with exercise prices at or above market share price (at the time of agreement). As such, the Incentive Options granted to KMP are generally only of benefit if the KMP performs to the level whereby the value of the Group increases sufficiently to warrant exercising the Incentive Options granted. Other than service-based vesting conditions (if any) and the exercise price required to exercise the Incentive Options, there are no additional performance criteria on the Incentive Options granted to KMP, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered that the performance of the KMP and the performance and value of the Group are closely related. The Company's Securities Trading Policy prohibits KMP's from entering into arrangements to limit their exposure to Incentive Securities granted as part of their remuneration package.

During the financial year, nil Incentive Options were granted to executive KMP. No Incentive Options held by executive KMP vested during the financial year. At 30 June 2025, 7,500,000 Incentive Options were held by executive KMP.

Non-Executive Director Remuneration

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, employee options and/or employee rights may also be used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No external remuneration consultants were used during the financial year.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and given the current size, nature and opportunities of the Company, Non-Executive Directors may receive employee options and/or employee rights in order to secure their initial or ongoing holding and retain their services. The Company prohibits non-executives entering into arrangements to limit their exposure to employee options granted as part of their remuneration package.

Fees for the Chairman are presently $50,000 per annum (2024: $50,000), however the Chairman elected to receive fees of only $36,000 for the 2025 financial year (2024: $36,000). Fees for Non-Executive Directors are presently set at $30,000 per annum (2024: $30,000 per annum). These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including, but not limited to, membership of committees.

For personal use only

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Relationship between Remuneration of KMP and Shareholder Wealth

During the Group's exploration and development phases of its business, the Board anticipates that the Group will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Group does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Group during the current and previous four financial years.

The Board did not determine, and in relation to, the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Group traded between the beginning and end of the current and the previous four financial years. Discretionary annual cash bonuses are based upon achieving various non-financial key performance indicators that are not based on share price or earnings. However, as noted above, certain KMP may receive Incentive Options and Performance Rights which will be of greater value to KMP if the value of the Group's shares increases.

Relationship between Remuneration of KMP and Earnings

As discussed above, the Group is currently undertaking exploration and development activities and does not expect to be undertaking profitable operations (other than by way of potential material asset sales) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly, the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Emoluments of KMP

Details of the nature and amount of each element of the emoluments of each Director and KMP of Terra Metals Limited are as follows:

	Short-term benefits			Post-employment benefits	Share-based payments	Termination Payments	Total	Performance related
2025	**Salary & fees $**	**Cash Bonus $**	**Other $**	**$**	**$**	**$**	**$**	**%**
Directors								
Mr Ian Middlemas	**36,000**	**-**	**-**	**-**	**-**	**-**	**36,000**	**-**
Mr Thomas Line	**250,000**	**75,000**	**-**	**28,750**	**160,869**	**-**	**514,619**	**46%**
Mr Ben Cleary	**30,000**	**-**	**-**	**-**	**-**	**-**	**30,000**	**-**
Mr Haydn Smith	**30,000**	**-**	**-**	**-**	**-**	**-**	**30,000**	**-**
Mr Mark Pearce	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mr Ryan de Franck[1]	**28,929**	**-**	**-**	**3,327**	**-**	**-**	**32,256**	**-**
	374,929	**75,000**	**-**	**32,077**	**160,869**	**-**	**642,875**	

	Short-term benefits			Post-employment benefits	Share-based payments	Termination Payments	Total	Performance related
2024	**Salary & fees $**	**Cash Bonus $**	**Other $**	**$**	**$**	**$**	**$**	**%**
Directors								
Mr Ian Middlemas	36,000	-	-	-	-	-	36,000	-
Mr Thomas Line[2]	166,667	-	-	18,333	143,491	-	328,491	44%
Mr Ben Cleary	15,000	-	-	-	-	-	15,000	-
Mr Ryan de Franck	30,000	-	-	3,338	-	-	33,338	-
Mr Haydn Smith	30,000	-	-	-	-	-	30,000	-
Mr Mark Pearce	-	-	-	-	-	-	-	-
Mr Matthew Turner[3]	15,000	-	-	1,650	-	-	16,650	-
	292,667	-	-	23,321	143,491	-	459,479	

Notes:
(1) Mr de Franck resigned effective 17 June 2025.
(2) Mr Line was appointed effective 30 October 2023.
(3) Mr Turner resigned effective 25 February 2024.

For personal use only

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Loans with KMP

No loans were provided to or received from KMP during the year ended June 30, 2025 (2024: Nil).

Other Transactions with KMP

Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a director and beneficial shareholder, was paid or is payable $312,000 for the provision of a fully serviced office and administrative, accounting and company secretarial services during the year ended 30 June 2025 (2024: $234,000). The agreement has no fixed term and is able to be terminated by either party by providing one (1) months' notice. The Company considers that the services provided by Apollo Group Pty Ltd were provided on an arm's length or better terms.

Options and Rights Granted to KMP

No Unlisted Options or Performance Rights were granted to, exercised by, or forfeited by any KMP of the Group during the 2025 financial year.

Option and Right holdings of KMP

2025	Held at 1 July 2024	Granted as Remuneration	Exercised	Lapsed	Held at 30 June 2025	Vested & exercisable at 30 June 2025
Directors						
Ian Middlemas	**280,000**	**-**	**-**	**-**	**280,000**	**280,000**
Thomas Line	**14,500,000**	**-**	**-**	**-**	**14,500,000**	**2,500,000**
Ben Cleary	**-**	**-**	**-**	**-**	**-**	**-**
Haydn Smith	**-**	**-**	**-**	**-**	**-**	**-**
Mark Pearce	**689,085**	**-**	**-**	**-**	**689,085**	**689,085**
Ryan de Franck	**166,668**	**-**	**-**	**-**	**166,668**(1)	**166,668**(1)
	15,635,753	**-**	**-**	**-**	**15,635,753**	**3,635,753**

Notes:
(1) As at date of resignation.

Shareholdings of KMP

	Held at 1 July 2024		Granted as Remuneration		Purchases		Other net change		Held at 30 June 2025	
2025	Ord (2)	Perf (3)	Ord (2)	Perf (3)	Ord (2)	Perf (3)	Ord (2)	Perf (3)	Ord (2)	Perf (3)
Directors										
Ian Middlemas	**10,000,000**	**-**	**-**	**-**	**1,500,000**	**-**	**-**	**-**	**11,500,000**	**-**
Thomas Line	**1,750,607**	**1,410,729**	**-**	**-**	**830,909**	**-**	**-**	**-**	**2,581,516**	**1,410,729**
Ben Cleary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Haydn Smith	**2,000,000**	**-**	**-**	**-**	**1,000,000**	**-**	**-**	**-**	**3,000,000**	**-**
Mark Pearce	**3,134,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,134,500**	**-**
Ryan de Franck	**7,000,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,000,000**(1)	**-**(1)
	23,885,107	**1,410,729**	**-**	**-**	**3,330,909**	**-**	**-**	**-**	**27,216,016**	**1,410,729**

Notes:
(1) As at date of resignation.
(2) 'Ord' means Ordinary Shares.
(3) 'Perf' means Performance Shares issued to the original vendors of Dante Resources Pty Ltd as consideration for the Company's acquisition of Dante Resources Pty Ltd during the year ended 30 June 2024.

Employment Contracts with KMP

Mr. Thomas Line, Chief Executive Officer and Managing Director, has an employment agreement with the Group which may be terminated by the Company for any reason upon three months' prior written notice. Effective from 1 July 2025, Mr. Line receives a fixed remuneration component of $295,000 per annum and a discretionary annual bonus to be paid upon the successful completion of KPIs as determined by the Board.

All Non-executive Directors have a letter of appointment confirming the terms and conditions of their appointment as Director of the Company.

End of Audited Remuneration Report.

For personal use only

DIRECTORS' REPORT (Continued)

DIRECTORS' MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Board Meetings	
	Number eligible to attend	Number attended
Mr Ian Middlemas	2	2
Mr Thomas Line	2	2
Mr Ben Cleary	2	1
Mr Haydn Smith	2	2
Mr Mark Pearce (Alternate Director for Mr Ian Middlemas)	-	-
Mr Ryan de Franck	2	2

At 30 June 2025, there were no Board committees.

NON-AUDIT SERVICES

During the year, the Group's auditor, William Buck Audit (WA) Pty Ltd did not provide any non-audit services (2024: nil).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 19 of the Directors' Report.

Signed in accordance with a resolution of the Directors.



THOMAS LINE
CEO & Managing Director

25 September 2025

For personal use only

William Buck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Terra Metals Limited

As lead auditor for the audit of Terra Metals Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Terra Metals Limited and the entities it controlled during the year.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Deborah Chin

Deborah Chin
Director
Dated this 25th day of September 2025

Level 3, 15 Labouchere Road, South Perth WA 6151
PO Box 748, South Perth WA 6951
+61 8 6436 2888
wa.info@williambuck.com
williambuck.com

William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide.
Liability limited by a scheme approved under Professional Standards Legislation.

PRAXITY
A member of the Praxity Global Alliance

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
Continuing operations			
Exploration and evaluation expenses		**(4,374,842)**	(3,897,900)
Corporate and administrative expenses		**(596,395)**	(430,298)
Business development expenses		**(717,233)**	(427,226)
Finance income	2	**89,339**	79,687
Share-based payment expense	15	**(345,220)**	(216,170)
Loss before tax		**(5,944,351)**	(4,891,907)
Income tax expense		**-**	-
Net loss for the year		**(5,944,351)**	(4,891,907)
Net loss attributable to members of Terra Metals Limited		**(5,944,351)**	(4,891,907)
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss for the year, net of tax		**(5,944,351)**	(4,891,907)
Total comprehensive loss attributable to members of Terra Metals Limited		**(5,944,351)**	(4,891,907)
Basic and diluted loss per share from operations ($ per share)	12	**(0.01)**	(0.02)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

For personal use only

For personal use only

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 $	2024 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**3,271,260**	648,420
Trade and other receivables		**107,065**	308,662
Total Current Assets		**3,378,325**	957,082
Non-Current Assets			
Exploration and evaluation assets	6	**5,938,358**	5,269,943
Property, plant and equipment		**106,488**	133,043
Total Non-Current Assets		**6,044,846**	5,402,986
TOTAL ASSETS		**9,423,171**	6,360,068
LIABILITIES			
Current Liabilities			
Trade and other payables	7	**1,884,322**	1,507,424
Provisions		**32,505**	14,404
Total Current Liabilities		**1,916,827**	1,521,828
TOTAL LIABILITIES		**1,916,827**	1,521,828
NET ASSETS		**7,506,344**	4,838,240
EQUITY			
Contributed equity	9	**158,856,511**	150,642,336
Reserves	10	**1,386,244**	987,964
Accumulated losses	11	**(152,736,411)**	(146,792,060)
TOTAL EQUITY		**7,506,344**	4,838,240

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Contributed Equity $	Share-Based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2024		**150,642,336**	**987,964**	**(146,792,060)**	**4,838,240**
Net loss for the year		**-**	**-**	**(5,944,351)**	**(5,944,351)**
Total comprehensive loss for the year		**-**	**-**	**(5,944,351)**	**(5,944,351)**
Transaction with owners in their capacity as owners:					
Acquisition of new tenements	8,10	**477,500**	**127,500**	**-**	**605,000**
Issue of shares – share placements	9	**8,196,667**	**-**	**-**	**8,196,667**
Share issue costs	9,15	**(634,432)**	**100,000**	**-**	**(534,432)**
Share-based payments expense	9,15	**174,440**	**170,780**	**-**	**345,220**
Balance at 30 June 2025		**158,856,511**	**1,386,244**	**(152,736,411)**	**7,506,344**
Balance at 1 July 2023		145,085,639	3,044,994	(144,208,153)	3,922,480
Net loss for the year		-	-	(4,891,907)	(4,891,907)
Total comprehensive income for the year		-	-	(4,891,907)	(4,891,907)
Transaction with owners in their capacity as owners:					
Acquisition of Dante Project		3,640,000	-	-	3,640,000
Issue of shares		2,100,000	-	-	2,100,000
Share issue costs		(183,303)	34,800	-	(148,503)
Expiry of unlisted options		-	(2,308,000)	2,308,000	-
Share-based payments expense		-	216,170	-	216,170
Balance at 30 June 2024		150,642,336	987,964	(146,792,060)	4,838,240

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated financial statements

For personal use only

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Payments to suppliers and employees - exploration and evaluation		**(4,777,688)**	(2,981,155)
Payments to suppliers and employees - other		**(1,181,414)**	(1,042,218)
Interest received		**89,332**	79,537
Net cash outflow from operating activities	5	**(5,869,770)**	(3,943,836)
Cash flows from investing activities			
Payments for property, plant and equipment		**(9,533)**	(147,957)
Net cash outflow on acquisition of Dante Project		**-**	(673,713)
Net cash outflow on acquisition of new tenements	8	**(15,637)**	-
Net cash outflow from investing activities		**(25,170)**	(821,670)
Cash flows from financing activities			
Proceeds from issue of shares		**8,041,843**	2,254,824
Proceeds from share application received in advance		**1,000,000**	-
Payments for share issue costs		**(524,063)**	(143,652)
Net cash inflow from financing activities		**8,517,780**	2,111,172
Net increase/(decrease) in cash and cash equivalents		**2,622,840**	(2,654,334)
Cash and cash equivalents at beginning of the year		**648,420**	3,302,754
Cash and cash equivalents at the end of the year	5	**3,271,260**	648,420

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

For personal use only

1. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in preparing the financial report of Terra Metals Limited (''Terra'' or "Company") and its consolidated entities ("Consolidated Entity" or "Group") for the year ended 30 June 2025 are stated to assist in a general understanding of the financial report.

Terra Metals Limited is a for profit company limited by shares, incorporated and domiciled in Australia. Our ordinary shares are listed on the Australian Securities Exchange, or ASX under the symbol "TM1". The Group's principal activities are mineral exploration and development. The financial report of the Group for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 17 September 2025

(a) Basis of Preparation

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards ("AASBs") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars ($).

The consolidated financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(b) New standards, interpretations and amendments adopted by the Group

In the current period, the Group has adopted all of the new and revised Accounting Standards and Interpretations effective from 1 July 2024 that are mandatory.

The adoption of the aforementioned standards has no impact on the financial statements of the Company as at 30 June 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(c) New standards, interpretations and amendments not yet applied by the Group

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2025. Those which may be relevant to the Group are set out in the table below.

Standard or Interpretation	Application Date of Standard	Application Date for Group
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments (Amendments to AASB 7 and AASB 9)	1 January 2026	1 July 2026
AASB 2024-3 Amendments to AASs – Annual Improvements Volume 11 (Amendments to AASB 1, AASB 7, AASB 9, AASB 10, and AASB 107)	1 January 2026	1 July 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027	1 July 2027
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2028	1 July 2028

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company and the results of all subsidiaries.

Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, is exposed or has rights to variable returns from its involvement and

For personal use only

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Principles of Consolidation (Continued)

has the ability to use its power to affect the returns of those entities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. All investments in subsidiaries made by the parent are held at cost.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(f) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit losses.

Unbilled receivables relate to goods sold for which invoices have not yet been issued to the customer but represent the Group's unconditional right to consideration for goods sold, because only the passage of time is required before payment of the consideration is due. These amounts are recognised and measured in the same manner as other trade receivables.

If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

As the majority of receivables are short term in nature, their carrying amount is assumed to be the same as their fair value.

(g) Exploration and Development Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 Exploration for and Evaluation of Mineral Resources.

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised and recognised as an exploration and evaluation asset. This includes option payments made to landowners under the Group's option agreements with local landowners which are considered part of the acquisition costs. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

All other exploration and evaluation expenditures are expensed as incurred. Once the technical feasibility and commercial viability of a program or project has been demonstrated with a bankable feasibility study, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is reclassified as a "mine development property".

For personal use only

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(g) Exploration and Development Expenditure (Continued)

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(i) Interest Income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(j) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

For personal use only

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(j) Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Terra Metals Limited and its wholly-owned Australian subsidiaries have not yet formed an income tax consolidated group under the tax consolidation regime.

(k) Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit or loss attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of Ordinary Shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares adjusted for any bonus issue.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments". Further information on segmental reporting is included in Note 17.

(n) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is

For personal use only

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(n) Impairment of Non-Financial Assets (continued)

estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities classified as fair value through other comprehensive income) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(p) Issued and Unissued Capital

Ordinary Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Share-Based Payments

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using an appropriate option pricing model. Further details on how the fair value of equity-settled share-based payments has been determined can be found in Note 15.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest for share-based payments with non-market based performance conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where Ordinary Shares are issued, the transaction is recorded at fair value based on the quoted price of the Ordinary Shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

(r) Use and Revision of Accounting Estimates, Judgements and Assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

For personal use only

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(r) Use and Revision of Accounting Estimates, Judgements and Assumptions (continued)

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Recognition of deferred tax asset (refer Note 3);
- Share-based payments (refer Note 15); and
- Exploration and evaluation asset (refer Note 6).

2. INCOME AND EXPENSES

	Note	2025 $	2024 $
Finance income			
Interest income		**89,339**	79,687
		89,339	79,687
Depreciation and amortisation			
Depreciation of property, plant and equipment		**(36,088)**	(14,913)
		(36,088)	(14,913)
Employee benefits expense			
Wages and salaries		**(953,112)**	(488,212)
Employee benefits		**(18,101)**	(14,404)
Post-employment benefits		**(86,839)**	(44,831)
Share-based payment expense	15	**(170,780)**	(216,170)
		(1,228,832)	(763,617)

3. INCOME TAX

	2025 $	2024 $
Recognised in profit or loss		
Current income tax benefit in respect of the current year	**-**	-
Deferred tax relating to origination and reversal of temporary differences	**-**	-
Income tax expense reported in profit or loss	**-**	-
Reconciliation between tax expense and accounting loss before income tax		
Accounting profit/(loss) before income tax	**(5,944,351)**	(4,891,907)
At the domestic income tax rate of 30% (2024: 30%)	**(1,783,305)**	(1,467,572)
Expenditure not allowable for income tax purposes	**103,566**	64,851
Adjustments in respect of deferred income tax of previous years	**-**	(185,807)
Effect of deferred tax assets not brought to account	**1,679,739**	1,588,528
Income tax expense reported in profit or loss	**-**	-

For personal use only

3. INCOME TAX (Continued)

	2025 $	2024 $
Deferred tax assets and liabilities		
Deferred tax liabilities:		
Exploration and evaluation assets	**206,503**	87,869
Deferred tax assets used to offset deferred tax liabilities	**(206,503)**	(87,869)
	-	-
Deferred tax assets:		
Accrued expenditure	**12,450**	10,650
Provisions	**9,752**	4,321
Capital allowances	**-**	1,416
Tax losses	**5,749,080**	3,956,520
Capital losses	**34,043,953**	34,043,954
Deferred tax assets used to offset deferred tax liabilities	**(206,503)**	(87,869)
Deferred tax assets not brought to account [(1)]	**(39,608,732)**	(37,928,992)
	-	-

Notes:

(1) The benefit of deferred tax assets not brought to account will only be brought to account if: (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and (c) no changes in tax legislation adversely affect the Group in realising the benefit. The Group will assess the recoverability of the unrecognised deferred tax assets once 'commercial production' has been declared.

4. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends have been paid or proposed for the year ended 30 June 2025 (2024: Nil).

5. CASH AND CASH EQUIVALENTS

	2025 $	2024 $
Cash at bank and on hand	**3,271,260**	648,420
Total cash at bank and on hand	**3,271,260**	648,420
Reconciliation of profit/(loss) before income tax to net cash flows from operations		
Net profit/(loss) for the year	**(5,944,351)**	(4,891,907)
Adjustment for non-cash income and expense items:		
Share based payments expense	**345,220**	216,170
Depreciation and amortisation expense	**36,088**	14,913
Change in working capital:		
Decrease/(increase) in trade and other receivables	**201,597**	(187,099)
(Decrease)/increase in trade and other payables	**(526,425)**	889,683
Increase in provisions	**18,101**	14,404
Net cash outflow from operating activities	**(5,869,770)**	(3,943,836)

6. EXPLORATION AND EVALUATION ASSETS

	Dante Project $	Onslow Project $	Total $
2025			
Balance at 1 July 2024	**4,697,422**	**572,521**	**5,269,943**
Acquisition of new tenements (Note 8)	**620,637**	**-**	**620,637**
Other additions [1]	**47,778**	**-**	**47,778**
Carrying amount at 30 June 2025[2]	**5,365,837**	**572,521**	**5,938,358**
2024			
Carrying value at 1 July 2023	-	572,521	572,521
Acquisition of the Dante Project	4,697,422	-	4,697,422
Carrying amount at 30 June 2024[2]	4,697,422	572,521	5,269,943

Notes:

[1] Additional stamp duty payable in relation to original acquisition of Dante Project in October 2023.

[2] The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

7. TRADE AND OTHER PAYABLES

	2025 $	2024 $
Trade creditors	**235,110**	1,251,541
Accrued expenses	**649,212**	255,883
Share placement subscriptions received in advance	**1,000,000**	-
	1,884,322	1,507,424

For personal use only

For personal use only

8. ASSET ACQUISITION

On 8 May 2025, the Company acquired 100% of HRM Exploration Pty Ltd ("HRM"), a private Australian company, which holds four (4) exploration licenses (''HRM Tenements'') that are contiguous with the Company's flagship Dante polymetallic project ("Dante Project") in Western Australia.

In line with relevant accounting standards, the Company has treated the acquisition of HRM Exploration Pty Ltd as an asset acquisition and a share-based payment transaction under *AASB 2 Share Based Payments*.

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value at the acquisition date.

The total cost of the asset acquisition was $620,637 and comprised an issue of equity instruments and costs directly attributable to the acquisition, as set out below.

	$
Consideration	
15,833,333 fully paid ordinary shares	**477,500**
3,750,000 Class A deferred fully paid ordinary shares (1)	**67,500**
3,750,000 Class B deferred fully paid ordinary shares (2)	**60,000**
3,750,000 Class C deferred fully paid ordinary shares (3)	**-**
Direct costs related to the acquisition	**15,637**
Total consideration	**620,637**
Identifiable net assets	
Exploration and evaluation assets	**620,637**
Total identifiable net assets	**620,637**
Net cash outflow	
Direct costs related to the acquisition	**(15,637)**
Total net consolidated cash outflow	**(15,637)**

Notes:

(1) The Class A deferred fully paid ordinary shares vest after the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling to be completed by the Company post settlement (i.e. not from historical drilling results) on the HRM Tenements totalling not less than 10 grade-metres of Cu equivalent (including any combination of Ni, Cu, Co, Au, Pt, Pd, Rh) at a cut-off grade of not less than 0.5% of Cu equivalent (non-market vesting condition); and (B) the Company achieving a VWAP of the Company's shares trading on the ASX in the ordinary course of trade of at least $0.10 over 20 consecutive trading days (market vesting condition). The fair value of the Class A deferred fully paid ordinary shares has been estimated using a trinomial valuation model taking into account the market vesting condition, and assuming a valuation date of 8 May 2025, expiry date of 28 August 2027, underlying share price of $0.027, volatility of 120%, risk-free interest rate of 3.315%, and expected dividend yield of nil. Management has determined, based on currently available information, that it is probable that the non-market vesting condition will be met.

(2) The Class B deferred fully paid ordinary shares vest after the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling to be completed by the Company post settlement (i.e. not from historical drilling results) on the HRM Tenements totalling not less than 20 grade-metres of Cu equivalent (including any combination of Ni, Cu, Co, Au, Pt, Pd, Rh) at a cut-off grade of not less than 0.5% of Cu equivalent (non-market vesting condition); and (B) the Company achieving a VWAP of the Company's shares trading on the ASX in the ordinary course of trade of at least $0.15 over 20 consecutive trading days (market vesting condition). The fair value of the Class B deferred fully paid ordinary shares has been estimated using a trinomial valuation model taking into account the market vesting condition, and assuming a valuation date of 8 May 2025, expiry date of 28 August 2027, underlying share price of $0.027, volatility of 120%, risk-free interest rate of 3.315%, and expected dividend yield of nil. Management has determined, based on currently available information, that it is probable that the non-market vesting condition will be met.

(3) The Class C deferred fully paid ordinary shares vest upon the announcement by the Company to ASX of an independently assessed JORC Code Mineral Resource from the HRM Tenements of not less than 150,000 tonnes of Cu equivalent (including any combination of Ni, Cu, Co, Au, Pt, Pd, Rh) and a cut-off grade of not less than 0.5% Cu equivalent (non-market vesting condition). The Group has allocated a value of nil to the Class C deferred fully paid ordinary shares as management is unable, based on currently available information, to determine that it is probable that the non-market vesting condition will be met.

For personal use only

9. CONTRIBUTED EQUITY

	2025 $	2024 $
Issued capital		
477,896,966 fully paid ordinary shares (30 June 2024: 295,778,694)	**157,416,511**	149,202,336
20,000,000 Class A performance shares (30 June 2024: 20,000,000)	**760,000**	760,000
20,000,000 Class B performance shares (30 June 2024: 20,000,000)	**680,000**	680,000
20,000,000 Class C performance shares (30 June 2024: 20,000,000)	**-**	-
	158,856,511	150,642,336

(a) Movements in issued capital

Details	No. of Ordinary Shares	No. of Performance Shares	$
2025			
Opening balance at 1 July	**295,778,694**	**60,000,000**	**150,642,336**
Acquisition of new tenements	**15,833,333**	**-**	**477,500**
Issue of placement shares	**162,761,904**	**-**	**8,196,667**
Issue of shares to consultants	**3,523,035**	**-**	**174,440**
Share issue costs	**-**	**-**	**(634,432)**
Closing balance at 30 June	**477,896,966**	**60,000,000**	**158,856,511**
2024			
Opening balance at 1 July	185,778,694	-	145,085,639
Acquisition of Dante Project	50,000,000	60,000,000	3,640,000
Issue of placement shares	60,000,000	-	2,100,000
Share issue costs	-	-	(183,303)
Closing balance at 30 June	295,778,694	60,000,000	150,642,336

(b) Rights Attaching to Ordinary Shares

The rights attaching to fully paid ordinary shares ("Shares") arise from a combination of the Company's Constitution, statute and general law.

(i) *Shares* – The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the Directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.

(ii) *Meetings of Members* – Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is two shareholders. The Company holds annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.

(iii) *Voting* – Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll,

For personal use only

9. CONTRIBUTED EQUITY (continued)

(b) Rights Attaching to Ordinary Shares (continued)

each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

(iv) *Changes to the Constitution* – The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(v) *Listing Rules* – Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

(c) Rights Attaching to Performance Shares

20,000,000 Class A, 20,000,000 Class B and 20,000,000 Class C Performance Shares were issued in relation to the acquisition of Dante Resources Pty Ltd in the 2024 financial year on the following terms and conditions:

- The Performance Shareholders are not entitled to a dividend;
- The Performance Shares are not transferable;
- The Performance Shareholders shall have no right to vote, subject to the Corporations Act;
- The Performance Shares will convert into Ordinary Shares as follows:
  - 20,000,000 Class A Performance Shares will vest and convert into one (1) Ordinary Share after the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling completed by the Company on the Dante Tenements totalling not less than 10-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t; and (B) the Company achieving a VWAP of at least $0.10 over 20 consecutive trading days ("Class A Milestone"), expiring on 28 August 2027;
  - 20,000,000 Class B Performance Shares will vest and convert into one (1) Ordinary Share after the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling completed by the Company on the Dante Tenements totalling not less than 20-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t; and (B) the Company achieving a VWAP of at least $0.15 over 20 consecutive trading days ("Class B Milestone"), expiring on 28 August 2027; and
  - 20,000,000 Class C Performance Shares will vest and convert into one (1) Ordinary Share upon the announcement by the Company to ASX of an independently assessed JORC Code Mineral Resource from the Dante Tenements of not less than 100,000 tonnes of Ni equivalent at a minimum resource grade of 0.5% Ni equivalent and a cut-off grade of not less than 0.1% Ni equivalent ("Class C Milestone"), expiring on 28 August 2028.
- The Ordinary Shares issued on conversion of any Performance Share will rank equally with and confer rights identical with all other Ordinary Shares then on issue and application will be made by the Company to ASX for official quotation of the Ordinary Shares upon the date of conversion.
- The Company shall allot and issue Ordinary Shares immediately upon conversion of the Performance Shares for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.
- The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by the Company.

(d) Terms and Conditions of Listed Options

Listed share options ("Listed Options") are granted based upon the following terms and conditions:

- Each Listed Option entitles the holder to the right to subscribe for one Share upon the exercise of each Listed Option;
- The Listed Options are exercisable at $0.07 each on or before 16 June 2027;
- The Listed Options are exercisable at any time prior to the expiry date;
- Shares issued on exercise of the Listed Options rank equally with the then Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Listed Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Listed Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- The Listed Options are quoted on ASX (ASX:TM1O).

For personal use only

10. RESERVES

	2025 $	2024 $
Share-based payments reserve	**1,386,244**	987,964
	1,386,244	987,964

(a) Nature and Purpose of Reserves

Share-based payments reserve – The share-based payments reserve is used to record the fair value of options and rights issued by the Group to officers, employees, consultants, lenders and advisors.

(b) Movements in share-based payments reserve

Details	No. of Unlisted Options	No. of Performance Rights	No. of Unissued Deferred Shares	$
2025				
Opening balance	**34,250,000**	**7,000,000**	**-**	**987,964**
Acquisition of new tenements	**-**	**-**	**11,250,000**	**127,500**
Share-based payments expense	**-**	**-**	**-**	**270,780**
Closing balance	**34,250,000**	**7,000,000**	**11,250,000**	**1,386,244**
2024				
Opening balance	23,500,000	-	-	3,044,994
Issue of employee incentive securities	11,250,000	7,000,000	-	-
Issue of lead manager options	1,000,000	-	-	34,800
Expiry of options	(1,500,000)	-	-	(2,308,000)
Share-based payments expense	-	-	-	216,170
Closing balance	34,250,000	7,000,000	-	987,964

(c) Terms and Conditions of Unlisted Options

Unlisted share options ("Unlisted Options") are granted based upon the following terms and conditions:

- Each Unlisted Option entitles the holder to the right to subscribe for one Share upon the exercise of each Unlisted Option;
- The Unlisted Options have the following exercise prices and expiry dates:
  - 10,000,000 Unlisted Options exercisable at $0.07 each on or before 27 May 2027;
  - 10,000,000 Unlisted Options exercisable at $0.09 each on or before 27 May 2027;
  - 5,000,000 Unlisted Options exercisable at $0.09 each on or before 16 June 2027;
  - 5,500,000 Unlisted Options exercisable at $0.07 each on or before 16 June 2027; and
  - 3,750,000 Unlisted Options exercisable at $0.14 each on or before 30 June 2028.
- The Unlisted Options are exercisable at any time prior to the expiry date, subject to vesting conditions being satisfied (if applicable);
- Shares issued on exercise of the Unlisted Options rank equally with the then Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Unlisted Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Unlisted Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- No application for quotation of the Unlisted Options will be made by the Company.

For personal use only

10. RESERVES (continued)

(d) Terms and Conditions of Performance Rights

Performance Rights granted as share-based payments have the following terms and conditions:

- Each Performance Right automatically converts into one Share upon vesting of the Performance Right;
- Each Performance Right is subject to performance conditions (as determined by the Board from time to time) which must be satisfied in order for the Performance Right to vest;
- The Performance Rights outstanding at the end of the financial year have the following performance conditions and expiry dates:
  - 3,500,000 Class A Performance Rights that vest upon satisfaction of Class A Milestone, expiring 28 August 2027; and
  - 3,500,000 Class B Performance Rights that vest upon satisfaction of the Class B Milestone, expiring 28 August 2027.
- Application will be made by the Company to ASX for official quotation of the Shares issued upon conversion of the Performance Rights;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Performance Right holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction;
- No application for quotation of the Performance Rights will be made by the Company; and
- Without approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

(e) Terms and Conditions of Unissued Deferred Shares

In relation to the acquisition of HRM Exploration Pty Ltd during the 2025 financial year, the Company agreed to issue up to 11,250,000 Shares (''Unissued Deferred Shares'') on the following terms and conditions:

- 3,750,000 Shares upon the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling to be completed by the Company post settlement on the HRM Tenements totalling not less than 10 grade-metres of Cu equivalent at a cut-off grade of not less than 0.5% of Cu equivalent; and (B) the Company achieving a VWAP of at least $0.10 over 20 consecutive trading days, on or before on 28 August 2027;
- 3,750,000 Shares upon the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling to be completed by the Company post settlement on the HRM Tenements totalling not less than 20 grade-metres of Cu equivalent at a cut-off grade of not less than 0.5% of Cu equivalent; and (B) the Company achieving a VWAP of at least $0.15 over 20 consecutive trading days, on or before 28 August 2027; and
- 3,750,000 Shares upon the announcement by the Company to ASX of an independently assessed JORC Code Mineral Resource from the HRM Tenements of not less than 150,000 tonnes of Cu equivalent and a cut-off grade of not less than 0.5% Cu equivalent, on or before 28 August 2028.

- Any Shares issued upon vesting of the Unissued Deferred Shares will rank equally with and confer rights identical with all other Ordinary Shares then on issue and application will be made by the Company to ASX for official quotation of the Ordinary Shares upon the date of conversion.

11. ACCUMULATED LOSSES

	2025 $	2024 $
Balance at 1 July	**(146,792,060)**	(144,208,153)
Net loss for the year	**(5,944,351)**	(4,891,907)
Adjustment to accumulated losses for expired options	**-**	2,308,000
Balance at 30 June	**(152,736,411)**	(146,792,060)

For personal use only

12. LOSS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2025 $	2024 $
Basic loss per share ($ per share)	**(0.01)**	(0.02)
Diluted loss per share ($ per share)	**(0.01)**	(0.02)

	2025 $	2024 $
Net loss attributable to members Terra Metals Limited	**(5,944,351)**	(4,891,907)
Net loss attributable to members of the parent used in calculating basic and diluted earnings per share	**(5,944,351)**	(4,891,907)

	2025 No. of Shares	2024 No. of Shares
Weighted average number of Ordinary Shares used in calculating basic and diluted loss per share	**400,493,028**	237,587,024

(a) Non-Dilutive Securities

As at 30 June 2025, 60,000,000 performance shares, 37,713,240 listed options (exercisable at $0.07 each), 34,250,000 unlisted options (15,500,000 exercisable at $0.07 each, 15,000,000 exercisable at $0.09 each and 3,750,000 exercisable at $0.14 each), and 7,000,000 performance rights. which together represent 138,963,240 potential ordinary shares, were considered non-dilutive as they would decrease the loss per share.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2025

Subsequent to 30 June 2025, the Company issued 147,523,811 ordinary fully paid shares and 27,772,000 unlisted options (exercisable at $0.07 each and expiring 16 June 2027) following shareholder approval, including: (i) 10,000,000 unlisted options to the Company's CEO and Managing Director of the Company; (ii) 9,000,000 unlisted options to other key employees and consultants of the Company; and (iii) 8,772,000 unlisted options to Tribeca for advisory services provided (of which 5,858,000 were granted and accounted for before year end).

Other than as set out above, there have been no other conversions to, calls of, subscriptions for, or issues of Shares or potential Shares since the reporting date and before the completion of this financial report.

13. RELATED PARTIES

(a) Subsidiaries

Name	Country of Incorporation	% Equity Interest 2025	% Equity Interest 2024
Dante Resources Pty Ltd	Australia	100	100
97992001 Pty Ltd	Australia	100	100
Onslow Gold Pty Ltd	Australia	100	100
KSZ Metals Pty Ltd	Australia	100	100
HRM Exploration Pty Ltd	Australia	100	-

(b) Ultimate Parent

Terra Metals Limited is the ultimate parent of the Group.

13. RELATED PARTIES (continued)

(c) Key Management Personnel

The aggregate compensation made to Key Management Personnel of the Group is set out below:

	2025 $	2024 $
Short-term employee benefits	**(449,929)**	(292,667)
Share-based payments	**(160,869)**	(143,491)
Post-employment benefits	**(32,077)**	(23,321)
Total compensation	**(642,875)**	(459,479)

(d) Transactions with Related Parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a director and beneficial shareholder, was paid or is payable $312,000 for the provision of a fully serviced office and administrative, accounting and company secretarial services during the year ended 30 June 2025 (2024: $234,000). The agreement has no fixed term and is able to be terminated by either party by providing one (1) months' notice. The Company considers that the services provided by Apollo Group Pty Ltd were provided on an arm's length or better terms.

Further details relating to Key Management Personnel, including remuneration details and equity holdings, are included in the Remuneration Report.

14. PARENT ENTITY NOTE DISCLOSURE

	2025 $	2024 $
(a) Financial Position		
Assets		
Current assets	**3,340,208**	927,127
Non-current assets	**5,550,259**	4,512,017
Total assets	**8,890,467**	5,439,144
Liabilities		
Current liabilities	**1,384,125**	600,904
Total liabilities	**1,384,125**	600,904
Equity		
Contributed equity	**158,856,511**	150,642,336
Reserves	**1,386,244**	987,964
Accumulated losses	**(152,736,412)**	(146,792,060)
Total equity	**7,506,343**	4,838,240
(b) Financial Performance		
Loss for the year	**(5,944,352)**	(2,583,906)
Total comprehensive loss	**(5,944,352)**	(2,583,906)

For personal use only

14. PARENT ENTITY NOTE DISCLOSURE (continued)

As at 30 June 2025, the parent entity did not have any commitments, contingent assets or liabilities or guarantees with subsidiaries (2024: nil). The accounting policies of the parent entity are consistent with those of the consolidated entity.

15. SHARE-BASED PAYMENTS

(a) Recognised Share-based Payments

From time to time, the Group grants options and rights to officers, employees, consultants, and advisors as part of remuneration and incentive arrangements, and may also issue shares as consideration for services received. The number of shares, options or rights granted, and the terms of the options or rights granted are determined by the Board. Shareholder approval is sought where required.

During the past two years, the following expenses arising from share-based payments have been recognised:

	2025 $	2024 $
Expense recognised through profit or loss from grant of options and rights to employees, consultants and advisors	**170,780**	216,170
Expense recognised through profit or loss from issue of shares to contractors	**174,440**	-
Total equity-settled share-based payments expense	**345,220**	216,170

In addition to share-based payment expenses recognised as an expense through profit or loss:

- a share-based payment of $100,000 was recognised in equity (share issue costs) during the 2025 financial year, relating to the issue of 5,848,000 unlisted options (exercisable at $0.07 each, expiring 16 June 2027) to Tribeca (or their nominees) for assistance with the Company's recent share placement, subject to shareholder approval; and
- a share-based payment of $127,500 was recognised as an asset (exploration and evaluation assets) during the 2025 financial year, relating to the issue of 11,250,000 unissued deferred shares to the vendors of HRM Exploration Pty Ltd for the asset acquisition. Refer to Note 8 for further details.

(b) Summary of Options and Rights Granted as Share-based Payments

The following table illustrates the number and weighted average exercise prices ("WAEP") of options and rights granted as share-based payments at the beginning and end of the financial year:

	2025 No. of Options and Rights	2025 WAEP $	2024 No. of Options and Rights	2024 WAEP $
Outstanding at beginning of year	**41,250,000**	**$0.08**	23,500,000	$0.15
Options granted during the year	**5,848,000**	**$0.07**	12,250,000	$0.03
Rights granted during the year	**-**	**-**	7,000,000	-
Options expired during the year	**-**	**-**	(1,500,000)	($1.20)
Outstanding at end of year	**47,098,000**[1]	**$0.08**	41,250,000	$0.08

Notes:

(1) At 30 June 2025, there were 27,500,000 vested and exercisable options (2024: 25,000,000) and no vested and convertible rights (2024: nil).

For personal use only

15. SHARE-BASED PAYMENTS (continued)

The following options and rights were granted as share-based payments during the past two years:

Series	Security Type	Number	Grant Date	Expiry Date	Exercise Price $	Vesting Hurdle (20-day VWAP) $	Grant Date Fair Value $
2025							
Series 1	Options	5,848,000	19-Jun-25	16-Jun-27	$0.07	-	$0.0170
2024							
Series 1	Rights	3,500,000	25-Oct-23	28-Aug-27	-	$0.10	$0.0410
Series 2	Rights	3,500,000	25-Oct-23	28-Aug-27	-	$0.15	$0.0370
Series 3	Options	2,500,000	16-Apr-24	16-Jun-27	$0.07	-	$0.0324
Series 4	Options	1,250,000	29-Feb-24	16-Jun-27	$0.07	-	$0.0185
Series 5	Options	1,000,000	18-April-24	16-Jun-27	$0.07	-	$0.0348
Series 6	Options	2,500,000	16-Apr-24	16-Jun-27	$0.09	-	$0.0298
Series 7	Options	1,250,000	29-Feb-24	16-Jun-27	$0.09	-	$0.0167
Series 8	Options	2,500,000	16-Apr-24	30-Jun-28	$0.14	-	$0.0305
Series 9	Options	1,250,000	29-Feb-24	30-Jun-28	$0.14	-	$0.0175

(c) Weighted Average Remaining Contractual Life

At 30 June 2025, the weighted average remaining contractual life of options and rights on issue that had been granted as share-based payments was 2.06 years (2024: 3.1 years).

(d) Range of Exercise Prices

At 30 June 2025, the range of exercise prices of options on issue that had been granted as share-based payments was $0.07 to $0.14 (2024: $0.07 to $0.14).

(e) Weighted Average Fair Value

The weighted average fair value of options and rights granted as share-based payments by the Group during the year ended 30 June 2025 was $0.017 (2024: $0.029).

(f) Option Pricing Model

For Options granted to employees and contractors, or any other Option where the fair value of the goods or services received cannot be reliably estimated, the fair value of granted Options is estimated as at the date of grant using the Black Scholes option valuation model taking into account the terms and conditions upon which the Unlisted Options were granted.

For Rights granted to employees and contractors, the fair value of granted Rights that have market-based vesting conditions is estimated as at the date of grant using a trinomial valuation model taking into account the market-based vesting criteria upon which the Rights were granted.

The fair value of granted Rights that do not have market-based vesting conditions are estimated as at the date of grant based on the underlying share price.

For personal use only

15. SHARE-BASED PAYMENTS (continued)

The tables below list the inputs to the valuation models used for Options and Rights issued by the Group during fiscal 2025 and fiscal 2024:

	2024				
Inputs	**Series 1**	**Series 2**	**Series 3**	**Series 4**	**Series 5**
Exercise price	-	-	$0.07	$0.07	$0.07
Vesting hurdle (20-day VWAP)	$0.10	$0.15	-	-	-
Grant date share price	$0.047	$0.047	$0.054	$0.035	$0.057
Volatility[(1)]	100%	100%	100%	100%	100%
Risk-free interest rate	4.246%	4.246%	3.888%	3.702%	3.864%
Grant date	25-Oct-23	25-Oct-23	16-Apr-24	29-Feb-24	18-Apr-24
Expiry date	28-Aug-27	28-Aug-27	16-Jun-27	16-Jun-27	16-Jun-27
Expected life (years)[(2)]	3.84	3.84	3.17	3.30	3.16
Expected dividend yield[(3)]	-	-	-	-	-
Fair value at grant date	$0.0410	$0.0370	$0.0324	$0.0185	$0.0348

	2024			
Inputs	**Series 6**	**Series 7**	**Series 8**	**Series 9**
Exercise price	$0.09	$0.09	$0.14	$0.14
Vesting hurdle (20-day VWAP)	-	-	-	-
Grant date share price	$0.054	$0.035	$0.054	$0.035
Volatility[(1)]	100%	100%	100%	100%
Risk-free interest rate	3.888%	3.702%	3.894%	3.894%
Grant date	16-Apr-24	29-Feb-24	16-Apr-24	29-Feb-24
Expiry date	16-Jun-27	16-Jun-27	30-Jun-28	30-Jun-28
Expected life (years)[(2)]	3.17	3.30	4.21	4.34
Expected dividend yield[(3)]	-	-	-	-
Fair value at grant date	$0.0298	$0.0167	$0.0305	$0.0175

Notes:
(1) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.
(2) The expected life of the options is based on the expiry date of the options.
(3) The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

16. AUDITORS' REMUNERATION

The auditor of Terra Metals Limited is William Buck Audit (WA) Pty Ltd.

	2025 $	2024 $
Amounts received or due and receivable by the auditor, William Buck, for:		
Australian audit or review of the financial report of the entity and any other entity in the Group	**33,500**	32,000
	33,500	32,000

17. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

During the reporting period, the Consolidated Entity operated in one segment, being mineral exploration and development of mineral resource projects. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

For personal use only

For personal use only

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Overview

The Group's principal financial instruments comprise receivables, payables, and cash and cash equivalents. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, commodity price risk and foreign currency risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents, security deposits and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2025 $	2024 $
Cash and cash equivalents	**3,271,260**	648,420
Trade and other receivables	**107,065**	308,662
	3,378,325	957,082

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Where possible, the Group invests its cash and cash equivalents with banks that are rated the equivalent of investment grade and above. The Group's exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due.

For personal use only

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables, payables, and fixed interest borrowings are either non-interest bearing or have a fixed interest rate.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments with variable rates was:

	2025 $	2024 $
Financial assets		
Cash and cash equivalents	**3,271,260**	648,420
Total	**3,271,260**	648,420

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

A sensitivity of 1% (100 basis points) has been selected as this is considered reasonable given the current level of both short term and long-term interest rates. A 1% (100 basis points) movement in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

	Profit or loss	
	+ 100 basis points $	- 100 basis points $
2025		
Financial assets		
Cash and cash equivalents	**32,713**	**(32,713)**
	32,713	**(32,713)**
2024		
Financial assets		
Cash and cash equivalents	6,484	(6,484)
	6,484	(6,484)

(e) Fair Value

At 30 June 2025 and 2024 the Group has no material financial assets and liabilities that are measured at fair value on a recurring basis.

All financial assets and financial liabilities of the Group at the reporting date are recorded at amounts approximating their carrying amount. No financial instruments are subsequently carried at fair value.

(f) Capital Management

The Group defines its capital as total equity of the Group, being $7,506,344 as at 30 June 2025 (2024: $4,838,240). The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while financing the development of its projects through primarily debt and equity-based funding.

(g) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate because of changes in foreign currency exchange rates. At 30 June 2025, the Group had no exposure to financial instruments denominated in currencies other than the functional currency of the group entity.

For personal use only

19. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2025, the Group did not have any contingent assets or liabilities (2024: nil).

20. COMMITMENTS

As at 30 June 2025, the Group did not have any commitments other than disclosed below (2024: nil).

Exploration Expenditure – Australia

The Group has certain obligations with respect to tenements and minimum expenditure requirements in Australia relating to the Dante Project and Onslow Project.

	2025 $	2024 $
Commitments for exploration expenditure:		
Not longer than 1 year	**696,264**	737,469
Longer than 1 year and shorter than 5 years	**1,099,108**	1,497,139
	1,795,372	2,234,608

21. EVENTS SUBSEQUENT TO BALANCE DATE

(i) On 28 August 2025, the Company announced a placement of 214,285,715 new ordinary shares in the Company to institutional and sophisticated investors at an issue price of $0.07 per share, to raise gross proceeds of $15,000,000. The first tranche of the placement (comprising 96,000,000 new shares) was completed in September 2025 and the second tranche of the Placement (comprising 118,285,715 new shares) is expected to be completed in October 2025 following shareholder approval; and

(ii) On 15 August 2025, the Company issued 27,772,000 unlisted options (exercisable at $0.07 each and expiring 16 June 2027) following shareholder approval, including: (i) 10,000,000 unlisted options to the Company's CEO and Managing Director of the Company; (ii) 9,000,000 unlisted options to other key employees and consultants of the Company; and (iii) 8,772,000 unlisted options to Tribeca for advisory services provided (of which 5,858,000 were granted and accounted for before year end).

Other than the above, at the date of this report, there are no matters or circumstances, which have arisen since 30 June 2025 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2025, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2025, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2025, of the Group.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

For personal use only

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: the consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5; and
- Foreign tax residency: where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Name of Controlled Entity	Entity type	Place of Incorporation	% of share capital held in 2025	Australian or Foreign Resident	Foreign Jurisdiction of Foreign Resident
Terra Metals Limited	Body corporate	Australia	N/A	Australia	N/A
Onslow Gold Pty Ltd	Body corporate	Australia	100	Australia	N/A
KSZ Metals Pty Ltd	Body corporate	Australia	100	Australia	N/A
Dante Resources Pty Ltd	Body corporate	Australia	100	Australia	N/A
97992001 Pty Ltd	Body corporate	Australia	100	Australia	N/A
HRM Exploration Pty Ltd	Body corporate	Australia	100	Australia	N/A

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

For personal use only

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Terra Metals Limited:

1. In the opinion of the Directors:

   (a) the attached financial statements, notes and the additional disclosures included in the Directors' report designated as audited, are in accordance with the Corporations Act 2001, including:

      (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and

      (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the consolidated group); and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

   (c) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001 is true and correct.

2. The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1(a) to the financial statements.

3. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2025.

Signed in accordance with a resolution of the Directors.



THOMAS LINE
CEO & Managing Director

25 September 2025

For personal use only

William Buck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of Terra Metals Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Terra Metals Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2025,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Level 3, 15 Labouchere Road, South Perth WA 6151
PO Box 748, South Perth WA 6951
+61 8 6436 2888
wa.info@williambuck.com
williambuck.com

William Buck is an association of firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide.
Liability limited by a scheme approved under Professional Standards Legislation.

PRAXITY
A member of the Praxity Global Alliance

For personal use only

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

	Area of focus (refer also to note 8)	How our audit addressed this key audit matter
Acquisition of HRM Exploration Pty Ltd	On 8 May 2025, the Group acquired 100% of HRM Exploration Pty Ltd, a private Australian company, which holds four exploration licenses that are contiguous with the Company's flagship Dante polymetallic project in Western Australia. The consideration for the acquisition comprised the issue of 15,833,333 ordinary shares, 3,750,000 Class A performance shares, 3,750,000 Class B performance shares and 3,750,000 Class C performance shares. The performance shares are convertible into ordinary shares subject to the achievement of specific performance milestones. The Directors assessed that the acquisition did not meet the definition of a business combination under AASB 3 *Business Combinations* and accordingly accounted the transaction as an asset acquisition. This is a key audit matter due to the significant judgement and estimation involved in determining the fair value of both the equity consideration issued, assets acquired, and liabilities assumed.	Our procedures included: — Reviewing the signed binding term sheet to understand the nature and terms of the acquisition of HRM Exploration Pty Ltd. — Evaluating management's assessment that the acquisition did not meet the definition of a business combination under AASB 3 *Business Combinations*, including consideration of the relevant recognition criteria. — Assessing the methodology and key assumptions applied by management in determining the fair values of the assets acquired, liabilities assumed, and equity consideration issued. — Reviewing the adequacy of the Group's disclosures regarding the acquisition in the financial report.

For personal use only

	Area of focus (refer also to notes 1(g) & 6)	How our audit addressed this key audit matter
Carrying Value of Exploration and Evaluation Assets	The Group has capitalised the acquisition costs of tenements for which licences have been granted comprising the Onslow Copper Gold Project and the Dante Project. The carrying value of $5,938,358 (2024: $5,269,943) represents a significant asset of the Group. This is a key audit matter because significant judgement is required in determining whether the capitalised exploration costs continue to meet the recognition criteria under AASB 6 *Exploration for and Evaluation of Mineral Resources*.	Our procedures focused on evaluating management's assessment of whether the exploration and evaluation asset meet the recognition criteria of AASB 6 *Exploration for and Evaluation of Mineral Resources*, including: — Obtaining evidence that the Group holds valid rights to explore the areas represented by the capitalised exploration costs. — Enquiring of management and reviewing the cashflow forecast to verify whether substantive expenditure on further exploration and evaluation in the Group's areas of interest is planned and comparing these to the minimum license expenditure requirements. — Enquiring of management, reviewing ASX announcements and minutes of director meetings, to determine whether the Group had not decided to discontinue activities in any areas of interest. — Reviewing management's impairment assessment on the carrying value of exploration assets as at 30 June 2025. — Assessing the adequacy of the related disclosures in the financial report.

Other Information

The directors are responsible for the other information. The Other Information comprises the information contained in Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the Other Information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

For personal use only

For personal use only

Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Terra Metals Limited (the Company) and its subsidiaries (the Group), for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included on pages 14 to 17 of the directors' report for the year ended 30 June 2025.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Deborah Chin

Deborah Chin
Director
Dated this 25th day of September 2025

For personal use only

CORPORATE GOVERNANCE

Terra Metals Limited ("**Company**" or "**Terra**") and the entities it controls believe corporate governance is important for the Company in conducting its business activities.

The Board of Terra has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company. These documents are available in the Corporate Governance section of the Company's website, www.terrametals.com.au. These documents are reviewed at least annually to address any changes in governance practices and the law.

The Company's Corporate Governance Statement 2025, which explains how Terra complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition' in relation to the period ended 30 June 2025, is available in the Corporate Governance section of the Company's website, www.terrametals.com.au, and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

In addition to the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition' the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which currently only undertakes exploration and development activities;
- cost verses benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board's experience in the relevant sector;
- organisational reporting structure and limited number of reporting functions, divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively small market capitalisation and economic value of the entity; and
- direct shareholder feedback.

For personal use only

ASX ADDITIONAL INFORMATION

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of listed securities as at 31 August 2025 are listed below:

Ordinary Shares

Name	Number of Ordinary Shares	Percentage of Ordinary Shares
UBS NOMINEES PTY LTD	54,973,070	10.38
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	44,978,751	8.50
CITICORP NOMINEES PTY LIMITED	35,452,534	6.70
HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED	34,830,162	6.58
BNP PARIBAS NOMINEES PTY LTD <UOBKH R'MIERS>	32,693,241	6.18
LATIMORE FAMILY PTY LTD <LATIMORE FAMILY A/C>	22,857,143	4.32
MIMO STRATEGIES PTY LTD <MIMO A/C>	13,981,697	2.64
ARREDO PTY LTD	11,500,000	2.17
BILPIN NOMINEES PTY LTD	11,216,441	2.12
6466 INVESTMENTS PTY LTD	10,000,000	1.89
HARDROCK MINERALS LTD	7,500,000	1.42
SENESCHAL (WA) PTY LTD <WINSTON SCOTNEY FAMILY S A/C>	7,500,000	1.42
ONSLOW METALS GROUP PTY LTD	7,000,000	1.32
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	6,322,000	1.19
RANDOLPH DUKE INVESTMENTS PTY LTD <RANDOLPH DUKE INVESTMENT A/C>	6,272,380	1.18
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	5,673,724	1.07
BNP PARIBAS NOMS PTY LTD	5,336,400	1.01
GOLD QUAY CAPITAL PTE LTD	5,142,857	0.97
MR GERHARDUS CORNELIS REDELINGHUYS + MRS TANIA PAULINE RED <REDELINGHUYS S/F A/C>	4,890,822	0.92
BOUCHI PTY LTD	4,440,893	0.84
Total Top 20	**332,562,115**	**62.82**
Others	196,858,662	37.18
Total Ordinary Shares on Issue	**529,420,777**	**100.00**

For personal use only

ASX ADDITIONAL INFORMATION (Continued)

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES (Continued)

Listed Options

Name	Number of Listed Options	Percentage of Listed Options
FLUE HOLDINGS PTY LTD	3,500,000	9.28
MR JOHN PAUL WELBORN	2,500,000	6.63
BOUCHI PTY LTD	2,252,424	5.97
RANDOLPH DUKE INVESTMENTS PTY LTD <RANDOLPH DUKE INVESTMENT A/C>	1,666,668	4.42
MS RUTH PANETH	1,646,000	4.36
RIVECK NOMINEES PTY LTD <RUTH PANETH SF A/C>	1,594,000	4.23
ARGONAUT PARTNERS PTY LIMITED	1,200,001	3.18
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,183,977	3.14
6466 INVESTMENTS PTY LTD	1,000,000	2.65
RIVECK NOMINEES PROPRIETARY LIMITED	850,000	2.25
MR PETER WOODMAN + MS DENISE ELIZABETH PRINGLE	837,334	2.22
CEDAR RIDGE PTY LTD <GRAHAM ROBINSON FAMILY A/C>	799,670	2.12
VERVE INVESTMENTS PTY LTD	702,668	1.86
AMMA SUPER PTY LTD <AMMA SUPER FUND A/C>	698,404	1.85
MR NICO OLIVER CIVELLI	666,667	1.77
AWJ FAMILY PTY LTD <A W JOHNSON FAMILY A/C>	654,399	1.74
MR DARYL CHRISTIAN BRYON + MRS ELIZABETH SUE BRYON	654,351	1.74
INNOVATION MARKETING AND FINANCE PTY LTD <INNOV MKT & FIN SUPER A/C>	510,001	1.35
M & K KORKIDAS PTY LTD <M & K KORKIDAS PTY LTD A/C>	505,915	1.34
6466 INVESTMENTS PTY LTD	500,000	1.33
MR RICHARD ALEXANDER ANDREW DE FRANCK <LUDBROOK SUPER FUND A/C>	500,000	1.33
MR SIMON F FROEHLICH + MRS ELMA DE MESA FROEHLICH	500,000	1.33
MR ROSS DIX HARVEY	500,000	1.33
JJNA NO 2 PTY LTD	500,000	1.33
MR CHRISTOPHER DONALD SUTHERLAND <CD SUTHERLAND SUPER A/C>	500,000	1.33
Total Top 20	**26,422,479**	**70.08**
Others	11,290,761	29.92
Total Ordinary Shares on Issue	**37,713,240**	**100.00**

2. DISTRIBUTION OF EQUITY SECURITIES

An analysis of numbers of holders of listed securities by size of holding as at 31 August 2025 is listed below:

	Ordinary Shares			Listed Options		
Distribution	Number of holders	Number of Ordinary Shares	% Units	Number of holders	Number of Listed Options	% Units
1 - 1,000	323	135,789	0.03	78	25,385	0.07
1,001 - 5,000	175	428,104	0.08	30	76,614	0.20
5,001 - 10,000	128	991,450	0.19	9	64,590	0.17
10,001 - 100,000	502	20,427,872	3.86	52	2,310,135	6.13
100,001 Over	324	507,437,562	95.84	62	35,236,516	93.43
Totals	**1,452**	**529,420,777**	**100**	**231**	**37,713,240**	**100**

There were 528 holders of less than a marketable parcel of Ordinary Shares.

For personal use only

ASX ADDITIONAL INFORMATION (Continued)

3. VOTING RIGHTS

See Note 9(b) of the Notes to the Financial Statements.

4. SUBSTANTIAL SHAREHOLDERS

Substantial shareholder notices have been received from the following at 31 August 2025:

Substantial Holder	Number of Ordinary Shares
Tribeca Investment Partners Pty Ltd and associates	78,596,446
Golden Energy and Resources Pte. Ltd.	28,571,429
Mr. Goh Kian Tat	28,571,429

5. UNQUOTED SECURITIES

The names of the security holders holding 20% or more of an unlisted class of security at 31 August 2025 are listed below:

Holder	$0.07 Unlisted Options expiring 27-May-27	$0.09 Unlisted Options expiring 27-May-27	$0.09 Unlisted Options expiring 16-Jun-27	$0.07 Unlisted Options expiring 16-Jun-27	$0.14 Unlisted Options expiring 30-Jun-28
J P Morgan Nominees Australia Pty Limited	7,400,000	7,400,000	-	-	-
UBS Nominees Pty Ltd	2,600,000	2,600,000	-	-	-
Mr Thomas Line <Thomas Line Family A/C>	-	-	2,500,000	2,500,000	2,500,000
Verve Investments Pty Ltd	-	-	1,250,000	1,250,000	1,250,000
Others (less than 20%)	-	-	1,250,000	1,750,000	-
Total	**10,000,000**	**10,000,000**	**5,000,000**	**5,500,000**	**3,750,000**
Total holders	*2*	*2*	*4*	*5*	*2*

Holder	Performance Rights Class A	Performance Rights Class B	Performance Shares Class A	Performance Shares Class B	Performance Shares Class C
Mr Thomas Line	3,500,000	3,500,000	-	-	-
Mimo Strategies Pty Ltd <Mimo A/C>	-	-	4,964,106	4,964,106	4,964,106
Others (less than 20%)	-	-	15,035,894	15,035,894	15,035,894
Total	**3,500,000**	**3,500,000**	**20,000,000**	**20,000,000**	**20,000,000**
Total holders	*1*	*1*	*36*	*36*	*36*

6. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of Terra Metals Limited's listed securities.

7. MINERAL RESOURCES STATEMENT

At 30 June 2025, the Company had no reported Mineral Resources or Ore Reserves for its exploration projects.

Subsequent to 30 June 2025, the Company reported a maiden Mineral Resource estimate for its Dante Project, comprising 148Mt at 14.8% TiO_2, 0.54% V_2O_5, 0.18% Cu, and 0.33g/t 3PGE containing approximately 22Mt TiO_2, 800Kt V_2O_5, 270Kt Cu, and 1.6Moz 3PGE.

For personal use only

ASX ADDITIONAL INFORMATION (Continued)

8. INTERESTS IN MINING PROPERTIES

At 31 August 2025, the Company had an interest in the following exploration mining tenements:

Project Name	Permit Number	Percentage Interest	Status
Dante Cu-PGE-Au (Western Australia)	E69/3401	100%	Granted
	E69/3552	100%	Granted
	E69/3554	100%	Granted
	E69/3555	100%	Granted
	E69/3556	100%	Granted
	E69/3557	100%	Granted
	E69/4193	100%	Application
	E69/4304	100%	Application
	E69/4305	100%	Application
	E69/4306	100%	Application
	E69/4307	100%	Application
Higginsville Au-Ni (Western Australia)	P15/6723	100%	Granted
	P15/6724	100%	Granted
	P15/6725	100%	Granted
	P15/6726	100%	Granted
Onslow Ag-Au-Cu Project (Western Australia)	E08/3311	100%	Granted
	E08/3197	80%	Granted

9. FORWARD LOOKING STATEMENTS

This report may include forward-looking statements. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

10. COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results, Metallurgical Testwork, and Mineral Resources is extracted from the Company's ASX announcements dated 11 August 2025, 2 April 2025, 24 March 2025, 4 March 2025, 19 February 2025, 28 January 2025, 19 December 2024, 12 November 2024, 14 August 2024, 17 July 2024, 3 July 2024, 20 June 2024, 11 June 2024, 13 May 2024, 24 January 2024, 13 December 2023, 22 November 2023, 28 September 2023, and 28 August 2023 and the information in this report that relates to Exploration Results for the Onslow Project is extracted from the Company's ASX announcements dated 22 June 2023, 20 February 2023, and 27 April 2022, and the information in this report that relates to Exploration Results for the Southern Cross Project is extracted from the Company's ASX announcement dated 30 January 2024 ("Original ASX Announcements"). These announcements are available to view at the Company's website at www.terrametals.com.au. The Company confirms that: a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) all material assumptions included in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcements.

terrametals.com.au
ASX: TM1

For personal use only

Advancing a Multi-Discovery,
Multi-Commodity, Resource Project

The first of its kind in Australia



Terra Metals is advancing the district-scale Dante discovery in Western Australia, targeting a unique, multi-commodity system rich in **titanium, vanadium, copper, gold, platinum and palladium** - offering significant discovery potential and a compelling investment opportunity with exposure to critical and precious metals.

Annual Report for the year ended 30 June 2025
Terra Metals Limited

For personal use only

TERRA METALS







Annual Report for the year ended 30 June 2025

Terra Metals Limited

Level 9
28 The Esplanade
Perth WA 6000

terrametals.com.au
ASX: TM1