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TERRA
METALS

Annual Report
2024

Terra Metals Limited
ASX: TM1
ABN: 44 155 933 010

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Mr Gregory Swan

REGISTERED OFFICE

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Perth WA 6000

WEBSITE

terrametals.com.au

STOCK EXCHANGE LISTING

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

SHARE REGISTRY

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LAWYERS

Thomson Geer Lawyers

AUDITOR

William Buck Audit (WA) Pty Ltd

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DIRECTORS' REPORT

The Directors of Terra Metals Limited present their report on the Consolidated Entity consisting of Terra Metals Limited (formerly "GCX Metals Limited") ("**Company**" or "**Terra**") and the entities it controlled at the end of, or during, the year ended 30 June 2024 ("**Consolidated Entity**" or "**Group**").

OPERATING AND FINANCIAL REVIEW

Overview

During the financial year, the Company completed its acquisition of the Dante copper-platinum group elements-gold-nickel ("Cu-PGE-Au-Ni") project ("**Dante Project**") located in Western Australia. The Dante Project contains large-scale magmatic Cu-PGE-Au-Ni targets and extensive outcropping PGE-Au-Cu reefs.

During the year, the Company focussed on advancing its newly acquired Dante Project and completed a maiden drill program which has confirmed the discovery of at least two large-scale Platreef-style Cu-PGE sulfide reefs ("**Dante Reefs**") from surface at the Dante Project. The maiden drill program also confirmed the presence of widespread copper-Au-Pd sulphide mineralisation from surface at the Cronus prospect.



Figure 1. Terra project locations

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Highlights

Highlights during and since the end of the year include:

Dante Cu-PGE-Au Project

- Completed a maiden drill program at the Dante Project in the West Musgrave region of Western Australia, comprising 60 drillholes for 10,220m.
- Initial assay results confirmed the discovery of at least two large-scale Platreef-style Cu-PGE sulfide reefs (the "Dante Reefs") from surface at the Dante Project.
- The Dante Reefs are a series of gentle dipping, laterally extensive, mineralised layers which outcrop from surface and in total run for 42km.
- The Cu-PGE mineralisation includes high-grade vanadium and titanium, critical for renewable batteries and specialty steel.
- Results to-date indicate that the Dante Reefs have the potential to host a large sulphide deposit containing copper, gold, PGEs, vanadium and titanium.
- Defined an initial Exploration Target at the northern portion of Reef 1, part of the "Dante Reefs".
- The initial Exploration Target only includes the basal reef (excludes hanging wall mineralisation), over a strike of 7km (out of ~16km total strike for Reef 1), to a conservative depth of 250 vertical meters.
- The large, shallow Exploration Target demonstrates the potential for a low-cost, open-cut mining scenario.
- Assay results are pending from 22 drillholes across Reef 1 south (10 holes), and Cronus Prospect (12 holes).
- Completed a rock chip program at the Dante Project which identified multiple mineralised gossans and returned high-grade copper and PGE mineralisation.
- Completed a high-resolution airborne magnetics ("AMAG") survey at the Dante Project.
- Commenced Phase 2 drill program at the Dante Reefs, with a focus on expanding existing discoveries and targeting new copper-PGE sulphide discoveries.

Onslow Ag-Cu-Au Project

- Completed a 1,300m diamond drilling ("DD") program at the Onslow silver-copper-gold ("Ag-Cu-Au") project ("Onslow Project") which was co-funded by the WA state government under the Exploration Incentive Scheme ("EIS").
- Assay results returned high-grade silver and tungsten, including a high-grade intercept of 1m @ 1,060g/t Ag, 0.23% Cu and 0.99% WO₃ within a broader geological zone of 6m @ 179g/t Ag from 160m.
- Mineralisation is hosted within an interpreted high-sulphidation epithermal alteration zone.

Southern Cross Li-Au-REE Project

- Completed a regional soil sampling program at its Southern Cross lithium-rare earth elements ("Li-REE") project ("Southern Cross Project") which identified a large 10km x 2km Li soil anomaly > 100ppm Li₂O.

Corporate

- Completed its acquisition of the Dante Project located in the West Musgrave region of Western Australia, located just 15km from BHP's Nebo-Babel Ni-Cu-PGE project and 10km from the Succoth copper deposit.
- Completed a share placement to institutional and sophisticated investors at an issue price of \$0.06 per share to raise gross proceeds of \$6 million ("Placement").
- The Company changed its name to 'Terra Metals Limited' following shareholder approval.
- Mr Thomas Line was appointed as Managing Director and Chief Executive Officer of the Company. Mr Line is an experienced geologist and company executive with 12 years' experience in mining, exploration and resource development.

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Dante Project (Cu-PGE-Au)

Overview

The Dante Project contains large-scale magmatic Cu-Au-PGE targets, as well as extensive outcropping Cu-PGE-Au reefs and is situated in the same geological complex and in close proximity to one of the world's largest mining development projects, BHP's Nebo-Babel.

The Musgrave block (140,000km²) in central Australia is located at the junction of three major crustal elements: the West Australian, North Australian, and South Australian cratons. It is a Mesoproterozoic, east-west trending orogenic belt and comprises a variety of high grade (amphibolite to granulite facies) basement lithologies overprinted by several major tectonic episodes.

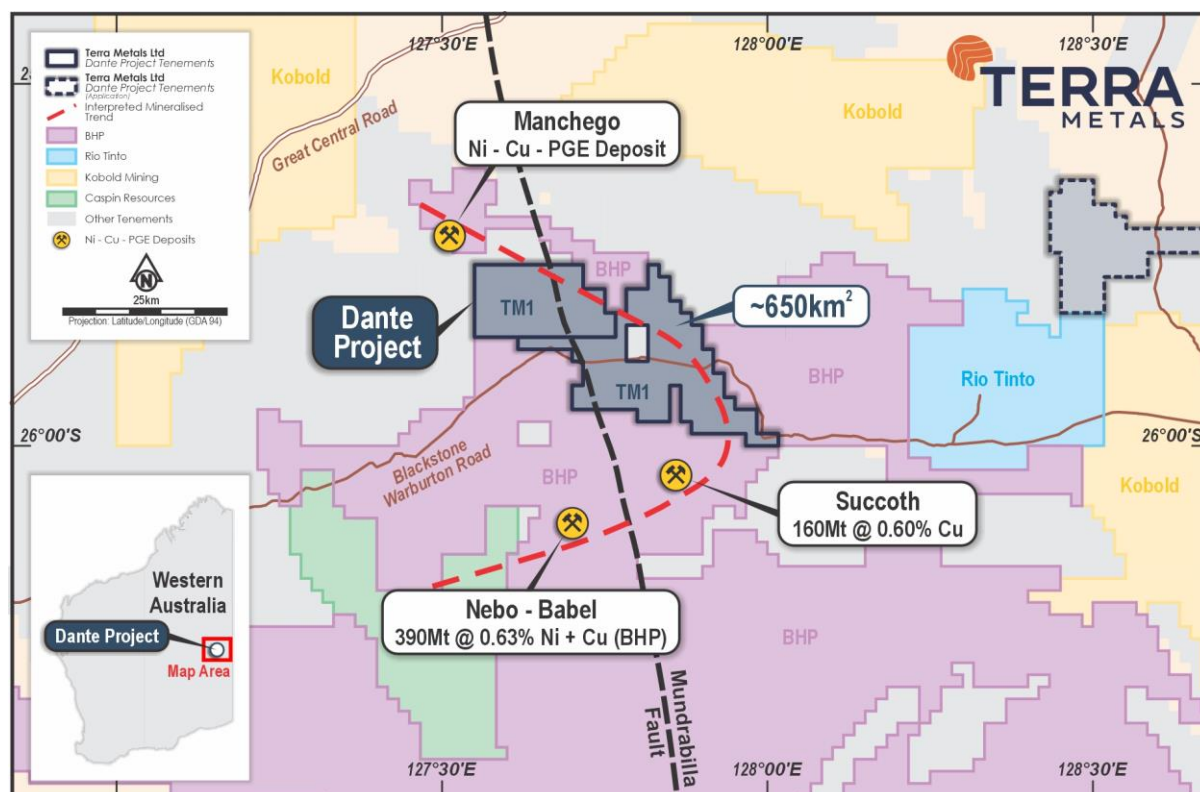


Figure 2. Dante Project location map displaying surrounding companies' tenure and major deposits

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Dante Project (Cu-PGE-Au) (continued)

Discovery of the Dante Cu-PGE sulphide Reefs

During the year, the Company completed its maiden 60-hole, 10,220m reverse circulation ("RC") drill program at the Dante Project in the West Musgrave region to test 4 regional targets.

Results from the drilling program confirmed the discovery of two large-scale polymetallic magmatic sulphide systems at Reef 1 and Reef 2.

Mineralisation is hosted within concentrated bands referred to as "reefs" which contain high concentrations of copper, gold, platinum, palladium, vanadium, titanium and iron within the same layer.

Thus far across Reef 1 and Reef 2 the discovery strike, as defined by wide spaced reconnaissance drilling, now stands at over 20km of magmatic copper-PGE sulphide mineralisation from surface. Mineralisation remains open along strike and downdip.

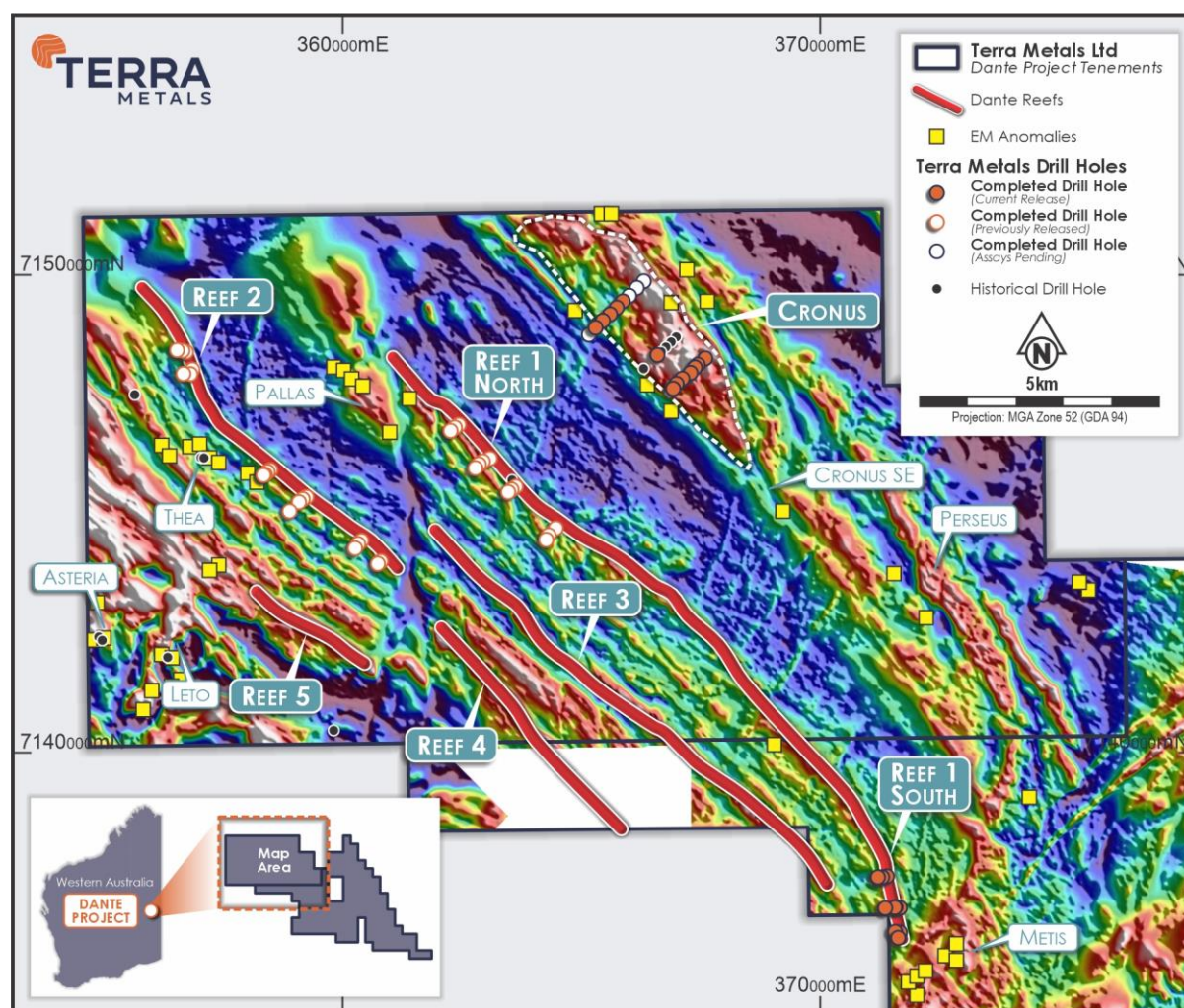


Figure 3. TMI image showing prospects in the western portion of Dante Project.

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

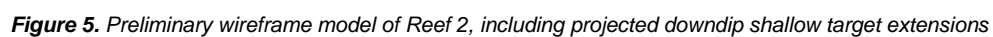
Dante Project (Cu-PGE-Au) (continued)

Discovery of the Dante Cu-PGE sulphide Reefs (continued)

Selected assay results from Reef 1 and Reef 2 discoveries include:

- 5m @ 0.56% Cu, 0.53g/t PGE3, 0.61% V₂O₅, and 18.5% TiO₂ from 80m (URC003), including:
 - 2m @ 0.83% Cu, 0.52% V₂O₅, and 16.6% TiO₂ from 80m
- 6m @ 0.40% Cu, 0.79g/t PGE3, 0.66% V₂O₅, & 19.9% TiO₂ from 4m (HRC004), including:
 - 2m @ 0.62% Cu, 0.85g/t PGE3, 0.71% V₂O₅ & 22.3% TiO₂ from 6m
- 5m @ 0.34% Cu, 0.84g/t PGE3, 0.81% V₂O₅, & 21.2% TiO₂ from 21m (URC005), including:
 - 3m @ 0.43% Cu, 0.94g/t PGE3, 0.88% V₂O₅ & 24.1% TiO₂ from 23m
- 15m @ 0.20% Cu, 0.30g/t PGE3, 0.41% V₂O₅, & 13.8% TiO₂ from 10m (URC011), including:
 - 3m @ 0.40% Cu from 20m and 1m @ 1.46g/t PGE3 & 1.10% V₂O₅ from 23m
- 10m @ 0.82g/t PGE3, 0.11% Cu, 0.44% V₂O₅ & 10.5% TiO₂ from 66m (HRC002), including:
 - 3m @ 2.22g/t PGE3, 0.20% Cu, 1.08% V₂O₅, & 23.5% TiO₂ from 68m
- 5m @ 0.30% Cu, 0.81g/t PGE3, 0.70% V₂O₅, & 19.1% TiO₂ from 71m (URC006), including:
 - 2m @ 1.57g/t PGE3, 0.31% Cu, 0.99% V₂O₅, & 23.2% TiO₂ from 74m
- 10m @ 0.86g/t PGE3, 0.85% V₂O₅, 0.23% Cu, & 19.3% TiO₂ from 84m (HRC009) including:
 - 5m @ 1.02g/t PGE3, 0.91% V₂O₅, 0.38% Cu, & 22.8% TiO₂ from 86m, and
 - 3m @ 1.11g/t PGE3, 1.03% V₂O₅, 0.14% Cu, & 19.6% TiO₂ from 90m
- 5m @ 0.87g/t PGE3, 0.71% V₂O₅, 0.24% Cu, & 19.1% TiO₂ from 58m (HRC019) including:
 - 2m @ 1.48 g/t PGE3, 0.11% Cu, 0.91% V₂O₅ & 19.9% TiO₂, from 61m
- 5m @ 0.73g/t PGE3, 0.76% V₂O₅, & 16.1% TiO₂ from 88m (HRC016) including:
 - 2m @ 1.41g/t PGE3, 0.11% Cu, 1.15% V₂O₅, & 23.5% TiO₂ from 89m
- 5m @ 0.27% Cu, 0.83g/t PGE3, 0.81% V₂O₅, & 20.2% TiO₂ from 44m (URC004), including:
 - 2m @ 1.34 g/t PGE3, 0.19% Cu 1.09% V₂O₅, & 22.1% TiO₂ from 47m

Discovery of the Dante Cu-PGE sulphide Reefs (continued)



DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Dante Project (Cu-PGE-Au) (continued)

Reef 1 Exploration Target

Subsequent to the end of the year, the Company defined an initial Exploration Target for the northern part of Reef 1.

The initial Reef 1 Exploration Target is estimated to be between approximately 60 to 110 million tonnes ("Mt") at a grade between 0.21 to 0.31% Cu, 0.43 to 0.65g/t PGE3, 0.50 to 0.75% V₂O₅, and 13.9 to 20.8% TiO₂, for an estimated contained metal content of between 130 to 340 thousand tonnes ("Kt") Cu, 860 to 2,300 thousand ounces ("Koz") PGE3, 310 to 840Kt V₂O₅, and 8.6 to 23Mt TiO₂.

Cautionary Statement: The potential quantity and grade of the initial Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code.

Table 1. Exploration Target (Reef 1 North, basal layer only)

Range	Tonnage (Mt)	Metal Content			
		Cu (Kt)	PGE3 (Koz)	V ₂ O ₅ (Kt)	TiO ₂ (Mt)
Lower target	60	130	860	310	8.6
Upper target	110	340	2,300	840	23

Note: Totals may not add up due to rounding.

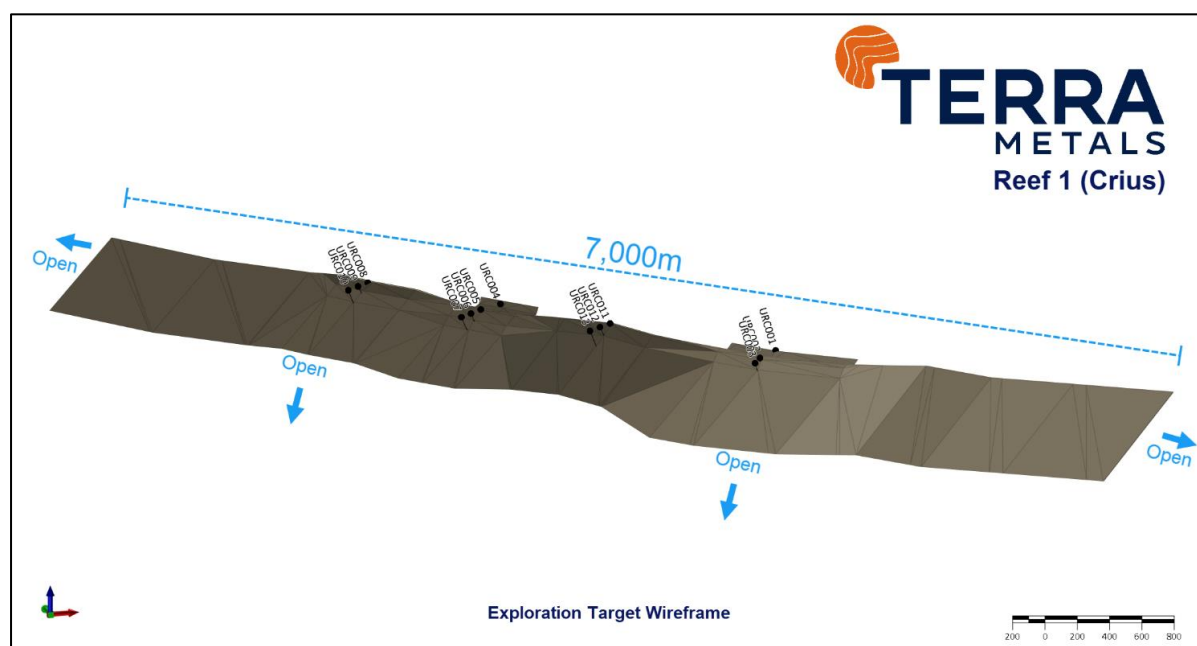


Figure 6. Initial Exploration Target for Reef 1 (north).

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Onslow Project (Ag-Au-Cu)

The Onslow Project covers 548km² and comprises three tenements.

Historical drilling on the tenements was almost exclusively focussed on the cover sequence in the search for pisolitic iron mineralisation and hence the proterozoic basement is considered to be essentially untested.

During the year, the Company completed a 1,300m diamond drilling ("DD") program at the Onslow silver-copper-gold ("Ag-Cu-Au") project ("Onslow Project") which was co-funded by the WA state government under the Exploration Incentive Scheme ("EIS").

Assay results from partial sampling of the diamond core from the DD program revealed the presence of high-grade silver mineralisation.

Hole OND003 intercepted a geological zone which assayed 6m @ 179g/t Ag from 160m, with a high-grade zone of 1m @ 1,060g/t Ag, 0.23% Cu and 0.99% WO₃.

The mineralised zone was within an interpreted high-sulphidation epithermal alteration zone which extended from approximately 158m – 184m. Epithermal alteration such as this is commonly associated with high-grade silver mineralisation and could potentially be linked to a deeper mineralised porphyry source.

Airborne electromagnetic ("EM") data previously collected by the Company in 2022 highlights a Priority 1 EM anomaly which lies to the southeast of the interpreted high-sulphidation epithermal silver mineralisation identified in hole OND003. The EM anomaly is characterised as being a conductive body of the approximate dimensions: 600m long and 120m thick with a 120m down-dip extent. The EM anomaly, along with other geochemical and geophysical datasets, will now be reviewed in light of this newly identified mineralisation.

Further samples were subsequently taken extending from the mineralised zone, for the purpose of geochemical vectoring (assays pending).

Southern Cross Project (Li-Au-REE)

The Southern Cross Project comprises four tenements covering approximately 800km² that the Company identified and pegged, and which were subsequently granted in July 2023.

During the year, the Company announced assay results from a soil sampling program over the Southern Cross Project which revealed a large continuous ~10km x ~2km lithium anomaly >100ppm Li₂O (with a maximum soil result of 171ppm Li₂O coincident with the mapped northwest trending structural features).

Encouragingly, several occurrences of lithium and tantalum occur along the greenstone belts to the north and south of the SCP, including two resources of significance: the Mt Holland project (186Mt @ 1.53% Li₂O); and the Split Rocks project (11.9Mt @ 0.72% Li₂O) both within the southern cross domain.

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Corporate

During the year, the Company acquired 100% of the issued capital of Dante Resources Pty Ltd from the shareholders of Dante ("Vendors") ("Acquisition"). Dante, and its 100% owned subsidiary, 97992001 Pty Ltd, together hold, or have the contractual right to acquire, a portfolio of West Australian exploration assets, including its flagship Dante Project located in the West Musgrave region ("Projects").

As part of the Acquisition, Mr Thomas Line was appointed as Managing Director and CEO of the Company. Mr Line is an experienced geologist, project generator and executive with over 12 years' experience in mining, exploration and resource development including his most recent role as CEO of Taruga Minerals Ltd (ASX: TAR).

During the year, the Company completed a placement of 60,000,000 new ordinary shares of the Company to institutional and sophisticated investors at an issue price of \$0.035 per share, to raise gross proceeds of \$2.1 million. The Company's largest shareholder, Tribeca, subscribed for approximately \$329,000 under the Placement and Directors of the Company subscribed for approximately \$276,000 under the Placement, following shareholder approval.

Subsequent to the end of the year, the Company completed a placement of 100,000,000 new ordinary shares of the Company to institutional and sophisticated investors at an issue price of \$0.06 per share, to raise gross proceeds of \$6 million ("Placement"). The Company's largest shareholder, Tribeca, subscribed for approximately \$941,000 under the Placement and Directors of the Company subscribed for \$174,000 under the Placement, following shareholder approval. In addition, several new resource focused institutions supported the Placement.

Results of Operations

The net loss of the Group for the year ended 30 June 2024 was \$4,891,907 (2023: \$1,058,926). The major item contributing to this result was the exploration and evaluation expenses of \$3,897,900 (2023: \$849,865).

Financial Position

At 30 June 2024, the Group had cash reserves of \$648,420 (2023: \$3,302,754), net assets of \$4,838,240 (2023: \$3,922,480) and net cash outflows from operating activities of \$3,943,836 (2023: \$1,484,153).

Subsequent to the end of the year, the Company completed a placement of 100,000,000 new ordinary shares at an issue price of \$0.06 per share, to raise gross proceeds of \$6 million.

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

Loss Per Share

	2024 \$	2023 \$
Basic and diluted profit/(loss) per share from operations	(0.02)	(0.01)

Environmental Regulation and Performance

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

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Business Strategies and Prospects for Future Financial Years

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

- Complete infill and extensional reverse circulation ("RC") and diamond drilling at the Dante Project to expand existing discoveries and target new discoveries;
- Complete a maiden Mineral Resource estimate for the Dante Project in accordance with the JORC Code;
- Complete new exploration drilling across other copper-PGE sulphide targets defined within the Dante Project, including untested outcropping reefs, interpreted reefs under shallow cover, and massive sulphide targets;
- Complete additional surface exploration programs including geological mapping and sampling to further assess new targets across the broader Dante Project area;
- Complete initial mineralogical analysis and metallurgical test work for the Dante Project to assess economic factors associated with mineral processing and concentrate quality;
- Complete a Scoping Study on the Dante Project in accordance with the JORC Code to assess the viability of a potential future mining operation; and
- Continue discussions to monetise non-core projects through potential joint venture agreements, farm-in agreements, or asset sales.

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

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

DIRECTORS' REPORT (Continued)

DIRECTORS

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

Mr Ian Middlemas	Non-Executive Chairman
Mr Thomas Line	Managing Director and CEO (<i>appointed 30 October 2023</i>)
Mr Benjamin Cleary	Non-Executive Director
Mr Ryan de Franck	Non-Executive Director
Mr Haydn Smith	Non-Executive Director
Mr Mark Pearce	Alternate Director for Mr Ian Middlemas
Mr Matthew Turner	Alternate Director for Mr Benjamin Cleary (<i>resigned 25 February 2024</i>)

Unless otherwise stated, Directors held their office from 1 July 2023 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr Ian Middlemas *B.Com, CA*
Chairman

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

Mr Middlemas was appointed as a Director of the Company on 16 October 2013 and as Chairman on 7 January 2014. During the three-year period to the end of the financial year, Mr Middlemas has held directorships in NGX Limited (April 2021– present), Constellation Resources Limited (November 2017 – present), Apollo Minerals Limited (July 2016 – present), Berkeley Energia Limited (April 2012 – present), GreenX Metals Limited (August 2011 – present), Salt Lake Potash Limited (Receivers and Managers Appointed) (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), Odyssey Gold Limited (September 2005 – present) and Peregrine Gold Limited (September 2020 – February 2022).

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

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

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

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

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

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

DIRECTORS' REPORT (Continued)

CURRENT DIRECTORS AND OFFICERS (Continued)

Mr Ryan de Franck *B.Com, SA FIN*
Non-Executive Director

Mr Ryan de Franck is currently Executive Director of the Valperlon Group, an Australian based project generation and corporate development group focused on the natural resources sector. Mr de Franck has a Bachelor of Commerce from the University of Western Australia, a Masters in Applied Finance from FINSIA and a Graduate Diploma in Mineral Exploration Geoscience from the Western Australian School of Mines.

Mr de Franck was appointed as a Director of the Company on 16 June 2022. During the three-year period to the end of the financial year, Mr de Franck has held a directorship in Fin Resources Limited (July 2021 – May 2022).

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

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

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

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

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

Mr Pearce was appointed as alternate Director for Mr Ian Middlemas on 16 June 2022. During the three-year period to the end of the financial year, Mr Pearce has held directorships in NGX Limited (April 2021 – present), Constellation Resources Limited (July 2016 – present), GreenX Metals Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), and Peregrine Gold Limited (September 2020 – February 2022).

Mr Gregory (Greg) Swan *B.Com, CA, FCIS, FFin*
Company Secretary

Mr Swan is a Chartered Accountant with over 15 years' experience in the formation and development of publicly listed natural resources companies. He currently serves as Chief Financial Officer and/or Company Secretary for several listed companies that operate in the resources sector. He commenced his career at a large international Chartered Accounting firm and has since been involved with a number of mining exploration and development companies, including Piedmont Lithium Inc., IperionX Limited, Mantra Resources Limited, and Papillon Resources Limited.

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

PRINCIPAL ACTIVITIES

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

DIRECTORS' REPORT (Continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

- (i) On 30 October 2023, the Company acquired 100% of the issued capital of Dante Resources Pty Ltd from the shareholders of Dante ("Vendors") ("Acquisition"). Dante, and its 100% owned subsidiary, 97992001 Pty Ltd, together hold, or have the contractual right to acquire, a portfolio of West Australian exploration assets, including its flagship Dante Project located in the West Musgrave region. Consideration for the Acquisition comprised the issue of 50,000,000 ordinary shares in the Company, 60,000,000 performance shares in the Company (which convert into ordinary shares subject to the satisfaction of certain performance milestones), and repayment of approximately \$347,000 in loans owed by Dante;
- (ii) On 30 October 2023, as part of the Acquisition, Mr Thomas Line was appointed as Managing Director and CEO of the Company;
- (iii) On 19 February 2024, the Company announced a placement of 60,000,000 new ordinary shares of the Company to institutional and sophisticated investors at an issue price of \$0.035 per share, to raise gross proceeds of \$2.1 million; and
- (iv) On 20 June 2024, the Company announced the discovery of at least two Platreef-style Cu-PGE sulfide reefs (the "Dante Reefs") from surface at the Dante Project. The Dante Reefs are a series of gentle dipping, laterally extensive, mineralised layers which outcrop from surface and in total run for 42km.

There were no other significant changes in the state of affairs of the Group during the year ended 30 June 2024 not otherwise disclosed.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- (i) On 25 June 2024, the Company announced a placement of 100,000,000 new ordinary shares in the Company to institutional and sophisticated investors at an issue price of \$0.06 per share, to raise gross proceeds of \$6 million. The Company completed the first tranche of the placement (comprising 68,600,000 shares) on 3 July 2024 and the second tranche of the placement (comprising 31,400,000 shares) on 14 August 2024, following shareholder approval received at a general meeting of shareholders held on 9 August 2024.

Other than the above, at the date of this report, there are no matters or circumstances, which have arisen since 30 June 2024 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2024, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2024, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2024, of the Group.

DIRECTORS' INTERESTS

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

	Shares ⁽¹⁾	Performance Shares ⁽⁵⁾	Listed Options ⁽²⁾	Unlisted Options ⁽³⁾	Performance Rights ⁽⁴⁾
Mr Ian Middlemas	10,000,000	-	280,000	-	-
Mr Thomas Line	1,750,607	1,410,729	-	7,500,000	7,000,000
Mr Ben Cleary	-	-	-	-	-
Mr Ryan de Franck	7,000,000	-	166,668	-	-
Mr Haydn Smith	2,000,000	-	-	-	-
Mr Mark Pearce	3,134,500	-	689,085	-	-

Notes:

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

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

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

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

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

DIRECTORS' REPORT (Continued)

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

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

The Company has paid, or agreed to pay, premiums in respect of Directors' and Officers' Liability Insurance and Company Reimbursement policies for the 12 months ended 30 June 2024 and 2023, which cover all Directors and officers of the Company against liabilities to the extent permitted by the Corporations Act 2001. The policy conditions preclude the Company from any detailed disclosures including premium amount paid.

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

CONVERTIBLE SECURITIES

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

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

During the year ended 30 June 2024, no Shares were issued as a result of the exercise of Options. Subsequent to year end, and up until the date of this report, no Shares have been issued as a result of the exercise of Options.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED)

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

Details of Key Management Personnel

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

Mr Ian Middlemas	Non-Executive Chairman
Mr Thomas Line	Managing Director and CEO (<i>appointed 30 October 2023</i>)
Mr Ben Cleary	Non-Executive Director
Mr Haydn Smith	Non-Executive Director
Mr Ryan de Franck	Non-Executive Director
Mr Mark Pearce	Alternate Director for Mr Ian Middlemas
Mr Matthew Turner	Alternate Director for Mr Ben Cleary (<i>resigned 25 February 2024</i>)

Unless otherwise disclosed, the KMP held their position from 1 July 2023 until the date of this report.

Remuneration Policy

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

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

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

Executive Remuneration

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

Fixed Remuneration

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

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

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

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

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

During the 2024 financial year, no executive KMP were entitled to STI cash bonuses and no STI cash bonuses were awarded.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

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

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

(i) Performance Rights

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

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

During the financial year, 7,000,000 Performance Rights were granted to executive KMP and no Performance Rights held by executive KMP vested during the financial year. At 30 June 2024, 7,000,000 Performance Rights were held by executive KMP.

(ii) Incentive Options

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

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

During the financial year, 7,500,000 Incentive Options were granted to executive KMP. No Incentive Options held by executive KMP vested during the financial year. At 30 June 2024, 7,500,000 Incentive Options were held by executive KMP.

Non-Executive Director Remuneration

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

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

Fees for the Chairman are presently \$50,000 per annum (2023: \$50,000), however the Chairman elected to receive fees of only \$36,000 for the 2023 and 2024 financial years. Fees for Non-Executive Directors are presently set at \$30,000 per annum (2023: \$30,000 per annum). These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including, but not limited to, membership of committees.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Relationship between Remuneration of KMP and Shareholder Wealth

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

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

Relationship between Remuneration of KMP and Earnings

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

Emoluments of KMP

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

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

Notes:

⁽¹⁾ Mr Line was appointed effective 30 October 2023.

⁽²⁾ Mr Turner resigned effective 25 February 2024.

2023	Short-term benefits			Post-employment benefits	Share-based payments	Termination Payments	Total	Performance related %
	Salary & fees	Cash Bonus	Other					
	\$	\$	\$	\$	\$	\$	\$	%
Directors								
Mr Ian Middlemas	36,000	-	-	3,780	-	-	39,780	-
Mr Ben Cleary	-	-	-	-	-	-	-	-
Mr Ryan de Franck	30,000	-	-	3,150	-	-	33,150	-
Mr Haydn Smith	30,000	-	-	-	-	-	30,000	-
Mr Mark Pearce	-	-	-	-	-	-	-	-
Mr Matthew Turner	30,000	-	-	3,150	-	-	33,150	-
	126,000	-	-	10,080	-	-	136,080	

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Loans with KMP

No loans were provided to or received from KMP during the year ended June 30, 2024 (2023: Nil).

Other Transactions with KMP

Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a director and beneficial shareholder, was paid or is payable \$234,000 for the provision of a fully serviced office and administrative, accounting and company secretarial services during the year ended 30 June 2024 (2023: \$216,000). The agreement has no fixed term and is able to be terminated by either party by providing one (1) months' notice. The Company considers that the services provided by Apollo Group Pty Ltd were provided on an arm's length or better terms.

Options and Rights Granted to KMP

Details of Unlisted Options and Performance Rights granted, exercised or lapsed for each KMP of the Group during the 2024 financial year are as follows:

2024	No. of options, rights and performance shares granted during year #	No. of options, rights and performance shares vested during year #	No. of options, rights and performance shares lapsed during year #	Value of options, rights and performance shares granted during year ⁽¹⁾ \$	Value of options, rights and performance shares exercised during year ⁽²⁾ \$	Value of options, rights and performance shares included in remuneration for year \$
Directors						
Ian Middlemas	-	-	-	-	-	-
Thomas Line	14,500,000	-	-	504,750	-	143,491
Ben Cleary	-	-	-	-	-	-
Ryan de Franck	-	-	-	-	-	-
Haydn Smith	-	-	-	-	-	-
Mark Pearce	-	-	-	-	-	-
Matthew Turner	-	-	-	-	-	-
	14,500,000	-	-	504,750	-	143,491

Notes:

⁽¹⁾ Determined at the time of grant per AASB 2.

⁽²⁾ Determined at the time of exercise or conversion at the intrinsic value.

Details of Unlisted Options or Performance Rights granted by the Company to each KMP of the Group during the financial year are as follows:

2024	Security class	Grant date	Expiry date	Service vesting date	Exercise price A\$	Vesting hurdle (20- day VWAP)	Grant date fair value ⁽¹⁾ A\$	Number granted
Thomas Line	Rights	25-Oct-23	28-Aug-27	-	-	\$0.10	\$0.041	3,500,000
	Rights	25-Oct-23	28-Aug-27	-	-	\$0.15	\$0.037	3,500,000
	Options	16-Apr-24	16-Jun-27	30-Oct-24	\$0.07	-	\$0.0324	2,500,000
	Options	16-Apr-24	16-Jun-27	30-Oct-25	\$0.09	-	\$0.0298	2,500,000
	Options	16-Apr-24	30-Jun-28	30-Oct-26	\$0.14	-	\$0.0305	2,500,000

Notes:

⁽³⁾ For details on the valuation of Unlisted Options and Performance Rights, including models and assumptions used, please refer to Note 15 of the financial statements.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Option and Right holdings of KMP

2024	Held at 1 July 2023	Granted as Remuneration	Options Exercised	Purchases	Held at 30 June 2024	Vested & exercisable at 30 June 2024
Directors						
Ian Middlemas	280,000	-	-	-	280,000	280,000
Thomas Line	- ⁽¹⁾	14,500,000	-	-	14,500,000	-
Ben Cleary	-	-	-	-	-	-
Ryan de Franck	166,668	-	-	-	166,668	166,668
Haydn Smith	-	-	-	-	-	-
Mark Pearce	689,085	-	-	-	689,085	689,085
Matthew Turner	-	-	-	-	- ⁽²⁾	- ⁽²⁾
	1,135,753	14,500,000	-	-	15,635,753	1,135,753

Notes:

(1) As at date of appointment.

(2) As at date of resignation.

Shareholdings of KMP

2024	Held at 1 July 2023		Granted as Remuneration		Purchases		Other net change		Held at 30 June 2024	
	Ord ⁽³⁾	Perf ⁽⁴⁾	Ord ⁽³⁾	Perf ⁽⁴⁾	Ord ⁽³⁾	Perf ⁽⁴⁾	Ord ⁽³⁾	Perf ⁽⁴⁾	Ord ⁽³⁾	Perf ⁽⁴⁾
Directors										
Ian Middlemas	1,680,000	-	-	-	8,320,000	-	-	-	10,000,000	-
Thomas Line	1,175,607 ⁽¹⁾	1,410,729 ⁽¹⁾	-	-	575,000	-	-	-	1,750,607	1,410,729
Ben Cleary	-	-	-	-	-	-	-	-	-	-
Ryan de Franck	6,000,000	-	-	-	1,000,000	-	-	-	7,000,000	-
Haydn Smith	-	-	-	-	2,000,000	-	-	-	2,000,000	-
Mark Pearce	2,134,500	-	-	-	1,000,000	-	-	-	3,134,500	-
Matthew Turner	-	-	-	-	-	-	-	-	- ⁽²⁾	- ⁽²⁾
	10,990,107	1,410,729	-	-	12,895,000	-	-	-	23,885,107	1,410,729

Notes:

(1) As at date of appointment.

(2) As at date of resignation.

(3) 'Ord' means Ordinary Shares.

(4) 'Perf' means Performance Shares issued to the original vendors of Dante Resources Pty Ltd as consideration for the Company's acquisition of Dante Resources Pty Ltd during the year ended 30 June 2024.

Employment Contracts with KMP

Mr. Thomas Line, Chief Executive Officer and Managing Director, has an employment agreement with the Group which may be terminated by the Company for any reason upon three months' prior written notice. Mr. Line receives a fixed remuneration component of \$250,000 per annum and a discretionary annual bonus to be paid upon the successful completion of KPIs as determined by the Board.

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

End of Remuneration Report.

DIRECTORS' REPORT (Continued)

DIRECTORS' MEETINGS

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

	Board Meetings	
	Number eligible to attend	Number attended
Mr Ian Middlemas	3	3
Mr Thomas Line	2	2
Mr Ben Cleary	3	2
Mr Ryan de Franck	3	3
Mr Haydn Smith	3	3
Mr Mark Pearce (Alternate Director for Mr Ian Middlemas)	-	-
Mr Matthew Turner (Alternate Director for Mr Ben Cleary)	-	-

At 30 June 2024, there were no Board committees.

NON-AUDIT SERVICES

During the year, the Group's auditor, William Buck Audit (WA) Pty Ltd did not provide any non-audit services (2023: nil). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of the non-audit services provided means that auditor independence was not compromised.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 21 of the Directors' Report.

Signed in accordance with a resolution of the Directors.



THOMAS LINE
CEO & Managing Director

10 September 2024

AUDITOR'S INDEPENDENCE DECLARATION



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

To the directors of Terra Metals Limited and its controlled entities

As lead auditor for the audit of Terra Metals Limited and its controlled entities for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

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

William Buck

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

CM

Conley Manifis

Director

Dated this 10th day of September 2024

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**CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Continuing operations			
Exploration and evaluation expenses		(3,897,900)	(849,865)
Corporate and administrative expenses		(430,298)	(284,223)
Business development expenses		(427,226)	-
Finance income	2	79,687	91,280
Share-based payment expense	15	(216,170)	(16,118)
Profit/(loss) before tax		(4,891,907)	(1,058,926)
Income tax expense		-	-
Net loss for the year		(4,891,907)	(1,058,926)
Net loss attributable to members of Terra Metals Limited		(4,891,907)	(1,058,926)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year, net of tax		(4,891,907)	(1,058,926)
Total comprehensive loss attributable to members of Terra Metals Limited		(4,891,907)	(1,058,926)
Basic and diluted profit/(loss) per share from operations (\$ per share)	12	(0.02)	(0.01)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	648,420	3,302,754
Trade and other receivables		308,662	107,755
Total Current Assets		957,082	3,410,509
Non-Current Assets			
Exploration and evaluation assets	6	5,269,943	572,521
Property, plant and equipment		133,043	-
Total Non-Current Assets		5,402,986	572,521
TOTAL ASSETS		6,360,068	3,983,030
LIABILITIES			
Current Liabilities			
Trade and other payables	7	1,507,424	60,550
Provisions		14,404	-
Total Current Liabilities		1,521,828	60,550
TOTAL LIABILITIES		1,521,828	60,550
NET ASSETS		4,838,240	3,922,480
EQUITY			
Contributed equity	9	150,642,336	145,085,639
Reserves	10	987,964	3,044,994
Accumulated losses	11	(146,792,060)	(144,208,153)
TOTAL EQUITY		4,838,240	3,922,480

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

**CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	Contributed Equity \$	Share-Based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2023		145,085,639	3,044,994	(144,208,153)	3,922,480
Net loss for the year		-	-	(4,891,907)	(4,891,907)
Total comprehensive loss for the year		-	-	(4,891,907)	(4,891,907)
<i>Transaction with owners in their capacity as owners:</i>					
Acquisition of Dante Project	8, 9	3,640,000	-	-	3,640,000
Issue of shares	9	2,100,000	-	-	2,100,000
Share issue costs	10	(183,303)	34,800	-	(148,503)
Expiry of unlisted options	11	-	(2,308,000)	2,308,000	-
Share-based payments expense	15	-	216,170	-	216,170
Balance at 30 June 2024		150,642,336	987,964	(146,792,060)	4,838,240
Balance at 1 July 2022		144,046,751	3,277,765	(143,398,116)	3,926,400
Net loss for the year		-	-	(1,058,926)	(1,058,926)
Total comprehensive income for the year		-	-	(1,058,926)	(1,058,926)
<i>Transaction with owners in their capacity as owners:</i>					
Issue of shortfall shares		851,498	-	-	851,498
Issue of Tribeca deferred shares		225,000	-	-	225,000
Share issue costs		(37,610)	-	-	(37,610)
Expiry of options		-	(248,889)	248,889	-
Share-based payments expense		-	16,118	-	16,118
Balance at 30 June 2023		145,085,639	3,044,994	(144,208,153)	3,922,480

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Payments to suppliers and employees - exploration and evaluation		(2,981,155)	(903,087)
Payments to suppliers and employees - other		(1,042,218)	(672,346)
Interest received		79,537	91,280
Net cash outflow from operating activities	5	(3,943,836)	(1,484,153)
Cash flows from investing activities			
Payments for property, plant and equipment		(147,957)	-
Net cash outflow on acquisition of Dante Project		(673,713)	-
Net cash outflow from investing activities		(821,670)	-
Cash flows from financing activities			
Proceeds from issue of shares		2,254,824	851,498
Payments for share issue costs		(143,652)	(199,954)
Repayment of borrowings		-	(400,000)
Net cash inflow from financing activities		2,111,172	251,544
Net decrease in cash and cash equivalents		(2,654,334)	(1,232,609)
Cash and cash equivalents at beginning of the year		3,302,754	4,535,363
Cash and cash equivalents at the end of the year	5	648,420	3,302,754

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in preparing the financial report of Terra Metals Limited (formerly "GCX Metals Limited") ("Terra" or "Company") and its consolidated entities ("Consolidated Entity" or "Group") for the year ended 30 June 2024 are stated to assist in a general understanding of the financial report.

Terra Metals Limited is a for profit company limited by shares, incorporated and domiciled in Australia. Our ordinary shares are listed on the Australian Securities Exchange, or ASX under the symbol "TM1". The Group's principal activities are mineral exploration and development. The financial report of the Group for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 6 September 2024

(a) Basis of Preparation

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

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

The Group has no sources of operating cash inflows other than interest income and proceeds from capital raising activities. At 30 June 2024, the Group had cash and cash equivalents of \$648,420 (30 June 2023: \$3,302,754) and a net working capital deficiency of \$564,764 (30 June 2023: surplus of \$3,349,959). On 25 June 2024, the Company announced that it had secured commitments from institutional and sophisticated investors for a placement of 100,000,000 new ordinary shares to raise gross proceeds of \$6,000,000. These proceeds were subsequently received by the Company after the end of the year. The Directors believe that the Group has sufficient cash to continue its activities and allow it to meet its expenditure commitments for at least the next 12 months from the date of this financial report. Accordingly, the consolidated financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

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

In the current period, the Group has adopted all of the new and revised Accounting Standards and Interpretations effective from 1 July 2023 that are mandatory.

The adoption of the aforementioned standards has no impact on the financial statements of the Company as at 30 June 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2024. Those which may be relevant to the Group are set out in the table below.

Standard or Interpretation	Application Date of Standard	Application Date for Group
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2024	1 July 2024
AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024	1 July 2024
AASB 2022-5 Amendments to Australian Accounting standards – Lease Liability in a Sale and Leaseback	1 January 2024	1 July 2024
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025	1 July 2025
AASB 2021-7(a-c) Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025	1 July 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026	1 July 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027	1 July 2027

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Principles of Consolidation

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

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

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, is exposed or has rights to variable returns from its involvement and has the ability to use its power to affect the returns of those entities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

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

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

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

(e) Cash and Cash Equivalents

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

(f) Trade and Other Receivables

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(g) Exploration and Development Expenditure

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

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

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

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
 - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

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

Impairment

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

(h) Trade and other payables

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Interest Income

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

(j) Income tax

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

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

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

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

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

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

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

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

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

(k) Earnings per Share

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

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

(l) Goods and Services Tax

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(m) Segment Reporting

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

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

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

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

(n) Impairment of Non-Financial Assets

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

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

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Fair Value Estimation

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

1. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(p) Issued and Unissued Capital

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

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

(q) Share-Based Payments

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

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

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)

2. INCOME AND EXPENSES

	Note	2024 \$	2023 \$
Finance income			
Interest income		79,687	91,280
		79,687	91,280
Depreciation and amortisation			
Depreciation of property, plant and equipment		14,913	-
		14,913	-
Employee benefits expense			
Wages and salaries		488,212	122,301
Employee benefits		14,404	-
Post-employment benefits		44,831	9,692
Share-based payment expense	15	216,170	16,118
		763,617	148,111

3. INCOME TAX

	2024 \$	2023 \$
Recognised in profit or loss		
Current income tax benefit in respect of the current year	-	-
Deferred tax relating to origination and reversal of temporary differences	-	-
Income tax expense reported in profit or loss	-	-
Reconciliation between tax expense and accounting loss before income tax		
Accounting profit/(loss) before income tax	(4,891,907)	(1,058,926)
At the domestic income tax rate of 30% (2023: 30%)	(1,467,572)	(317,678)
Expenditure not allowable for income tax purposes	64,851	4,991
Income not assessable for income tax purposes	-	-
Adjustments in respect of deferred income tax of previous years	(185,807)	448,729
Effect of deferred tax assets not brought to account	1,588,528	(136,042)
Income tax expense reported in profit or loss	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)

3. INCOME TAX (Continued)

	2024 \$	2023 \$
Deferred tax assets and liabilities		
Deferred tax liabilities:		
Exploration and evaluation assets	87,869	171,756
Deferred tax assets used to offset deferred tax liabilities	(87,869)	(171,756)
	-	-
Deferred tax assets:		
Accrued expenditure	10,650	16,714
Provisions	4,321	-
Capital allowances	1,416	-
Tax losses	3,956,520	2,431,553
Capital losses	34,043,954	34,043,954
Deferred tax assets used to offset deferred tax liabilities	(87,869)	(171,756)
Deferred tax assets not brought to account ⁽¹⁾	(37,928,992)	(36,320,465)
	-	-

Notes:

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

4. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends have been paid or proposed for the year ended 30 June 2024 (2023: Nil).

5. CASH AND CASH EQUIVALENTS

	2024 \$	2023 \$
Cash at bank and on hand	648,420	3,302,754
Total cash at bank and on hand	648,420	3,302,754
Reconciliation of profit/(loss) before income tax to net cash flows from operations		
Net profit/(loss) for the year	(4,891,907)	(1,058,926)
Adjustment for non-cash income and expense items:		
Share based payments	216,170	16,118
Depreciation and amortisation	14,913	-
Change in working capital:		
(Increase)/decrease in trade and other receivables	(187,099)	41,935
Increase/(decrease) in trade and other payables	889,683	(483,280)
Increase in provisions	14,404	-
Net cash outflow from operating activities	(3,943,836)	(1,484,153)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)

6. EXPLORATION AND EVALUATION ASSETS

	Dante Project \$	Onslow Project \$	Total \$
2024			
Balance at 1 July 2023	-	572,521	572,521
Acquisition of the Dante Project (Note 8)	4,697,422	-	4,697,422
Carrying amount at 30 June 2024 ⁽¹⁾	4,697,422	572,521	5,269,943
2023			
Carrying value at 1 July 2022	-	572,521	572,521
Carrying amount at 30 June 2023 ⁽¹⁾	-	572,521	572,521

Notes:

⁽¹⁾ The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

7. TRADE AND OTHER PAYABLES

	2024 \$	2023 \$
Trade creditors	1,251,541	23,650
Accrued expenses	255,883	36,900
	1,507,424	60,550

8. ASSET ACQUISITION

On 30 October 2023, the Company acquired 100% of Dante Resources Pty Ltd ("DRPL"), a private Australian company, and its wholly owned subsidiary, 97992001 Pty Ltd, a private Australian company, which hold a number of exploration tenements in Western Australia ("Tenements"), including the exploration tenements that comprise the Dante Project ("Dante Project").

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

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

The total cost of the asset acquisition was \$3,782,971 and comprised an issue of equity instruments and costs directly attributable to the acquisition, as set out below.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)

8. ASSET ACQUISITION (continued)

	\$
Consideration	
50,000,000 ordinary fully paid shares	2,200,000
20,000,000 Class A performance shares ⁽¹⁾	760,000
20,000,000 Class B performance shares ⁽²⁾	680,000
20,000,000 Class C performance shares ⁽³⁾	-
Direct costs related to the acquisition	142,971
Total consideration	3,782,971
Identifiable net assets	
Cash at bank	13,066
Exploration and evaluation assets	4,697,422
Trade and other receivables	13,810
Trade and other payables	(276,339)
Loans payable to shareholders of DRPL	(346,906)
Loan payable to Terra Metals Limited	(318,082)
Net assets	3,782,971
Net cash outflow	
Net cash acquired on acquisition of DRPL	13,066
Repayment of loans to shareholders of DRPL	(346,906)
Pre-acquisition loan to DRPL	(318,082)
Direct costs relating to the acquisition – paid during the year	(21,791)
Net consolidated cash outflow for the year	(673,713)
Direct costs related to the acquisition – paid after end of year	(121,180)
Total net consolidated cash outflow	(794,893)

Notes:

- (1) The Class A Performance Shares vest after the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling completed by the Company on the Tenements totalling not less than 10-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t (non-market vesting condition); and (B) the Company achieving a volume weighted average price of the Company shares of at least \$0.10 over 20 consecutive trading days (market vesting condition). The fair value of the Class A Performance Shares has been estimated using a trinomial valuation model taking into account the market vesting condition. Management has determined, based on currently available information, that it is probable that the non-market vesting condition will be met.
- (2) The Class B Performance Shares vest after the latest to occur of: (A) the announcement by the Company to ASX of cumulative drill intercepts from new drilling completed by the Company on the Tenements totalling not less than 20-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t (non-market vesting condition); and (B) the Company achieving a volume weighted average price of the Company shares of at least \$0.15 over 20 consecutive trading days (market vesting condition). The fair value of the Class B Performance Shares has been estimated using a trinomial valuation model taking into account the market vesting condition. Management has determined, based on currently available information, that it is probable that the non-market vesting condition will be met.
- (3) The Class C Performance Shares vest upon the announcement by the Company to ASX of an independently assessed JORC Code Mineral Resource from the Tenements of not less than 100,000 tonnes of Ni equivalent at a minimum resource grade of 0.5% Ni equivalent and a cut-off grade of not less than 0.1% Ni equivalent (non-market vesting condition). The Group has allocated a value of nil to the Class C performance shares as management is unable, based on currently available information, to determine that it is probable that the non-market vesting condition will be met.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)

9. CONTRIBUTED EQUITY

	2024 \$	2023 \$
Issued capital		
295,778,694 fully paid ordinary shares (30 June 2023: 185,778,694)	149,202,336	145,085,639
20,000,000 Class A performance shares (30 June 2023: nil)	760,000	-
20,000,000 Class B performance shares (30 June 2023: nil)	680,000	-
20,000,000 Class C performance shares (30 June 2023: nil)	-	-
	150,642,336	145,085,639

Notes:

- ⁽¹⁾ The acquisition of the Onslow Project included deferred consideration of 7,500,000 ordinary shares in the capital of the Company subject to and conditional upon delineation of a mineral resource in accordance with the JORC Code of at least 200,000 ounces of contained gold across E08/3197 at a resource grade no less than 1.5 grams per tonne gold, by 16 June 2027.

(a) Movements in issued capital

Details	No. of Ordinary Shares	No. of Performance Shares	\$
2024			
Opening balance at 1 July	185,778,694	-	145,085,639
Acquisition of Dante Project	50,000,000	60,000,000	3,640,000
Issue of placement shares	60,000,000	-	2,100,000
Share issue costs	-	-	(183,303)
Closing balance at 30 June	295,778,694	60,000,000	150,642,336
2023			
Opening balance at 1 July	164,248,729	-	144,046,751
Issue of shortfall offer shares	17,029,965	-	851,498
Issue of Tribeca deferred shares	4,500,000	-	225,000
Share issue costs	-	-	(37,610)
Closing balance at 30 June	185,778,694	-	145,085,639

(b) Rights Attaching to Ordinary Shares

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

- Shares** – The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the Directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.
- Meetings of Members** – Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is two shareholders. The Company holds annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.
- Voting** – Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll, each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

9. CONTRIBUTED EQUITY (continued)

(b) Rights Attaching to Ordinary Shares (continued)

- (iv) *Changes to the Constitution* – The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.
- (v) *Listing Rules* – Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

(c) Rights Attaching to Performance Shares

Performance Shares comprise 20,000,000 Class A, 20,000,000 Class B and 20,000,000 Class C Performance Shares issued in relation to the acquisition of Dante Resources Pty Ltd and are issued based upon the following terms and conditions:

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

10. RESERVES

	Note	2024 \$	2023 \$
Share-based payments reserve		987,964	3,044,994
		987,964	3,044,994

(a) Nature and Purpose of Reserves

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)

10. RESERVES (continued)

(b) Movements in share-based payments reserve

Details	No. of Listed Options	No. of Unlisted Options	No. of Performance Rights	\$
2024				
Opening balance	37,713,240	23,500,000	-	3,044,994
Issue of employee incentive securities	-	11,250,000	7,000,000	-
Issue of lead manager options	-	1,000,000	-	34,800
Expiry of options	-	(1,500,000)	-	(2,308,000)
Share-based payments expense	-	-	-	216,170
Closing balance	37,713,240	34,250,000	7,000,000	987,964
2023				
Opening balance	32,036,570	22,222,223	-	3,277,765
Issue of shortfall listed options	5,676,670	-	-	-
Issue of consultant offer options	-	1,500,000	-	-
Expiry of options	-	(222,223)	-	(248,889)
Share-based payments expense	-	-	-	16,118
Closing balance	37,713,240	23,500,000	-	3,044,994

(c) Terms and Conditions of Listed Options

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

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

(d) Terms and Conditions of Unlisted Options

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

10. RESERVES (continued)

(e) Terms and Conditions of Performance Rights

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

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

11. ACCUMULATED LOSSES

	2024 \$	2023 \$
Balance at 1 July	(144,208,153)	(143,398,116)
Net loss for the year	(4,891,907)	(1,058,926)
Adjustment to accumulated losses for expired options	2,308,000	248,889
Balance at 30 June	(146,792,060)	(144,208,153)

12. EARNINGS PER SHARE

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

	2024 \$	2023 \$
Net profit/(loss) attributable to members Terra Metals Limited:	(4,891,907)	(1,058,926)
Net profit/(loss) attributable to members of the parent used in calculating basic and diluted earnings per share	(4,891,907)	(1,058,926)

	2024 No. of Shares	2023 No. of Shares
Weighted average number of Ordinary Shares used in calculating basic and diluted loss per share	237,587,024	184,657,956

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

12. EARNINGS PER SHARE

(a) Non-Dilutive Securities

As at 30 June 2024, 60,000,000 performance shares, 37,713,240 listed options (exercisable at \$0.07 each), 34,250,000 unlisted options (15,500,000 exercisable at \$0.07 each, 15,000,000 exercisable at \$0.09 each and 3,750,000 exercisable at \$0.14 each) and 7,000,000 performance rights which together represent 138,963,240 potential ordinary shares, were considered non-dilutive as the exercise price of the options were greater than the average market price of the Company's ordinary shares during the year and as such have been excluded from the weighted average number of shares for the purposes of diluted earnings per share.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2024

Subsequent to 30 June 2024, the Company issued 100,000,000 ordinary fully paid shares pursuant to a placement.

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

13. RELATED PARTIES

(a) Subsidiaries

Name	Country of Incorporation	% Equity Interest	
		2024	2023
Dante Resources Pty Ltd	Australia	100	-
97992001 Pty Ltd	Australia	100	-
Onslow Gold Pty Ltd	Australia	100	100
KSZ Metals Pty Ltd	Australia	100	100

(b) Ultimate Parent

Terra Metals Limited is the ultimate parent of the Group.

(c) Key Management Personnel

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

	2024	2023
	\$	\$
Short-term employee benefits	(292,667)	(126,000)
Share-based payments	(143,491)	-
Post-employment benefits	(23,321)	(10,080)
Total compensation	(459,479)	(136,080)

(d) Transactions with Related Parties

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

Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a director and beneficial shareholder, was paid or is payable \$234,000 for the provision of a fully serviced office and administrative, accounting and company secretarial services during the year ended 30 June 2024 (2023: \$216,000). The agreement has no fixed term and is able to be terminated by either party by providing one (1) months' notice. The Company considers that the services provided by Apollo Group Pty Ltd were provided on an arm's length or better terms.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
(Continued)

14. PARENT ENTITY DISCLOSURES

	2024	2023
	\$	\$
(a) Financial Position		
Assets		
Current assets	927,127	3,399,157
Non-current assets	4,512,017	565,059
Total assets	5,439,144	3,964,216
Liabilities		
Current liabilities	600,904	41,736
Total liabilities	600,904	41,736
Equity		
Contributed equity	150,642,336	145,085,639
Reserves	987,964	3,044,994
Accumulated losses	(146,792,060)	(144,208,153)
Total equity	4,838,240	3,922,480
(b) Financial Performance		
Profit/(loss) for the year	(2,583,906)	(1,058,926)
Total comprehensive income/(loss)	(2,583,906)	(1,058,926)

As at 30 June 2024, the parent entity did not have any commitments, contingent assets or liabilities or guarantees with subsidiaries (2023: nil). The accounting policies of the parent entity are consistent with those of the consolidated entity.

15. SHARE-BASED PAYMENTS

(a) Recognised Share-based Payments

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

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

	2024	2023
	\$	\$
Expense arising from equity-settled share-based payment transactions	216,170	16,118

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

- a share-based payment of \$34,800 was recognised in equity (share issue costs) during the 2024 financial year, relating to the issue of 1,000,000 unlisted options (exercisable at \$0.07 each, expiring 16 June 2027) to Bell Potter Securities Limited (or their nominees) for services provided as lead manager to the Company's recent share placement; and
- a share-based payment of \$3,640,000 was recognised as an asset (exploration and evaluation assets) during the 2024 financial year, relating to the issue of 50,000,000 ordinary shares and 60,000,000 performance shares to the vendors of Dante Resources Pty Ltd to acquire the Dante Project. Refer to Note 8 for further details.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

15. SHARE-BASED PAYMENTS (continued)

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

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

	2024 No. of Options and Rights	2024 WAEP \$	2023 No. of Options and Rights	2023 WAEP \$
Outstanding at beginning of year	23,500,000	\$0.15	22,222,223	\$0.22
Options granted during the year	12,250,000 ⁽¹⁾	\$0.03	1,500,000	\$0.08
Rights granted during the year	7,000,000 ⁽²⁾	-	-	-
Options expired during the year	(1,500,000) ⁽³⁾	(\$1.20)	(222,223)	(\$6.80)
Outstanding at end of year	41,250,000⁽⁴⁾	\$0.08	23,500,000	\$0.15

Notes:

- (1) During the year, the Company granted 12,250,000 unlisted options (4,750,000 exercisable at \$0.07 each, expiring 16 June 2027, 3,750,000 exercisable at \$0.09 each, expiring 16 June 2027, and 3,750,000 exercisable at \$0.14 each, expiring 30 June 2028), of which 2,250,000 options vested immediately and 10,000,000 options were subject to service-based vesting conditions ranging from 4 to 30 months from date of grant. Refer to Note 10(d) for further terms and conditions.
- (2) During the year, the Company granted 7,000,000 performance rights (expiring 28 August 2027). Refer to Note 10(e) for further terms and conditions.
- (3) During the year, 1,500,000 previously granted unlisted options (exercisable at \$1.20 each, expiring 21 February 2024) expired without being exercised.
- (4) At 30 June 2024, there were 25,000,000 vested and exercisable options (2023: 22,500,000) and no vested and convertible rights (2023: nil).

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

Series	Security Type	Number	Grant Date	Expiry Date	Exercise Price \$	Vesting Hurdle (20-day VWAP) \$	Grant Date Fair Value \$
2024							
Series 1	Rights	3,500,000	25-Oct-23	28-Aug-27	-	\$0.10	\$0.0410
Series 2	Rights	3,500,000	25-Oct-23	28-Aug-27	-	\$0.15	\$0.0370
Series 3	Options	2,500,000	16-Apr-24	16-Jun-27	\$0.07	-	\$0.0324
Series 4	Options	1,250,000	29-Feb-24	16-Jun-27	\$0.07	-	\$0.0185
Series 5	Options	1,000,000	18-April-24	16-Jun-27	\$0.07	-	\$0.0348
Series 6	Options	2,500,000	16-Apr-24	16-Jun-27	\$0.09	-	\$0.0298
Series 7	Options	1,250,000	29-Feb-24	16-Jun-27	\$0.09	-	\$0.0167
Series 8	Options	2,500,000	16-Apr-24	30-Jun-28	\$0.14	-	\$0.0305
Series 9	Options	1,250,000	29-Feb-24	30-Jun-28	\$0.14	-	\$0.0175
2023							
Series 1	Options	750,000	17-Nov-22	16-Jun-27	\$0.07	-	\$0.0262
Series 2	Options	750,000	17-Nov-22	16-Jun-27	\$0.09	-	\$0.0246

(c) Weighted Average Remaining Contractual Life

At 30 June 2024, the weighted average remaining contractual life of options and rights on issue that had been granted as share-based payments was 3.1 years (2023: 3.7 years).

(d) Range of Exercise Prices

At 30 June 2024, the range of exercise prices of options on issue that had been granted as share-based payments was \$0.07 to \$0.14 (2023: \$0.07 to \$1.20).

(e) Weighted Average Fair Value

The weighted average fair value of options and rights granted as share-based payments by the Group during the year ended 30 June 2024 was \$0.029 (2023: \$0.025).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

15. SHARE-BASED PAYMENTS (continued)

(f) Option Pricing Model

The fair value of granted Options is estimated as at the date of grant using the Black Scholes option valuation model taking into account the terms and conditions upon which the Unlisted Options were granted.

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

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

The tables below list the inputs to the valuation models used for Options, Rights, and RSUs issued by the Group during fiscal 2024 and fiscal 2023:

Inputs	2024					
	Series 1	Series 2	Series 3	Series 4	Series 5	Series 6
Exercise price	-	-	\$0.07	\$0.07	\$0.07	\$0.09
Vesting hurdle (20-day VWAP)	\$0.10	\$0.15	-	-	-	-
Grant date share price	\$0.047	\$0.047	\$0.054	\$0.035	\$0.057	\$0.054
Volatility ⁽¹⁾	100%	100%	100%	100%	100%	100%
Risk-free interest rate	4.246%	4.246%	3.888%	3.702%	3.864%	3.888%
Grant date	25-Oct-23	25-Oct-23	16-Apr-24	29-Feb-24	18-Apr-24	16-Apr-24
Expiry date	28-Aug-27	28-Aug-27	16-Jun-27	16-Jun-27	16-Jun-27	16-Jun-27
Expected life (years) ⁽²⁾	3.84	3.84	3.17	3.30	3.16	3.17
Expected dividend yield ⁽³⁾	-	-	-	-	-	-
Fair value at grant date	\$0.0410	\$0.0370	\$0.0324	\$0.0185	\$0.0348	\$0.0298

Inputs	2024			2023	
	Series 7	Series 8	Series 9	Series 1	Series 2
Exercise price	\$0.09	\$0.14	\$0.14	\$0.07	\$0.09
Vesting hurdle (20-day VWAP)	-	-	-	-	-
Grant date share price	\$0.035	\$0.054	\$0.035	\$0.04	\$0.04
Volatility ⁽¹⁾	100%	100%	100%	100%	100%
Risk-free interest rate	3.702%	3.894%	3.894%	3.340%	3.340%
Grant date	29-Feb-24	16-Apr-24	29-Feb-24	17-Nov-22	17-Nov-22
Expiry date	16-Jun-27	30-Jun-28	30-Jun-28	16-Jun-27	16-Jun-27
Expected life (years) ⁽²⁾	3.30	4.21	4.34	4.58	4.58
Expected dividend yield ⁽³⁾	-	-	-	-	-
Fair value at grant date	\$0.0167	\$0.0305	\$0.0175	\$0.0262	\$0.0246

Notes:

⁽¹⁾ The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

⁽²⁾ The expected life of the options is based on the expiry date of the options.

⁽³⁾ The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

16. AUDITORS' REMUNERATION

The auditor of Terra Metals Limited is William Buck.

	2024	2023
	\$	\$
Amounts received or due and receivable by the auditor, William Buck, for:		
Australian audit or review of the financial report of the entity and any other entity in the Group	32,000	29,500
	32,000	29,500

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

17. SEGMENT INFORMATION

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

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

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Overview

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

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

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

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

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

(b) Credit Risk

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

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

	2024 \$	2023 \$
Cash and cash equivalents	648,420	3,302,754
Trade and other receivables	308,662	107,755
	957,082	3,410,509

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

(c) Liquidity Risk

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

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FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Interest Rate Risk

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

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

	2024 \$	2023 \$
Financial assets		
Cash and cash equivalents	648,420	3,302,754
Total	648,420	3,302,754

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

Interest rate sensitivity

A sensitivity of 1% (100 basis points) has been selected as this is considered reasonable given the current level of both short term and long-term interest rates. A 1% (100 basis points) movement in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

	Profit or loss	
	+ 100 basis points \$	- 100 basis points \$
2024		
Financial assets		
Cash and cash equivalents	6,484	(6,484)
	6,484	(6,484)
2023		
Financial assets		
Cash and cash equivalents	33,028	(33,028)
	33,028	(33,028)

(d) Fair Value

At 30 June 2024 and 2023 the Group has no material financial assets and liabilities that are measured at fair value on a recurring basis.

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

(f) Capital Management

The Group defines its capital as total equity of the Group, being \$4,838,240 as at 30 June 2024 (2023: \$3,922,480). The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while financing the development of its projects through primarily debt and equity-based funding.

(g) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate because of changes in foreign currency exchange rates. At 30 June 2024, the Group had no exposure to financial instruments denominated in currencies other than the functional currency of the group entity.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

(Continued)

19. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2024, the Group did not have any contingent assets or liabilities.

20. COMMITMENTS

As at 30 June 2024, the Group did not have any commitments other than disclosed below (2023: nil).

Exploration Expenditure – Australia

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

	2024	2023
	\$	\$
Commitments for exploration expenditure:		
Not longer than 1 year	737,469	95,000
Longer than 1 year and shorter than 5 years	1,497,139	117,917
	2,234,608	212,917

21. EVENTS SUBSEQUENT TO BALANCE DATE

- (i) On 25 June 2024, the Company announced a placement of 100,000,000 new ordinary shares in the Company to institutional and sophisticated investors at an issue price of \$0.06 per share, to raise gross proceeds of \$6 million. The Company completed the first tranche of the placement (comprising 68,600,000 shares) on 3 July 2024 and the second tranche of the placement (comprising 31,400,000 shares) on 14 August 2024, following shareholder approval received at a general meeting of shareholders held on 9 August 2024.

Other than the above, at the date of this report, there are no matters or circumstances, which have arisen since 30 June 2024 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2024, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2024, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2024, of the Group.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT JUNE 30, 2024

Basis of preparation

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

Determination of tax residency

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

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

Name of Controlled Entity	Entity type	Place of Incorporation	% of share capital held in 2024	Australian or Foreign Resident	Foreign Jurisdiction of Foreign Resident
Terra Metals Limited	Body corporate	Australia	N/A	Australia	N/A
Onslow Gold Pty Ltd	Body corporate	Australia	100	Australia	N/A
KSZ Metals Pty Ltd	Body corporate	Australia	100	Australia	N/A
Dante Resources Pty Ltd	Body corporate	Australia	100	Australia	N/A
97992001 Pty Ltd	Body corporate	Australia	100	Australia	N/A

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

DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:
 - (a) the attached financial statements, notes and the additional disclosures included in the Directors' report designated as audited, are in accordance with the Corporations Act 2001, including:
 - (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and
 - (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the consolidated group); and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
 - (c) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001 is true and correct.
2. The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1(a) to the financial statements.
3. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors.



THOMAS LINE
CEO & Managing Director

10 September 2024

INDEPENDENT AUDITOR'S REPORT



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

Report on the audit of the financial report



Our opinion on the financial report

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

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

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

- the consolidated statement of financial position as at 30 June 2024,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

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

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

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INDEPENDENT AUDITOR'S REPORT (Continued)



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.

Details	How we addressed it
Acquisition of Dante Project	
<i>Refer also to notes 8</i>	
<p>On 30 October 2023, the Group acquired 100% of Dante Resources Pty Ltd which holds a number of exploration tenements in Western Australia including the exploration tenements that comprise the Dante Project ("Dante Project").</p> <p>The consideration for the acquisition includes the issue of 50,000,000 ordinary shares, 20,000,000 Class A performance shares, 20,000,000 Class B performance shares and 20,000,000 Class C performance shares. The performance shares will convert into ordinary shares subject to the satisfaction of certain performance milestones.</p> <p>The Directors determined that the acquisition did not meet the requirements of AASB 3 "Business Combinations" and has treated the Dante Project as an Asset Acquisition.</p> <p>This is a key audit matter due to the significant judgement and estimation involved in determining the fair value of the consideration paid and the fair values of the assets/ liabilities acquired.</p>	<p>Our procedures include the following:</p> <ul style="list-style-type: none">▪ A review of the signed binding term sheet for the acquisition of the Dante Project to evaluate the nature of the acquisition;▪ An evaluation of the Directors' assessment that the Dante Project does not meet the definition of a Business under AASB 3 and the resulting conclusion to treat the acquisition as an Asset Acquisition;▪ An evaluation of the Directors' assessment of the fair value of assets acquired and liabilities assumed and the fair value of the equity consideration; and▪ Reviewing the adequacy of the Group's disclosures in respect of the acquisition.

INDEPENDENT AUDITOR'S REPORT (Continued)

WilliamBuck

ACCOUNTANTS & ADVISORS

Carrying value of Exploration and Evaluation Assets

Refer also to notes 1(g) and 6

The Group has capitalised the acquisition costs of tenements related to the Onslow Copper Gold Project and Dante Project. The carrying value of these costs represents a significant asset of the Company.

This is a key audit matter as significant judgement is applied in determining whether the capitalised exploration costs continue to meet the recognition criteria of AASB 6 "Exploration for and Evaluation of Mineral Resources".

Our procedures focussed on evaluating management's assessment on whether the exploration and evaluation assets continue to meet the recognition criteria of AASB 6, including:

- Obtaining evidence that the Group has valid rights to explore the areas represented by the capitalised exploration and evaluation assets;
- Enquiring of management and reviewing the cashflow forecast to verify that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's areas of interest is planned;
- Enquiring with management, reviewing ASX announcements made and minutes of directors' meetings to verify that the Group had not decided to discontinue activities in any of its areas of interest; and
- Reviewing management's impairment assessment on the carrying value of exploration and evaluation assets as at 30 June.

Valuation of Options and Performance Rights

Refer also to notes 1(q) and 15

The Group has reported \$216,170 of expenses for the year in respect of share-based payments.

Significant judgement and estimation by management is required in determining the share-based payment expense in the period for options and performance rights granted and is therefore, considered to be a key audit matter.

Our procedures focussed on evaluating whether the share-based payments have been accounted for in accordance with AASB 2 *Share Based Payments*, including:

- Assessing management's / external consultant's calculation for fair value, including the appropriateness of the valuation models used, inputs applied and verifying that the terms and conditions of the options and performance rights applied in the model agree to the specified ASX Announcement and agreements;
- Critically reviewing management's assumptions regarding the likelihood of meeting the non-market performance conditions of the options and performance rights; and
- Assessing whether management's reporting and disclosure of share-based payments was in accordance with AASB 2 *Share Based Payments*.

INDEPENDENT AUDITOR'S REPORT (Continued)



Other information

The directors are responsible for the other information. The other information comprises the information contained in Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described below, we have concluded that such a material misstatement of the other information exists.

Responsibilities of the directors for the financial report

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

INDEPENDENT AUDITOR'S REPORT (Continued)



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

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

This description forms part of our auditor's report.

Report on the Remuneration Report



Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Terra Metals Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included on pages 15 to 19 of the directors' report for the year ended 30 June 2024.

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.

A handwritten signature in black ink that reads 'William Buck'.

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

A handwritten signature in black ink that reads 'CM'.

Conley Manifis
Director

Dated this 10th day of September 2024

CORPORATE GOVERNANCE

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

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

The Company’s Corporate Governance Statement 2024, which explains how Terra complies with the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations – 4th Edition’ in relation to the period ended 30 June 2024, is available in the Corporate Governance section of the Company’s website, www.terrametals.com.au, and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

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

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

ASX ADDITIONAL INFORMATION

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of listed securities as at 27 August 2024 are listed below:

Ordinary Shares

Name	Number of Ordinary Shares	Percentage of Ordinary Shares
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	32,594,468	8.24
UBS NOMINEES PTY LTD	24,904,224	6.29
CITICORP NOMINEES PTY LIMITED	18,502,312	4.67
MIMO STRATEGIES PTY LTD <MIMO A/C>	14,381,697	3.63
ARREDO PTY LTD	11,500,000	2.91
6466 INVESTMENTS PTY LTD	11,310,177	2.86
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,866,949	1.99
SENESCHAL (WA) PTY LTD <WINSTON SCOTNEY FAMILY S A/C>	7,500,000	1.89
MCNEIL NOMINEES PTY LIMITED	7,288,200	1.84
ONSLOW METALS GROUP PTY LTD	7,000,000	1.77
HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED	6,692,123	1.69
LEDGER HOLDINGS PTY LTD <MOCHKIN FAMILY NO#2 A/C>	6,166,667	1.56
CUSTODIAL SERVICES LIMITED <BENEFICIARIES HOLDING A/C>	5,997,058	1.52
BNP PARIBAS NOMS (NZ) LTD	5,654,712	1.43
RANDOLPH INVESTMENT PTY LTD <RANDOLPH DUKE INVEST A/C>	5,000,000	1.26
BOUCHI PTY LTD	4,884,795	1.23
DUNGAY RESOURCES PTY LTD <DUNGAY CONSULTING A/C>	3,500,000	0.88
RAJR HOLDINGS PTY LTD <LUDBROOK SF A/C>	3,500,000	0.88
EVOLUTION CAPITAL ADVISORS PTY LTD	3,233,333	0.82
CHIFLEY PORTFOLIOS PTY LTD <DAVID HANNON RETIREMENT A/C>	3,200,000	0.81
Total Top 20	190,676,715	48.17
Others	205,101,979	51.83
Total Ordinary Shares on Issue	395,778,694	100.00

ASX ADDITIONAL INFORMATION (Continued)

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES (Continued)

Listed Options

Name	Number of Listed Options	Percentage of Listed Options
RIVECK NOMINEES PTY LTD <RUTH PANETH SF A/C>	3,000,000	7.95
MR JOHN PAUL WELBORN	2,500,000	6.63
BOUCHI PTY LTD	2,252,424	5.97
CITICORP NOMINEES PTY LIMITED	1,679,711	4.45
RANDOLPH INVESTMENT PTY LTD <RANDOLPH DUKE INVEST A/C>	1,666,668	4.42
FLUE HOLDINGS PTY LTD	1,457,658	3.87
ARGONAUT PARTNERS PTY LIMITED	1,200,001	3.18
6466 INVESTMENTS PTY LTD	1,000,000	2.65
LAGRAL STRATEGIES PTY LTD <THE LAGRAL FAMILY A/C>	1,000,000	2.65
MR PETER WOODMAN + MS DENISE ELIZABETH PRINGLE	837,334	2.22
MR TIMOTHY FRANCIS CLIVE MCDONNELL	800,000	2.12
MR SHANE ANTHONY MATCHETT + MRS MELITA ANGELA MATCHETT <SA MA MATCHETT S/F A/C>	744,684	1.97
VERVE INVESTMENTS PTY LTD	702,668	1.86
AMMA SUPER PTY LTD <AMMA SUPER FUND A/C>	696,348	1.85
MR NICO OLIVER CIVELLI	666,667	1.77
AWJ FAMILY PTY LTD <A W JOHNSON FAMILY A/C>	654,399	1.74
MS CINDY-JANE KENNY	650,000	1.72
MS RUTH PANETH	600,000	1.59
MR DARYL CHRISTIAN BRYON + MRS ELIZABETH SUE BRYON	558,451	1.48
MR RICHARD ALEXANDER ANDREW DE FRANCK <LUDBROOK SUPER FUND A/C>	500,000	1.33
Total Top 20	23,167,013	61.42
Others	14,546,227	38.58
Total Ordinary Shares on Issue	37,713,240	100.00

2. DISTRIBUTION OF EQUITY SECURITIES

An analysis of numbers of holders of listed securities by size of holding as at 27 August 2024 is listed below:

Distribution	Ordinary Shares		Listed Options	
	Number of holders	Number of Ordinary Shares	Number of holders	Number of Listed Options
1 - 1,000	332	146,228	81	26,810
1,001 - 5,000	196	480,620	31	76,449
5,001 - 10,000	128	1,007,532	9	64,590
10,001 - 100,000	439	18,522,937	58	2,393,072
100,001 Over	378	375,621,377	66	35,152,319
Totals	1,473	395,778,694	245	37,713,240

There were 710 holders of less than a marketable parcel of Ordinary Shares.

3. VOTING RIGHTS

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

ASX ADDITIONAL INFORMATION (Continued)

4. SUBSTANTIAL SHAREHOLDERS

Substantial shareholder notices have been received from the following at 31 August 2024:

Substantial Holder	Number of Ordinary Shares
Tribeca Investment Partners Pty Ltd	62,084,374
Mimo Strategies Pty Ltd	25,979,404

5. UNQUOTED SECURITIES

The names of the security holders holding 20% or more of an unlisted class of security at 27 August 2024 are listed below:

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

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

6. ON-MARKET BUY BACK

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

7. MINERAL RESOURCES STATEMENT

At 30 June 2024, the Company had no reported Mineral Resources or Ore Reserves for its exploration projects.

ASX ADDITIONAL INFORMATION (Continued)

8. INTERESTS IN MINING PROPERTIES

At 27 August 2024, the Company had an interest in the following exploration mining tenements:

Project Name	Permit Number	Percentage Interest	Status
Dante Cu-PGE-Au (Western Australia)	E69/3401	100%	Granted
	E69/3552	100%	Granted
	E69/4193	100%	Application
	E69/4199	100%	Application
Bonaparte Zn-Pb-Ag (Western Australia)	E80/5521	100%	Granted
Tarrawarra Zn-Pb-Ag (Western Australia)	E08/3117	100%	Granted
Higginsville Au-Ni (Western Australia)	P15/6029	100%	Granted
	P15/6723	100%	Granted
	P15/6724	100%	Granted
	P15/6725	100%	Granted
	P15/6726	100%	Granted
Onslow Ag-Au-Cu Project (Western Australia)	E08/3311	100%	Granted
	E08/3197	80%	Granted
Southern Cross Li-Au-REE Project (Western Australia)	E77/3009	100%	Granted
	E77/3010	100%	Granted
	E77/3011	100%	Granted
	E77/3012	100%	Granted

9. FORWARD LOOKING STATEMENTS

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

10. COMPETENT PERSONS STATEMENT

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

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