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Terra Metals Limited
ABN 44 155 933 010

Interim Financial Report for the Half Year Ended 31 December 2025

CORPORATE DIRECTORY

DIRECTORS:

Mr Ian Middlemas – Chairman
Mr Thomas Line – Managing Director and CEO
Mr Ben Cleary – Non-Executive Director
Mr Haydn Smith – Non-Executive 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
Fully paid ordinary shares (**ASX: TM1**)
Listed options (**ASX: TM1O**)

SHARE REGISTRY:

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000
Tel: +61 8 9323 2000

LAWYERS:

Thomson Geer Lawyers

AUDITOR:

William Buck Audit (WA) Pty Ltd

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DIRECTORS' REPORT

The Directors of Terra Metals Limited present their report on Terra Metals Limited ("Company") and the entities it controlled during the six months ended 31 December 2025 ("Consolidated Entity" or "Group").

DIRECTORS

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

Mr Ian Middlemas	Chairman
Mr Thomas Line	CEO and Managing Director
Mr Benjamin Cleary	Non-Executive Director
Mr Haydn Smith	Non-Executive Director
Mr Mark Pearce	Alternate Director for Mr Ian Middlemas *(resigned effective from 16 January 2026)*

Unless otherwise shown, all Directors were in office from the beginning of the interim period until the date of this report.

OPERATING AND FINANCIAL REVIEW

Introduction

The Company is advancing its 100%-owned Dante polymetallic project ("Dante Project" or "Project"), located in Western Australia, targeting a unique, multi-commodity system rich in platinum, paladium, copper, gold, titanium and vanadium.

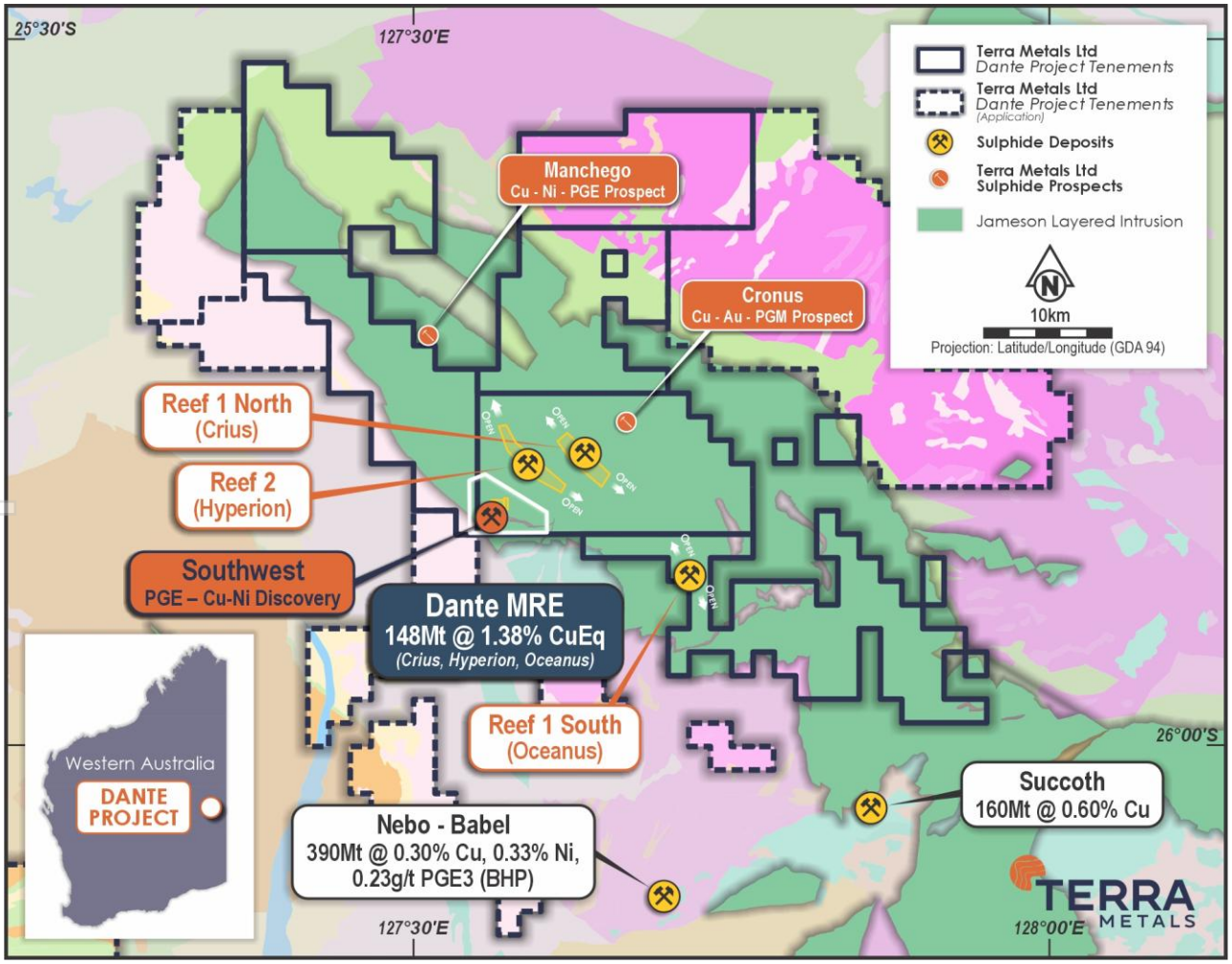


Figure 1. *Dante Project location map displaying surrounding companies' tenure and major deposits.*

DIRECTORS' REPORT
(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dante Project Overview

The Dante Project is located in the West Musgrave region of Western Australia and contains large-scale magmatic copper ("Cu"), gold ("Au"), platinum group metals ("PGMs"), titanium ("Ti") and vanadium ("V") 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.

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.

During the half year, the Company completed its Phase 3 drill program at the Dante Project, which totalled 20,755m of drilling for 182 drillholes (163 reverse circulation ("RC") drillholes and 19 diamond ("DD") drillholes).

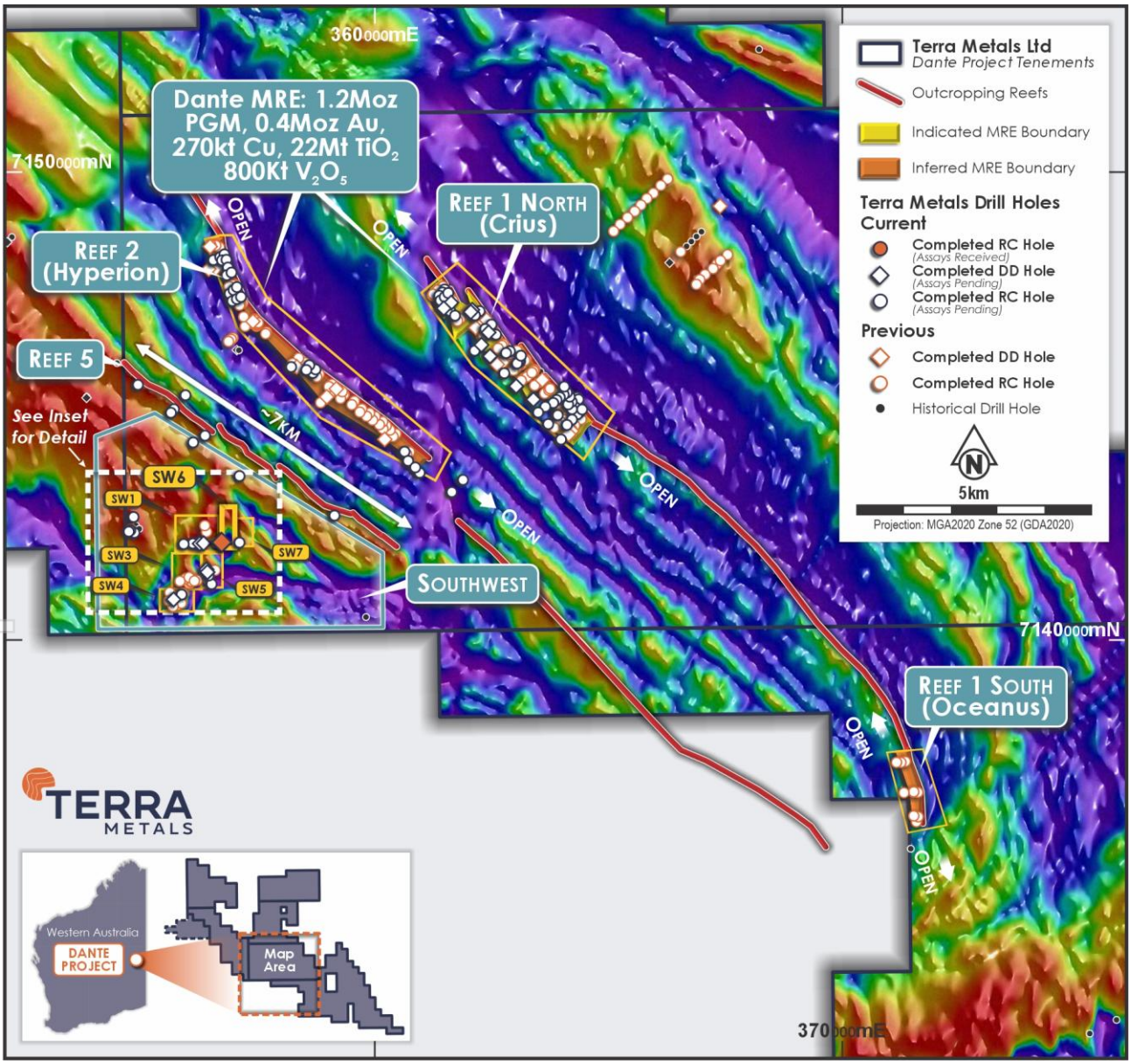


Figure 2. *Location of the outcropping magnetite Dante Reefs relative to the location of the MRE and Southwest Prospect overlaying regional aeromagnetic data (AMAG) displayed using a pseudo-colour spectrum.*

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DIRECTORS' REPORT
(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Southwest Prospect

The Southwest Prospect is a newly defined and highly prospective 12km^2 target area within the Dante Project, representing one of the most compelling growth opportunities across the broader Jameson Layered Intrusion. Although first identified in historical datasets, the area is only now being systematically tested for the first time.

The Southwest Prospect has rapidly emerged as a cornerstone growth opportunity within the Dante Project. By integrating historical datasets with new mapping, sampling, and geophysical interpretation, Terra Metals has built a robust exploration case. The combination of extensive mapping and drilling has confirmed network and massive sulfidic cumulate layers with exceptional PGM content, and multiple electromagnetic ("EM") targets positions Southwest as a prime candidate for significant new discoveries.

Subsequent to the half year, the Company reported assays from SW5 and SW6 including:

- **35m @ 2.90g/t PGE3** from 48m;
- **61m @ 1.41g/t PGE3** from 172m;
- **82.4m @ 1.14g/t PGE3** from 262m;
- **89m @ 0.96g/t PGE3** from 144m**;** and
- **69m @ 0.92g/t PGE3** from 48m.

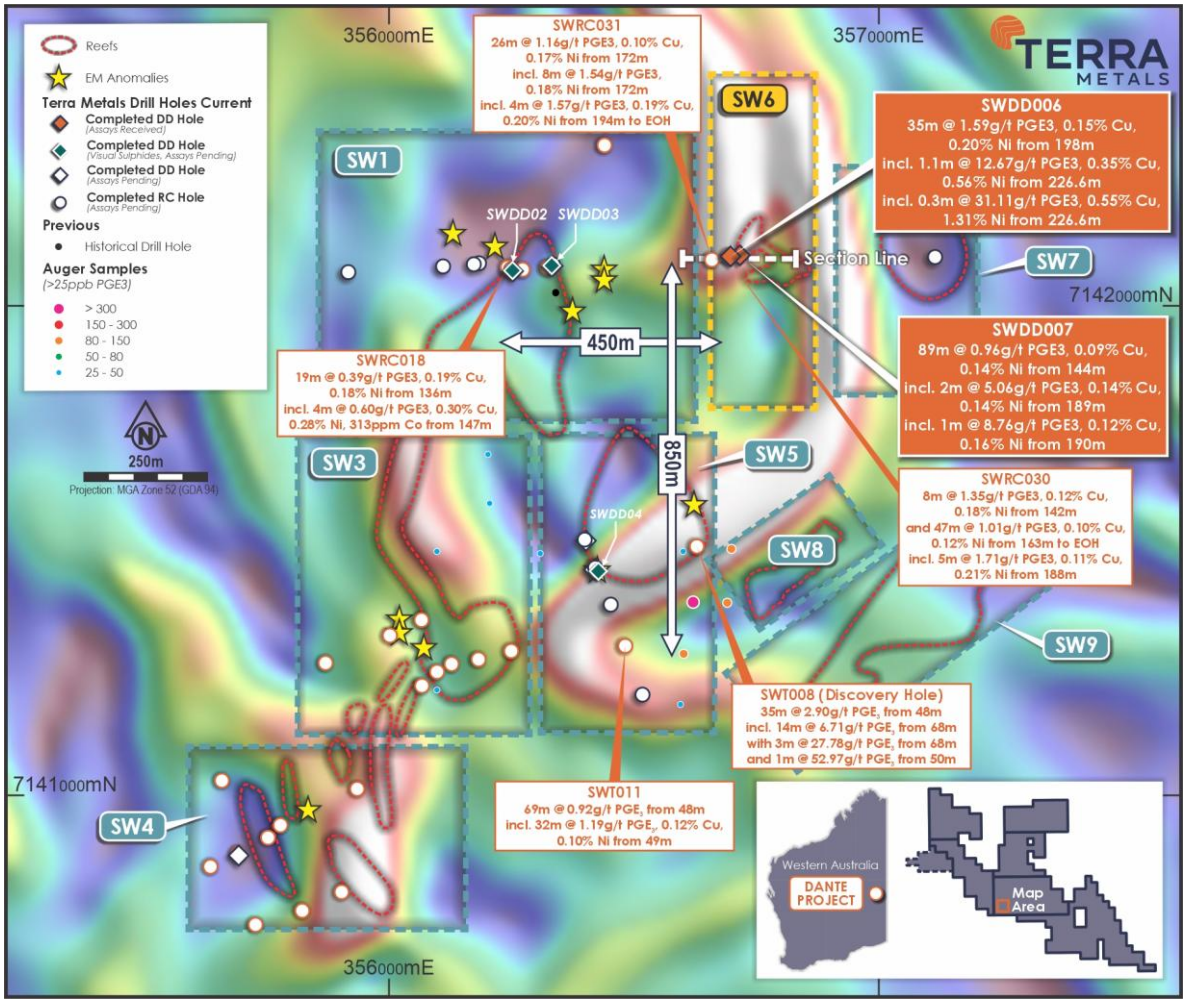


Figure 3. *Plan view of the Southwest Prospect area, showing various target areas.*

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DIRECTORS' REPORT
(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Southwest SW5 Target

Subsequent to the half year, first assays received from the SW5 prospect have confirmed a major PGM sulfide discovery at the Southwest Prospect, returning exceptionally high grade results up to **52.97g/t PGE3** (drillhole SWT008).

Remarkably, the mineralisation in SWT008 starts from near surface, and the hole was terminated at 102m depth, 138m short of its planned target depth, suggesting potential for further mineralised horizons at depth. Drillhole SWT011 also intersected multiple broad zones of high-grade PGM mineralisation, with consistent associated copper and nickel.

PGM-Cu-Ni mineralisation has now been defined over a large area at Southwest, spanning 850m in length, 450m in width, averaging approximately 50m in thickness (excluding visually reported sulfide intersections), and remains open in all directions and downdip; as well as having significant potential for vertically stacked mineralised repetitions throughout the feeder conduit and layered systems.

These results are in addition to previously reported visual sulfide intercepts (refer ASX announcement dated 29 October 2025), and further strengthen the interpretation that Southwest hosts a large, multi-centre PGM sulfide system with significant scale and growth potential.

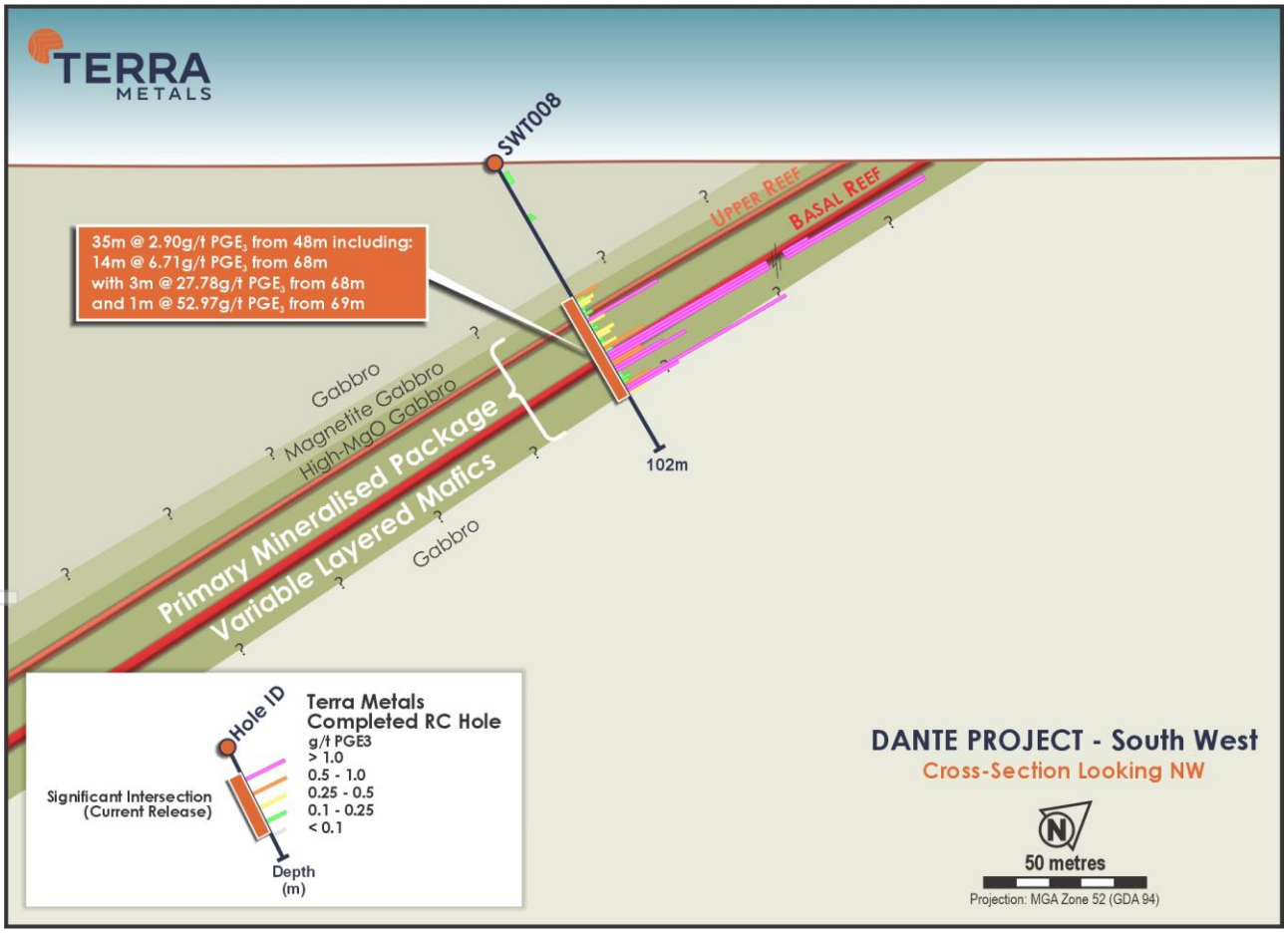


Figure 4. *Cross-section through the Southwest Prospect (SW5) of the Dante Project, showing RC drilling results from drillhole SWT008. Note: True width is not yet known, and dip is interpreted from limited data. Further drilling is required to confirm true widths and dip angle.*

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DIRECTORS' REPORT
(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Southwest SW6 Target

Subsequent to the half year, the Company reported drilling results from the Southwest SW6 Prospect that demonstrate the scale and continuity of the Southwest PGM–Cu–Ni sulfide system, confirming a substantial mineralised intrusive complex extending over at least 850m of strike between SW5 and SW6.

Drilling at SW6 has intersected thick, continuous zones of PGM–Cu–Ni sulfide mineralisation. Mineralisation currently defines an apparent thickness exceeding 200m and remains open at depth.

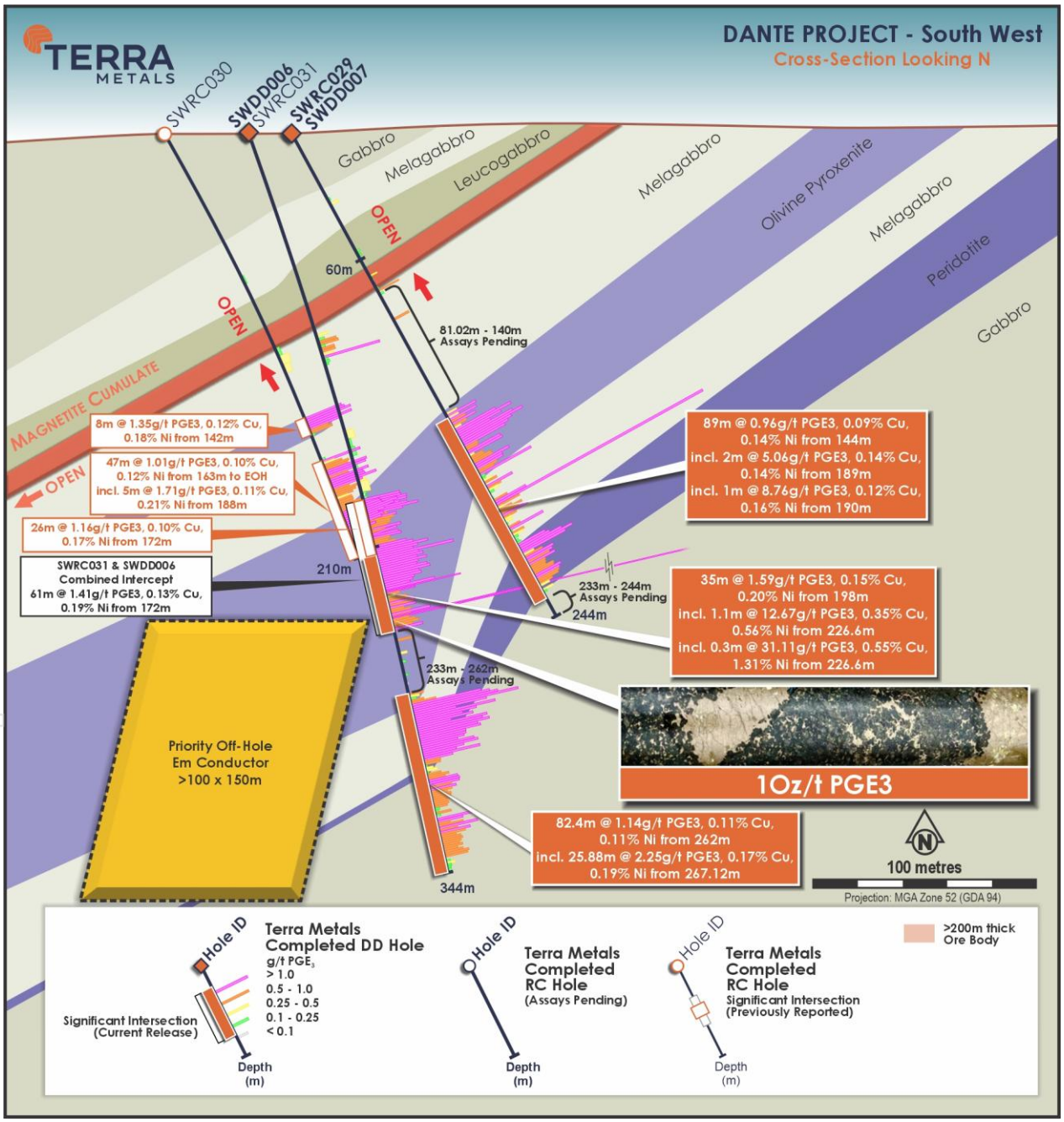


Figure 5. *Cross-section through the Southwest Prospect (SW6) of the Dante Project, showing recent drilling results. Note: True width is not yet known, and dip is interpreted from limited data. Further drilling is required to confirm true widths and dip angle.*

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DIRECTORS' REPORT
(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dante Reefs

During the half year, drilling results from the Company's Phase 3 drill program at the Dante Project continued to deliver multiple thick, continuous Bushveld-style reef intercepts from surface across previously undrilled areas of Reef 2 (Hyperion), confirming strong potential to significantly grow and increase confidence in the existing 148Mt Mineral Resource estimate ("MRE").

The new assays confirm consistent mineralisation within previously unknown large gaps in the drill spacing. Known mineralisation at Reef 2 currently extends for more than 6.2 kilometres of continuous strike and demonstrates consistent TiO_2–V_2O_5–Cu–PGM-Au grades in high-grade Basal Reef layer, and medium grade Upper Reef layer, within broad well-developed thick, and consistently mineralised hanging wall packages from surface.

These results continue to reinforce that the Dante system hosts a large-scale, Bushveld-style sequence of stratiform, mineralised, reef layers with continuity along strike and at depth. Importantly, the intersections reported today form part of a 21,679m drilling program, with assays still pending for approximately 110 drillholes, including additional zones of visually logged sulfides at Southwest, resource upgrade drilling at Reef 1 and Reef 2, and newly mapped reef extensions across the intrusive complex.

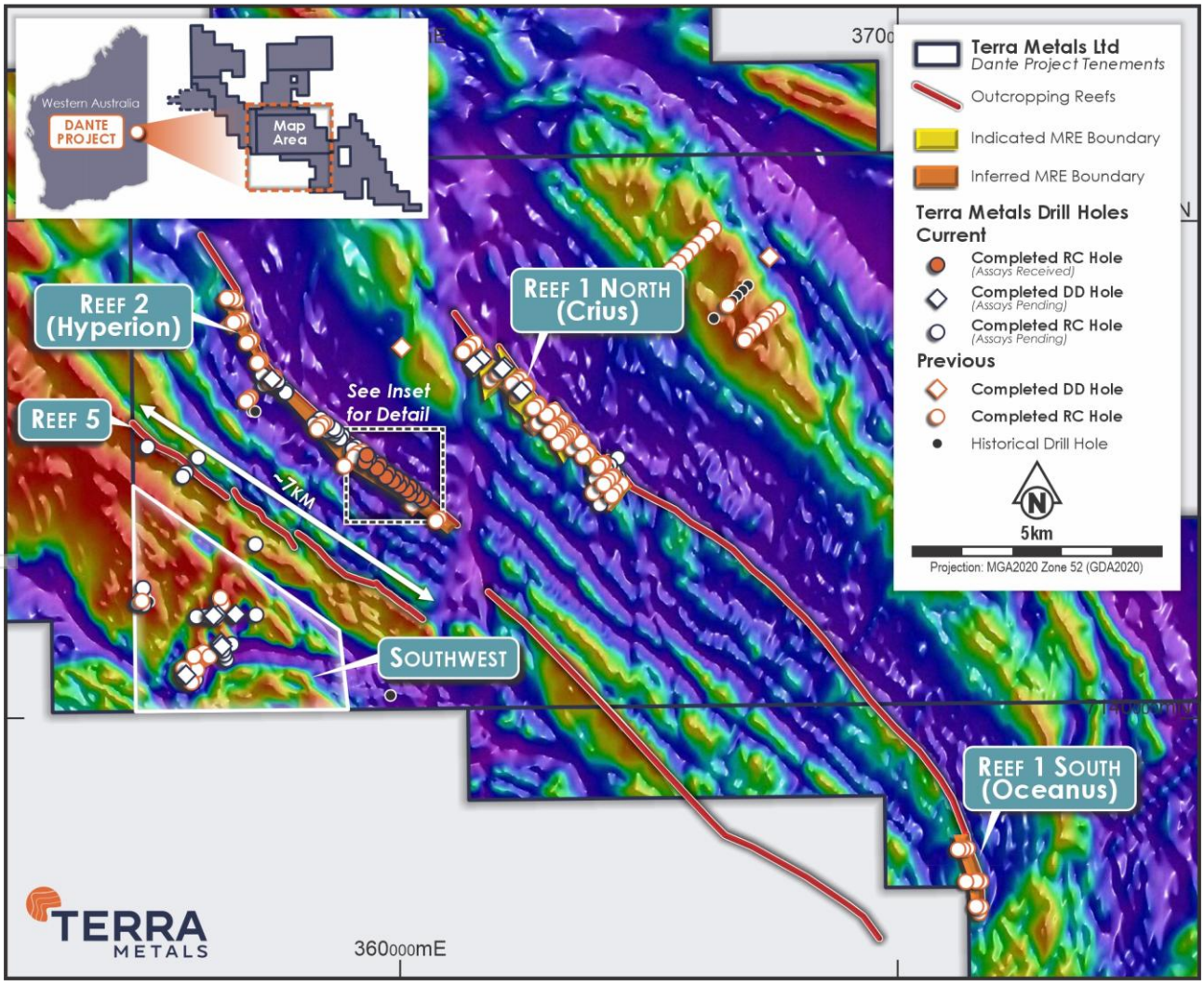


Figure 6. *Location of the outcropping magnetite reefs and drill holes overlaying regional aeromagnetic data (AMAG) displayed using a pseudo-colour spectrum.*

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DIRECTORS' REPORT
(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dante Reefs Mineral Resources

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

Category	Tonnage (Mt)	Grade							
		TiO_2 (%)	V_2O_5 (%)	Cu (%)	PGE3 (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)	PGE3 (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.

Onslow Project

The Onslow silver-copper-gold ("Ag-Cu-Au") project ("Onslow Project") covers approximately 303km^2 and comprises two tenements considered prospective for silver, gold and copper.

During the financial year ended 30 June 2024, the Company completed a 1,300m diamond drilling ("DD") program at the Onslow Project which was co-funded by the WA state government under the Exploration Incentive Scheme ("EIS").

Assay results from partial sampling of the diamond core from the DD program revealed the presence of high-grade silver mineralisation. Hole OND003 intercepted a geological zone which assayed 6m @ 179g/t Ag from 160m, with a high-grade zone of 1m @ 1,060g/t Ag, 0.23% Cu and 0.99% WO_3.

Corporate

During the half-year, the Company completed 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 Placement was led by existing shareholders, GEAR and Tribeca, confirming their support for the Company's 100% owned Dante Project in Western Australia.

Subsequent to the end of the half year, the Company announced a placement of 229,729,730 new ordinary shares in the Company to institutional and sophisticated investors at an issue price of $0.37 per share, to raise gross proceeds of $85,000,000. The first tranche of the placement (comprising 173,409,547 new shares) was completed on 5 March 2026 and the second tranche of the Placement (comprising 56,320,183 new shares) is expected to be completed in April 2026 following shareholder approval.

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DIRECTORS' REPORT
(continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Results of Operations

The net loss of the Group for the half-year ended 31 December 2025 was $9,439,143 (31 December 2024: $3,935,977). The major item contributing to this result in the current period was exploration and evaluation expenses of $7,672,655 (31 December 2024: $3,237,077) associated with the Company's Dante Project.

Financial Position

At 31 December 2025, the Group had cash reserves of $10,864,962 (30 June 2025: $3,271,260) and net assets of $14,625,988 (30 June 2025: $7,506,344).

Subsequent to the end of the half year, the Company announced a placement of 229,729,730 new ordinary shares in the Company to institutional and sophisticated investors at an issue price of $0.37 per share, to raise gross proceeds of $85,000,000. The first tranche of the placement (comprising 173,409,547 new shares) was completed on 5 March 2026 and the second tranche of the Placement (comprising 56,320,183 new shares) is expected to be completed in April 2026 following shareholder approval.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

(a) On 27 February 2026, the Company announced a placement of 229,729,730 new ordinary shares in the Company to institutional and sophisticated investors at an issue price of $0.37 per share, to raise gross proceeds of $85,000,000. The first tranche of the placement (comprising 173,409,547 new shares) was completed on 5 March 2026 and the second tranche of the Placement (comprising 56,320,183 new shares) is expected to be completed in April 2026 following shareholder approval.

Other than the above, at the date of this report, there are no matters or circumstances, which have arisen since 31 December 2025 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2025, of the Group;
- the results of those operations, in financial years subsequent to 31 December 2025, of the Group; or
- the state of affairs, in financial years subsequent to 31 December 2025, of the Group.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, William Buck Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is on page 19 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



THOMAS LINE
CEO and Managing Director

12 March 2026

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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Terra Metals Limited, I state that:

In the opinion of the Directors:

(a) the attached financial statements and notes thereto for the six-month period ended 31 December 2025 are in accordance with the *Corporations Act 2001*, including:

  (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and

  (ii) section 305 (true and fair view); 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.

On behalf of the Board



THOMAS LINE
CEO and Managing Director

12 March 2026

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Note	Six Months Ended 31 December 2025 $	Six Months Ended 31 December 2024 $
Interest income	3	**115,210**	64,334
Other income		**5,000**	-
Exploration and evaluation expenses		**(7,672,655)**	(3,237,077)
Corporate and administration expenses		**(375,357)**	(301,949)
Business development expenses		**(677,996)**	(361,774)
Share-based payment expenses		**(832,579)**	(99,511)
Interest expense	3	**(766)**	-
Loss before tax		**(9,439,143)**	(3,935,977)
Income tax expense		**-**	-
Net loss for the period		**(9,439,143)**	(3,935,977)
Net loss attributable to members of the parent		**(9,439,143)**	(3,935,977)
Other comprehensive income			
Other comprehensive income		**-**	-
Total other comprehensive income for the period, net of tax		**-**	-
Total comprehensive loss for the period, net of tax		**(9,439,143)**	(3,935,977)
Total comprehensive loss attributable to members of the parent		**(9,439,143)**	(3,935,977)
Basic and diluted loss per share from continuing operations (cents per share)		**(1.5)**	(1.1)

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	As at 31 December 2025 $	As at 30 June 2025 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**10,864,962**	3,271,260
Trade and other receivables		**789,037**	107,065
Total Current Assets		**11,653,999**	3,378,325
Non-Current Assets			
Exploration and evaluation assets	6	**5,938,358**	5,938,358
Property, plant and equipment		**122,149**	106,488
Right of use assets		**44,650**	-
Total Non-Current Assets		**6,105,157**	6,044,846
TOTAL ASSETS		**17,759,156**	9,423,171
LIABILITIES			
Current Liabilities			
Trade and other payables		**3,044,283**	1,884,322
Provisions		**44,523**	32,505
Lease liabilities		**24,411**	-
Total Current Liabilities		**3,113,217**	1,916,827
Non-Current Liabilities			
Lease liabilities		**19,951**	-
Total Non-Current Liabilities		**19,951**	-
TOTAL LIABILITIES		**3,133,168**	1,916,827
NET ASSETS		**14,625,988**	7,506,344
EQUITY			
Contributed equity	7	**174,650,174**	158,856,511
Reserves	8	**2,151,368**	1,386,244
Accumulated losses		**(162,175,554)**	(152,736,411)
TOTAL EQUITY		**14,625,988**	7,506,344

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Note	Contributed Equity $	Share-based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2025		**158,856,511**	**1,386,244**	**(152,736,411)**	**7,506,344**
Net loss for the period		**-**	**-**	**(9,439,143)**	**(9,439,143)**
Total comprehensive loss for the period		**-**	**-**	**(9,439,143)**	**(9,439,143)**
Issue of shares – share placement	7(a)	**16,803,333**	**-**	**-**	**16,803,333**
Conversion of performance rights	7(a)	**273,000**	**(273,000)**	**-**	**-**
Share issue costs	7(a)	**(1,319,233)**	**242,108**	**-**	**(1,077,125)**
Share-based payments expense	7(a), 8(a)	**36,563**	**796,016**	**-**	**832,579**
Balance at 31 December 2025		**174,650,174**	**2,151,368**	**(162,175,554)**	**14,625,988**
Balance at 1 July 2024		150,642,336	987,964	(146,792,060)	4,838,240
Net loss for the period		-	-	(3,935,977)	(3,935,977)
Total comprehensive loss for the period		-	-	(3,935,977)	(3,935,977)
Issue of shares – share placement	7(a)	6,000,000	-	-	6,000,000
Issue of shares – consultants	7(a)	77,993	-	-	77,993
Share issue costs	7(a)	(392,705)	-	-	(392,705)
Share-based payments expense	8(a)	-	99,511	-	99,511
Balance at 31 December 2024		156,327,624	1,087,475	(150,728,037)	6,687,062

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

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	Note	Six Months Ended 31 December 2025 $	Six Months Ended 31 December 2024 $
Cash flows from operating activities			
Payments to suppliers and employees – exploration and evaluation		**(5,784,466)**	(2,153,059)
Payments to suppliers and employees – other		**(1,403,013)**	(1,684,369)
Interest received		**114,989**	64,316
Interest paid		**(766)**	
Net cash outflow from operating activities		**(7,073,256)**	(3,773,112)
Cash flows from investing activities			
Payments for property, plant and equipment		**(37,205)**	(6,698)
Proceeds from sale of tenements		**5,000**	-
Payments for security deposits		**(6,563)**	-
Net cash outflow from investing activities		**(38,768)**	(6,698)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**15,803,333**	6,000,000
Payments for share issue costs		**(1,091,739)**	(392,705)
Payment of principal portion of lease liabilities		**(5,868)**	-
Net cash inflow from financing activities		**14,705,726**	5,607,295
Net increase in cash and cash equivalents		**7,593,702**	1,827,485
Cash and cash equivalents at beginning of the period		**3,271,260**	648,420
Cash and cash equivalents at the end of the period	5	**10,864,962**	2,475,905

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

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1. MATERIAL ACCOUNTING POLICY INFORMATION

The interim consolidated financial statements of Terra Metals Limited ("Company") and its consolidated entities ("Consolidated Entity" or "Group") for the six-months ended 31 December 2025 were authorised for issue in accordance with the resolution of the directors on 4 March 2026.

The Company is a for profit company limited by shares, incorporated and domiciled in Australia. The Company's ordinary shares are listed on the Australian Securities Exchange ("ASX") under the symbol "TM1". The Group's principal activities are the exploration and development of mineral resource projects.

(a) Basis of Preparation

This general-purpose financial report for the interim six-month reporting period ended 31 December 2025 has been prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of the Company for the year ended 30 June 2025 and any public announcements made by the Company and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2025, except as disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The financial report has been prepared on a historical cost basis except for financial assets and liabilities that are measured at fair value in accordance with the relevant accounting standards. All amounts are presented in Australian dollars. The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* as a result, amounts in the financial statements have been rounded to the nearest $1, unless otherwise stated.

Going concern

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

(b) Statement of Compliance

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2025. The new standards have not had a material effect on the Group's financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(c) Issued standards and interpretations not early adopted

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 reporting period ended 31 December 2025. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements:

Standard/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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025 (Continued)

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2. SEGMENT INFORMATION

AASB 8 Operating Segments 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.

3. FINANCE INCOME AND EXPENSES

	Six Months ended 31 December 2025 $	Six Months ended 31 December 2024 $
Interest income	**115,210**	64,334
Interest expense	**(766)**	-
	114,444	64,334

4. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the six months ended 31 December 2025 (31 December 2024: nil).

5. CASH AND CASH EQUIVALENTS

	As at 31 December 2025 $	As at 30 June 2025 $
Cash at bank and on hand	**10,864,962**	3,271,260
	10,864,962	3,271,260

6. EXPLORATION AND EVALUATION ASSETS

	Dante Project $	Onslow Project $	Total $
31 December 2025			
Carrying value at 1 July 2025	**5,365,837**	**572,521**	**5,938,358**
Carrying value at 31 December 2025	**5,365,837**	**572,521**	**5,938,358**
30 June 2025			
Carrying value at 1 July 2024	4,697,422	572,521	5,269,943
Acquisition of new tenements	620,637	-	620,637
Other additions	47,778	-	47,778
Carrying value at 30 June 2025	5,365,837	572,521	5,938,358

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025 (Continued)

7. CONTRIBUTED EQUITY

	Note	As at 31 December 2025 $	As at 30 June 2025 $
Issued capital			
791,379,757 fully paid ordinary shares (30 June 2025: 477,896,966)	7(a)	**174,650,174**	157,416,511
Nil Class A performance shares (30 June 2025: 20,000,000)	7(a)	**-**	760,000
Nil Class B performance shares (30 June 2025: 20,000,000)	7(a)	**-**	680,000
20,000,000 Class C performance shares (30 June 2025: 20,000,000)	7(a)	**-**	-
		174,650,174	158,856,511

(a) Movements in issued capital

Details	No. of Ordinary Shares	No. of Performance Shares	$
31 December 2025			
Opening balance at 1 July 2025	**477,896,966**	**60,000,000**	**158,856,511**
Issue of shares – share placement	**265,809,526**	**-**	**16,803,333**
Issue of shares – consultants	**673,265**	**-**	**36,563**
Conversion of Class A performance shares	**20,000,000**	**(20,000,000)**	**-**
Conversion of Class B performance shares	**20,000,000**	**(20,000,000)**	**-**
Conversion of performance rights	**7,000,000**	**-**	**273,000**
Share issue costs	**-**	**-**	**(1,319,233)**
Closing balance at 31 December 2025	**791,379,757**	**20,000,000**	**174,650,174**
31 December 2024			
Opening balance at 1 July 2024	295,778,694	60,000,000	150,642,336
Issue of shares – share placement	100,000,000	-	6,000,000
Issue of shares – consultants	1,442,216	-	77,993
Share issue costs	-	-	(392,705)
Closing balance at 31 December 2024	397,220,910	60,000,000	156,327,624

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025 (Continued)

8. RESERVES

	As at 31 December 2025 $	As at 30 June 2025 $
Share-based payments reserve	**2,151,368**	1,386,244
	2,151,368	1,386,244

(a) Movements in share-based payments reserve

Details	No. of Unlisted Options	No. of Performance Rights	No. of Unissued Deferred Shares	$
31 December 2025				
Opening balance at 1 July 2025	**34,250,000**	**7,000,000**	**11,250,000**	**1,386,244**
Issue of employee incentive options [1]	**21,000,000**	**-**	**-**	**-**
Issue of advisor incentive options [1]	**8,772,000**	**-**	**-**	**242,108**
Conversion of performance rights	**-**	**(7,000,000)**	**-**	**(273,000)**
Share-based payments expense	**-**	**-**	**-**	**796,016**
Closing balance at 31 December 2025	**64,022,000**	**-**	**11,250,000**	**2,151,368**
31 December 2024				
Opening balance at 1 July 2024	34,250,000	7,000,000	-	987,964
Share-based payments expense	-	-	-	99,511
Closing balance at 31 December 2024	34,250,000	7,000,000	-	1,087,475

Notes:

[1] During the half year, the Company issued: (i) 21,000,000 incentive options to directors, employees and consultants of the Company (19,000,000 exercisable at $0.07 each and 2,000,000 exercisable at $0.25 each); and (ii) 8,772,000 incentive options to Tribeca for advisory services provided in connection with the Company's placement (following shareholder approval), which have been recognised as a share issue cost. The fair value of the employee and advisor incentive options have been estimated using a Black-Scholes model. The table below lists the inputs to the valuation model used.

	Employee Incentive Options	Advisor Incentive Options	Employee Incentive Options
Grant date	07-Aug-25	07-Aug-25	31-Oct-25
Grant date share price	$0.066	$0.066	$0.185
Exercise price	$0.070	$0.070	$0.250
Expiry date	16-Jun-27	16-Jun-27	16-Jun-27
Expected life (years)	1.86	1.86	1.62
Risk-free interest rate	3.329%	3.329%	3.553%
Volatility	120%	120%	120%
Number of options	19,000,000	8,772,000	2,000,000
Fair value at grant date	$0.039	$0.039	$0.093

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2025 (Continued)

9. COMMITMENTS

As a condition of retaining the current rights to tenure to exploration tenements, the Group is required to pay an annual rental charge and meet minimum expenditure requirements for each tenement. These obligations are not provided for in the financial statements and are at the sole discretion of the Group:

	As at 31 December 2025 $	As at 30 June 2025 $
Commitments for exploration expenditure:		
Not longer than 1 year	**413,146**	696,264
Longer than 1 year and shorter than 5 years	**714,954**	1,099,108
	1,128,100	1,795,372

10. CONTINGENCIES

At 31 December 2025 the Group did not have any contingent assets or liabilities.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

(a) On 27 February 2026, the Company announced a placement of 229,729,730 new ordinary shares in the Company to institutional and sophisticated investors at an issue price of $0.37 per share, to raise gross proceeds of $85,000,000. The first tranche of the placement (comprising 173,409,547 new shares) was completed on 5 March 2026 and the second tranche of the Placement (comprising 56,320,183 new shares) is expected to be completed in April 2026 following shareholder approval.

Other than the above, at the date of this report, there are no matters or circumstances, which have arisen since 31 December 2025 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2025, of the Group;
- the results of those operations, in financial years subsequent to 31 December 2025, of the Group; or
- the state of affairs, in financial years subsequent to 31 December 2025, of the Group.

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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 review of Terra Metals Limited for the half-year ended 31 December 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 review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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

William Buck

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

Deborah Chin

Deborah Chin
Director
Dated this 12th day of March 2026

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

Report on the half-year financial report

Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Terra Metals Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2025,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information; and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review 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 and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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William Buck
ACCOUNTANTS & ADVISORS

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Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

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

Deborah Chin

Deborah Chin
Director
Dated this 12th day of March 2026

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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 report, to reflect the circumstances or events after the date of this report.

Competent Person's Statement

The information in this report that relates to Exploration Results for the Dante Project is extracted from the Company's ASX announcements dated 5 March 2026, 4 March 2026, 17 February 2026, 11 February 2026, 4 February 2026, 27 January 2026, 14 January 2026, 6 January 2026, 8 December 2025, 4 December 2025, 3 November 2025, 29 October 2025, 22 September 2025, 11 August 2025, 2 April 2025, 24 March 2025, 4 March 2025, 19 February 2025, 28 January 2025, 19 December 2024, 12 November 2024, 22 October 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 ("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.

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.