

30 SEPTEMBER 2022

Annual Financial Report 2022

KEY HIGHLIGHTS

During the 2022 Financial year the Company has:

- undertaken pre-listing activities including a pre-IPO placement;
- assembled a highly skilled and experienced geoscience and execution management team;
- undertaken a project generation and acquisition targeting exercise focused on the eastern side of the Athabasca Basin;
- staked and been granted 100% of 17 Claims covering 775 sq km forming the HawkRock Project, the Parker Lake Project and the Pasfield Lake Project (together, 'the Projects') via Terra Uranium Canada Limited, a wholly owned Canadian subsidiary of the Company;
- defined the initial exploration programs for the Projects; and
- obtained initial activity approval (including a crown land work authorisation permit to carry out helicopter-supported ground prospecting, rock sampling and ground truthing) from the provincial government, following consultation with indigenous communities.

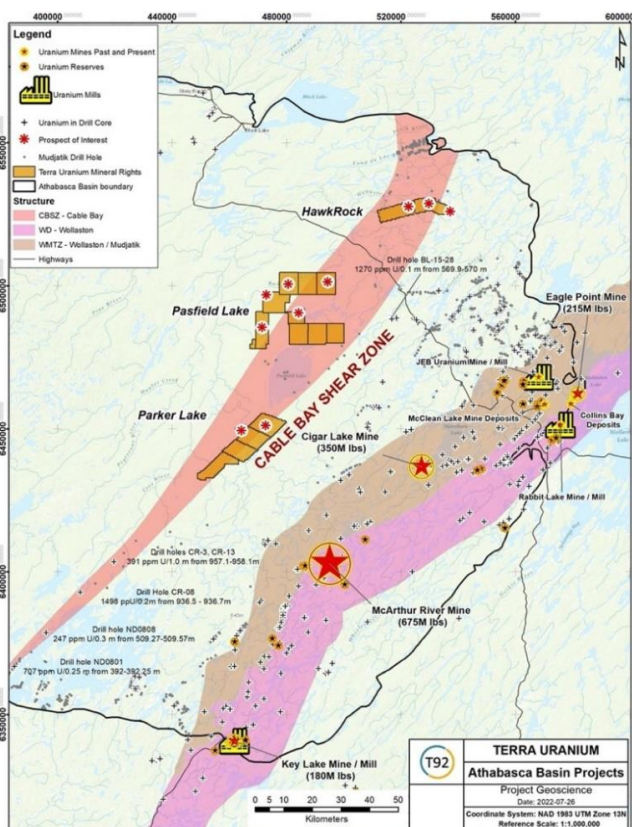
Terra Uranium (ASX: T92), "Terra Uranium Limited", or "the Company" raised \$7,500,000 pursuant to the offer of the prospectus dated 27 July 2022, by the issue of 37,500,000 shares at an issue price of \$0.20 per share. On 6 September 2022, the Company was admitted to the Official List of the ASX and on 8 September 2022, the securities of the Company commenced quotation.

Terra Uranium Executive Chairman, Andrew Vigar commented, *"It has been an honour to be a part of such an exemplary team of professionals who have achieved the formation of the company in such an expeditious time frame and minimal cost. We are extremely excited about the probability of our projects yielding a major discovery and look forward to updating the market as soon as exploration is already underway."*

This announcement has been authorised by the Board of Directors.

About Terra Uranium

The Company's exploration strategy is based on discovery of Tier 1 deposits like McArthur River and Cigar Lake in unconformity or sediment hosted settings under deep cover. Our dedicated and highly experienced exploration team is based locally in Saskatoon, Canada, a politically stable jurisdiction with access to global markets.



The Company holds a 100% interest in 17 Claims covering a total of 775 sq km forming the HawkRock Project, the Parker Lake Project and the Pasfield Lake Project located in the Cable Bay Shear Zone (CBSZ) on the eastern side of the Athabasca Basin, north-eastern Saskatchewan, Canada. The Projects are approximately 80 km to the west of multiple operating large uranium mills, mines and known deposits. The CBSZ is a major structural zone with known uranium mineralisation but limited exploration as the basin sediment cover is thicker than for the known deposits immediately to east. Methods used to explore include airborne and ground geophysics that can penetrate to this depth and outcrop and reverse circulation geochemical profiling to provide the best targets before undertaking costly core drilling. There is good access and logistics support in this very active uranium exploration and production province. A main road passes between the HawkRock and Pasfield Lake Projects with minor road access to Pasfield Lake and the T92 operational base there. The regional prime logistics base is Points North located about 50km east of the Projects.

For more information:

ANDREW J. VIGAR
Executive Chairman
andrew@t92.com.au

MIKE MCLELLAND
President Canada
mike@t92.com.au

ALEX COWIE
Media & Investor Relations
alexc@nwrcommunications.com.au

Terra Uranium Limited

(Formerly known as Terra Uranium Pty Ltd)

ACN 650 774 253

Annual Report - 30 June 2022

For personal use only

Directors

Andrew Vigar
Executive Chairman

Dr. Darryl Clark
Non-Executive Director

Dr. Kylie Prendergast
Non-Executive Director

Troy Boisjoli
Non-Executive Director

Doug Engdahl
Non-Executive Director

Company secretary

Nova Taylor

Notice of annual general meeting

The details of the annual general meeting of Terra Uranium Limited are:
Date of Meeting: 29 November 2022

Registered office

Level 5
126 Phillip Street
Sydney NSW 2000

Principal place of business

Level 5
126 Phillip Street
Sydney NSW 2000

Share register

Automic Pty Ltd
Level 5
126 Phillip Street
Sydney NSW 2000

Auditor

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Solicitors (Australia)

Steinepreis Paganin Lawyers & Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Solicitors (Canada)

McKercher LLP
374 Third Avenue South
Saskatoon, SK S7K 1M5, Canada

Bankers

ANZ

Stock exchange listing

Terra Uranium Limited shares are listed on the Australian Securities Exchange (ASX code: T92)

Website

<https://t92.com.au/>

Corporate Governance Statement

<https://t92.com.au/corporate-governance/>

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Terra Uranium Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of Terra Uranium Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Vigar	Executive Chairman (appointed 13 October 2021)
Dr. Darryl Clark	Non-Executive Director (appointed 12 May 2022)
Dr. Kylie Prendergast	Non-Executive Director (appointed 23 May 2022)
Troy Boisjoli	Non-Executive Director (appointed 24 June 2022)
Doug Engdahl	Non-Executive Director (appointed 7 July 2022)
Niv Dagan	Executive Director (appointed 4 June 2021, resigned 26 July 2022)

Principal activities

The Company was formed for the purpose of exploring and developing a portfolio of high-quality market sustaining uranium assets with a primary focus on Canada's premier Athabasca Basin. The Company is targeting discovery of tier one uranium deposits close to existing production infrastructure to play a role in a clean carbon free economy.

During the financial year the principal continuing activities of the Group consisted of:

- preparation for an initial public listing on the Australian Stock Exchange ('ASX').

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$586,345 (30 June 2021: \$12,074).

During the year the Company has:

- undertaken pre-listing activities and the Pre-IPO Placement;
- assembled a highly skilled and experienced geoscience and execution management team;
- undertaken a project generation and acquisition targeting exercise focused on the eastern side of the Athabasca Basin;
- staked and been granted 100% of 17 Claims forming the HawkRock Project, the Parker Lake Project and the Pasfield Lake Project (together, 'the Projects') via Terra Uranium Canada Limited, a wholly owned Canadian subsidiary of the Company;
- defined the initial exploration programs for the Projects; and
- obtained initial activity approval (including a crown land work authorisation permit to carry out helicopter supported ground prospecting, rock sampling and ground truthing) from the provincial government, following consultation with indigenous communities and the provincial government.

The Projects cover a total area of 775 sq. km located on the eastern side of the Athabasca Basin, north-eastern Saskatchewan, Canada, approximately 50 km to the west of multiple operating large uranium mills, mines and known deposits. The region hosts some of the largest and highest grade uranium deposits in the world, including Cigar Lake, McArthur River, Arrow, Triple R, Millennium and Wheeler River.

Significant changes in the state of affairs

During the financial year:

- the Company changed from an Australian Proprietary Company to an Australian Public Company on 20 October 2021; and
- incorporated Terra Uranium Canada Limited on 12 November 2021 as a 100% owned Canadian subsidiary of the Company.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

The Company raised \$7,500,000 pursuant to the offer of the prospectus dated 27 July 2022 by the issue of 37,500,000 shares at an issue price of \$0.20 per share.

On 6 September 2022, Company was admitted to the Official List of ASX (ASX: T92) and on 8 September 2022, the securities of the Company commenced quotation.

On 2 September 2022, the Company issued 1,000,000 options to Andrew Vigar*, 750,000 options to each of the four Non-Executive Directors*, and 1,000,000 options to Mike McClelland* as part of their respective remuneration packages as an equity-based incentive. These options totalled 5,000,000 and are exercisable at \$0.30, expire on 6 September 2025, and are escrowed until 8 September 2024 being 24 months from the date of quotation.

On 2 September 2022, the Company issued 1,000,000 options to Peak Asset Management* pursuant to the Lead Manager Mandate. These options are exercisable at \$0.30, expire on 6 September 2025, and are escrowed until 8 September 2024 being 24 months from the date of quotation.

* and/or their respective nominees

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is aware of its environmental obligations with regards to its exploration activities and ensure that it complies with all regulations when carrying out any exploration work. The directors of the Group are not aware of any breach of environmental regulations for the year under review.

Information on directors

Name:	Andrew Vigar
Title:	Executive Chairman (appointed 13 October 2021)
Qualifications:	BSc (App. Geo.), FAusIMM, MSEG
Experience and expertise:	Andrew is a Geologist with over 40 years of experience in the minerals industry covering exploration to mining, finance, corporate and education. Andrew graduated from QUT, Brisbane in 1977 and held several company positions in exploration, development, and mining, including WMC and CRA. Andrew commenced consulting in 1996 and after several years with SRK founded Mining Associates in Brisbane, Australia in 2003 and Hong Kong in 2009. Andrew cofounded several public companies with a combined market capitalisation of \$2 billion, including DGO Gold Limited (ASX: DGO) 2007, Alligator Energy Limited (ASX: AGE) 2010 and K92 Mining Inc (TSX: KNT) 2014.
Other current directorships:	Alligator Energy Limited (ASX: AGE)
Former directorships (last 3 years):	Nil
Interests in shares:	1,000,000

Name: Dr. Darryl Clark
Title: Non-Executive Director (appointed 12 May 2022)
Qualifications: PhD, BSc (Hons), F AUSIMM, Graduate of CODES UTAS

Experience and expertise: Darryl is a Geologist with over 28 years' experience in the resource sector including operations, projects and exploration. Over seven years' experience as a Director for ASX listed exploration companies (XAM, PKO, BAT, DGO). During previous corporate roles with both Vale and BHPB, and consulting roles with SRK, he has been responsible for coordinating teams to deliver discovery events.

Other current directorships: Battery Minerals Limited (ASX: BAT)
Former directorships (last 3 years): Peako Ltd (ASX: PKO); Xanadu Mines Ltd (ASX: XAM)
Interests in shares: 1,050,000

Name: Dr. Kylie Prendergast
Title: Non-Executive Director (appointed 23 May 2022)
Qualifications: PhD, BSc (Hon1), GradCert (AppFin), GAICD, MAIG, FSEG

Experience and expertise: Kylie is an experienced geologist and technical leader with over 25 years' experience within the international mining and resource sector. She has worked across a range of different operating jurisdictions, including significant in-country assignments and expatriate roles. This has included substantial business development, project technical and economic evaluation, and commercial management, including direct interaction with a range of stakeholders in global resource capital markets.

Other current directorships: Helix Resources Limited (ASX: HLX)
Former directorships (last 3 years): Felix Gold Limited (ASX: FXG)
Interests in shares: 75,000

Name: **Troy Boisjoli**
Title: Non-Executive Director (appointed 24 June 2022)
Qualifications: Bachelor of Science in Geology from St. Norbert College in De Pere, Wisconsin; Geoscience license with the Association of Professional Engineers and Geoscientists of Saskatchewan.

Experience and expertise: Troy is currently the President and CEO of Murchison Minerals, a company actively engaged in mineral exploration in Quebec and Saskatchewan Canada. Previously held positions of Vice President Operations and Project Development and Vice President Exploration and Community for NexGen Energy Ltd. While at NexGen, Troy has led the project team through the development of the Arrow Deposit in northern Saskatchewan and was involved with major milestones such as multiple mineral resource estimates, the preliminary economic assessment, the prefeasibility study, the feasibility study, operations development, the environmental assessment work done to-date, and multiple discoveries along the Patterson Lake corridor. In addition, and foundational to mineral resource development, Troy maintained and established important local relationships with communities close to the Arrow project resulting in the successful signing of Impact Benefit Agreements with two Indigenous communities.

Prior to joining NexGen Energy in 2016, Troy worked as an exploration geologist for Cameco Corporation on projects throughout northern Saskatchewan and Australia. Troy was also the Chief Geologist at the underground Eagle Point uranium mine, where he led a team that increased the mineral resources threefold while reducing drilling and discovery costs. In addition, while at Eagle Point, Troy led a team that implemented innovative processes that led to improved grade control, production reconciliation and short-range and life of mine planning.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: 475,000

Name: **Doug Engdahl**
Title: Non-Executive Director (appointed 7 July 2022)
Qualifications: B.Sc. from the University of Saskatchewan in Geological Sciences and a Citation Program in Applied Geostatistics with Clayton Deutsch from the University of Alberta. Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS), Engineers & Geoscientists British Columbia and Ordre des geologues du Quebec (OGQ).

Experience and expertise: Doug is a professional geologist and the current President and CEO of Axiom Group. Doug has over 20 years managing various companies with 13 years of geological experience in both junior and major exploration and mining sectors across North America and in Africa. His extensive mineral exploration experience has been focused on data compilation and interpretation, drill target generation and drill program management, as well as resource and mine modelling with focus on structural geology and resource calculations. Doug was also a certified practicing member of the Saskatchewan Mine Rescue program, outside of the geological world he served for 7 years as a Gold Seal Volunteer Firefighter and First Responder with Warman Fire Department.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: 400,000

Name: **Niv Dagan**
Title: Executive Director (resigned 26 July 2022)
Qualifications: Bachelor of Commerce (Honours Finance), Finance

Experience and expertise: Niv was appointed as an Executive Director of the Company on 4th June 2021. He has over 15 years' experience in the capital market and asset management. Niv is also the founder and executive director of PEAK Asset Management, focusing on growing the firm's underlying business and presence across Australia, Asia and the US. Prior to founding PEAK Asset Management, Niv headed up HC Securities; spent three years growing its capital markets and broking divisions and also worked on the wholesale desk at Macquarie Bank for three years, servicing a wide range of institutional, intermediary and offshore hedge funds.

Other current directorships: Nil
Former directorships (last 3 years): Tymlez Group Limited (ASX: TYM)
Interests in shares: 4,550,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Justyn Stedwell (appointed 4 June 2021, resigned 10 February 2022)

Mr Stedwell held the role of company secretary from the company's incorporation date 4 June 2021, until his resignation on 10 February 2022. Mr Stedwell is a professional Company Secretary consultant with over 12 years' experience acting as a Company Secretary of ASX listed companies across a wide range of industries.

Nova Taylor (appointed 10 February 2022)

Ms Taylor has completed a Bachelor of Laws from Deakin University. She has over six years' experience working as a company secretary for various ASX listed companies.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Andrew Vigar (appointed 13 October 2021)	6	6
Dr. Darryl Clark (appointed 12 May 2022)	2	2
Dr. Kylie Prendergast (appointed 23 May 2022)	2	2
Troy Boisjoli (appointed 24 June 2022)	-	-
Niv Dagan (resigned 26 July 2022)	6	6

Held: represents the number of meetings held during the time the director held office.

The Company has not established the Nomination and Remuneration committee and the Audit and Risk committee. The Board currently undertakes all nomination, remuneration, audit and risk functions.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$300,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the Group's direct competitors.

Use of remuneration consultants

No remuneration consultants were used during the financial year ended 30 June 2022.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Terra Uranium Limited:

- Andrew Vigar - Executive Chairman (appointed 13 October 2021)
- Dr. Darryl Clark - Non-Executive Director (appointed 12 May 2022)
- Dr. Kylie Prendergast - Non-Executive Director (appointed 23 May 2022)
- Troy Boisjoli - Non-Executive Director (appointed 24 June 2022)
- Doug Engdahl - Non-Executive Director (appointed 7 July 2022)
- Niv Dagan - Executive Director (resigned 26 July 2022)

And the following person:

- Mike McClelland, President, Canada of Terra Uranium Canada Limited

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2022	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Dr. Darryl Clark (appointed 12 May 2022)	-	-	-	-	-	85,000	85,000
Dr. Kylie Prendergast (appointed 23 May 2022)	-	-	-	-	-	-	-
Troy Boisjoli (appointed 24 June 2022)	-	-	-	-	-	20,000	20,000
Doug Engdahl (appointed 7 July 2022)	-	-	-	-	-	-	-
<i>Executive Directors:</i>							
Andrew Vigar (appointed 13 October 2021)	-	-	-	-	-	70,000	70,000
Niv Dagan (resigned 26 July 2022)	-	-	-	-	-	105,000	105,000
<i>Other Key Management Personnel:</i>							
Mike McClelland	-	-	-	-	-	50,000	50,000
	-	-	-	-	-	330,000	330,000

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
For the period from 4 June 2021 to 30 June 2021	\$	\$	\$	\$	\$	\$	\$
<i>Executive Directors:</i>							
Niv Dagan (appointed 4 June 2021)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2022	For the period from 4 June 2021 to 30 June 2021	2022	For the period from 4 June 2021 to 30 June 2021	2022	For the period from 4 June 2021 to 30 June 2021
<i>Non-Executive Directors:</i>						
Dr. Darryl Clark	-	-	-	-	100%	-
Dr. Kylie Prendergast	-	-	-	-	100%	-
Troy Boisjoli	-	-	-	-	100%	-
<i>Executive Directors:</i>						
Andrew Vigar	-	-	-	-	100%	-
Niv Dagan	-	-	-	-	100%	-
<i>Other Key Management Personnel:</i>						
Mike McClelland	-	-	-	-	100%	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Andrew Vigar
Title:	Executive Services Agreement between Terra Uranium Limited and Andrew Vigar
Agreement commenced:	13 October 2021
Details:	<ul style="list-style-type: none"> * Remuneration (to commence from date of admission of the Company to the Official List of the ASX) - (a) Base salary of \$144,000 per annum including statutory superannuation (b) 1,000,000 options (c) Short-term incentive payment up to 25% of base salary subject to achievement of KPI and discretion of the Board (KPIs will be determined by the Board each year) (d) Long-term incentive payment up to 50% of base salary subject to achievement of KPI and discretion of the Board (KPIs will be determined by the Board each year) * Expenses - employment related expenses to be reimbursed * Termination - one month notice in writing
Name:	Mike McClelland , President, Canada of Terra Uranium Canada Limited
Title:	Consulting Agreement between Terra Uranium Canada Ltd and JEL Services Inc. and Mike McClelland
Agreement commenced:	Effective 1 July 2022 or date of Terra Uranium Limited listing on the ASX, whichever is later
Details:	<ul style="list-style-type: none"> * Commitment - 3.5 days per week * Consulting Fee - Monthly fee of CAD 20,833.33 plus GST * Expenses - business and travel expenses to be reimbursed * Term - Initial term is 12 months from commencement. Upon expiration of this initial term it shall automatically renew with same terms and conditions for successive 12-month periods * Termination - (a) the Company may terminate the agreement anytime without notice provided it is for just case; (b) either party gives written 30 days' notice to terminate within the end of the 12-month period terms; (c) either party gives written 90 days' notice to terminate

Name: **Dr. Darryl Clark**
Title: Letter of Appointment - Non-Executive Director of Terra Uranium Limited
Agreement commenced: 12 May 2022

Details: * Remuneration (to commence from date of admission of the Company to the Official List of the ASX) -
(a) \$43,200 per annum including statutory superannuation, paid quarterly in arrears
(b) 750,000 unlisted options exercisable at \$0.30 each on or before the date that is 3 years from the date of issue
* Expenses - employment related expenses to be reimbursed
* Termination -
(a) may resign by providing notice in writing
(b) ceases where not re-elected by the shareholders of the Company
(c) disqualifying events in accordance with Constitution

Name: **Dr. Kylie Prendergast**
Title: Letter of Appointment - Non-Executive Director of Terra Uranium Limited
Agreement commenced: 23 May 2022

Details: * Remuneration (to commence from date of admission of the Company to the Official List of the ASX) -
(a) \$43,200 per annum including statutory superannuation, paid quarterly in arrears
(b) 750,000 unlisted options exercisable at \$0.30 each on or before the date that is 3 years from the date of issue
* Expenses - employment related expenses to be reimbursed
* Termination -
(a) may resign by providing notice in writing
(b) ceases where not re-elected by the shareholders of the Company
(c) disqualifying events in accordance with Constitution

Name: **Troy Boisjoli**
Title: Letter of Appointment - Non-Executive Director of Terra Uranium Limited
Agreement commenced: 24 June 2022

Details: * Remuneration (to commence from date of admission of the Company to the Official List of the ASX) -
(a) \$43,200 per annum including statutory superannuation, paid quarterly in arrears
(b) 750,000 unlisted options exercisable at \$0.30 each on or before the date that is 3 years from the date of issue
* Expenses - employment related expenses to be reimbursed
* Termination - (a) may resign by providing notice in writing
(b) ceases where not re-elected by the shareholders of the Company
(c) disqualifying events in accordance with Constitution

Name: **Doug Engdahl**
Title: Letter of Appointment - Non-Executive Director of Terra Uranium Limited
Agreement commenced: 7 July 2022

Details: * Remuneration (to commence from date of admission of the Company to the Official List of the ASX) -
(a) \$43,200 per annum including statutory superannuation, paid quarterly in arrears
(b) 750,000 unlisted options exercisable at \$0.30 each on or before the date that is 3 years from the date of issue
* Expenses - employment related expenses to be reimbursed
* Termination -
(a) may resign by providing notice in writing
(b) ceases where not re-elected by the shareholders of the Company
(c) disqualifying events in accordance with Constitution

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Date	Shares	Issue price	\$
Niv Dagan	6 December 2021	750,000	\$0.10	75,000
Andrew Vigar	6 December 2021	700,000	\$0.10	70,000
Dr. Darryl Clark	6 December 2021	350,000	\$0.10	35,000
Troy Boisjoli	6 December 2021	200,000	\$0.10	20,000
Mike McClelland	26 April 2022	500,000	\$0.10	50,000
Dr. Darryl Clark	26 April 2022	500,000	\$0.10	50,000
Niv Dagan	25 May 2022	300,000	\$0.10	30,000

All the above shares were issued in lieu of services provided to 30 June 2022 and there are no ongoing performance conditions attached.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2022.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Andrew Vigar *	-	700,000	300,000	-	1,000,000
Dr. Darryl Clark *	-	850,000	200,000	-	1,050,000
Dr. Kylie Prendergast *	-	-	75,000	-	75,000
Troy Boisjoli *	-	200,000	275,000	-	475,000
Doug Engdahl *	-	-	400,000	-	400,000
Niv Dagan *	2,700,000	1,050,000	800,000	-	4,550,000
Mike McClelland *	-	500,000	-	-	500,000
	<u>2,700,000</u>	<u>3,300,000</u>	<u>2,050,000</u>	<u>-</u>	<u>8,050,000</u>

* and/or their respective nominees

Loans to key management personnel and their related parties

There were no loans to KMPs or related parties.

Payment for goods and services

CAD 47,250 (\$51,368 AUD equivalent) paid to Axiom Exploration Group, a company related to Doug Engdahl, for technical reports in relation to projects.

CAD 74,950 (\$82,965 AUD equivalent) paid to Mike McClelland for prospectivity and business consulting services in relation to projects.

Other transactions with key management personnel and their related parties

750,000 ordinary shares issued to 10 Bolivianos Pty Ltd (a company related to N Dagan) as a share based payment for advisory services and services provided by N Dagan in structuring and facilitating project generation and the Company's initial public offering and to progress the Company to listing on ASX, valued at \$75,000.

700,000 ordinary shares issued to Vigar Investments (a company related to A Vigar) as a share based payment for services provided by A Vigar, value at \$70,000.

350,000 ordinary shares issued to D Clark (a director) as a share based payment for services, valued at \$35,000.

200,000 ordinary shares issued to T Boisjoli (a director) as a share based payment for services, valued at \$20,000

500,000 ordinary shares issued to D Clark (a director) as a share based payment for services provided in relation to project generation, acting as agent for the Company in pegging Claims staked, valued at \$50,000.

500,000 ordinary shares issued to JEL Services Inc (a company related to M McClelland) as a share based payment for services provided by M McClelland in relation to project generation, acting as agent for the Company in pegging Claims staked, valued at \$50,000.

300,000 ordinary shares to 10 Bolivianos Pty Ltd (a company related to N Dagan) as payment for Lead Manager Services provided by Peak Asset Management (a company related to N Dagan) in relation to the Pre-IPO Placement, valued at \$30,000.

Trade payables to key management personnel

Payable of CAD 38,733 (\$43,593 AUD equivalent) to Mike McClelland as at 30 June 2022 relating to prospectivity and business consulting services and reimbursement of business expenses in relation to projects.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Terra Uranium Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
2 September 2022*	6 September 2025	\$0.30	6,000,000

* These options are to be held in escrow until 8 September 2024, being 24 months from the date of Quotation on the ASX

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the period ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 15 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 15 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of BDO Audit (WA) Pty Ltd

There are no officers of the Company who are former partners of BDO Audit (WA) Pty Ltd.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Andrew Vigar
Executive Chairman

30 September 2022

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TERRA URANIUM LIMITED

As lead auditor of Terra Uranium Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Terra Uranium Limited and the entity it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth
30 September 2022

For personal use only

Statement of profit or loss and other comprehensive income	17
Statement of financial position	18
Statement of changes in equity	19
Statement of cash flows	20
Notes to the financial statements	21
Directors' declaration	37
Independent auditor's report to the members of Terra Uranium Limited	38
Shareholder information	42

General information

The financial statements cover Terra Uranium Limited as a Group consisting of Terra Uranium Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Terra Uranium Limited's functional and presentation currency.

Terra Uranium Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5
126 Phillip Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2022. The directors have the power to amend and reissue the financial statements.

	Note	2022 \$	Consolidated For the period from 4 June 2021 to 30 June 2021 \$
Expenses			
Technical Consulting Fees		(62,433)	-
Legal fees		(34,150)	(3,824)
Share-based payments expense	24	(300,000)	-
Other administrative and corporate expenses	4	(189,762)	(8,250)
Loss before income tax expense		(586,345)	(12,074)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Terra Uranium Limited	11	(586,345)	(12,074)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(326)	-
Other comprehensive income for the year, net of tax		(326)	-
Total comprehensive income for the year attributable to the owners of Terra Uranium Limited		<u>(586,671)</u>	<u>(12,074)</u>
		Cents	Cents
Basic earnings per share	23	(8.14)	(0.40)
Diluted earnings per share	23	(8.14)	(0.40)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated	
		2022	2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	109,159	-
Other receivables		13,670	300
Prepayments	7	161,235	-
Total current assets		<u>284,064</u>	<u>300</u>
Non-current assets			
Exploration and evaluation	8	191,588	-
Total non-current assets		<u>191,588</u>	<u>-</u>
Total assets		<u>475,652</u>	<u>300</u>
Liabilities			
Current liabilities			
Trade and other payables	9	254,097	12,074
Total current liabilities		<u>254,097</u>	<u>12,074</u>
Total liabilities		<u>254,097</u>	<u>12,074</u>
Net assets/(liabilities)		<u>221,555</u>	<u>(11,774)</u>
Equity			
Issued capital	10	820,300	300
Reserves		(326)	-
Accumulated losses	11	(598,419)	(12,074)
Total equity/(deficiency)		<u>221,555</u>	<u>(11,774)</u>

Consolidated	Issued capital \$	Foreign currency reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 4 June 2021	-	-	-	-
Loss after income tax expense for the year	-	-	(12,074)	(12,074)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(12,074)	(12,074)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity (note 10)	300	-	-	300
Balance at 30 June 2021	300	-	(12,074)	(11,774)

Consolidated	Issued capital \$	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	300	-	(12,074)	(11,774)
Loss after income tax expense for the year	-	-	(586,345)	(586,345)
Other comprehensive income for the year, net of tax	-	(326)	-	(326)
Total comprehensive income for the year	-	(326)	(586,345)	(586,671)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity (note 10)	520,000	-	-	520,000
Shares issued in lieu of services (note 10) (note 24)	300,000	-	-	300,000
Shares issued in lieu of capital raising services (note 10) (note 24)	30,000	-	-	30,000
Cost of shares issued (note 10)	(30,000)	-	-	(30,000)
Balance at 30 June 2022	820,300	(326)	(598,419)	221,555

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	2022 \$	Consolidated For the period from 4 June 2021 to 30 June 2021 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(63,337)	-
Net cash used in operating activities	21	(63,337)	-
Cash flows from investing activities			
Payments for exploration and evaluation	8	(185,943)	-
Net cash used in investing activities		(185,943)	-
Cash flows from financing activities			
Proceeds from issue of shares		520,000	-
Prepaid share issue transaction costs		(161,235)	-
Net cash from financing activities		358,765	-
Net increase in cash and cash equivalents		109,485	-
Cash and cash equivalents at the beginning of the financial year		-	-
Effects of exchange rate changes on cash and cash equivalents		(326)	-
Cash and cash equivalents at the end of the financial year	6	<u>109,159</u>	<u>-</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

For the year ended 30 June 2022, the Group has incurred a net loss of \$586,345 and has \$63,337 net cash outflows from operating activities. The Group has \$109,159 cash or cash equivalents as at 30 June 2022. The \$7.5 million funds raised post year end during the September 2022 Initial Public Offering ('IPO') are sufficient to support the Group operations and going concern based on cashflow forecasts.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 18.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Terra Uranium Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Terra Uranium Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note 1. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Terra Uranium Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference 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 recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

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

Note 1. Significant accounting policies (continued)

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 unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Operating segments

Operating segments are reported in a manner that is consistent with the internal reporting period to the chief operating decision maker, which has been identified by the Company as Board of Directors. The Company operates only in one reportable segment being predominantly in the area of mineral exploration in Western Australia.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Initial Public Offering ('IPO') Costs

In connection with the IPO, the consolidated entity incurred costs, which are treated as follows:

- incremental costs that are directly attributable to issued new shares are deducted from equity (net of any income tax benefit);
- incremental costs that are directly attributable to shares that have not yet been issued are recorded as prepaid share issue costs and are to be deducted from equity upon share issue;
- costs that relate to the ASX listing, or are otherwise not incremental and directly attributable to issuing new shares, are recorded as an expense in the consolidated statement of profit or loss and other comprehensive income;
- costs that relate to both share issuance and listing are allocated between those functions based on the proportion of new shares issued to the total number of new and existing shares listed.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment: mineral exploration in Canada. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Accordingly under the management approach outlined only one operating segment has been identified and no further disclosures are required.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 4. Other administrative and corporate expenses

	Consolidated	
	For the period from 4 June 2021 to 30 June 2021	
	2022	2021
	\$	\$
IPO related legal fees	41,402	-
IPO related investigating accountants fees	20,712	-
IPO related independent geologist report	5,329	-
IPO related ASX fees	10,000	-
Other professional fees (auditors, accountants, company secretarial)	107,216	8,250
Other general administrative and corporate costs	5,103	-
	<u>189,762</u>	<u>8,250</u>

Note 5. Income tax expense

	Consolidated	
	For the period from 4 June 2021 to 30 June 2021	
	2022	2021
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(586,345)	(12,074)
Tax at the statutory tax rate of 25% (2021: 26%)	(146,586)	(3,139)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income: Share-based payments	75,000	-
	(71,586)	(3,139)
Current year tax losses not recognised	71,586	3,139
Income tax expense	<u>-</u>	<u>-</u>

The potential tax benefit for tax losses has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 6. Cash and cash equivalents

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>109,159</u>	<u>-</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Prepayments

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Prepaid share issue costs*	161,235	-

* These relate to share issue costs paid for legal fees and independent geologists reports for the new shares to be issued with the planned IPO. The amount will be recorded in costs of share issue once the new shares are issued.

Note 8. Exploration and evaluation

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation - Pasfield Lake Project - at cost	191,588	-

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Pasfield Lake Project \$	Total \$
Balance at 4 June 2021	-	-
Balance at 30 June 2021	-	-
Additions	191,588	191,588
Balance at 30 June 2022	191,588	191,588

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Note 9. Trade and other payables

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	216,231	-
Accrued expenses	37,866	12,074
	254,097	12,074

Refer to note 13 for further information on financial instruments.

Note 9. Trade and other payables (continued)

Accounting policy for trade and other payables

Other payables represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 10. Issued capital

	2022	Consolidated		
	Shares	2021	2022	2021
		Shares	\$	\$
Ordinary shares - fully paid	<u>11,500,000</u>	<u>3,000,000</u>	<u>820,300</u>	<u>300</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	4 June 2021	<u>3,000,000</u>		<u>300</u>
Balance	30 June 2021	3,000,000		300
Share Capital seed raising	Oct 2021 to Dec 2021	5,000,000	\$0.10	500,000
Equity share based payment issued to directors and managers for advisory	6 December 2021	2,000,000	\$0.10	200,000
Equity share based payment issued to director for services in relation to securing tenements	26 April 2022	500,000	\$0.10	50,000
Equity share based payment issued to other KMP for services in relation to securing tenements	26 April 2022	500,000	\$0.10	50,000
Share Capital seed raising - additional	25 May 2022	200,000	\$0.10	20,000
Equity share based payment issued to Lead Manager	25 May 2022	300,000	\$0.10	30,000
Share issue costs - equity shares issued to Lead Manager	25 May 2022	<u>-</u>	-	<u>(30,000)</u>
Balance	30 June 2022	<u>11,500,000</u>		<u>820,300</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 10. Issued capital (continued)

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Accounting policy for issued capital

Ordinary shares are classified as equity.

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.

Note 11. Accumulated losses

	Consolidated	
	2022	2021
	\$	\$
Accumulated losses at the beginning of the financial year	(12,074)	-
Loss after income tax expense for the year	(586,345)	(12,074)
Accumulated losses at the end of the financial year	<u>(598,419)</u>	<u>(12,074)</u>

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 13. Financial instruments

Financial risk management objectives

The company's activities may expose it to a variety of financial risks: market risk (including foreign currency risk and price risk) and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Note 13. Financial instruments (continued)

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2022 \$	2021 \$	2022 \$	2021 \$
Consolidated				
Canadian dollars	-	-	54,960	-

Price risk

The Group is not exposed to any significant price risk.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2022						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	216,231	-	-	-	216,231
Total non-derivatives		216,231	-	-	-	216,231

Note 14. Key management personnel disclosures

Key management personnel ('KMP'): Any persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company are considered key management personnel.

Directors

The following persons were directors of Terra Uranium Limited during the financial year:

Niv Dagan	Executive Director (resigned 26 July 2022)
Andrew Vigar	Executive Chairman (appointed 13 October 2021)
Dr. Darryl Clark	Non-Executive Director (appointed 12 May 2022)
Dr. Kylie Prendergast	Non-Executive Director (appointed 23 May 2022)
Troy Boisjoli	Non-Executive Director (appointed 24 June 2022)
Doug Engdahl	Non-Executive Director (appointed 7 July 2022)

Other key management personnel

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Mike McClelland	President, Canada of Terra Uranium Canada Limited
-----------------	---

Note 14. Key management personnel disclosures (continued)

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	For the
	2022	period from
	\$	4 June 2021
		to 30 June
		2021
		\$
Share-based payments	330,000	-

Note 15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd, the auditor of the Company, and its network firms:

	Consolidated	For the
	2022	period from
	\$	4 June 2021
		to 30 June
		2021
		\$
<i>Audit services - BDO Audit (WA) Pty Ltd</i>		
Audit or review of the financial statements	28,680	6,200
<i>Other services - network firms</i>		
Services as Investigating Accountant in relation to Independent Limited Assurance Report for inclusion in a prospectus	20,712	-

Note 16. Commitments and contingencies

At the 8 June 2022 Board meeting, the directors approved to issue \$0.30 options upon completion of the Company's IPO, allocated as follows:

- Andrew Vigar - Executive Chairman - 1,000,000 options
- Darryl Clark - Non-Executive Director - 750,000 options
- Doug Engdahl - Non-Executive Director - 750,000 options
- Kylie Prendergast - Non-Executive Director - 750,000 options
- Mike McClelland - President, Canada of Terra Uranium Canada Limited - 1,000,000 options

There were no other commitments or contingent liabilities which would require disclosure at the end of the period.

Note 17. Related party transactions

Parent entity

Terra Uranium Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 19.

Note 17. Related party transactions (continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 14 and the remuneration report included in the directors' report.

Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2022	For the period from 4 June 2021 to 30 June 2021
	\$	\$
Payment for goods and services:		
Payment to Axiom Exploration Group, a company related to Doug Engdahl, for technical reports in relation to projects	51,368	-
Payment to Mike McClelland for prospectivity and business consulting services in relation to projects	82,965	-
Other transactions:		
750,000 ordinary shares issued to 10 Bolivianos Pty Ltd (a company related to N Dagan) as a share based payment for advisory services and services provided by N Dagan in structuring and facilitating project generation and the Company's initial public offering and to progress the Company to listing on ASX	75,000	-
700,000 ordinary shares issued to Vigar Investments (a company related to A Vigar) as a share based payment for services provided by A Vigar	70,000	-
350,000 ordinary shares issued to D Clark (a director) as a share based payment for services	35,000	-
200,000 ordinary shares issued to T Boisjoli (a director) as a share based payment for services	20,000	-
500,000 ordinary shares issued to D Clark (a director) as a share based payment for services provided in relation to project generation, acting as agent for the Company in pegging Claims staked	50,000	-
500,000 ordinary shares issued to JEL Services Inc (a company related to M McClelland) as a share based payment for services provided by M McClelland in relation to project generation, acting as agent for the Company in pegging Claims staked	50,000	-
300,000 ordinary shares to 10 Bolivianos Pty Ltd (a company related to N Dagan) as payment for Lead Manager Services provided by Peak Asset Management (a company related to N Dagan) in relation to the Pre-IPO Placement (see note 10)	30,000	-

Note 17. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2022	2021
	\$	\$
Current payables:		
Trade payables to key management personnel - M McClelland, for prospectivity and business consulting services and reimbursement of business expenses in relation to projects	43,593	-

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 18. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022	For the period from 4 June 2021 to 30 June 2021
	\$	\$
Loss after income tax	(566,304)	(12,074)
Total comprehensive income	(566,304)	(12,074)

Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	284,064	300
Total assets	441,059	300
Total current liabilities	199,137	12,074
Total liabilities	199,137	12,074
Equity		
Issued capital	820,300	300
Accumulated losses	(578,378)	(12,074)
Total equity/(deficiency)	<u>241,922</u>	<u>(11,774)</u>

Note 18. Parent entity information (continued)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
Terra Uranium Canada Limited (incorporated 12 November 2021)	Canada	100.00%	-

Note 20. Events after the reporting period

The Company raised \$7,500,000 pursuant to the offer of the prospectus dated 27 July 2022 by the issue of 37,500,000 shares at an issue price of \$0.20 per share.

On 6 September 2022, Company was admitted to the Official List of ASX (ASX: T92) and on 8 September 2022, the securities of the Company commenced quotation.

On 2 September 2022, the Company issued 1,000,000 options to Andrew Vigar*, 750,000 options to each of the four Non-Executive Directors*, and 1,000,000 options to Mike McClelland* as part of their respective remuneration packages as an equity-based incentive. These options totalled 5,000,000 and are exercisable at \$0.30, expire on 6 September 2025, and are escrowed until 8 September 2024 being 24 months from the date of quotation.

On 2 September 2022, the Company issued 1,000,000 options to Peak Asset Management* pursuant to the Lead Manager Mandate. These options are exercisable at \$0.30, expire on 6 September 2025, and are escrowed until 8 September 2024 being 24 months from the date of quotation.

* and/or their respective nominees

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 21. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	For the period from 4 June 2021 to 30 June 2021	
	2022	2021
	\$	\$
Loss after income tax expense for the year	(586,345)	(12,074)
Adjustments for:		
Share-based payments*	300,000	-
Change in operating assets and liabilities:		
Decrease/(increase) in other receivables	(13,370)	12,074
Increase in trade and other payables	236,378	-
Net cash used in operating activities	<u>(63,337)</u>	<u>-</u>

* The share-based payments relate to:

- shares issued to directors N Dagan, A Vigar, D Clark and T Boisjoli as consideration for advisory (note 24) \$200,000; and
- shares issued in D Clark and M McClelland as consideration for services in securing tenements (note 24) \$100,000.

Note 22. Non-cash investing and financing activities

	Consolidated	
	For the period from 4 June 2021 to 30 June 2021	
	2022	2021
	\$	\$
Shares issued in relation to Lead Manager share issue costs (note 10)	<u>30,000</u>	<u>-</u>

Note 23. Earnings per share

	Consolidated	
	For the period from 4 June 2021 to 30 June 2021	
	2022	2021
	\$	\$
Loss after income tax attributable to the owners of Terra Uranium Limited	<u>(586,345)</u>	<u>(12,074)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>7,201,370</u>	<u>3,000,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>7,201,370</u>	<u>3,000,000</u>

Note 23. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(8.14)	(0.40)
Diluted earnings per share	(8.14)	(0.40)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Terra Uranium Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 24. Share-based payments

Description	Date	Shares	Issue price	\$
Share-based payment expense *				
Equity share based payment issued to N Dagan as consideration for advisory	06/12/2021	750,000	\$0.10	75,000
Equity share based payment issued to A Vigar as consideration for advisory	06/12/2021	700,000	\$0.10	70,000
Equity share based payment issued to D Clark as consideration for advisory	06/12/2021	350,000	\$0.10	35,000
Equity share based payment issued to T Boisjoli as consideration for advisory	06/12/2021	200,000	\$0.10	20,000
Equity share based payment issued to D Clark as consideration for services in securing tenements	26/04/2022	500,000	\$0.10	50,000
Equity share based payment issued to M McClelland as consideration for services in securing tenements	26/04/2022	500,000	\$0.10	50,000
Total share-based payment expense		<u>3,000,000</u>		<u>300,000</u>
Other share-based payments in issued capital *				
Equity share based payment issued to Lead Manager as consideration for services provided in relation to Pre-IPO Placement for nil consideration. These are recorded in share issue costs, refer note 10	25/05/2022	300,000	\$0.10	30,000
Total other share-based payments in issued capital		<u>300,000</u>		<u>30,000</u>
Total share-based payments		<u><u>3,300,000</u></u>		<u><u>330,000</u></u>

* The Company measured directly the fair value of the services received during the period and determined the number of shares granted based on the fair value of the shares as at the date the services were received.

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to directors and employees as part of their fees and remuneration, and external service providers for goods and services provided.

Note 24. Share-based payments (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to directors and employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

For personal use only

In the directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Vigar
Executive Chairman

30 September 2022

For personal use only

INDEPENDENT AUDITOR'S REPORT

To the members of Terra Uranium Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Terra Uranium Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

For personal use only

Key audit matters

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

Carrying Value of Exploration and Evaluation Expenditure

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 8, the carrying value of the exploration and evaluation asset represents a significant asset of the Group.</p> <p>The Group's accounting policies and significant judgements applied to capitalised exploration and evaluation expenditure are detailed in notes 2 and 8 of the financial report.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ('AASB 6'), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts and circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of tenements held by the Group and assessing whether the rights to tenure remained current at balance date; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering the status of the ongoing exploration programmes by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether exploration assets had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 2 and 8 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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 has 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 (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 13 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Terra Uranium Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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.

BDO Audit (WA) Pty Ltd

BDO



Jarrad Prue

Director

Perth

30 September 2022

The shareholder information set out below was applicable as at 14 September 2022.

Issued securities

	Listed on ASX	Unlisted	Total
Fully paid ordinary shares	40,100,000	8,900,000	49,000,000
Unlisted options, \$0.30 exercise price, expiring 6 September 2025, escrowed until 8 September 2024	-	6,000,000	6,000,000
	<u>40,100,000</u>	<u>14,900,000</u>	<u>55,000,000</u>

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Listed ordinary shares issued

	Number of holders	% of total shares issued	Total number of shares issued
1 to 1,000	2	-	501
1,001 to 5,000	51	0.35	139,601
5,001 to 10,000	61	1.32	528,578
10,001 to 100,000	274	28.90	11,587,867
100,001 and over	84	69.43	27,843,453
	<u>472</u>	<u>100.00</u>	<u>40,100,000</u>
Holding less than a marketable parcel	<u>3</u>	<u>-</u>	<u>1,521</u>

Unlisted ordinary shares issued

	Number of holders	% of total shares issued	Total number of shares issued
<i>Escrowed to 6 Dec 2022</i>			
10,001 to 100,000	10	53.13	637,500
100,001 and over	3	46.87	562,500
	<u>13</u>	<u>100.00</u>	<u>1,200,000</u>
<i>Escrowed to 25 May 2023</i>			
10,001 to 100,000	1	100.00	100,000
	<u>1</u>	<u>100.00</u>	<u>100,000</u>
<i>Escrowed to 8 Sep 2024</i>			
10,001 to 100,000	3	1.48	112,500
100,001 and over	9	98.52	7,487,500
	<u>12</u>	<u>100.00</u>	<u>7,600,000</u>
	<u>26</u>	<u>300.00</u>	<u>8,900,000</u>

Unlisted options over ordinary shares issued

	Number of holders	% of total options issued	Total number of options issued
<i>Unlisted Options at \$0.30, expiry 6 Sep 2025, escrowed to 8 Sep 2024</i> 100,001 and over	7	100.00	6,000,000

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
TRI-STAR E&P PTY LTD	2,445,000	6.10
KOVI G INVESTMENTS PTY LTD [KOVI GORDON FAMILY A/C]	2,275,000	5.67
10 BOLIVIANOS PTY LTD	2,029,283	5.06
YASELLERAPH FINANCE PTY LTD [YASELLERAPH FINANCE A/C]	1,287,500	3.21
TAG INVESTMENTS AUSTRALIA PTY LTD [TAG INVESTMENT A/C]	1,250,000	3.12
UBS NOMINEES PTY LTD	1,225,000	3.05
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,000,000	2.49
HUIC NOMS PTY LTD [ACCUMULATION ENTREPOT]	983,225	2.45
MR ANTANAS GUOGA	665,000	1.66
ALTOR CAPITAL MANAGEMENT PTY LTD [ALTOR ALPHA FUND A/C]	500,000	1.25
BOUTIQUE CAPITAL PTY LTD [PHOENIX GROWTH FUND A/C]	500,000	1.25
MR PATRICK KOK	500,000	1.25
V&F TRUDA PTY LTD [VINCE TRUDA SUPER A/C]	500,000	1.25
MR DEAN ROBERT MELLERS [DAHRC A/C]	500,000	1.25
MR RONALD ARNOLD MELLERS & MR SHANE EDWIN PARADISE	400,000	1.00
FINCLEAR NOMINEES PTY LTD [ACCUMULATION ENTREPOT A/C]	391,200	0.98
BVB CUSTODIAN PTY LTD [BVB A/C]	387,500	0.97
MR DEAN KAVANAGH	387,500	0.97
MR EMANUELE CAPPELLO	375,000	0.94
MGL CORP PTY LTD	325,000	0.81
	<u>17,926,208</u>	<u>44.73</u>

Unquoted equity securities

	Number on issue	Number of holders
Unlisted ordinary shares issued	-	-
Escrowed to 6 December 2022	1,200,000	13
Escrowed to 25 May 2023	100,000	1
Escrowed to 8 September 2024	7,600,000	12
Options over ordinary shares issued	-	-
\$0.30 unlisted options expiring 6 September 2025, escrowed until 8 September 2024	6,000,000	7

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
HAPHISTH PTY LTD	Unlisted ordinary shares issued, escrowed to 25 May 2023	100,000
10 BOLIVIANOS PTY LTD	Unlisted ordinary shares issued, escrowed to 8 September 2024	4,150,000

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
TRI-STAR E&P PTY LTD	2,445,000	6.10
KOVI G INVESTMENTS PTY LTD [KOVI GORDON FAMILY A/C]	2,275,000	5.67
10 BOLIVIANOS PTY LTD	2,029,283	5.06

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

All quoted and unquoted options do not carry any voting rights.

There are no other classes of equity securities.

Restricted securities

Security type and escrow duration	Escrow date	Number of securities escrowed
Fully paid ordinary shares, held in escrow for 12 months from date of issue	6 December 2022	1,200,000
Fully paid ordinary shares, held in escrow for 12 months from date of issue	25 May 2023	1,000,000
Fully paid ordinary shares, held in escrow for 24 months from date of Quotation	8 September 2024	7,600,000
		<u>9,800,000</u>

Use of Funds

Between the date of listing on the ASX and the date of this report, the Group has used the cash and cash in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the Prospectus dated 27 July 2022

Tenements

Description	Tenement number	Interest owned %
HawkRock Mineral Claim	MC00015825	100.00
HawkRock Mineral Claim	MC00015826	100.00
Parker Lake Mineral Claim	MC00015741	100.00
Parker Lake Mineral Claim	MC00015744	100.00
Parker Lake Mineral Claim	MC00015748	100.00
Parker Lake Mineral Claim	MC00015757	100.00
Parker Lake Mineral Claim	MC00015906	100.00
Pasfield Lake Mineral Claim	MC00015740	100.00
Pasfield Lake Mineral Claim	MC00015742	100.00
Pasfield Lake Mineral Claim	MC00015743	100.00
Pasfield Lake Mineral Claim	MC00015745	100.00
Pasfield Lake Mineral Claim	MC00015746	100.00
Pasfield Lake Mineral Claim	MC00015747	100.00
Pasfield Lake Mineral Claim	MC00015821	100.00
Pasfield Lake Mineral Claim	MC00015822	100.00
Pasfield Lake Mineral Claim	MC00015823	100.00
Pasfield Lake Mineral Claim	MC00015872	100.00

For personal use only