



Terra Metals Limited
ABN 44 155 933 010

**Interim Financial Report
for the Half Year Ended
31 December 2024**

CORPORATE DIRECTORY

DIRECTORS:

Mr Ian Middlemas – Chairman
 Mr Thomas Line – Managing Director and CEO
 Mr Ben 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 – Company Secretary

REGISTERED OFFICE:

Level 9, 28 The Esplanade
 Perth WA 6000

WEBSITE:

www.terrametals.com

STOCK EXCHANGE LISTING:

Australian Securities Exchange
 Fully paid ordinary shares (**ASX: TM1**)
 Listed options (**ASX: TM1O**)

SHARE REGISTRY:

Computershare Investor Services Pty Ltd
 Level 7, 221 St Georges Terrace
 Perth WA 6000
 Tel: +61 8 9323 2000

LAWYERS:

Thomson Geer Lawyers

AUDITOR:

William Buck Audit (WA) Pty Ltd

CONTENTS

	Page
Directors' Report	1
Directors' Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14
Auditor's Independence Declaration	18
Independent Auditor's Review Report	19

DIRECTORS' REPORT

The Directors of Terra Metals Limited present their report on Terra Metals Limited ("Company") and the entities it controlled during the six months ended 31 December 2024 ("Consolidated Entity" or "Group").

DIRECTORS

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

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

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

OPERATING AND FINANCIAL REVIEW

Introduction

The Company is advancing its 100%-owned Dante polymetallic project ("Dante Project") in Western Australia, targeting a unique, multi-commodity system rich in titanium, copper, platinum, gold and vanadium. During the half-year, the Company completed follow-up diamond and reverse circulation drilling programs which continue to confirm extensive shallow high-grade mineralisation over 2.5 kilometres of strike at Reef 1 North, including high-grade titanium ("Ti") complemented with copper ("Cu"), gold ("Au"), platinum group metals ("PGMs") and vanadium ("V") in the same mineralised layer.

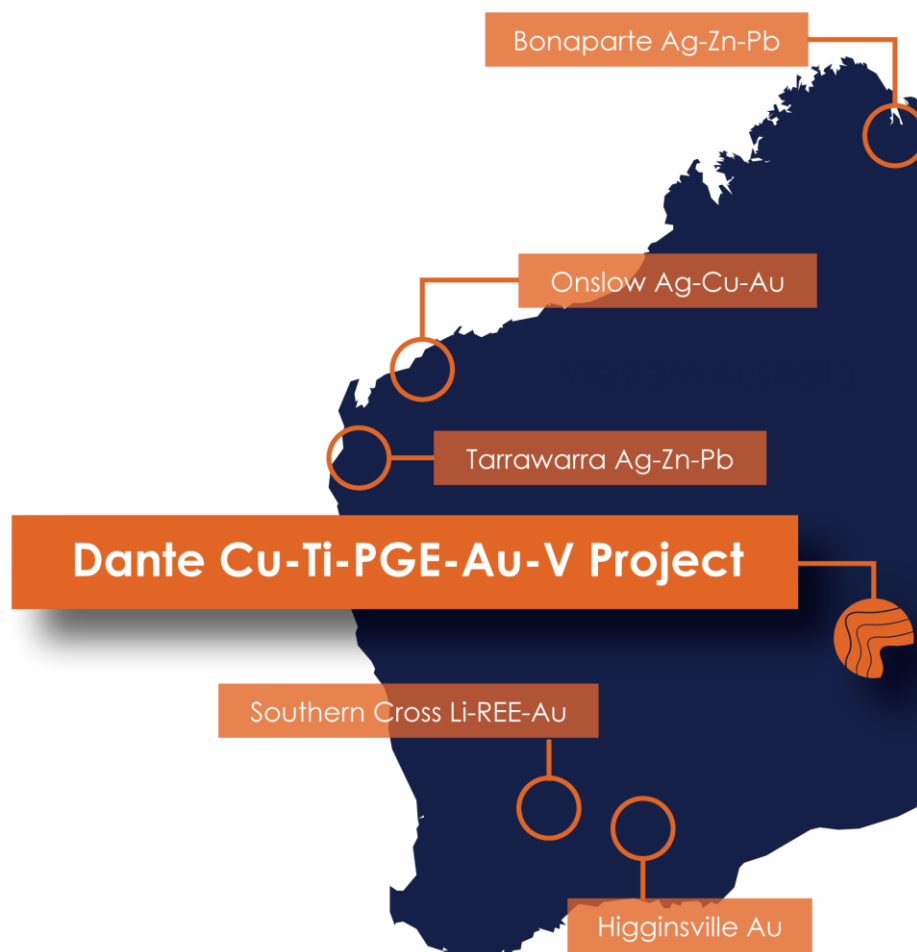


Figure 1. Company's project locations

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dante Project

Overview

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

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

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

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

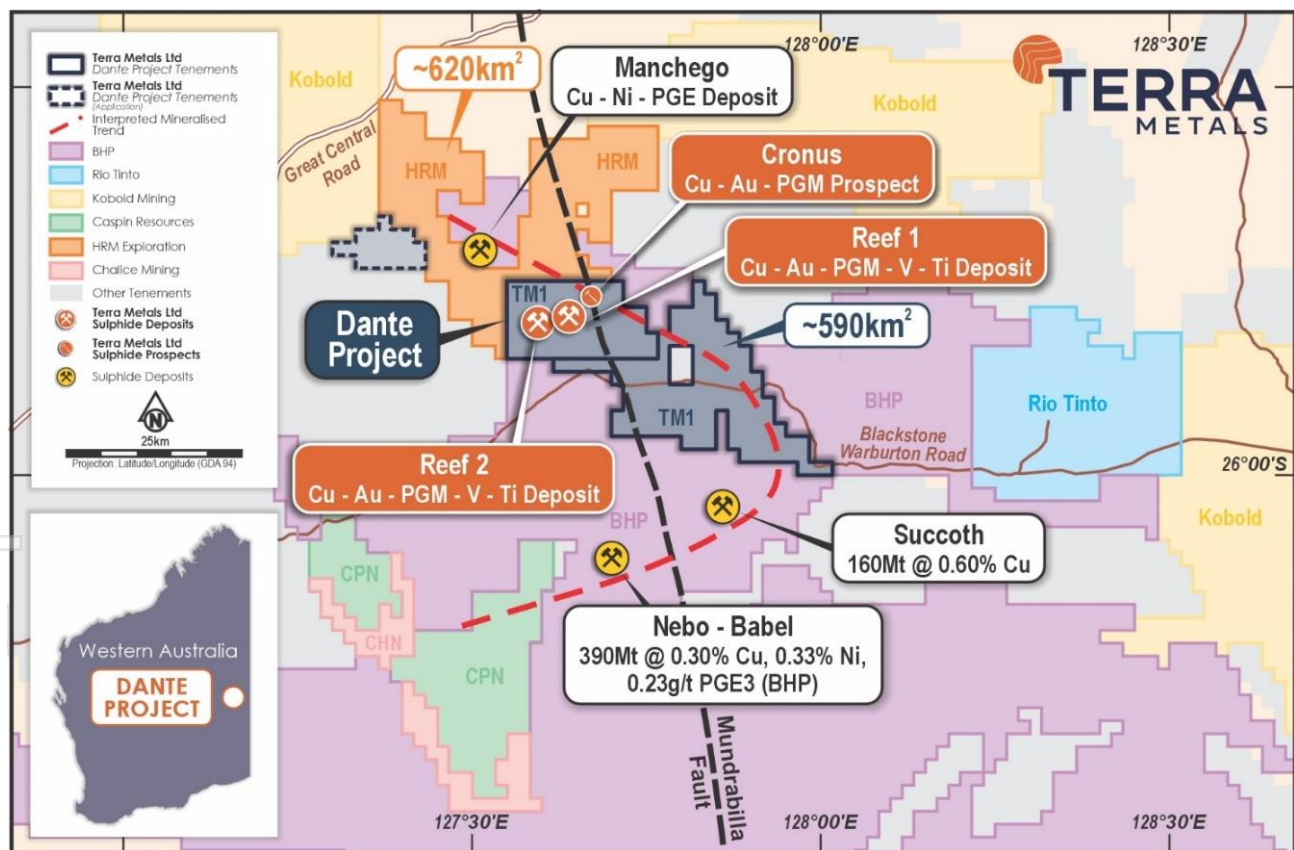


Figure 2. Dante Project location map displaying surrounding companies' tenure and major deposits

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Dante Project (continued)

Phase 2 RC & Phase 1 Diamond Drilling Programs

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

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

Assay results received to-date from 32 of 33 RC drillholes at Reef 1 North have returned significant intercepts, highlighting the scale, continuity, and consistency of the system from surface. Assays are pending from a further 33 drillholes aimed at expanding the discovery further and defining additional high-grade zones.

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

With further assays pending, the Company expects to update its Exploration Targets as drilling continues to expand the scale of the discovery. These latest results continue to support the potential that the Dante Reefs host a significant deposit, and ongoing exploration is expected to further strengthen its potential as a major multi-commodity project.

Table 1. Drill Highlights

Hole ID	Intercept	TiO ₂	PGE3*	Cu	V ₂ O ₅	Depth
URC037	9m	18.6%	0.58g/t	0.16%	0.70%	Surface
URC044	10m	18.0%	0.52g/t	0.13%	0.65%	Surface
URC029	6m	18.9%	0.26g/t	0.14%	0.64%	Surface
URC040	9m	15.8%	0.59g/t	0.12%	0.65%	Surface
URC014	6m	19.2%	0.80g/t	0.07%	0.92%	5m
including	2m	19.8%	1.62g/t	0.04%	1.11%	6m
URC046	7m	18.3%	0.48g/t	0.19%	0.67%	3m
including	3m	22.7%	0.62g/t	0.28%	0.75%	5m
URC030	7m	18.4%	0.62g/t	0.22%	0.72%	4m
including	3m	23.1%	1.10g/t	0.25%	1.02%	7m
URC045	4m	21.3%	0.82g/t	0.14%	0.93%	5m
URC039	5m	18.5%	0.84g/t	0.13%	0.90%	20m
URC031	5m	18.0%	0.59g/t	0.26%	0.74%	21m
URC038	5m	19.0%	0.72g/t	0.25%	0.77%	19m
URC015	4m	17.2%	1.00g/t	0.20%	0.69%	24m
URC016	4m	18.6%	0.63g/t	0.36%	0.63%	46m
including	2m	22.6%	1.00g/t	0.44%	0.80%	48m
URC033	6m	16.8%	0.56g/t	0.22%	0.66%	46m
including	2m	23.6%	1.12g/t	0.35%	0.97%	48m
URC017	5m	17.3%	0.77g/t	0.27%	0.65%	79m
including	3m	22.1%	1.07g/t	0.36%	0.83%	81m

*PGE3 is the sum of platinum (Pt), palladium (Pd), and gold (Au)

DIRECTORS' REPORT (continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Dante Project (continued)

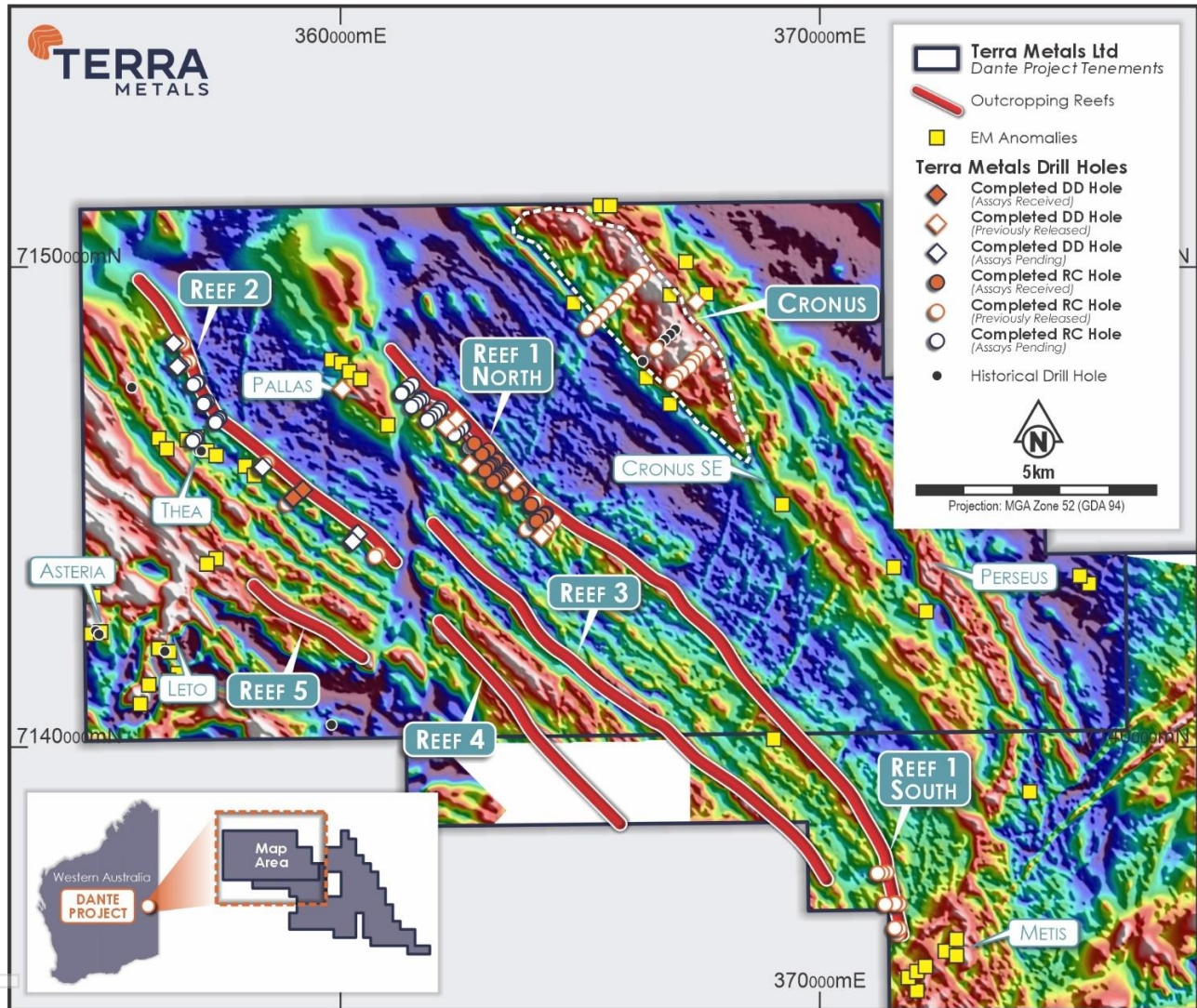


Figure 4. TMI image showing prospects in the western portion of Dante Project Reef 1 and Reef 2 discoveries with selected results.

Reef 1 Exploration Target

During the half-year, the Company defined an initial Exploration Target for the northern part of Reef 1.

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Dante Project (continued)

Option to Expand Dante Project

Subsequent to the end of the half-year period, the Company entered into an option to acquire 100% of HRM Exploration Pty Ltd ("HRM") ("Acquisition"). HRM holds four (4) exploration licenses covering approximately 618km² that are contiguous with Company's existing Dante Project.

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

In consideration for a 12-month exclusive option ("Option"), the Company has paid a non-refundable option fee comprising 8,333,333 fully paid ordinary shares in the capital of the Company. The Company can exercise the Option at any time during the 12-month option period. Upon exercise of the Option by the Company, the consideration for the Acquisition shall comprise 7,500,000 fully paid ordinary shares in the Company ("Upfront Shares") at settlement and up to 11,250,000 fully paid ordinary shares in the Company ("Deferred Shares"), subject to various performance conditions.

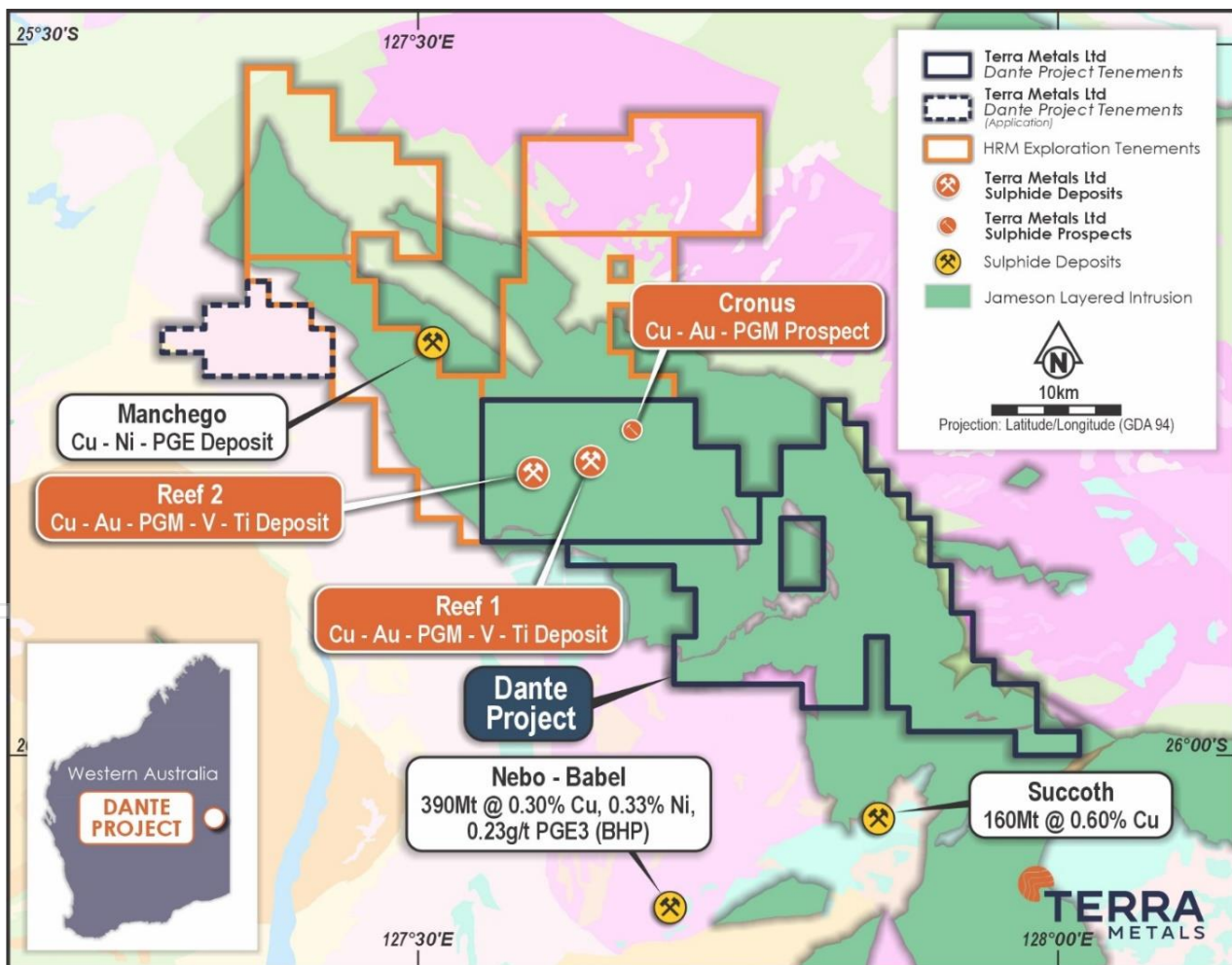


Figure 5. Geology map of the West Musgrave Region, showing the highly prospective Jameson Layered Intrusion, the existing significant deposits, Dante Project tenure, and the proposed HRM acquisition tenure.

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Onslow Project

The Onslow silver-copper-gold ("Ag-Cu-Au") project ("Onslow Project") covers approximately 303km² and comprises two tenements considered prospective for silver, gold and copper. 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 previous financial year ended 30 June 2024, the Company completed a 1,300m diamond drilling ("DD") program at the Onslow Project which was co-funded by the WA state government under the Exploration Incentive Scheme ("EIS").

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

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

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

Southern Cross Project

The Southern Cross Project comprises four tenements considered prospective for lithium and rare earth elements covering approximately 800km² that the Company identified and pegged, and which were subsequently granted in July 2023.

During the previous financial year ended 30 June 2024, 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 Southern Cross Project, 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.

Corporate

During the half-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.

Subsequent to the end of the half-year period, the Company announced that it had entered into an option to acquire 100% of HRM which holds four (4) exploration licenses covering approximately 618km² that are contiguous with Company's existing Dante Project in Western Australia. In consideration for the option, the Company paid a non-refundable option fee comprising 8,333,333 fully paid ordinary shares in the capital of the Company.

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Results of Operations

The net loss of the Group for the half-year ended 31 December 2024 was \$3,935,977 (31 December 2023: \$1,409,752). The major item contributing to this result in the current period was exploration and evaluation expenses of \$3,237,077 (31 December 2023: \$1,053,665) associated with the Company's Dante, Onslow and Southern Cross Projects.

Financial Position

At 31 December 2024, the Group had cash reserves of \$2,475,905 (30 June 2024: \$648,420) and net assets of \$6,687,062 (30 June 2024: \$4,838,240).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (i) On 29 January 2025, the Company announced that it had entered an option to acquire 100% of HRM which holds four (4) exploration licenses covering approximately 618km² that are contiguous with Company's existing Dante Project in Western Australia. In consideration for the option, the Company paid a non-refundable option fee comprising 8,333,333 fully paid ordinary shares in the capital of the Company.

Other than as outlined above, at the date of this report there are no other significant events occurring after balance date requiring disclosure.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, William Buck Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is on page 18 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



THOMAS LINE
CEO and Managing Director

7 March 2025

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto for the six-month period ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:
 - (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and
 - (ii) section 305 (true and fair view); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



THOMAS LINE
CEO and Managing Director

7 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Six Months Ended 31 December 2024 \$	Six Months Ended 31 December 2023 \$
Exploration and evaluation expenses		(3,237,077)	(1,053,665)
Corporate and administration expenses		(301,949)	(270,667)
Business development expenses		(361,774)	(118,226)
Share-based payment expenses		(99,511)	(24,496)
Finance income	3	64,334	57,302
Loss before tax		(3,935,977)	(1,409,752)
Income tax expense		-	-
Net loss for the period		(3,935,977)	(1,409,752)
Net loss attributable to members of the parent		(3,935,977)	(1,409,752)
Other comprehensive income			
Other comprehensive income		-	-
Total other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period, net of tax		(3,935,977)	(1,409,752)
Total comprehensive loss attributable to members of the parent		(3,935,977)	(1,409,752)
Basic and diluted loss per share from continuing operations (cents per share)		(1.1)	(0.7)

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 31 DECEMBER 2024

	Note	As at 31 December 2024 \$	As at 30 June 2024 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,475,905	648,420
Trade and other receivables		184,931	308,662
Total Current Assets		2,660,836	957,082
Non-Current Assets			
Exploration and evaluation assets	6	5,269,943	5,269,943
Property, plant and equipment		121,970	133,043
Total Non-Current Assets		5,391,913	5,402,986
TOTAL ASSETS		8,052,749	6,360,068
LIABILITIES			
Current Liabilities			
Trade and other payables		1,347,225	1,507,424
Provisions		18,462	14,404
Total Current Liabilities		1,365,687	1,521,828
TOTAL LIABILITIES		1,365,687	1,521,828
NET ASSETS		6,687,062	4,838,240
EQUITY			
Contributed equity	7	156,327,624	150,642,336
Reserves	8	1,087,475	987,964
Accumulated losses		(150,728,037)	(146,792,060)
TOTAL EQUITY		6,687,062	4,838,240

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Contributed Equity \$	Share-based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2024		150,642,336	987,964	(146,792,060)	4,838,240
Net loss for the period		-	-	(3,935,977)	(3,935,977)
Total comprehensive loss for the period		-	-	(3,935,977)	(3,935,977)
Issue of shares – share placement	7(a)	6,000,000	-	-	6,000,000
Issue of shares – consultants	7(a)	77,993	-	-	77,993
Share issue costs	7(a)	(392,705)	-	-	(392,705)
Share-based payments expense	8(a)	-	99,511	-	99,511
Balance at 31 December 2024		156,327,624	1,087,475	(150,728,037)	6,687,062
Balance at 1 July 2023		145,085,639	3,044,994	(144,208,153)	3,922,480
Net loss for the period		-	-	(1,409,752)	(1,409,752)
Total comprehensive loss for the period		-	-	(1,409,752)	(1,409,752)
Acquisition of Dante Project	7(a)	3,640,000	-	-	3,640,000
Share issue costs	7(a)	(20,572)	-	-	(20,572)
Share-based payments expense	8(a)	-	24,496	-	24,496
Balance at 31 December 2023		148,705,067	3,069,490	(145,617,905)	6,156,652

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Six Months Ended 31 December 2024 \$	Six Months Ended 31 December 2023 \$
Cash flows from operating activities			
Payments to suppliers and employees – exploration and evaluation		(2,153,059)	(777,326)
Payments to suppliers and employees – other		(1,684,369)	(328,292)
Interest received		64,316	57,302
Net cash outflow from operating activities		(3,773,112)	(1,048,316)
Cash flows from investing activities			
Payments for property, plant and equipment		(6,698)	(31,896)
Net cash outflow on acquisition of Dante Project		-	(670,839)
Net cash outflow from investing activities		(6,698)	(702,735)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	7(a)	6,000,000	-
Payments for share issue costs		(392,705)	(20,572)
Net cash inflow/(outflow) from financing activities		5,607,295	(20,572)
Net increase/(decrease) in cash and cash equivalents		1,827,485	(1,771,623)
Cash and cash equivalents at beginning of the period		648,420	3,302,754
Cash and cash equivalents at the end of the period	5	2,475,905	1,531,131

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

1. MATERIAL ACCOUNTING POLICY INFORMATION

The interim consolidated financial statements of Terra Metals Limited ("Company") and its consolidated entities ("Consolidated Entity" or "Group") for the six-months ended 31 December 2024 were authorised for issue in accordance with the resolution of the directors on 5 March 2025.

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

(a) Basis of Preparation

This general-purpose financial report for the interim six-month reporting period ended 31 December 2024 has been prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of the Company for the year ended 30 June 2024 and any public announcements made by the Company and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2024, except as disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

Going concern

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

The Group incurred a loss after tax of \$3,935,977 for the half year ended 31 December 2024 (31 December 2023: \$1,409,752) and had net cash outflows from operating and investing activities of \$3,779,810 for the six months ended 31 December 2024 (31 December 2023: \$1,751,051). At 31 December 2024, the Group had cash and cash equivalents of \$2,475,905 (30 June 2024: \$648,420).

The ongoing operation of the Group remains dependent upon raising further additional funding from shareholders or other parties. The ability to arrange such funding in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Group. There is no assurance that the Group will be successful in its efforts to raise additional funding on terms satisfactory to the Group. If the Group does not obtain additional funding, the Group may be required to delay, reduce the scope of, or eliminate its current or future exploration activities or relinquish rights to certain of its interests. These matters indicate that there is a material uncertainty related to events or conditions that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Directors are confident that the Group will be able to raise additional funds as required to meet its obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate.

(b) Statement of Compliance

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2024. The new standards have not had a material effect on the Group's financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (Continued)

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ended 31 December 2024. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Company
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	1 January 2026	1 July 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027	1 July 2027
AASB 2014-10 Amendments to Australian Accounting Standards – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2028	1 July 2028

2. SEGMENT INFORMATION

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

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

3. FINANCE INCOME

	Six Months ended 31 December 2024	Six Months ended 31 December 2023
	\$	\$
Interest income	64,334	57,302
	64,334	57,302

4. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the six months ended 31 December 2024 (31 December 2023: nil).

5. CASH AND CASH EQUIVALENTS

	As at 31 December 2024	As at 30 June 2024
	\$	\$
Cash at bank and on hand	2,475,905	648,420
	2,475,905	648,420

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (Continued)

6. EXPLORATION AND EVALUATION ASSETS

	Dante Project \$	Onslow Project \$	Total \$
31 December 2024			
Carrying value at 1 July 2024	4,697,422	572,521	5,269,943
Carrying value at 31 December 2024	4,697,422	572,521	5,269,943
30 June 2024			
Carrying value at 1 July 2023	-	572,521	572,521
Acquisition of the Dante Project	4,697,422	-	4,697,422
Carrying value at 30 June 2024	4,697,422	572,521	5,269,943

7. CONTRIBUTED EQUITY

	Note	As at 31 December 2024 \$	As at 30 June 2024 \$
Issued capital			
397,220,910 fully paid ordinary shares (30 June 2024: 295,778,694)	7(a)	154,887,624	149,202,336
20,000,000 Class A performance shares (30 June 2024: 20,000,000)	7(a)	760,000	760,000
20,000,000 Class B performance shares (30 June 2024: 20,000,000)	7(a)	680,000	680,000
20,000,000 Class C performance shares (30 June 2024: 20,000,000)	7(a)	-	-
		156,327,624	150,642,336

(a) Movements in issued capital

Details	No. of Ordinary Shares	No. of Performance Shares	\$
31 December 2024			
Opening balance at 1 July 2024	295,778,694	60,000,000	150,642,336
Issue of shares – share placement	100,000,000	-	6,000,000
Issue of shares – consultants	1,442,216	-	77,993
Share issue costs	-	-	(392,705)
Closing balance at 31 December 2024	397,220,910	60,000,000	156,327,624
31 December 2023			
Opening balance at 1 July 2023	185,778,694	-	145,085,639
Issued to acquire the Dante Project	50,000,000	60,000,000	3,640,000
Share issue costs	-	-	(20,572)
Closing balance at 31 December 2023	235,778,694	60,000,000	148,705,067

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (Continued)

8. RESERVES

	As at 31 December 2024 \$	As at 30 June 2024 \$
Share-based payments reserve	1,087,475	987,964
	1,087,475	987,964

(a) Movements in share-based payments reserve

Details	No. of Listed Options	No. of Unlisted Options	No. of Performance Rights	\$
31 December 2024				
Opening balance at 1 July 2024	37,713,240	34,250,000	7,000,000	987,964
Share-based payments expense	-	-	-	99,511
Closing balance at 31 December 2024	37,713,240	34,250,000	7,000,000	1,087,475
31 December 2023				
Opening balance 1 July 2023	37,713,240	23,500,000	-	3,044,994
Grant of employee performance rights	-	-	7,000,000	-
Share-based payments expense	-	-	-	24,496
Closing balance at 31 December 2023	37,713,240	23,500,000	7,000,000	3,069,490

9. COMMITMENTS

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

	As at 31 December 2024 \$	As at 30 June 2024 \$
Commitments for exploration expenditure:		
Not longer than 1 year	649,890	737,469
Longer than 1 year and shorter than 5 years	1,215,984	1,497,139
	1,865,874	2,234,608

10. CONTINGENCIES

At 31 December 2024 the Group did not have any contingent assets or liabilities.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (i) On 29 January 2025, The Company announced that it had entered an option to acquire 100% of HRM which holds four (4) exploration licenses covering approximately 618km² that are contiguous with Company's existing Dante Project in Western Australia. In consideration for the option, the Company paid a non-refundable option fee comprising 8,333,333 fully paid ordinary shares in the capital of the Company.

Other than as outlined above, at the date of this report there are no other significant events occurring after balance date requiring disclosure.

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

To the directors of Terra Metals Limited

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

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

William Buck

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

Deborah Chin

Deborah Chin
Director

Dated this 7th day of March 2025

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

Report on the half-year financial report



Our conclusion

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

- giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

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

- the consolidated statement of financial position as at 31 December 2024,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report, which indicates that the Group incurred a net loss of \$3,935,977 and net cash outflows from operating and investing activities of \$3,779,810 during the half-year ended 31 December 2024. As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

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

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

William Buck

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

Deborah Chin

Deborah Chin
Director

Dated this 7th day of March 2025

Forward Looking Statements

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

Competent Person's Statement

The information in this report that relates to Exploration Results for the Dante Project is extracted from the Company's ASX announcements dated 19 February 2025, 28 January 2025, 19 December 2024, 12 November 2024, 22 October 2024, 17 July 2024, 3 July 2024, 20 June 2024, 11 June 2024, 13 May 2024, 24 January 2024, 13 December 2023, 22 November 2023, 28 September 2023, and 28 August 2023 and the information in this report that relates to Exploration Results for the Onslow Project is extracted from the Company's ASX announcements dated 22 June 2023, 20 February 2023, and 27 April 2022, 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.

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.