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Terra Metals Limited

ABN 44 155 933 010

2026 Annual Report

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CORPORATE DIRECTORY

Directors:

Debra Bakker – Chairman
Thomas Line – CEO & Managing Director
Jennifer Purdie – Non-Executive Director
Haydn Smith – Non-Executive Director
Jeffrey Quartermaine –Non-Executive Director

Company Secretary:

Mark Freeman

Registered Office:

Level 15, 216 St Georges Terrace,
Perth WA 6000

Website:

www.terrametals.com.au

Stock Exchange Listing:

Australian Securities Exchange
(**ASX:TM1/TM1O**)

Share Registry:

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

Lawyers:

Steinepreis Paganin

Auditor:

William Buck Audit (WA) Pty Ltd

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CHAIR'S LETTER

Dear Shareholders,

FY2026 was a significant year for Terra Metals, marked by the discovery and rapid advancement of the Southwest PGM-gold-copper-nickel sulphide system at the Dante Project, a substantial strengthening of the Company's financial position and important changes to the Board.

The progress made at Southwest has materially changed the scale and direction of Terra. What began as an exploration discovery has progressed rapidly into a major resource-definition program, with drilling continuing to demonstrate the scale and continuity of the mineralised system and recurring higher-grade domains within the broader mineralised envelope.

This exploration success has enabled Terra to begin the transition from discovery toward systematic resource definition and technical evaluation. Geological modelling, metallurgical testwork and other studies are now progressing to support a maiden Mineral Resource Estimate for Southwest, targeted for Q1 2027, followed by a Scoping Study targeted for mid-2027.

Terra also has the financial capacity to undertake this work in a disciplined manner. During FY2026, the Company completed significant equity raisings, including the $85 million placement announced in March 2026. Terra ended the financial year with approximately $75.1 million in cash and cash equivalents and no material external debt.

The year also saw a significant renewal of the Board and strengthening of management and technical capability. I was pleased to join Terra as Independent Non-Executive Chair on 29 June 2026, together with Dr Jennifer Purdie and Jeff Quartermaine as Independent Non-Executive Directors, joining Managing Director and Chief Executive Officer Tom Line and Non-Executive Director Haydn Smith. I also acknowledge the contribution of former Chair Ian Middlemas, former Non-Executive Director Ben Cleary and Mark Pearce, who ceased as Alternate Director during the year.

As this work progresses, maintaining constructive relationships with Traditional Owners and local Ngaanyatjarra communities remains important. Terra is committed to responsible land access, heritage protection and increasing local participation in project activities, including through Ngaanyatjarra-owned businesses.

While the progress at Southwest is encouraging, it remains at an early stage of evaluation. A Mineral Resource has not yet been established and considerable drilling, technical work and evaluation remain ahead. The Board's focus is on advancing the opportunity systematically and responsibly while maintaining appropriate financial discipline and governance.

The priorities for FY2027 are clear: continue resource-definition and extension drilling, complete the maiden Mineral Resource Estimate, advance metallurgical and technical studies and progressively evaluate potential development pathways, while continuing to assess the broader exploration potential of the 100%-owned Dante Project.

On behalf of the Board, I thank our shareholders for their continued support and acknowledge Tom and the Terra team, our contractors, advisers, Traditional Owners and local communities for their contribution during a period of substantial growth and change.

We enter FY2027 with a strong balance sheet, an expanded team and a clear program of work to continue defining the potential of Southwest and the broader Dante Project.



Debra Bakker
Independent Non-Executive Chair
Terra Metals Limited

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OPERATING AND FINANCIAL REVIEW

FY2026: Terra Transformed

The discovery and rapid expansion of the Southwest PGM-Au-Cu-Ni-Co sulphide system within the broader Dante Project materially changed the scale and direction of the Company and established Southwest as Terra's principal resource-definition and development focus.

Located within the Southwest Intrusive Complex, Southwest hosts a large sulphide system that is geologically distinct from the established adjacent Basal Reefs Mineral Resource.

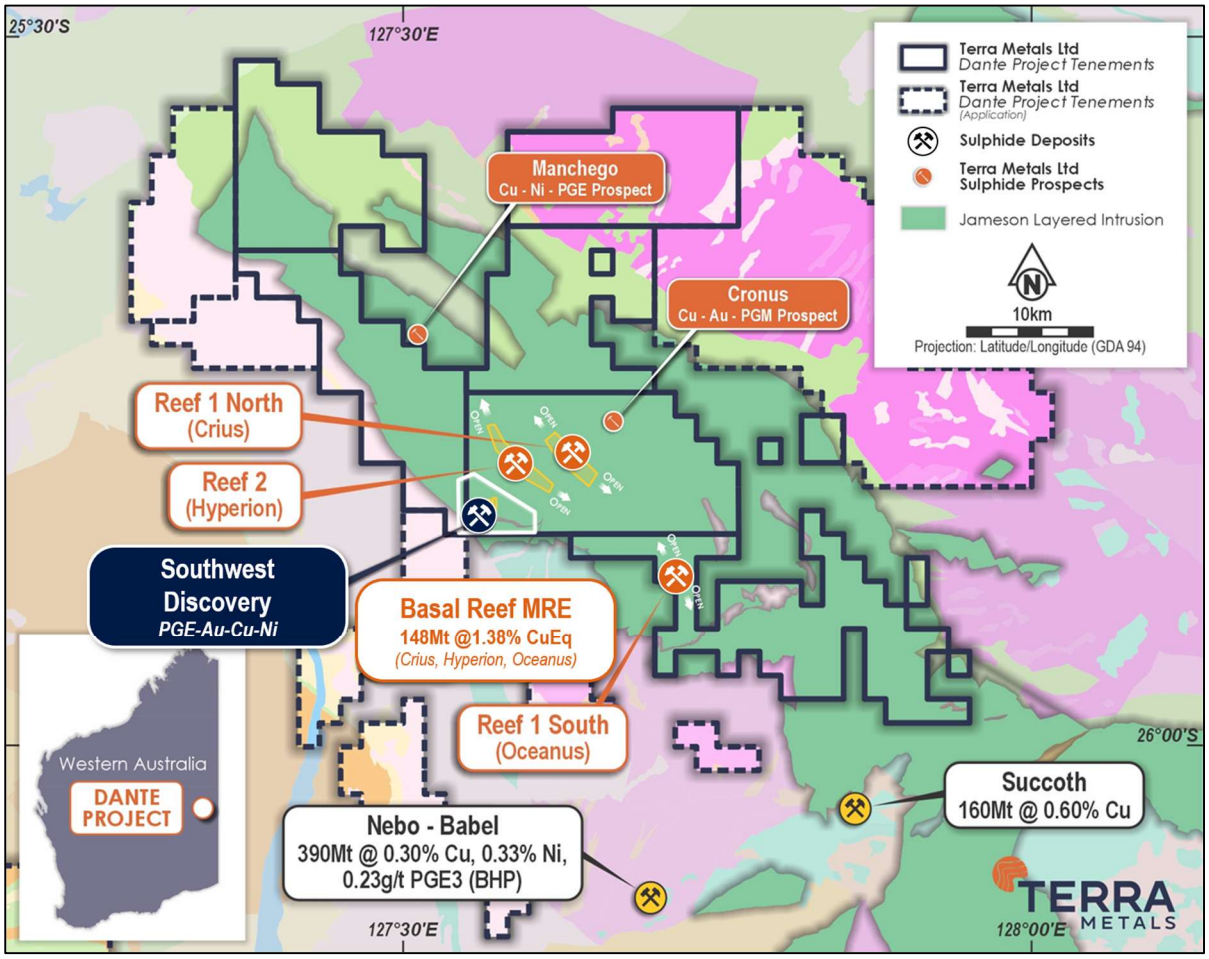


Figure 1. *Dante project locations*

During the first half of the year, Terra completed approximately 20,755 metres of drilling across 182 drillholes, comprising 163 reverse circulation holes and 19 diamond drillholes.

Following the Southwest discovery, drilling was rapidly redirected and expanded toward systematic resource definition. By August 2026, more than 52,000 metres of RC and diamond drilling had been completed at Southwest. At the time of the latest exploration update, assay results had been reported for approximately 22,612 metres of drilling, leaving a substantial volume of drill core awaiting assays and interpretation.

Based on the portion of results received to the end of August, Southwest had demonstrated mineralisation over more than **1.1 kilometres of strike, approximately** 400 **metres in** thickness **and at least 750 metres down dip from surface**, with the system remaining open along strike and at depth. Heritage surveys completed subsequent to year end at Southwest have also opened additional areas for drilling, allowing the exploration footprint to expand beyond previously accessible ground.

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OPERATING AND FINANCIAL REVIEW

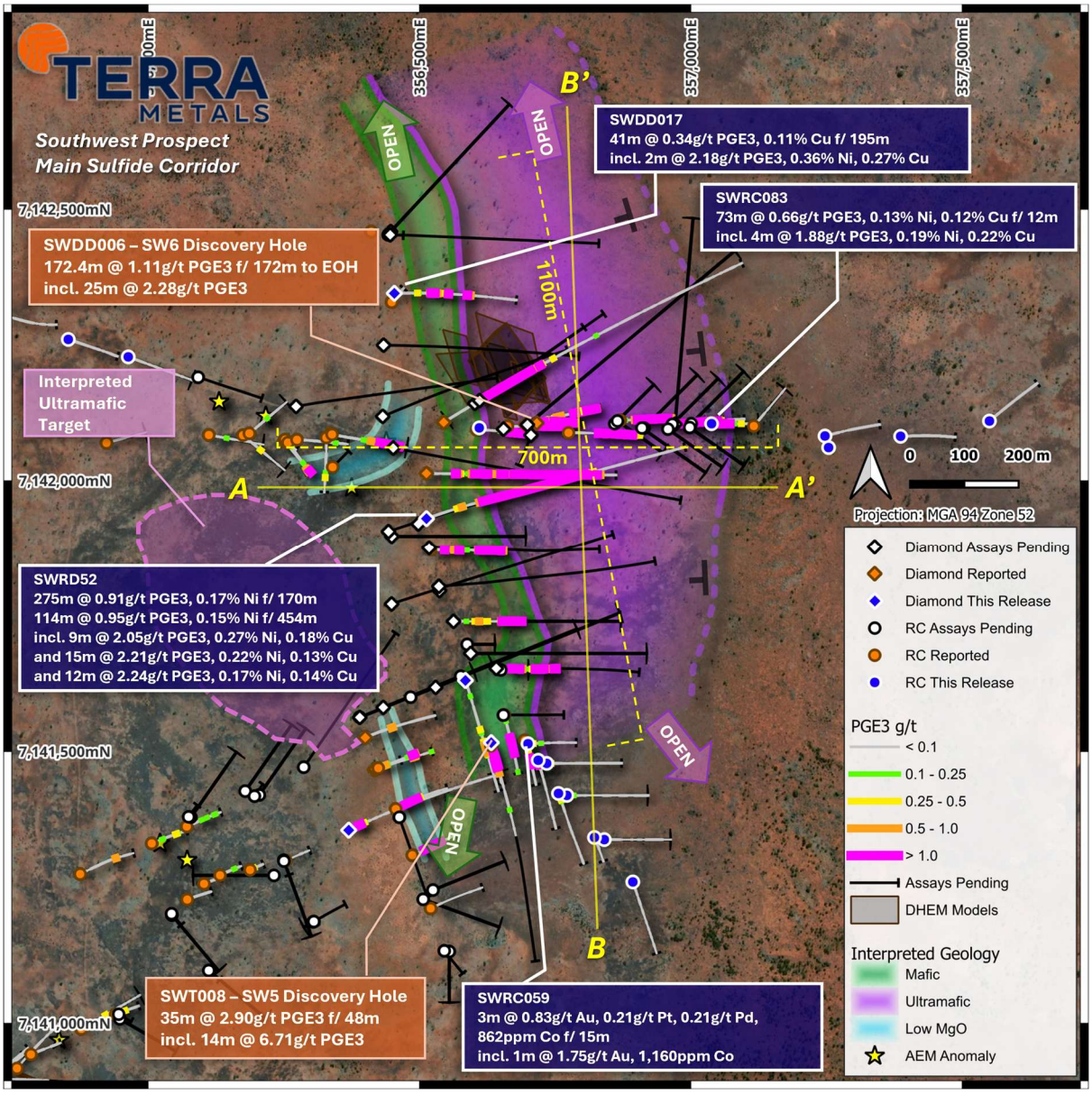


Figure 2. *Plan View of the Southwest Main Sulfide Corridor Showing Drilling Completed to Date.*

Importantly drilling is also now demonstrating more than just scale. Across the drilled sections to date, results are showing repeated broad higher-grade 3E (Pt-Pd-Au) and Cu-Ni intervals within the wider mineralised envelope, providing increasing confidence that higher-grade domains are a recurring geological feature at Southwest (Figure 3).

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OPERATING AND FINANCIAL REVIEW

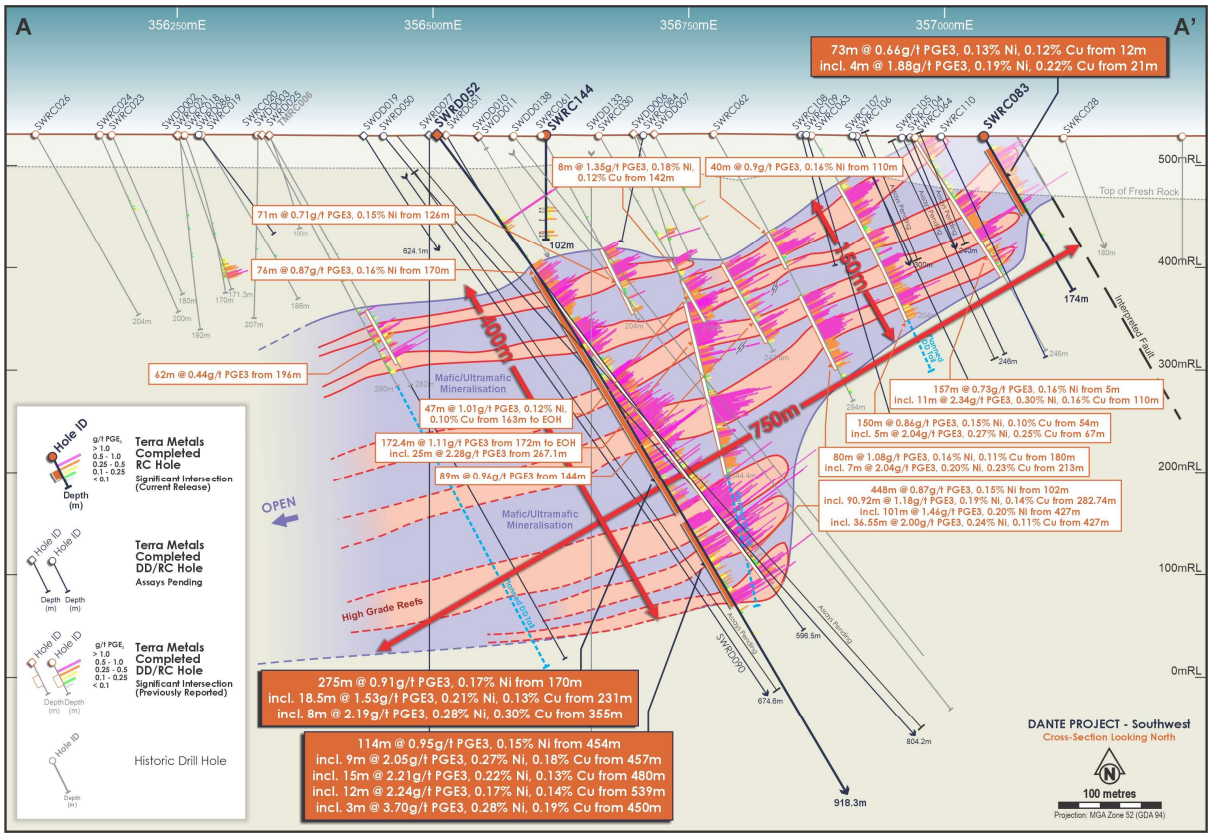


Figure 3. *Cross-section A–A' through the Southwest Main Sulfide Zone with interpreted mineralised envelopes. The envelopes are conceptual and based on current drilling, geological logging and structural data.*

Examples of these higher-grade intervals include:

- **35m @ 2.90 g/t 3E** from 68m including **14m @ 6.71g/t 3E** (SWT008)
- **32m @ 1.36 g/t 3E** from 58m (SWRD057)
- **14m @ 3.13g/t 3E from 411m, including 5m @ 5.45g/t 3E**, and **79.8m @ 1.30g/t 3E** (SWRD054);
- **101m @ 1.46g/t PGE3, 36.6m @ 2.00g/t 3E, and 90.9m @ 1.18g/t 3E** (SWRD051)
- **68m @ 1.25g/t 3E, 10.5m @ 2.01g/t 3E, and 15m @ 2.21g/t 3E** (SWRD052)
- **61m @ 1.41 g/t 3E from 172m, and 82.4m @ 1.14 g/t 3E from 262m to end of hole,** including **25.9m @ 2.25g/t 3E** (SWDD006)
- **44m @ 1.41g/t 3E from 174m** and **42m @ 1.37g/t 3E from 298m** (SWRD056).

The geometry currently being defined at Southwest shows shallow-dipping mineralisation extending from surface and reaching more than 400 metres in interpreted true thickness in parts of the system. This geometry has focussed studies currently underway on assessing open-pit mining methods. The presence of recurring higher-grade domains within the broader mineralised envelope may also provide flexibility in the evaluation of future mining and processing strategies.

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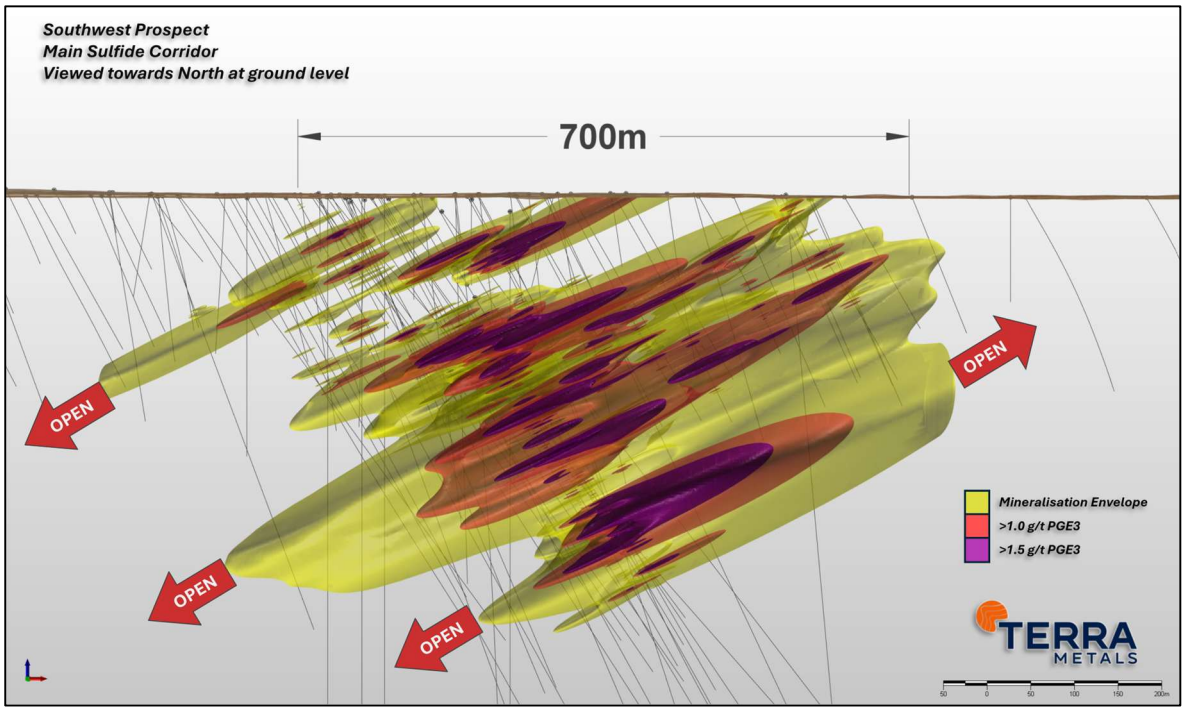


Figure 4. *3D view of Southwest Project viewed from the South, showing Mineralisation envelope and high-grade reefs interpreted from current drill results*

The focus at Southwest has therefore moved decisively from discovery toward resource definition, with infill drilling, geological modelling and metallurgical testwork now directed toward the planned maiden Mineral Resource Estimate in Q1 2027 and subsequent technical studies.

From Discovery to Development

The Company has outlined a roadmap for progressing Southwest through resource definition and toll-gate study phases as shown in Figure 5.

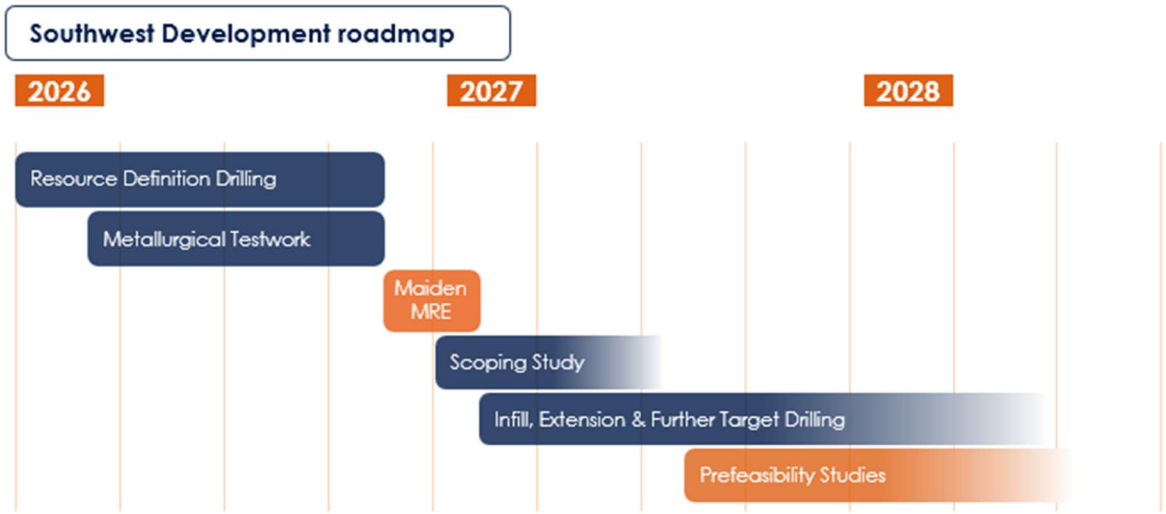


Figure 5. *Southwest target development studies roadmap*

The immediate goal is completing infill drilling in 2026 across the existing defined 1.1 kilometre strike length sufficient to underpin a **maiden Mineral Resource Estimate (MRE) in Q1 2027**. The MRE will provide the first

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formal estimate of Southwest's scale and grade distribution, representing a major milestone in the evaluation of the discovery. Scout drilling along strike guided by geophysics is also continuing providing opportunity for further extensions of the mineralisation.

To support the MRE a benchscale metallurgical testwork program is underway focused on mineral characterisation of the ore, comminution properties (grinding hardness assessment) and flotation testwork. The primary sulphides at Southwest are chalcopyrite (Cu-sulphide), pentlandite (Ni-sulphide) and pyrrhotite (Fe-sulphide). The sulphides are visibly coarse grained within the drill core across the range of grades intercepted, with mineralisation ranging from disseminated, through the dominant net textured and into semi-massive and massive sulphides.

The benchscale flotation program is assessing the ability to produce various concentrate product scenarios ranging from a single bulk concentrate through to separate copper and nickel concentrate products. This testwork will provide recoveries and deportment of the target metals PGE-Au-Cu-Ni-Co to the various concentrate products. Discussions with potential smelters have commenced to understand the payability of metals within the concentrates as the testwork progresses and to assist in selecting the base-case process flowsheet.

A Scoping Study is targeted for completion in mid-2027 following completion of the MRE. Independent consultants have now been appointed for mining, mine geotechnical and mine water studies as part of the Scoping study activities.

Infill and extension drilling will continue across the deposit in 2027 to provide further MRE updates sufficient to form a basis for a Pre-feasibility Study planned to commence upon completion of the Scoping Study.

Dante – A Strategic Mineral Province

The 100%-owned Dante Project covers approximately 1,200km² of tenure over the Jameson Layered Intrusion in the West Musgrave region of Western Australia. The Project provides Terra with exposure to a broad suite of critical and precious metals, including platinum group metals, copper, nickel, gold, titanium, vanadium and cobalt.

Dante now comprises two distinct mineral systems at different stages of evaluation. Southwest has become the Company's principal exploration and resource-definition focus, while the established 148Mt Basal Reefs Mineral Resource provides a separate substantial resource base within the broader Project. The two systems are geologically distinct and provide different potential exploration and development opportunities.

Beyond Southwest and the Basal Reefs, much of Terra's broader tenement package remains underexplored. The Company continues to undertake geological, geophysical and field programs to identify and prioritise additional targets across the Project, including within the broader Southwest Intrusive Complex.

The combination of the emerging Southwest discovery, the established Basal Reefs Mineral Resource and a broader pipeline of exploration targets provides Terra with multiple opportunities within a single, large-scale geological complex.

The Basal Reefs Ti-V-PGE-Cu-Au Mineral Resource

Basal Reefs is an established Ti-V-PGE-copper-gold resource, which was discovered and defined prior to the discovery of the Southwest PGM-Cu-Ni discovery.

During FY2026, Terra reported a maiden 148 million tonne JORC (2012) Mineral Resource for the Basal Reefs deposits, which lie approximately 4.5km from the Southwest discovery (Table 1). Southwest is a completely different deposit, with different geometry and geology to the Basal Reef.

Basal Reefs is a PGE-copper-gold deposit hosted within vanadium-titanomagnetite, containing an estimated 1.6Moz of 3E (Pt + Au + Pd) and 270kt of copper, together with substantial amount of titanium and vanadium. Metallurgical testwork has demonstrated the potential to produce a high-grade copper-gold-platinum concentrate, as well as high-grade ilmenite and vanadium-magnetite concentrates using simple flotation and magnetic separation techniques.

Mapping, surface geochemistry and magnetics indicate the potential for substantial strike extensions.

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OPERATING AND FINANCIAL REVIEW

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**

Table 1: Dante Project Mineral Resources (August 2025)

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

Further metallurgical testwork is ongoing to optimise flowsheet for the copper concentrate and ilmenite concentrate products, with vanadium testwork planned in future studies.

Competent Person – Mineral Resources

The information in this Annual Report that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Lomberg, a Competent Person who is a Registered Professional Natural Scientist with the South African Council for Natural Scientific Professions, a Recognised Professional Organisation. Mr Lomberg is Director – Geology and Resources of Pivot Mining Consultants Pty Ltd and is engaged as a consultant by Terra Metals Limited.

Mr Lomberg has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Lomberg consents to the inclusion of the Mineral Resources information in the form and context in which it appears.

Community and Local Development

Terra seeks to build constructive, long-term relationships with Traditional Owners and local Ngaanyatjarra communities as exploration and development activities at the Dante Project expand.

The Company maintains ongoing engagement with Traditional Owners through the Ngaanyatjarra Land Council, with a Native Title Agreement in place across the Dante Project. Progressive heritage surveys and work-program clearances are undertaken to support responsible access, continued exploration and future resource-definition drilling.

A key focus during FY2026 has been increasing local participation in project activities and supporting the development of Ngaanyatjarra-owned businesses. Terra engages local providers across a range of services, including rehabilitation, earthworks, drill pad preparation, transport, logistics and other site support activities.

Beyond procuring services locally, Terra is working collaboratively with businesses such as NG Civil to help build capability, experience and commercial opportunities. The objective is to support the growth of sustainable local businesses that can participate in a broader range of project-related activities as the Dante Project advances.

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OPERATING AND FINANCIAL REVIEW



Figure 6. *Terra community engagement*

Terra's approach combines community engagement, local business development and responsible land access.

Key initiatives include:

- ongoing consultation with Traditional Owners and local communities;
- progressive heritage survey work and work-program clearances;
- rehabilitation of disturbed exploration areas, including drill pads and access areas as activities are completed;
- flora and fauna surveys;
- responsible access planning;
- engagement of local Ngaanyatjarra businesses for project services; and
- collaboration with local contractors to develop capability and support longer-term participation in future project opportunities.

Responsible land access, heritage protection and strong Traditional Owner relationships are important foundations for advancing Southwest and the broader Dante Project. Terra also recognises that creating meaningful local economic opportunities and supporting the development of local businesses can deliver benefits that extend beyond individual exploration programs.

Corporate

FY2026 was a significant year for Terra, with the advancement of the Dante Project accompanied by a substantial strengthening of the Company's financial position, shareholder base and organisational capability.

During the year, Terra completed a **$15 million placement at $0.07 per share** and, following the rapid advancement of Southwest, an **$85 million placement at $0.37 per share** to institutional and sophisticated investors. These raisings provided the financial capacity to materially expand resource-definition drilling, technical studies and evaluation of Southwest.

At 30 June 2026, Terra held approximately **$75.1 million in cash and cash equivalents**, compared with approximately $3.3 million at the beginning of the financial year, providing a strong funding position for the expanded FY2027 exploration and technical program.

The Company's increased market profile was also reflected in its inclusion in the **MSCI Australia Micro Cap Index** during the June quarter.

Subsequent to year end, Terra further strengthened its senior management and technical capability through the appointment of **Ben Hammond as Chief Development Officer** and **Barry Jones as General Manager – Exploration & Operations**. Mr Hammond brings extensive experience in mine development, project studies, project finance and technical due diligence, while Mr Jones brings more than 25 years of exploration experience, including specialist expertise in layered mafic PGE-Cu-Ni systems.

These appointments support the Company's progression from exploration and resource definition toward increasingly detailed technical and development studies.

Results of Operations

The net loss of the Group for the year ended 30 June 2026 was $27,946,655 (2025: $5,944,351). The result reflects

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OPERATING AND FINANCIAL REVIEW

the Group's corporate and administrative expenditure, employee and director costs, business development activities and share-based payment expense and exploration and evaluation expenditure expensed during the year.

The Group continued to apply its existing accounting policy of expensing exploration and evaluation expenditure as incurred, other than acquisition costs of mineral interests which are capitalised where appropriate.

Financial Position

The Group's financial position strengthened substantially during FY2026. At 30 June 2026, the Group held cash and cash equivalents of $75,112,014 (2025: $3,271,260) and net assets of $76,359,261 (2025: $7,506,344). Net cash outflows from operating activities were $22,201,663 (2025: $5,869,770).

The increase in cash and net assets principally reflects equity raisings completed during FY2026. The Group ended the financial year with no material external debt and sufficient financial capacity to undertake its current exploration and technical programs.

Loss Per Share

	2026 $	2025 $
Basic and diluted loss cents per share from operations	**(3.58)**	(1.48)

Outlook, Strategy and Prospects

Terra enters FY2027 with two distinct foundations at the Dante Project: the rapidly advancing Southwest PGM-Cu-Ni sulphide discovery and the established 148Mt Basal Reefs Mineral Resource. The Group's principal focus is to progress Southwest from discovery through resource definition and technical evaluation, while continuing to assess the broader potential of the Dante Project.

The Group's immediate priorities are to:

- continue infill, resource-definition and extensional drilling at Southwest to define the mineralised system and support a maiden Mineral Resource Estimate;
- test potential strike and depth extensions to the Southwest Main Sulphide Corridor and advance geological, structural and geophysical targeting across the broader project;
- progress metallurgical and mineralogical testwork and associated geotechnical, hydrogeological, mining, environmental, heritage and infrastructure studies;
- complete the maiden Southwest Mineral Resource Estimate and progress subsequent technical studies, including a Scoping Study targeted for completion in mid-2027;
- continue technical evaluation of the Basal Reefs Mineral Resource and opportunities for further resource growth; and
- rationalise non-core exploration interests where appropriate so that financial, technical and management resources remain focused on Southwest and the broader Dante Project.

The maiden Southwest Mineral Resource Estimate will provide the first formal estimate of the discovery's scale and grade distribution. Following completion of the MRE, Terra intends to progressively evaluate potential mining, processing, infrastructure and development alternatives.

Exploration will also continue beyond the currently defined Southwest Main Sulphide Corridor. Recent heritage surveys have provided access to additional areas for drilling, while ongoing ground and downhole electromagnetic programs are expected to support further target generation across the Southwest Intrusive Complex and broader Dante Project.

Southwest remains at an early stage of evaluation. No Mineral Resource, Ore Reserve, production target, mine plan or economic assessment has yet been established for the discovery. Mineral exploration and project development are inherently uncertain and there can be no assurance regarding the outcome of drilling, technical studies or future development.

OPERATING AND FINANCIAL REVIEW

Material Business Risks

Exploration and resource definition risk – Southwest remains at an early stage of evaluation and substantial additional drilling, geological interpretation and technical work are required. The Group manages this through staged exploration, geological modelling, geophysical targeting, QA/QC procedures and experienced technical personnel.

Metallurgical and development risk – Further testwork and studies are required to determine recoveries, concentrate characteristics, processing options and potential development pathways. Any future development would also require successful completion of technical and economic studies, approvals, infrastructure planning and financing.

Commodity price risk – The potential value of the Dante Project is exposed to movements in commodity prices, including platinum, palladium, gold, copper, nickel, cobalt, titanium and vanadium.

Funding and capital management risk – While the Group is well funded for its current programs, potential future development may require additional equity, debt, strategic investment or other funding.

Tenure, heritage and approvals risk – The Group depends on maintaining tenure and obtaining necessary regulatory, environmental and heritage approvals. These risks are managed through regulatory compliance, ongoing Traditional Owner engagement, heritage surveys and responsible environmental management.

Infrastructure and location risk – Potential development of the Dante Project will require access to suitable power, water, transport and other infrastructure, the availability and cost of which may affect project economics.

Key personnel risk – The Group depends on attracting and retaining suitably experienced directors, executives, technical personnel, contractors and advisers.

Global financial and economic conditions – Economic growth, inflation, interest rates, exchange rates, financial market conditions, government policy and geopolitical developments may affect the Group's activities, access to capital and future project economics.

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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 2026 ("Consolidated Entity" or "Group"). The Directors' Report incorporates the Operating and Financial Review and Remuneration Report contained in this Annual Report.

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:

Ms Debra Bakker - Independent Non-Executive Chair - Appointed 29 June 2026
Mr Thomas Line - Managing Director and Chief Executive Officer
Dr Jennifer Purdie - Independent Non-Executive Director - Appointed 29 June 2026
Mr Jeffrey Quartermaine - Independent Non-Executive Director - Appointed 29 June 2026
Mr Haydn Smith - Independent Non-Executive Director
Mr Ian Middlemas - Former Non-Executive Chairman - Resigned 29 June 2026
Mr Benjamin Cleary - Former Non-Executive Director - Resigned 29 June 2026
Mr Mark Pearce - Former Alternate Director for Mr Ian Middlemas - Resigned 16 January 2026

Unless otherwise stated, Directors currently in office have held office from the date of their appointment and continue in office at the date of this report. Former Directors held office until the cessation dates shown above.

CURRENT DIRECTORS AND OFFICERS

Name	Role / Qualifications	Experience / Appointment	Other listed company directorships as at the date of the report
Ms Debra Bakker	Non-Executive Chair	Experienced company director and resources executive with experience across mining, resources, finance and investment. Has held senior roles across investment banking, corporate advisory and resources, with experience in capital markets, corporate strategy, governance and project development. Appointed Director and Non-Executive Chair on 29 June 2026.	**IGO Limited** (December 2016 – June 2026); **Ten Sixty Four Limited** (June 2023 – present); **Yancoal Australia Limited** (March 2024 – present); **Carnarvon Energy Limited** (October 2020 – December 2023).
Mr Thomas (Tom) Line	B.Sc (Hons), MAusIMM Managing Director & Chief Executive Officer	Geologist, project generator and mining executive with more than 14 years' experience across resource development and large-scale mining operations. Experience includes grade control, resource modelling, mineral processing, geometallurgy, greenfields and brownfields exploration, and pit-to-port reconciliation and logistics. Appointed Director on 30 October 2023.	**N/A**
Mr Haydn Smith	B.Com, SA FIN, GAICD Non-Executive Director	Founder and Managing Director of a bio-carbon business. Former Portfolio Manager at Tribeca Investment Partners following a 20-year career at Macquarie Bank, including as Executive Director and Global Head of Mining Finance. Appointed Director on 16 June 2022.	**N/A**
Dr Jennifer Purdie	BE (Chemical and Materials), PhD (Engineering), MBA (Exec), FIChemE, GAICD Independent Non-Executive Director	Experienced mining executive and company director with operational, technical and project-development experience. Most recently Asset President – Olympic Dam & Copper South Australia for BHP. Appointed Independent Non-Executive Director on 29 June 2026.	**Metro Mining Limited** (August 2025 – present). **Alkane Resources Limited** (August 2026- present); **Neometals Ltd (Sep 2018 – Nov 2025)**
Mr Jeffrey Quartermaine	BE (Civil), MBA, FCPA Independent Non-Executive Director	Resources company executive and director with more than 35 years of senior executive, financial, project-development and operational experience across a range of commodities. Appointed Independent Non-Executive Director on 29 June 2026.	**Perseus Mining Limited** (Managing Director and CEO – until September 2025); **Asara Resources Limited** (Non-Executive Chairman – April 2026 to present); **Northern Star Resources Limited** (July 2026 to present).

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DIRECTORS' REPORT

Name	Role / Qualifications	Experience / Appointment	Other listed company directorships as at the date of the report
Mr Mark Freeman	B.Com, CA Company Secretary	Chartered Accountant with more than 25 years' experience in corporate finance, capital markets, governance and the resources sector. Experience includes exploration, project development, equity capital markets and corporate transactions, including involvement in raising more than $750 million in equity capital for ASX-listed companies. Former director of Dante Resources Pty Ltd and involved in the original transaction under which the Dante Project was acquired by Terra Metals. Appointed Company Secretary during FY2026.	**N/A**

FORMER DIRECTORS AND OFFICERS

Name	Role / Qualifications	Experience / Appointment	Other listed company directorships held during the three years to 30 June 2026
Mr Ian Middlemas	B.Com, CA, FFin Former Non-Executive Chairman	Chartered Accountant with a Bachelor of Commerce. Appointed Director on 16 October 2013 and Chairman on 7 January 2014. Resigned as Director and Chairman on 29 June 2026.	**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); **Odyssey Gold Limited** (September 2005 – present).
Mr Benjamin (Ben) Cleary	BEcon, SA FIN, MAICD Former Non-Executive Director	Portfolio Manager and Director of Tribeca Investment Partners with extensive experience in the natural resources sector. Appointed Director on 16 June 2022 and resigned on 29 June 2026.	**Tribeca Global Natural Resources Limited** (July 2018 – November 2023).
Mr Mark Pearce	B.Bus, CA, FCIS, FFin Former Alternate Director for Mr Ian Middlemas	Chartered Accountant with considerable experience in the formation and development of listed resource companies. Appointed Alternate Director for Mr Ian Middlemas on 16 June 2022 and ceased to hold office on 16 January 2026.	**NGX Limited** (April 2021 – present); **Constellation Resources Limited** (July 2016 – present); **GreenX Metals Limited** (August 2011 – present); **Equatorial Resources Limited** (November 2009 – present); **Sovereign Metals Limited** (July 2006 – present); **Zinc of Ireland Limited** (April 2026 – present).
Mr Gregory (Greg) Swan	B.Com, CA, FCIS, FFin Former Company Secretary	Chartered Accountant with extensive experience in the formation and development of publicly listed natural resources companies. Appointed Company Secretary on 25 November 2013 and served in that role until Mr Mark Freeman's appointment during FY2026.	**N/A**

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year consisted of mineral exploration and evaluation, with a principal focus on the exploration and advancement of the Group's 100%-owned Dante Project in the West Musgrave region of Western Australia.

During FY2026, the Group's activities expanded significantly following the discovery and subsequent delineation of the Southwest PGM-gold-copper-nickel-cobalt mineral system, including a substantial increase in drilling, resource-definition activities, metallurgical testwork and associated technical studies.

There were no significant changes in the nature of the Group's principal activities during the financial year.

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DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, the Group underwent a significant transformation as a result of exploration success at the Dante Project, substantial equity capital raisings and changes to the composition of the Board.

The significant changes in the state of affairs of the Group during the year ended 30 June 2026 included:

(i) On 15 August 2025, the Company completed the second and final tranche of its previously announced $4 million placement through the issue of 51,523,811 ordinary shares at $0.035 per share, following shareholder approval;

(ii) During FY2026, exploration at the Southwest Prospect resulted in the discovery and rapid delineation of a large-scale PGM-gold-copper-nickel-cobalt mineral system located outside the existing Dante Mineral Resource. The discovery resulted in a substantial expansion of the Group's exploration activities and the commencement of systematic resource-definition drilling at Southwest;

(iii) During September and November 2025, the Company completed a $15 million placement to institutional and sophisticated investors through the issue of 214,285,715 ordinary shares at $0.07 per share. The placement was completed in two tranches, comprising 96,000,000 shares issued on 3 September 2025 and 118,285,715 shares issued on 3 November 2025 following shareholder approval;

(iv) During March and May 2026, the Company completed an $85 million placement to sophisticated and institutional investors through the issue of 229,729,730 ordinary shares at $0.37 per share. The placement was completed in tranches, comprising 173,409,547 shares issued on 5 March 2026, 34,428,290 shares issued on 7 May 2026 and 21,891,893 shares issued on 12 May 2026 following the satisfaction of the relevant approval and completion requirements;

(v) As a result of the successful capital raisings completed during the financial year, the Group's cash and cash equivalents increased substantially to approximately $75.1 million at 30 June 2026, providing the financial capacity to significantly accelerate exploration, resource-definition drilling and technical studies at the Dante Project;

(vi) On 29 June 2026, the Company implemented a significant renewal of its Board, with Ms Debra Bakker appointed Non-Executive Chair and Dr Jennifer Purdie and Mr Jeff Quartermaine appointed Independent Non-Executive Directors. On the same date, Mr Ian Middlemas and Mr Benjamin Cleary resigned as Directors of the Company; and

(vii) During FY2026, Mr Mark Freeman was appointed Company Secretary, further strengthening the Group's corporate finance, governance and financial management capability.

There were no other significant changes in the state of affairs of the Group during the year ended 30 June 2026 not otherwise disclosed in this Annual Report.

DIVIDENDS

No dividends were paid or declared by the Company during the financial year ended 30 June 2026, and no dividend has been recommended or declared since the end of the financial year.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Exercise of Listed Options

Subsequent to 30 June 2026, 33,334 listed options (ASX: TM1O), exercisable at $0.07 each and expiring on 16 June 2027, were exercised on 1 July 2026 and converted into 33,334 fully paid ordinary shares.

Termination of Apollo Group Services Agreement

The services agreement with Apollo Group Pty Ltd for the provision of serviced office facilities and administrative, accounting and company secretarial services was terminated with effect from 31 July 2026.

Other than the matters disclosed above, no matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect:

- the operations of the Group in subsequent financial years;
- the results of those operations in subsequent financial years; or
- the state of affairs of the Group in subsequent financial years.

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.

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DIRECTORS' REPORT

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[4]	Unlisted Options[2]	Performance Rights[3]
Ms Debra Bakker	-	-	-	3,000,000
Mr Thomas Line	10,970,843	470,243	17,500,000	-
Mr Haydn Smith	3,000,000	-	-	-
Dr Jennifer Purdie	-	-	-	2,500,000
Mr Jeff Quartermaine	-	-	-	2,500,000

Notes:

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

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

(3) "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.

(4) "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.

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
Ms Debra Bakker	-	-
Dr Jennifer Purdie	-	-
Mr Jeff Quartermaine	-	-
Mr Ian Middlemas	2	2
Mr Thomas Line	2	2
Mr Ben Cleary	2	1
Mr Haydn Smith	2	1
Mr Mark Pearce (Alternate Director for Mr Ian Middlemas)	-	-

At 30 June 2026, there were no Board committees.

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 2026 and 2025, 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.

OPTIONS, PERFORMANCE RIGHTS AND PERFORMANCE SHARES

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

Security	Exercise Price	Expiry Date	Number on Issue
Unlisted Options	$0.07	27 May 2027	**10,000,000**
Unlisted Options	$0.09	27 May 2027	**10,000,000**

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DIRECTORS' REPORT

Security	Exercise Price	Expiry Date	Number on Issue
Unlisted Options	$0.09	16 June 2027	**5,000,000**
Unlisted Options	$0.07	16 June 2027	**30,022,000**
Unlisted Options	$0.25	16 June 2027	**2,000,000**
Unlisted Options	$0.14	30 June 2028	**3,750,000**
Listed Options (ASX: TM1O)	$0.07	16 June 2027	**30,983,585**
Class C Performance Shares	Nil	28 August 2028	**20,000,000**
PS1 Performance Rights	Nil	30 September 2027	**1,600,000**
PS2 Performance Rights	Nil	30 September 2028	**2,400,000**
PS3 Performance Rights	Nil	30 September 2029	**4,000,000**
Total			**119,755,585**

The 20,000,000 Class C Performance Shares 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").

During the year ended 30 June 2026, 6,696,321 listed Options were exercised, resulting in the issue of 6,696,321 ordinary Shares. In addition, 2,000,000 unlisted Options were exercised for cash and 1,047,150 unlisted Options were exercised on a cashless basis during the year. Since 30 June 2026 and up to the date of this report, 33,334 Options have been exercised, resulting in the issue of 33,334 ordinary Shares.

During the year ended 30 June 2026, 40,000,000 Performance Shares vested and converted into 40,000,000 ordinary Shares. In addition, 7,000,000 Performance Rights held by the Managing Director and Chief Executive Officer vested and converted into 7,000,000 ordinary Shares during the year.

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

NON-AUDIT SERVICES

During the year, the Group's auditor, William Buck Audit (WA) Pty Ltd did not provide any non-audit services (2025: nil).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2026 has been received and is set out on page 21 of this Annual Report.

REMUNERATION REPORT (AUDITED)

Introduction

This Remuneration Report which forms part of the Directors' Report, sets out information about the remuneration of the Directors and other senior management of the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. This information has been audited as required by section 308(3C) of the *Corporations Act 2001.* This report details the remuneration arrangements for key management personnel (**KMP**) of the Company who are defined as those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group, being:

- Non-Executive Directors
- Executive Directors and Senior Executives (together the **Executives**).

Names and positions of KMP of the Group in office at any time during or since the end of the reporting period are as follows:

Ms Debra Bakker – Non-Executive Chair – appointed 29 June 2026
Mr Thomas Line – Managing Director and Chief Executive Officer – held office throughout the financial year
Mr Haydn Smith – Non-Executive Director – held office throughout the financial year
Dr Jennifer Purdie – Independent Non-Executive Director – appointed 29 June 2026
Mr Jeffrey Quartermaine – Independent Non-Executive Director – appointed 29 June 2026

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DIRECTORS' REPORT

Mr Ian Middlemas – Non-Executive Chairman – resigned 29 June 2026
Mr Benjamin Cleary – Non-Executive Director – resigned 29 June 2026
Mr Mark Pearce – Alternate Director for Mr Ian Middlemas – ceased 16 January 2026

Unless otherwise disclosed, the KMP held their position from 1 July 2025 until the date of this report.

Remuneration Overview

The Board is responsible for the Group's remuneration framework for Key Management Personnel ("KMP"). The framework is designed to attract and retain appropriately qualified personnel, provide remuneration appropriate to individual responsibilities and the Group's circumstances, and align KMP with the creation of long-term shareholder value.

During FY2026, the scale of the Group's activities increased significantly following the discovery and advancement of the Southwest PGM-gold-copper-nickel mineral system, expansion of exploration and resource-definition activities and completion of significant equity capital raisings.

Key remuneration outcomes for FY2026 were:

- no short-term incentive ("STI") cash bonuses were paid or payable to executive KMP (FY2025: $75,000);
- 10,000,000 Incentive Options were granted in respect of the remuneration arrangements of Managing Director and Chief Executive Officer, Mr Thomas Line;
- 7,000,000 Performance Rights held by Mr Line vested and converted into 7,000,000 fully paid ordinary shares;
- 8,000,000 Performance Rights were granted to Non-Executive Directors appointed on 29 June 2026; and
- following the Board renewal effective 29 June 2026, annual fees were set at $200,000 for the Non-Executive Chair and $100,000 for each other Non-Executive Director.

Remuneration Policy and Governance

Executive remuneration may comprise fixed remuneration, STI and long-term incentives ("LTI"). Remuneration is reviewed having regard to individual responsibilities and performance, the scope and complexity of each role, the Group's financial and operational position and relevant market remuneration data. The Board is responsible for determining and reviewing remuneration arrangements for Key Management Personnel and retains discretion in determining remuneration outcomes having regard to the Company's stage of development, operational priorities and shareholder interests.

Executive Remuneration

Fixed Remuneration - Fixed remuneration comprises base salary, employer superannuation contributions and, where applicable, other benefits.

Short-Term Incentives - Executive KMP may receive STI remuneration based on objectives determined by the Board. For the Group's current stage of development these objectives may include:

- exploration and resource development;
- technical and project advancement;
- delivery of approved work programs and budgets;
- health, safety and environmental performance;
- Traditional Owner engagement and community outcomes;
- organisational development and retention of key personnel;
- capital management and funding; and
- strategic and business development initiatives.

The Board assesses performance against the applicable objectives and retains discretion in determining STI outcomes. No STI cash bonuses were paid or payable to executive KMP during FY2026.

Long-Term Incentives

The Group uses equity-based incentives to support retention and align executives with longer-term value creation. Incentive Options are generally granted with exercise prices at or above the market price of the Company's shares

when the terms of the grant are determined and may be subject to service or other vesting conditions. During FY2026, 10,000,000 Incentive Options exercisable at $0.07 and expiring on 16 June 2027 were granted on 7 August 2025 in respect of Mr Line's remuneration arrangements. The fair value of this incentive option was $0.039.

At 30 June 2026, Mr Line held:

Incentive Options	Exercise Price	Expiry
12,500,000	$0.07	16 June 2027
2,500,000	$0.09	16 June 2027
2,500,000	$0.14	30 June 2028
17,500,000		

During FY2026, 7,000,000 Performance Rights held by Mr Line vested following satisfaction of the applicable time-based service conditions and converted into 7,000,000 fully paid ordinary shares. The Performance Rights were not subject to operational, financial or share-price performance hurdles.

Non-Executive Director Remuneration

Non-Executive Director remuneration is determined having regard to the responsibilities and time commitment required, the experience of Directors, the Group's size and complexity and relevant market practice. The maximum aggregate amount of fees payable to Non-Executive Directors is $600,000, as previously approved by shareholders. Following the Board renewal effective 29 June 2026, annual fees were set at:

Position	Annual Fee
Non-Executive Chair	$200,000
Non-Executive Director	$100,000

These fees cover main Board activities. Additional remuneration may be paid for additional duties or services where appropriate.

Non-Executive Director Rights

On appointment on 29 June 2026, Ms Debra Bakker, Dr Jennifer Purdie and Mr Jeff Quartermaine were granted an aggregate of 8,000,000 Performance Rights:

Director	PS1	PS2	PS3	Total rights	Grant date	Fair value per right at grant date
Debra Bakker	600,000	900,000	1,500,000	3,000,000	24 Jun 2026	$0.260
Jennifer Purdie	500,000	750,000	1,250,000	2,500,000	24 Jun 2026	$0.260
Jeff Quartermaine	500,000	750,000	1,250,000	2,500,000	24 Jun 2026	$0.260
Total	1,600,000	2,400,000	4,000,000	8,000,000		

The PS1, PS2 and PS3 Performance Rights are subject to continued service and time-based vesting conditions. They are not subject to operational, financial or share-price performance hurdles. The Rights were granted principally to support director retention, continuity and alignment with shareholders over the applicable vesting periods.

Each vested Performance Right converts into one fully paid ordinary share for no consideration. Rights that do not satisfy the applicable conditions by expiry lapse.

Relationship Between Remuneration and Group Performance

The Group remains principally focused on exploration, evaluation and potential development of its mineral projects. It is not presently generating earnings from mining operations and does not currently have a policy of paying dividends or returning capital to shareholders.

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DIRECTORS' REPORT

Accordingly, the Board considers operational, exploration, technical, corporate and strategic objectives to be more relevant measures for STI purposes than short-term accounting earnings or movements in the Company's share price.

Long-term equity incentives are designed to link a component of remuneration to longer-term value creation. The value ultimately realised from these securities depends on satisfaction of applicable vesting conditions and, in the case of Incentive Options, the Company's share price exceeding the applicable exercise price.

During FY2026, the Company experienced a substantial increase in market value following the discovery and advancement of the Southwest mineral system.

Five-Year Group Performance

Financial year	Year-end share price	Ordinary shares on issue	Approx. market capitalisation	Group earnings / (loss)
FY2022	$0.051	164,248,729	$8.4m	$80.4m profit*
FY2023	$0.029	185,778,694	$5.4m	($1.1m) loss
FY2024	$0.072	295,778,694	$21.3m	($4.9m) loss
FY2025	$0.048	477,896,966	$22.9m	($5.9m) loss
FY2026	$0.285	1,030,852,958	$293.8m	($27.9m) loss

*The FY2022 profit principally reflected an accounting gain arising from the extinguishment of financial liabilities associated with the former Paringa Resources restructuring and was not generated from operating activities. No dividends or returns of capital were paid during the five-year period.

The Board considers the Group's stage of development when assessing remuneration outcomes and does not consider accounting earnings in isolation to be an appropriate measure of KMP performance.

KMP Remuneration

Details of remuneration provided to Directors and other KMP are set out below.

	Short-term benefits			Post-employment benefits	Share-based payments	Termination Payments		Performance related
2026	Salary & fees $	Cash Bonus $	Other $	$	$	$	Total $	%
Mr Ian Middlemas[1][3]	50,000			6,000	-	-	56,000	-
Mr Thomas Line	295,000	-	-	35,400	581,902	-	912,302	64%
Mr Ben Cleary[1]	29,918	-	-	-	-	-	29,918	-
Mr Haydn Smith	30,000	-	-	-	-	-	30,000	-
Ms Debra Bakker[2]	1,096	-	-	132	1,103	-	2,331	47%
Dr Jennifer Purdie[2]	548	-	-	66	919	-	1,533	60%
Mr Jeff Quartermaine[2]	548	-	-	66	919	-	1,533	60%
	407,110	-	-	41,664	584,843	-	1,033,617	

(1) Mr Ian Middlemas and Mr Benjamin Cleary resigned as Directors effective **29 June 2026**.
(2) Ms Debra Bakker, Dr Jennifer Purdie and Mr Jeff Quartermaine were appointed as Directors effective **29 June 2026**.
(3) Mr Mark Pearce ceased as Alternate Director for Mr Ian Middlemas effective **16 January 2026**. No remuneration was paid or payable to Mr Pearce during FY2026.

	Short-term benefits			Post-employment benefits	Share-based payments	Termination Payments		Performance related
2025	Salary & fees $	Cash Bonus $	Other $	$	$	$	Total $	%
Directors								
Mr Ian Middlemas	36,000	-	-	-	-	-	36,000	-
Mr Thomas Line[2]	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	

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

Loans and Other Transactions with KMP

Loans

No loans were provided to or received from KMP during the year ended 30 June 2026 (FY2025: nil).

Other Transactions

The Group incurred fees of $454,989 excluding GST to Apollo Group Pty Ltd, an entity associated with Mr Mark Pearce, principally for serviced office, corporate and administrative services (2025: $312,000). The agreement had no fixed term and was able to be terminated by either party by providing one month's notice. The agreement with Apollo Group Pty Ltd was terminated effective 31 July 2026. The Company considers that the services provided by Apollo Group Pty Ltd were provided on arm's length or better terms.

The Group incurred $590,888 in advisory and capital raising fees to Tribeca Capital Pte. Ltd. during the year ended 30 June 2026. Tribeca Capital Pte. Ltd. is associated with Tribeca Investment Partners Pty Ltd. Mr Ben Cleary, a director of the Company during the year, was also a director and employee of Tribeca Investment Partners Pty Ltd. The services provided included investment advisory, capital advisory and capital raising services. Material transactions included a $150,000 capital advisory fee and a $320,000 capital raising fee relating to the Company's $8.0 million placement. In addition, following shareholder approval, 8,772,000 unlisted Advisor Options were issued to Tribeca Capital Pte. Ltd. (and/or its nominee) for nil consideration in connection with strategic advisory services provided to the Company. The Advisor Options are exercisable at $0.07 each and expire on 16 June 2027. The options have a fair value of $342,108 and is determined using the Black-Scholes option pricing model. The Advisor Options had a total fair value of $342,108, of which $100,000 was recognised as an equity-settled share issue cost in FY2025 and the remaining $242,108 was recognised in FY2026.

Options, Rights and Shareholdings of KMP

During FY2026:

- 8,000,000 Performance Rights were granted to Non-Executive Director KMP;
- 10,000,000 Incentive Options were granted in respect of Mr Thomas Line's remuneration arrangements;
- 7,000,000 Performance Rights held by Mr Line vested and converted into ordinary shares; and
- no Incentive Options held by KMP were exercised or lapsed.

Option and Right Holdings

2026	Held at 1 July 2025	Granted as Remuneration	Exercised/ Converted	Lapsed	Held at 30 June 2026	Vested & exercisable at 30 June 2026
Directors						
Mr Ian Middlemas[1]	-	-	-	-	-	-
Mr Thomas Line	14,500,000	10,000,000	(7,000,000)	-	17,500,000	17,500,000
Mr Ben Cleary[1]	-	-	-	-	-	-
Mr Haydn Smith	-	-	-	-	-	-
Ms Debra Bakker[2]	-	3,000,000	-	-	3,000,000	-
Dr Jennifer Purdie[2]	-	2,500,000	-	-	2,500,000	-
Mr Jeff Quartermaine[2]	-	2,500,000	-	-	2,500,000	-
Mark Pearce [4]	-	-	-	-	-	-
	14,500,000	**18,000,000**	**(7,000,000)**	**-**	**25,500,000**	**17,500,000**

Notes:
(1) As at date of resignation. Mr Ian Middlemas and Mr Benjamin Cleary resigned as Directors effective 29 June 2026.
(2) Ms Debra Bakker, Dr Jennifer Purdie and Mr Jeff Quartermaine were appointed as Directors effective 29 June 2026.

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(3) The Performance Rights granted during the year comprise 1,600,000 PS1 Performance Rights, 2,400,000 PS2 Performance Rights and 4,000,000 PS3 Performance Rights. The PS1, PS2 and PS3 Performance Rights are subject to continued service and time-based vesting conditions and vest following 12, 24 and 36 months of continuous service, respectively. They are not subject to operational, financial or share-price performance hurdles. Each vested Performance Right converts into one fully paid ordinary share for no consideration. Rights that do not satisfy the applicable vesting conditions by expiry lapse.
(4) Mr Mark Pearce ceased as Alternate Director for Mr Ian Middlemas effective 16 January 2026.
(5) Mr Thomas Line's opening balance comprised 7,500,000 Incentive Options and 7,000,000 Performance Rights. During FY2026, 10,000,000 Incentive Options were granted to Mr Line and the 7,000,000 Performance Rights vested and converted into ordinary Shares. The 10,000,000 Incentive Options are exercisable at $0.07 each and expire on 16 June 2027. The options vest subject to Mr Line remaining employed by the Company for six months from the date of issue. The Board retains discretion to waive this vesting condition, subject to compliance with the ASX Listing Rules. The grant-date fair value was $0.039 per option.

Shareholdings

	Held at 1 July 2025		Granted as Remuneration		Purchases		Other net change		Held at 30 June 2026	
2026	**Ord (2)**	**Perf (3)**	**Ord (2)**	**Perf (3)**	**Ord (2)**	**Perf (3)**	**Ord (2)**	**Perf (3)**	**Ord (2)**	**Perf (3)**
Directors										
I Middlemas(1)	11,500,000	-	-	-	-	-	-	-	11,500,000	-
T Line(5)	2,581,516	1,410,729	-	-	-	-	8,389,327	(940,486)	10,970,843	470,243
B Cleary(1)	-	-	-	-	-	-	-	-	-	-
H Smith	3,000,000	-	-	-	-	-	-	-	3,000,000	-
D Bakker(4)	-	-	-	-	-	-	-	-	-	-
J Purdie(4)	-	-	-	-	-	-	-	-	-	-
J Quartermaine(4)	-	-	-	-	-	-	-	-	-	-
M Pearce (1)	3,134,500	-	-	-	-	-	-	-	3,134,500	-
	20,216,016	**1,410,729**	**-**	**-**	**-**	**-**	**8,389,327**	**(940,486)**	**28,605,343**	**470,243**

Notes:
(1) As at date of resignation. For KMP who ceased office during the financial year, the closing balance represents their holding as at the date they ceased to be KMP. Mr Mark Pearce ceased as Alternate Director on 16 January 2026. Mr Ian Middlemas and Mr Ben Cleary resigned as Directors on 29 June 2026.
(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.
(4) Ms Debra Bakker, Dr Jennifer Purdie and Mr Jeff Quartermaine were appointed as Directors on 29 June 2026 and held no Ordinary Shares or Performance Shares at 30 June 2026. Their Performance Rights are disclosed separately in the Option and Right Holdings of KMP table.
(5) Mr Thomas Line's closing Performance Share holding comprises 470,243 Class C Performance Shares, which remain subject to the applicable Class C Mineral Resource milestone.

Employment and Appointment Arrangements

Mr Thomas Line, Managing Director and Chief Executive Officer, is employed under an ongoing employment agreement. Effective 1 July 2026, Mr Line receives fixed remuneration of $395,000 per annum excluding superannuation and is eligible for a discretionary annual bonus based on KPIs determined by the Board. The agreement may be terminated by the Company on three months' written notice, subject to any statutory entitlements.

Each Non-Executive Director has a letter of appointment setting out the terms and conditions of their appointment.

End of Audited Remuneration Report.

Signed in accordance with a resolution of the Directors.



Debra Bakker
Independent Non-Executive Chair
Terra Metals Limited

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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 2026, 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 30th day of September 2026

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Income	2	**1,061,750**	**89,339**
Exploration and evaluation expenses		**(23,835,776)**	**(4,374,842)**
Corporate and administrative expenses		**(3,025,652)**	**(596,395)**
Business development expenses		**(1,029,521)**	**(717,233)**
Share-based payment expense	14	**(1,117,456)**	**(345,220)**
Loss before tax		**(27,946,655)**	**(5,944,351)**
Income tax expense		**-**	**-**
Net loss for the year		**(27,946,655)**	**(5,944,351)**
Net loss attributable to members of Terra Metals Limited		**(27,946,655)**	**(5,944,351)**
Other comprehensive income		**-**	**-**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive loss for the year, net of tax		**(27,946,655)**	**(5,944,351)**
Total comprehensive loss attributable to members of Terra Metals Limited		**(27,946,655)**	**(5,944,351)**
Basic and diluted loss per share from operations (cents per share)	11	**(3.58)**	**(1.48)**

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 30 JUNE 2026

	Note	2026 $	2025 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**75,112,014**	**3,271,260**
Prepayments		**13,000**	**-**
Trade and other receivables	4	**1,718,219**	**107,065**
Total Current Assets		**76,843,233**	**3,378,325**
Non-Current Assets			
Exploration and evaluation assets	6	**5,938,358**	**5,938,358**
Right of use assets	21	**347,791**	**-**
Property, plant and equipment		**429,629**	**106,488**
Total Non-Current Assets		**6,715,778**	**6,044,846**
TOTAL ASSETS		**83,559,011**	**9,423,171**
LIABILITIES			
Current Liabilities			
Trade and other payables	7	**6,765,068**	**1,884,322**
Provisions		**80,592**	**32,505**
Lease liabilities	21	**140,775**	**-**
Total Current Liabilities		**6,986,435**	**1,916,827**
Non-Current Liabilities			
Lease liabilities	21	**213,315**	**-**
TOTAL LIABILITIES		**7,199,750**	**1,916,827**
NET ASSETS		**76,359,261**	**7,506,344**
EQUITY			
Contributed equity	8	**254,696,270**	**158,856,511**
Reserves	9	**2,346,058**	**1,386,244**
Accumulated losses	10	**(180,683,067)**	**(152,736,411)**
TOTAL EQUITY		**76,359,261**	**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
AS AT 30 JUNE 2026

	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 year		-	-	(27,946,655)	(27,946,655)
Total comprehensive loss for the year		-	-	(27,946,655)	(27,946,655)
Transaction with owners in their capacity as owners:					
Issue of shares	8	102,448,639	-	-	102,448,639
Transfer from SBP reserve upon conversion of performance rights	8, 9	273,000	(273,000)	-	-
Transfer of option reserve on exercise	8, 9	126,750	(126,750)	-	-
Equity settled share issue cost	8, 9	(242,108)	242,108	-	-
Share issue cost	8	(6,766,522)	-	-	(6,766,522)
Share based payment expense	9, 14	-	1,117,456	-	1,117,456
Balance at 30 June 2026		254,696,270	2,346,058	(180,683,067)	76,359,261
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	6	477,500	127,500	-	605,000
Issue of shares – share placements	8	8,196,667	-	-	8,196,667
Share issue costs	9,14	(634,432)	100,000	-	(534,432)
Share-based payments expense	9,14	174,440	170,780	-	345,220
Balance at 30 June 2025		158,856,511	1,386,244	(152,736,411)	7,506,344

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(4,268,524)	(1,181,414)
Interest received		1,037,657	89,332
Payments for exploration and evaluation expenditure		(19,078,162)	(4,777,688)
Net cash outflows from operating activities	5	(22,309,029)	(5,869,770)
Cash flows from investing activities			
Payments for property, plant and equipment		(386,522)	(9,533)
Proceeds from disposal of tenements		5,000	-
Loans to other entities		(50,460)	(15,637)
Net cash outflows from investing activities		(431,982)	(25,170)
Cash flows from financing activities			
Proceeds from issue of shares		100,803,333	8,041,843
Proceeds from exercise of options		608,742	1,000,000
Payments for share issue costs		(6,766,522)	(524,063)
Repayment of lease liabilities		(63,788)	-
Net cash inflows from financing activities		94,581,765	8,517,780
Net increase/(decrease) in cash and cash equivalents		71,840,754	2,622,840
Cash and cash equivalents at beginning of the year		3,271,260	648,420
Cash and cash equivalents at the end of the year	5	75,112,014	3,271,260

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

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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 2026 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 2026 was authorised for issue in accordance with a resolution of the Directors on 30 September 2026.

(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 2025 that are mandatory.

The adoption of the aforementioned standards has no impact on the financial statements of the Company as at 30 June 2026. 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 2026. 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 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

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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

Exploration and evaluation expenditure is accounted for in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.

Exploration and evaluation expenditure comprises costs 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.

Exploration and evaluation expenditure is expensed as incurred, except for costs incurred in the acquisition of rights to explore, which are capitalised as exploration and evaluation assets where appropriate.

Capitalised acquisition costs are accumulated separately for each area of interest and are carried forward where the rights to tenure of the area of interest are current and the costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, through its sale.

Exploration and evaluation expenditure incurred subsequent to acquisition, including drilling, geological and geophysical activities, sampling and assaying, field activities, tenement-related expenditure and other exploration and evaluation costs, is recognised as an expense as incurred.

Capitalised exploration and evaluation assets are initially measured at cost.

Once the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, the relevant exploration and evaluation asset is no longer accounted for under AASB 6. The carrying amount is tested for impairment and, where appropriate, reclassified to development assets. Development expenditure is subsequently accounted for in accordance with the Group's accounting policies applicable to development assets.

Recoverability of the carrying amount of exploration and evaluation assets is dependent upon the successful development and commercial exploitation of the respective areas of interest or, alternatively, their sale.

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(g) Exploration and Development Expenditure (Continued)

Impairment

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

In accordance with AASB 6, indicators of impairment include circumstances where:

- the Group's right to explore in a specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
- sufficient data exists to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Where an indicator of impairment exists, the exploration and evaluation asset is tested for impairment in accordance with AASB 136 *Impairment of Assets*. Any impairment loss is recognised in profit or loss.

(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 income is recognised using the effective interest method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired, where applicable.

(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.

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1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(j) Income tax (continued)

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.

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 form an income tax consolidated group under the Australian tax consolidation regime. Terra Metals Limited is the head entity of the tax consolidated group.

(k) Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares outstanding during the reporting period, adjusted for any bonus elements in Ordinary Shares issued during the period.

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after-tax effect of interest and other financing costs associated with dilutive potential Ordinary Shares and the weighted average number of additional Ordinary Shares that would have been outstanding assuming the conversion of all dilutive potential Ordinary Shares.

Potential Ordinary Shares are treated as dilutive only when their conversion would decrease earnings per share or increase loss per share. Potential Ordinary Shares that are anti-dilutive are excluded from the calculation of diluted EPS.

(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.

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1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Segment Reporting (continued)

Operating segments have been identified based on the information provided to the chief operating decision makers, being the Board of Directors.

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 16.

(n) Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that a non-financial asset may be impaired. Where an indication of impairment exists, or where annual impairment testing is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those generated by other assets or groups of assets, in which case recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, 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 risks specific to the asset for which the future cash flow estimates have not been adjusted.

Where 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. Any impairment loss is recognised immediately in profit or loss.

At each reporting date, the Group also assesses whether there is any indication that an impairment loss recognised in a prior period may no longer exist or may have decreased. Where such an indication exists, the Group estimates the recoverable amount of the relevant asset or cash-generating unit.

A previously recognised impairment loss is reversed only where there has been a change in the estimates used to determine the asset's recoverable amount since the impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior periods. Any reversal of an impairment loss is recognised immediately in profit or loss.

Exploration and evaluation assets are assessed for impairment in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. Where facts and circumstances indicate that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the asset is tested for impairment in accordance with AASB 136 Impairment of Assets, as set out in the Group's accounting policy for exploration and evaluation expenditure.

(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.

(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.

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1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(q) Share-Based Payments

Equity-settled share-based payments may be provided to Directors, employees, consultants and other service providers.

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the grant date. Fair value is determined using an appropriate valuation methodology having regard to the terms and conditions of the relevant instruments. Further details on the valuation of equity-settled share-based payments are provided in Note 14.

The fair value determined at the grant date is recognised as an expense, with a corresponding increase in the share-based payments reserve, over the period in which the applicable service and non-market performance conditions are satisfied.

Market and non-vesting conditions are reflected in the grant-date fair value of the equity instruments and are not subsequently adjusted. For non-market vesting conditions, the cumulative expense recognised reflects the Group's estimate of the number of equity instruments expected to ultimately vest. This estimate is revised at each reporting date, with the impact of any revision recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share-based payments reserve.

Where equity instruments are issued in consideration for goods or services received from parties other than employees, the transaction is measured in accordance with the applicable accounting standards.

Equity instruments may also be issued as consideration for the acquisition of assets. Such transactions are measured and recognised in accordance with the applicable accounting standards based on the substance of the transaction.

(r) Current and non- current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(s) 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.

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 14); and
- Exploration and evaluation asset (refer Note 6).

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2. INCOME AND EXPENSES

	Note	2026 $	2025 $
Income			
Interest income		1,038,467	89,339
Other Income		23,283	-
		1,061,750	89,339
Depreciation and amortisation			
Depreciation of property, plant and equipment		(133,469)	(36,088)
		(133,469)	(36,088)
Employee benefits expense			
Wages and salaries		(1,184,720)	(953,112)
Employee benefits		48,087	(18,101)
Payroll tax		(82,000)	-
Post-employment benefits		(153,039)	(86,839)
Share-based payment expense	14	(1,117,456)	(170,780)
		(2,585,302)	(1,228,832)

3. INCOME TAX

	2026 $	2025 $
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	(27,946,655)	(5,944,351)
At the domestic income tax rate of 30% (2025: 30%)	(8,383,997)	(1,783,305)
Expenditure not allowable for income tax purposes	335,237	103,566
Adjustments in respect of deferred income tax of previous years	-	-
Effect of deferred tax assets not brought to account	8,048,760	1,679,739
Income tax expense reported in profit or loss	-	-
Deferred tax assets and liabilities		
Deferred tax liabilities:		
Exploration and evaluation assets	206,503	206,503
Deferred tax assets used to offset deferred tax liabilities	(206,503)	(206,503)
	-	-

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Deferred tax assets:		
Accrued expenditure	12,450	12,450
Provisions	24,178	9,752
Capital allowances	-	-
Tax losses	14,370,592	5,749,080
Capital losses	34,043,953	34,043,953
Deferred tax assets used to offset deferred tax liabilities	(206,503)	(206,503)
Deferred tax assets not brought to account [1]	(48,244,669)	(39,608,732)
	-	-

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. TRADE AND OTHER RECEIVABLES

	2026 $	2025 $
GST Receivable	1,670,231	107,065
Security Deposits	6,563	-
Sundry Debtors	41,426	-
	6,765,068	1,884,322

5. CASH AND CASH EQUIVALENTS

	2026 $	2025 $
Cash at bank and on hand	75,112,014	3,271,260
Total cash at bank and on hand	75,112,014	3,271,260
Reconciliation of profit/(loss) after income tax to net cash flows from operations		
Net profit/(loss) after income tax for the year	(27,946,655)	(5,944,351)
Adjustment for non-cash income and expense items:		
Share based payments expense	1,117,456	345,220
Depreciation and amortisation expense	133,469	36,088
Investing Cash flow adjustments:		
Proceeds from disposal of tenements	(5,000)	-
Change in working capital:		
Decrease/(increase) in trade and other receivables	(1,570,694)	201,597
Decrease/(increase) in prepayments	(13,000)	-
(Decrease)/increase in trade and other payables	5,927,308	(526,425)
Increase in provisions	48,087	18,101
Net cash outflow from operating activities	(22,309,029)	(5,869,770)

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6. EXPLORATION AND EVALUATION ASSETS

	Dante / Other Projects	Onslow Project	Total
	$	$	$
Balance at 1 July 2025	5,365,837	572,521	5,938,358
Carrying amount at 30 June 2026	**5,365,837**	**572,521**	**5,938,358**
2025			
Carrying amount at 1 July 2024	4,697,422	572,521	5,269,943
Acquisition of new tenements [2]	620,637	-	620,637
Other additions	47,778	-	47,778
Carrying amount at 30 June 2025	**5,365,837**	**572,521**	**5,938,358**

Notes:

[1] The recoverability of exploration and evaluation assets is dependent upon the successful development and commercial exploitation of the respective areas of interest, or alternatively, their sale.

[2] During the year ended 30 June 2025, the Group acquired 100% of HRM Exploration Pty Ltd, which holds four exploration licences contiguous with the Dante Project. The acquisition was accounted for as an asset acquisition. The total acquisition cost of $620,637, comprising equity consideration and directly attributable acquisition costs, was allocated to exploration and evaluation assets.

7. TRADE AND OTHER PAYABLES

	2026	2025
	$	$
Trade creditors	4,963,191	235,110
Accrued expenses	1,799,432	649,212
Share placement subscriptions received in advance	2,445	1,000,000
	6,765,068	1,884,322

8. CONTRIBUTED EQUITY

	2026	2025
	$	$
Issued capital		
1,030,852,958 fully paid ordinary shares (30 June 2025: 477,896,966)	254,696,270	157,416,511
Nil Class A performance shares (30 June 2025: 20,000,000)	-	760,000
Nil Class B performance shares (30 June 2025: 20,000,000)	-	680,000
	254,696,270	158,856,511

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8. CONTRIBUTED EQUITY (continued)

(a) Movements in issued capital

Details	No. of Ordinary Shares	No. of Performance Shares	$
2026			
Opening balance at 1 July	477,896,966	60,000,000	158,856,511
Issue of placement shares	495,539,256	-	101,803,334
Converted into Ordinary Shares	40,000,000	(40,000,000)	-
Vesting and conversion of performance rights	7,000,000	-	273,000
Exercise of options	9,743,471	-	735,492
Issue of shares to consultants	673,265	-	36,563
Share issue costs-equity-settled (Refer to Note 9)			(242,108)
Share issue costs	-	-	(6,766,522)
Closing balance at 30 June 2026	1,030,852,958	20,000,000	254,696,270
2025			
Opening balance at 1 July	295,778,694	60,000,000	150,642,336
Shares issued on acquisition of HRM Exploration Pty Ltd	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 2025	477,896,966	60,000,000	158,856,511

(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,

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.

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8. CONTRIBUTED EQUITY (continued)

(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

During the 2024 financial year, 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.

During the year ended 30 June 2026, the milestones attaching to the Class A and Class B Performance Shares were satisfied and, accordingly, the 20,000,000 Class A Performance Shares and 20,000,000 Class B Performance Shares vested and converted into Ordinary Shares.

At 30 June 2026, 20,000,000 Class C Performance Shares remained on issue.

The Class C Performance Shares are subject to the following principal terms and conditions:

- The Performance Shareholders are not entitled to a dividend;
- The Performance Shares are not transferable;
- The Performance Shareholders have no right to vote, subject to the Corporations Act 2001;
- 20,000,000 Class C Performance Share will vest and convert into one 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;
- Ordinary Shares issued on conversion of the Class C Performance Shares will rank equally with and confer rights identical to all other Ordinary Shares then on issue and application will be made by the Company to ASX for official quotation of those Ordinary Shares;
- 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 2001; and
- The Performance Shares are unquoted and 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).

The movements in Listed Options during the year were as follows:

Details	**No. of Listed Options**
Opening balance at 1 July 2025	37,713,240
Listed Options exercised during the year	(6,696,321)
Closing balance at 30 June 2026	**31,016,919**

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8. CONTRIBUTED EQUITY (continued)

(e) Terms and Conditions of Non-Executive Director Performance Rights

During the year ended 30 June 2026, the Company issued 8,000,000 Performance Rights to Non-Executive Directors as part of their remuneration arrangements. The Performance Rights were issued for nil consideration and no amount is payable upon vesting. Each Performance Right entitles the holder to receive one fully paid ordinary share in the Company upon vesting. The Performance Rights vest over time, subject to the holder continuing to satisfy the applicable service conditions, as follows:

Class	Number	Expiry Date
PS1 Performance Rights	1,600,000	30 September 2027
PS2 Performance Rights	2,400,000	30 September 2028
PS3 Performance Rights	4,000,000	30 September 2029
Total	**8,000,000**	

The Performance Rights are unquoted. Ordinary Shares issued upon vesting and conversion of the Performance Rights will rank equally with all other fully paid ordinary shares of the Company then on issue. Further information regarding the accounting for these Performance Rights is disclosed in Note 14.

(f) HRM Conditional Share Consideration

As part of the acquisition of HRM Exploration Pty Ltd during the year ended 30 June 2025, the Company agreed to issue up to 3,750,000 Class A, 3,750,000 Class B and 3,750,000 Class C fully paid ordinary shares upon satisfaction of specified milestones. The Class A and Class B conditional consideration expires on 28 August 2027 if the relevant vesting conditions have not been satisfied. The Class A deferred shares vest upon satisfaction of both a drilling milestone based on cumulative drill intercepts from the HRM Tenements totalling at least 10 grade-metres of Cu equivalent and a market condition requiring the Company's shares to achieve a 20-day VWAP of at least $0.10.

The Class B deferred shares vest upon satisfaction of both a drilling milestone based on cumulative drill intercepts from the HRM Tenements totalling at least 20 grade-metres of Cu equivalent and a market condition requiring the Company's shares to achieve a 20-day VWAP of at least $0.15. The Class C deferred shares vest upon announcement of an independently assessed JORC Code Mineral Resource from the HRM Tenements of at least 150,000 tonnes of Cu equivalent at a cut-off grade of not less than 0.5% Cu equivalent.

At 30 June 2026, the Class A and Class B conditional share consideration had an aggregate carrying amount of $127,500. The Class C conditional share consideration had a carrying amount of nil. No shares had been issued in respect of these milestones at 30 June 2026 and, accordingly, these instruments are not included in the Company’s securities register at that date.

9. RESERVES

	2026 $	2025 $
Share-based payments reserve	2,346,058	1,386,244
	2,346,058	1,386,244

(a) Nature and Purpose of Reserves

Share-based payments reserve – The share-based payments reserve is used to recognise the cumulative fair value of equity-settled share-based payment arrangements, including options and performance rights issued to directors, employees, consultants and other service providers.

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9. RESERVES (continued)

(b) Movements in share-based payments reserve

Details	No. of Unlisted Options	No. of Performance Rights	$
2026			
Opening balance	34,250,000	7,000,000	1,386,244
Options granted during the year	29,772,000	-	-
Performance rights granted during the year	-	8,000,000	-
Options exercised during the year	(3,250,000)	-	(126,750)
Performance rights converted during the year	-	(7,000,000)	(273,000)
Share-based payments expense	-	-	1,117,456
Equity-settled capital raising costs	-	-	242,108
Closing balance	**60,772,000**	**8,000,000**	**2,346,058**

The 8,000,000 Performance Rights granted during FY2026 comprise 1,600,000 PS1 Performance Rights, 2,400,000 PS2 Performance Rights and 4,000,000 PS3 Performance Rights issued to Non-Executive Directors. The expense associated with these rights is included in share-based payment expense. The 7,000,000 Performance Rights converted during FY2026 relate to rights held by the Managing Director and Chief Executive Officer which vested and converted into 7,000,000 fully paid ordinary shares during the year.

(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 subscribe for one Share upon exercise;
- The Unlisted Options on issue 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;
  - 30,022,000 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; and
  - 2,000,000 Unlisted Options exercisable at $0.25 each on or before 16 June 2027.
- The Unlisted Options are exercisable at any time prior to their respective expiry dates, subject to any applicable vesting conditions being satisfied;
- Shares issued on exercise of the Unlisted Options rank equally with the then issued Shares of the Company;
- Application will be made by the Company to ASX for official quotation of Shares issued upon exercise of the Unlisted Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of Unlisted Option holders may be varied to comply with the ASX Listing Rules applicable to the reconstruction at that time; and
- No application for quotation of the Unlisted Options will be made by the Company.

(d) Terms and Conditions of Performance Rights

At 1 July 2025, the Company had on issue 7,000,000 Performance Rights comprising:

- 3,500,000 Class A Performance Rights that vested upon satisfaction of the Class A Milestone, expiring 28 August 2027; and
- 3,500,000 Class B Performance Rights that vested upon satisfaction of the Class B Milestone, expiring 28 August 2027.

During the year ended 30 June 2026, the Class A Milestone and Class B Milestone were satisfied and, accordingly, all 7,000,000 Performance Rights vested and converted into 7,000,000 fully paid ordinary shares. Accordingly, no Class A or Class B Performance Rights remained on issue at 30 June 2026.

10. ACCUMULATED LOSSES

	2026 $	2025 $
Balance at 1 July	(152,736,411)	(146,792,060)
Net loss for the year	(27,946,655)	(5,944,351)
Balance at 30 June	(180,683,067)	(152,736,411)

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11. LOSS PER SHARE

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

	2026 $	2025 $
Basic loss per share (cents per share)	(3.58)	(1.48)
Diluted loss per share (cents per share)	(3.58)	(1.48)

	2026 $	2025 $
Net loss attributable to members Terra Metals Limited	(27,946,655)	(5,944,351)
Net loss attributable to members of the parent used in calculating basic and diluted earnings per share	(27,946,655)	(5,944,351)

	2026 No. of Shares	2025 No. of Shares
Weighted average number of Ordinary Shares used in calculating basic and diluted loss per share	780,664,291	400,493,028

(a) Non-Dilutive Securities

As at 30 June 2026, 20,000,000 Performance Shares, 31,016,919 Listed Options, 60,772,000 Unlisted Options and 8,000,000 Performance Rights were excluded from the calculation of diluted loss per share as their inclusion would have been anti-dilutive.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2026

Subsequent to 30 June 2026, 33,334 quoted options (ASX: TM1O), exercisable at $0.07 each and expiring on 16 June 2027, were exercised on 1 July 2026 and converted into 33,334 fully paid ordinary shares. Other than as set out above and elsewhere in this financial report, there have been no other conversions to, calls of, subscriptions for, or issues of Ordinary Shares or potential Ordinary Shares since the reporting date and before completion of this financial report.

12. RELATED PARTIES

(a) Subsidiaries

Name	Country of Incorporation	% Equity Interest 2026	% Equity Interest 2025
Dante Resources Pty Ltd	Australia	100	100
97992001 Pty Ltd	Australia	100	100
Onslow Gold Pty Ltd	Australia	100	100
HRM Exploration Pty Ltd	Australia	100	100
KSZ Metals Pty Ltd	Australia	-	100

KSZ Metals Pty Ltd (ACN 662 737 206) was deregistered on 3 December 2025.

(b) Ultimate Parent

Terra Metals Limited is the ultimate parent of the Group.

(c) Key Management Personnel

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

	2026 $	2025 $
Short-term employee benefits	**(407,110)**	(449,929)
Share-based payments	**(584,843)**	(160,869)
Post-employment benefits	**(41,664)**	(32,077)
Total compensation	**(1,033,617)**	(642,875)

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(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
The Group incurred fees of $454,989 excluding GST to Apollo Group Pty Ltd, an entity associated with Mr Mark Pearce, principally for serviced office, corporate and administrative services (2025: $312,000). The agreement had no fixed term and was able to be terminated by either party by providing one month's notice. The agreement with Apollo Group Pty Ltd was terminated effective 31 July 2026. The Company considers that the services provided by Apollo Group Pty Ltd were provided on arm's length or better terms.

Tribeca Capital Pte. Ltd.
The Group incurred $590,888 in advisory and capital raising fees to Tribeca Capital Pte. Ltd. during the year ended 30 June 2026. Tribeca Capital Pte. Ltd. is associated with Tribeca Investment Partners Pty Ltd. Mr Ben Cleary, a director of the Company during the year, was also a director and employee of Tribeca Investment Partners Pty Ltd. The services provided included investment advisory, capital advisory and capital raising services. Material transactions included a $150,000 capital advisory fee and a $320,000 capital raising fee relating to the Company's $8.0 million placement. In addition, following shareholder approval, 8,772,000 unlisted Advisor Options were issued to Tribeca Capital Pte. Ltd. (and/or its nominee) for nil consideration in connection with strategic advisory services provided to the Company. The Advisor Options are exercisable at $0.07 each and expire on 16 June 2027. The options have a fair value of $342,108 and is determined using the Black-Scholes option pricing model. The Advisor Options had a total fair value of $342,108, of which $100,000 was recognised as an equity-settled share issue cost in FY2025 and the remaining $242,108 was recognised in FY2026.

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

13. PARENT ENTITY NOTE DISCLOSURE

	2026 $	2025 $
(a) Financial Position		
Assets		
Current assets	76,843,229	3,340,208
Non-current assets	6,715,062	5,550,259
Total assets	83,558,291	8,890,467
Liabilities		
Current liabilities	6,985,715	1,384,124
Non-Current Liabilities	213,315	-
Total liabilities	7,199,030	1,384,124
Equity		
Contributed equity	254,696,270	158,856,511
Reserves	2,346,058	1,386,244
Accumulated losses	(180,683,067)	(152,736,412)
Total equity	76,359,261	7,506,343
(b) Financial Performance		
Loss for the year	(27,946,655)	(5,944,351)
Total comprehensive loss	(27,946,655)	(5,944,351)

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As at 30 June 2026, the parent entity did not have any commitments, contingent assets or liabilities or guarantees with subsidiaries (2025: nil). The accounting policies of the parent entity are consistent with those of the consolidated entity.

14. 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:

	2026 $	2025 $
Expense recognised through profit or loss from grant of options and rights to employees, consultants and advisors	1,117,456	170,780
Expense recognised through profit or loss from issue of shares to contractors	-	174,440
Total share-based payments expense	1,117,456	345,220

In addition to share-based payment expenses recognised through profit or loss, share-based payments may be recognised directly in equity or as part of the cost of an asset, as appropriate. During the 2026 financial year, share-based payments of **$242,108** associated with equity raising activities were recognised directly in equity as share issue costs. Refer to Note 9 for further details.

During the 2025 financial year:

- a share-based payment of $100,000 was recognised directly in equity as share issue costs, relating to the issue of 5,848,000 unlisted options exercisable at $0.07 each and expiring on 16 June 2027 to Tribeca (or its nominees) for assistance with a share placement.

14. SHARE-BASED PAYMENTS (continued)

(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:

	2026 No. of Options and Rights	2026 WAEP $	2025 No. of Options and Rights	2025 WAEP $
Outstanding at beginning of year	41,250,000	0.08	35,402,000	0.08
Options granted during the year	29,772,000	0.08	5,848,000	0.07
Rights granted during the year	8,000,000	–	–	–
Options exercised during the year	(3,250,000)	0.07	–	–
Rights converted during the year	(7,000,000)	–	–	–
Outstanding at end of year	68,772,000	0.08	41,250,000	0.08
Exercisable at end of year	60,772,000	0.08	35,402,000	0.08

Notes: At 30 June 2026, the outstanding balance comprised 60,772,000 unlisted options and 8,000,000 Performance Rights. All 60,772,000 options were vested and exercisable at year end. The Performance Rights have a nil exercise price and are excluded from the calculation of the WAEP.

The FY2026 grants included 27,772,000 options with an exercise price of $0.07 and a grant-date fair value of $0.039 per option, 2,000,000 options with an exercise price of $0.25 and a grant-date fair value of $0.093 per option, and 8,000,000 service-based Performance Rights with a grant-date fair value of $0.255 per right.

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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 Condition	Grant Date Fair Value $
2026							
Series 1a	Options	19,000,000	7-Aug-25	16-Jun-27	0.07	6 months' service	0.039
Series 1b	Options - Tribeca	8,772,000	7-Aug-25	16-Jun-27	0.07	N/A	0.039
Series 2	Options	2,000,000	31-Oct-25	16-Jun-27	0.25	6 months' service	0.093
Series 3	Performance Rights	1,600,000	24-Jun-26	30-Sep-27	–	12 months' service	0.260
Series 4	Performance Rights	2,400,000	24-Jun-26	30-Sep-28	–	24 months' service	0.260
Series 5	Performance Rights	4,000,000	24-Jun-26	30-Sep-29	–	36 months' service	0.260
2025							
Series 1	Options	5,848,000	19-Jun-25	16-Jun-27	$0.07	-	0.0170

(c) Weighted Average Remaining Contractual Life

At 30 June 2026, the weighted average remaining contractual life of options and rights on issue that had been granted as share-based payments was 1.19 years (2025: 2.06 years). During the year ended 30 June 2026, the weighted average share price at the dates of exercise for options exercised during the year was $0.337 per share (2025: nil).

(d) Range of Exercise Prices

At 30 June 2026, the range of exercise prices of options on issue that had been granted as share-based payments was $0.07 to $0.25 (2025: $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 2026 was $0.0876 (2025: $0.017).

(f) Option Pricing Model

For Options granted to employees, consultants and advisors, 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 Performance Rights that have market-based vesting conditions, the fair value of the Performance Rights is estimated as at the date of grant using an appropriate valuation model taking into account the relevant market-based vesting conditions.

The fair value of Performance Rights that do not have market-based vesting conditions is estimated as at the grant date based on the underlying share price. Non-market service conditions are taken into account in determining the number of Performance Rights expected to vest rather than in determining their grant-date fair value.

The tables below list the inputs to the valuation models used for Options and Rights issued by the Group during fiscal 2026 and fiscal 2025.

14. SHARE-BASED PAYMENTS (continued)

	2026					
Inputs	**Series 1a**	**Series 1b**	**Series 2**	**Series 3**	**Series 4**	**Series 5**
Security type	Options	Options	Options	Performance Rights	Performance Rights	Performance Rights
Number of securities	19,000,000	8,772,000	2,000,000	1,600,000	2,400,000	4,000,000
Exercise price	$0.07	$0.07	$0.25	–	–	–
Vesting condition	6 months' service	N/A	6 months' service	12 months' service	24 months' service	36 months' service
Grant date share price	$0.066	$0.066	$0.185	$0.255	$0.255	$0.255
Volatility[1]	120%	120%	120%	N/A	N/A	N/A
Risk-free interest rate	3.329%	3.329%	3.553%	N/A	N/A	N/A
Grant date	7-Aug-25	7-Aug-25	31-Oct-25	24-Jun-26	24-Jun-26	24-Jun-26
Expiry date	16-Jun-27	16-Jun-27	16-Jun-27	30-Sep-27	30-Sep-28	30-Sep-29
Expected life (years)[2]	1.86	1.86	1.62	N/A	N/A	N/A
Expected dividend yield[3]	–	–	–	–	–	–
Fair value at grant date	**$0.039**	**$0.039**	**$0.093**	**$0.260**	**$0.260**	**$0.260**

The FY2026 option valuation assumptions of $0.066 and $0.185 grant-date share prices, 120% volatility, risk-free rates of 3.329% and 3.553%, and fair values of $0.039 and $0.093 respectively are consistent with the Company's interim reporting.

	2025
Inputs	**Series 6**
Exercise price	$0.07
Number of options	20,000,000
Vesting condition	Not applicable
Grant date share price	$0.035
Volatility[1]	100%
Risk-free interest rate	3.702%
Grant date	19-Jun-25
Expiry date	16-Jun-27
Expected life (years)[2]	2.00
Expected dividend yield[3]	–
Fair value at grant date	**$0.0170**

Notes:
(1) The expected volatility reflects the assumption that 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 period from grant date to expiry date.
(3) The expected dividend yield reflects the assumption that the Company will not pay dividends over the expected life of the securities.

15. AUDITORS' REMUNERATION

Amounts paid or payable to William Buck Audit (WA) Pty Ltd for audit or review of the financial report of the Company and entities within the Group.

	2026 $	2025 $
Amounts paid or payable to the auditor, William Buck, for:		
Australian audit or review of the financial report of the entity and any other entity in the Group	40,200	33,500
	40,200	33,500

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16. SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources and assessing performance.

During the reporting period, the Group operated in one reportable operating segment, being the exploration and development of mineral resource projects in Australia. The Board of Directors is considered to be the Group's chief operating decision maker and reviews the Group's activities on this basis for the purposes of allocating resources and assessing performance.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Overview

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

This note presents information about the Group's exposure to these 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 Group's exposure to, or management of, these risks.

The Group manages its exposure to key financial risks in accordance with its financial risk management policies. 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 framework is to support the Group's activities while protecting its financial position.

Given the nature and current stage of the Group's operations, the Group does not generally enter into derivative transactions to mitigate financial risks. The Group does not trade in financial instruments for speculative purposes. The Board reviews the Group's financial risk management policies periodically as its activities and risk exposures change. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and reviews and approves policies for managing the Group's financial risks.

(b) Credit Risk

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

There are no significant concentrations of credit risk within the Group other than cash at bank. The Group's bank, National Australia Bank Limited, has long-term credit ratings of AA− from S&P Global Ratings, Aa2 from Moody's Investors Service and AA− from Fitch Ratings, with stable outlooks. The carrying amount of the Group's financial assets represents its maximum exposure to credit risk, as follows:

	2026 $	2025 $
Cash and cash equivalents	75,112,014	3,271,260
Trade and other receivables	1,718,219	107,065
	76,830,233	3,378,325

With respect to credit risk arising from cash and cash equivalents, the Group's exposure arises from the potential default of a counterparty, with a maximum exposure equal to the carrying amount of these instruments. Where possible, the Group holds cash and cash equivalents with financial institutions with investment-grade credit ratings. The Group monitors its exposure to financial institution counterparties on an ongoing basis.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Board's approach to managing liquidity risk is to ensure, as far as possible, that the Group maintains sufficient cash resources to meet its financial obligations when they fall due, under both normal and reasonably foreseeable circumstances.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Group monitors its cash position and forecast cash flows on an ongoing basis, having regard to its planned exploration, development, corporate and administrative expenditure.

The following table sets out the carrying amounts of the Group's financial liabilities classified by expected settlement period at 30 June 2026. The amounts disclosed for lease liabilities represent the carrying amounts of lease liabilities recognised in the statement of financial position.

	≤ 1 year $	1–5 years $	Total $
Financial liabilities			
Trade and other payables	6,765,068	-	6,765,068
Lease liabilities	140,775	213,315	354,090
Total	**6,905,843**	**213,315**	**7,119,158**

(d) Interest Rate Risk

The Group's exposure to changes in market interest rates relates primarily to cash and cash equivalents held at variable interest rates. These financial assets expose the Group to cash flow interest rate risk. Other financial assets and liabilities are generally non-interest bearing. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments with variable interest rates was:

	2026 $	2025 $
Financial assets		
Cash and cash equivalents	75,112,014	3,271,260
Total	75,112,014	3,271,260

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 2025.

	Profit or loss	
	+ 100 basis points $	- 100 basis points $
2026		
Financial assets		
Cash and cash equivalents	751,120	(751,120)
	751,120	(751,120)
2025		
Financial assets		
Cash and cash equivalents	32,713	(32,713)
	32,713	(32,713)

(e) Fair Value

At 30 June 2026 and 2025 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.

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17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Capital Management

The Group defines its capital as total equity, being $76,359,261 at 30 June 2026 (2025: $7,506,344). The Group's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain sufficient financial resources to fund its exploration and development activities and meet its corporate and administrative obligations.

The Group manages its capital structure having regard to its cash requirements, planned exploration and development activities and prevailing capital market conditions. The Group has historically funded its activities principally through equity raisings and may seek additional equity or other sources of funding as required.

The Group is not subject to any externally imposed capital requirements.

(g) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

At 30 June 2026, the Group did not have a material exposure to financial instruments denominated in currencies other than the functional currency of the relevant Group entity.

18. CONTINGENT ASSETS AND LIABILITIES

A subsidiary of the Company is party to an agreement dated 14 May 2018 under which a 1% net smelter return royalty is payable in respect of saleable minerals recovered in commercial quantities from exploration licence E69/3401. No royalty is payable unless and until mining commences. The counterparty asserts rights beyond the terms of that agreement and has lodged a caveat over E69/3401. The Company disputes those claims. No amount has been recognised in these financial statements.

As at 30 June 2026, the Group did not have any other contingent assets or liabilities (2025: nil).

19. COMMITMENTS

As at 30 June 2026, the Group had commitments in respect of minimum exploration expenditure requirements associated with its Australian exploration tenements, as disclosed below.

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.

	2026 $	2025 $
Commitments for exploration expenditure:		
Not longer than 1 year	838,400	696,264
Longer than 1 year and shorter than 5 years	2,752,797	1,099,108
	3,591,197	1,795,372

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20. EVENTS SUBSEQUENT TO BALANCE DATE

(i) Exercise of Listed Options

Subsequent to 30 June 2026, 33,334 Listed Options (ASX: TM1O), exercisable at $0.07 each and expiring on 16 June 2027, were exercised on 1 July 2026 and converted into 33,334 fully paid ordinary Shares.

(ii) Termination of Apollo Group Services Agreement

The services agreement with Apollo Group Pty Ltd for the provision of a fully serviced office and administrative, accounting and company secretarial services was terminated effective 31 July 2026.

Other than the matters disclosed above, at the date of this report, there are no matters or circumstances which have arisen since 30 June 2026 that have significantly affected, or may significantly affect:

- the operations of the Group in financial years subsequent to 30 June 2026;
- the results of those operations in financial years subsequent to 30 June 2026; or
- the state of affairs of the Group in financial years subsequent to 30 June 2026.

21. LEASES

At 30 June 2026, the Group recognised right-of-use assets with a net carrying amount of $347,791 and lease liabilities totalling $354,090, comprising current lease liabilities of $140,775 and non-current lease liabilities of $213,315. The right-of-use assets relate to the Camden office and Welshpool warehouse.

Right-of-use assets

	Camden office $	Welshpool warehouse $	Total $
	$	$	$
Balance at 1 July 2025	-	-	-
Additions	51,029	366,849	**417,878**
Depreciation expense	(19,136)	(50,951)	**(70,087)**
Balance at 30 June 2026	**31,893**	**315,898**	**347,791**

Lease liabilities

	Camden office $	Welshpool warehouse $	Total $
	$	$	$
Balance at 1 July 2025	-	-	-
Additions	51,029	366,849	**417,878**
Principal repayments	(18,561)	(45,227)	**(63,788)**
Balance at 30 June 2026	**32,468**	**321,622**	**354,090**

The Group's right-of-use assets relate to leased office and warehouse premises. Lease liabilities recognised at 30 June 2026 were:

	2026
	$
Current lease liabilities	140,775
Non-current lease liabilities	213,315
Total lease liabilities	**354,090**

The Group's lease arrangements principally relate to office and warehouse premises. Lease liabilities are measured at the present value of the remaining contractual lease payments, with corresponding right-of-use assets recognised in accordance with AASB 16 Leases.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. Interest expense is recognised on lease liabilities using the effective interest method.

The Welshpool warehouse lease includes a three-year extension option commencing 28 January 2029. The extension period has not been included in the lease term as management does not consider exercise of the option to be reasonably certain.

22. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends have been paid or proposed for the year ended 30 June 2026 (2025: Nil).

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2026

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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 Corporations 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 Entity	Entity type	Place of Incorporation	% of share capital held in 2026	Australian or Foreign Tax 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
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.

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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 2026 and of the performance for the year ended on that date of the 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 2026.

Signed in accordance with a resolution of the Directors.



Debra Bakker
Independent Non-Executive Chair
Terra Metals Limited

30 September 2026

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

Report on the audit of the financial report

Opinion

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 2026 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 2026,
- 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 APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities 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.

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Key audit matters

Key audit matters are those matter that, in our professional judgement, was of most significance in our audit of the financial report of the current period. This matter was 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 this matter.

	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	As at 30 June 2026, the carrying value of the Group's exploration and evaluation assets amounted to $5,938,358 which relates to the Onslow Copper Gold Project and Dante Project. The carrying value of these costs represents a significant asset of the Group. This is a key audit matter as significant judgement is applied required in determining whether the capitalised exploration costs continue to meet the recognition criteria of AASB 6 *Exploration for and Evaluation of Mineral Resources*.	Our audit procedures included: — Obtaining evidence that the Group has valid rights to explore the areas represented by the capitalised exploration and evaluation assets ('areas of interest'); — Enquiring of management and reviewing the cashflow forecast to verify that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's areas of interest is planned; — Enquiring of management, reviewing the ASX announcements made and minutes of directors' meetings to verify that the Group had not decided to discontinue activities in any of its areas of interest; — Reviewing management's impairment assessment on the carrying value of exploration & evaluation assets as at 30 June 2026; and — Assessing the adequacy and appropriateness of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, 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.

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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.

William Buck
ACCOUNTANTS & ADVISORS

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Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Terra Metals Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in pages 15 to 20 of the directors' report for the year ended 30 June 2026.

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 30th day of September 2026

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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 2026, 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 2026, 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 versus 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.

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ASX ADDITIONAL INFORMATION

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of listed securities as at 23 September 2026 are listed below:

Ordinary Shares

Name	Number of Ordinary Shares	Percentage of Ordinary Shares
GOLDEN ENERGY AND RESOURCES PTE LTD	145,173,748	14.08
UBS NOMINEES PTY LTD	109,211,999	10.59
PINE ENERGY PTE LTD	91,621,622	8.89
CITICORP NOMINEES PTY LIMITED	73,626,191	7.14
CRITICAL ELEMENTS INVESTMENTS PTE LTD	62,776,845	6.09
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	53,635,503	5.20
BNP PARIBAS NOMINEES PTY LTD <UOBKH R'MIERS>	36,716,973	3.56
BNP PARIBAS NOMS PTY LTD	22,562,571	2.19
MIMO & GLENN ROSS WHIDDON	20,237,046	1.96
BILPIN NOMINEES PTY LTD	14,415,366	1.40
ARREDO PTY LTD	11,500,000	1.12
RUTH & JONATHAN PANETH	11,000,000	1.07
THOMAS LINE & LIONBULL CAPITAL	10,970,843	1.06
LATIMORE PTY LTD	10,810,811	1.05
FARJOY PTY LTD	9,309,122	0.90
SENESCHAL (WA) PTY LTD <WINSTON SCOTNEY FAMILY S A/C>	8,900,000	0.86
HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED	7,567,858	0.73
DUNGAY RESOURCES PTY LTD <DUNGAY CONSULTING A/C>	7,039,224	0.68
RANDOLPH DUKE INVESTMENTS PTY LTD <RANDOLPH DUKE INVESTMENT A/C>	6,272,380	0.61
MR ENG SENG GOH	6,142,857	0.60
Total Top 20	718,809,756	69.73
Others	312,076,536	30.27
Total Ordinary Shares on Issue	1,030,886,292	100.00

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ASX ADDITIONAL INFORMATION (Continued)

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES (Continued)

Listed Options

Name	Number of Listed Options	Percentage of Listed Options
CITICORP NOMINEES PTY LIMITED	3,539,773	11.42
FLUE HOLDINGS PTY LTD	3,100,000	10.01
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,884,332	9.31
MR JOHN PAUL WELBORN	2,500,000	8.07
BOUCHI PTY LTD	2,057,435	6.64
RANDOLPH DUKE INVESTMENTS PTY LTD <RANDOLPH DUKE INVESTMENT A/C>	1,666,668	5.38
MR ANTHONY BRACKS	1,035,296	3.34
WESTBROOK HOLDINGS PTY LTD	1,000,000	3.23
MR DARYL CHRISTIAN BRYON + MRS ELIZABETH SUE BRYON	838,997	2.71
VERVE INVESTMENTS PTY LTD	702,668	2.27
MR NICO OLIVER CIVELLI	666,667	2.15
AWJ FAMILY PTY LTD <A W JOHNSON FAMILY A/C>	654,399	2.11
MCNEIL NOMINEES PTY LIMITED	566,276	1.83
INNOVATION MARKETING AND FINANCE PTY LTD <INNOV MKT & FIN SUPER A/C>	510,001	1.65
MR RICHARD ALEXANDER ANDREW DE FRANCK <LUDBROOK SUPER FUND A/C>	500,000	1.61
MR ROSS DIX HARVEY	500,000	1.61
MR LUDGER DAVID KOHMASCHER	368,233	1.19
HOPETOUN CONSULTING PTY LTD <M SYME SUPER FUND A/C>	334,167	1.08
MR MINH ANH PHAN	310,000	1.00
MR DARRYN ANTHONY	300,000	0.97
Total Top 20	**24,034,912**	**77.57**
Others	**6,948,673**	**22.43**
Total Listed Options on Issue	**30,983,585**	**100.00**

2. DISTRIBUTION OF EQUITY SECURITIES

An analysis of numbers of holders of listed securities by size of holding as at 23 September 2026 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	322	132,172	0.01	62	17,925	0.06
1,001 - 5,000	706	1,997,922	0.19	20	45,600	0.15
5,001 - 10,000	418	3,200,618	0.32	6	39,556	0.13
10,001 - 100,000	1,173	45,219,477	4.39	43	1,855,013	5.99
100,001 Over	511	980,271,335	95.09	47	29,025,491	93.68
Totals	**3,130**	**1,030,886,292**	**100.00**	**178**	**30,983,585**	**100**

There were 529 holders of less than a marketable parcel of Ordinary Shares, representing 449,540 Ordinary Shares, based on a market price of $0.25 per Share and a minimum marketable parcel of 2,000 Shares.

3. VOTING RIGHTS

See Note 8(b) of the Notes to the Financial Statements.

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ASX ADDITIONAL INFORMATION (Continued)

4. SUBSTANTIAL SHAREHOLDERS

Substantial shareholder notices have been received from the following at 23 September 2026:

Substantial Holder	Voting Power
Golden Energy & Resources	14.9%
Tribeca Investment Partners	11.0%
Mr Martin Otway & Associates	9.0%
Pine Energy Pte Ltd	5.9%

5. UNQUOTED SECURITIES

The names of the security holders holding 20% or more of an unlisted class of security at 23 September 2026 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	$0.25 Unlisted Options expiring 16-Jun-27
Evolution Capital Pty Ltd	7,400,000	7,400,000	–	–	–	–
UBS Nominees Pty Ltd	2,600,000	2,600,000	–	–	–	–
Lionbull Capital Pty Ltd	–	–	–	10,000,000	–	–
Tribeca Capital Pte Ltd	–	–	–	8,772,000	–	–
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	–
Peter Kelly	–	–	–	3,000,000	–	–
Sol Buckman	–	–	–	–	–	2,000,000
Total	**10,000,000**	**10,000,000**	**5,000,000**	**30,022,000**	**3,750,000**	**2,000,000**
Total holders	*2*	*2*	*4*	*8*	*2*	*1*

Holder	Performance Shares Class C
Mimo Strategies Pty Ltd <Mimo A/C>	4,964,106
Total	**20,000,000**
Total holders	*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 2026, the Company's Dante Project hosted a Mineral Resource Estimate 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.

The Mineral Resource was reported in accordance with the JORC Code (2012 Edition) and comprises Indicated and Inferred Mineral Resources.

The Southwest Discovery is located outside the existing Dante Mineral Resource and, at the date of this report, does not have a reported Mineral Resource.

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ASX ADDITIONAL INFORMATION (Continued)

8. INTERESTS IN MINING PROPERTIES

At 23 September 2026, the Company had an interest in the following exploration tenements:

Project Name	Permit Number	Percentage Interest	Status
Dante / West Musgrave Project (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
	E69/4335	100%	**Granted**
	E69/4336	100%	**Granted**
	E69/4337	100%	**Granted**
	E69/4338	100%	**Granted**
	E69/4339	100%	**Granted**
	E69/4340	100%	**Granted**
	E69/4341	100%	**Granted**
	E69/4342	100%	**Granted**
	E69/4343	100%	**Granted**
	E69/4344	100%	**Granted**
	E69/4345	100%	**Granted**
	E69/4409	100%	Application
	E69/4410	100%	Application
	E69/4411	100%	Application
	E69/4412	100%	Application
	E69/4413	100%	Application
	E69/4429	100%	Application
Onslow Ag-Au-Cu Project (Western Australia)	E08/3311	100%	Granted
	E08/3197	**80%**	Granted

9. FORWARD LOOKING STATEMENTS

Statements regarding plans with respect to Terra's projects are forward-looking statements. There can be no assurance that the Company's plans for the exploration, evaluation and development of its projects will proceed as currently expected.

These forward-looking statements are based on the Company's expectations and beliefs concerning future events and 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 those expressed or implied by such statements.

The Company does not undertake any obligation to update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise, except as required by applicable law or the ASX Listing Rules.

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 21 July 2026, 13 July 2026, 1 July 2026, 18 June 2026,

ASX ADDITIONAL INFORMATION (Continued)

10 June 2026, 29 April 2026, 2 April 2026, 18 March 2026, 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, 25 March 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 ("Original ASX Announcements").

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.

The Original ASX Announcements are available to view on the Company's website at www.terrametals.com.au and on the ASX market announcements platform.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements and, in the case of Mineral Resource estimates, that all material assumptions and technical parameters underpinning the estimates in the relevant Original ASX Announcements continue to apply and have not materially changed.

The Company confirms that the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially modified from the Original ASX Announcements.

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