



TERRAIN MINERALS LTD
ABN 45 116 153 514
ASX: TMX

INTERIM FINANCIAL REPORT 31 DECEMBER 2024

Note: The information contained in this condensed report is to be read in conjunction with Terrain Minerals Limited 30 June 2024 annual report and any announcements made by the company during the half-year period ended 31 December 2024

TERRAIN MINERALS LIMITED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

CONTENTS	PAGE
CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	9
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CHANGES IN EQUITY	12
STATEMENT OF CASH FLOWS	13
NOTES TO THE FINANCIAL STATEMENTS	14
DIRECTORS' DECLARATION	22
INDEPENDENT AUDITOR'S REVIEW REPORT	23

TERRAIN MINERALS LIMITED

CORPORATE DIRECTORY

Terrain Minerals Limited Board

Justin Virgin

Executive Director

Jason MacDonald – Appointed 1 July 2024

Non-Executive Director

Johannes Lin

Non-Executive Director

Xavier Braud - Resigned 1 July 2024

Non-Executive Director

Melissa Chapman and Catherine Grant-Edwards

Company Secretaries

Share Register

Computershare Investor Services Pty Ltd

Level 17

221 St Georges Terrace

Perth WA 6000

Telephone: +61 8 9323 2000

Facsimile: +61 8 9323 2033

Auditor

Dry Kirkness (Audit) Pty Ltd

Ground Floor

50 Colin Street

West Perth WA 6005

Solicitors

Steinepreis Paganin

Level 4, The Read Building

16 Milligan Street

Perth WA 6000

House Legal

86 First Avenue

Mt Lawley WA 6050

Banker

NAB

100 St Georges Terrace

Perth WA 6000

Stock Exchange

Terrain Minerals Ltd shares are

listed on the Australian Securities Exchange

Ordinary fully paid shares (ASX code TMX)

Principal and Registered office in Australia

Suite 2, 28 Outram Street

West Perth, WA 6005

PO Box 79, West Perth, WA 6872

Telephone: +61 8 9381 5558

Email: terrain@terrainminerals.com.au

Website: www.terrainminerals.com.au

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Your directors present their report, together with the financial statements of Terrain Minerals Limited ("Terrain" or "the Company") for the half-year ended 31 December 2024.

DIRECTORS

The names of the directors in office at any time during, or since the end of the half-year are:

Current Directors

Mr Justin Virgin	Executive Director
Mr Jason MacDonald	Non-Executive Director
Mr Johannes Lin	Non-Executive Director

COMPANY SECRETARIES

Melissa Chapman and Catherine Grant-Edwards

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE HALF-YEAR

The loss from ordinary activities after providing for income tax for the half-year amounted to \$607,404 (2023: loss of \$684,425) and had a net cash outflow from operations of \$411,702 for the half-year (2023: \$334,503 outflow).

Review of Operations

Smokebush Project - Gallium, REE & Gold

Ownership	: 100% Terrain Minerals Limited
Location	: 350 kilometres north of Perth, within the Murchison Gold Province of Western Australia
Background	: Terrain's Smokebush Gold Project is positioned within the same geological corridor that hosts the historic Golden Dragon and Minjar gold mining operations.

Incorporates the following sub-projects:

Gold Targets	: Wildflower, Monza, Lightning, Mirja, Cota, W3, and T16.
Gallium Project	: Larin's Lane.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Review of Operations

Smokebush Project - Gallium, REE & Gold (continued)

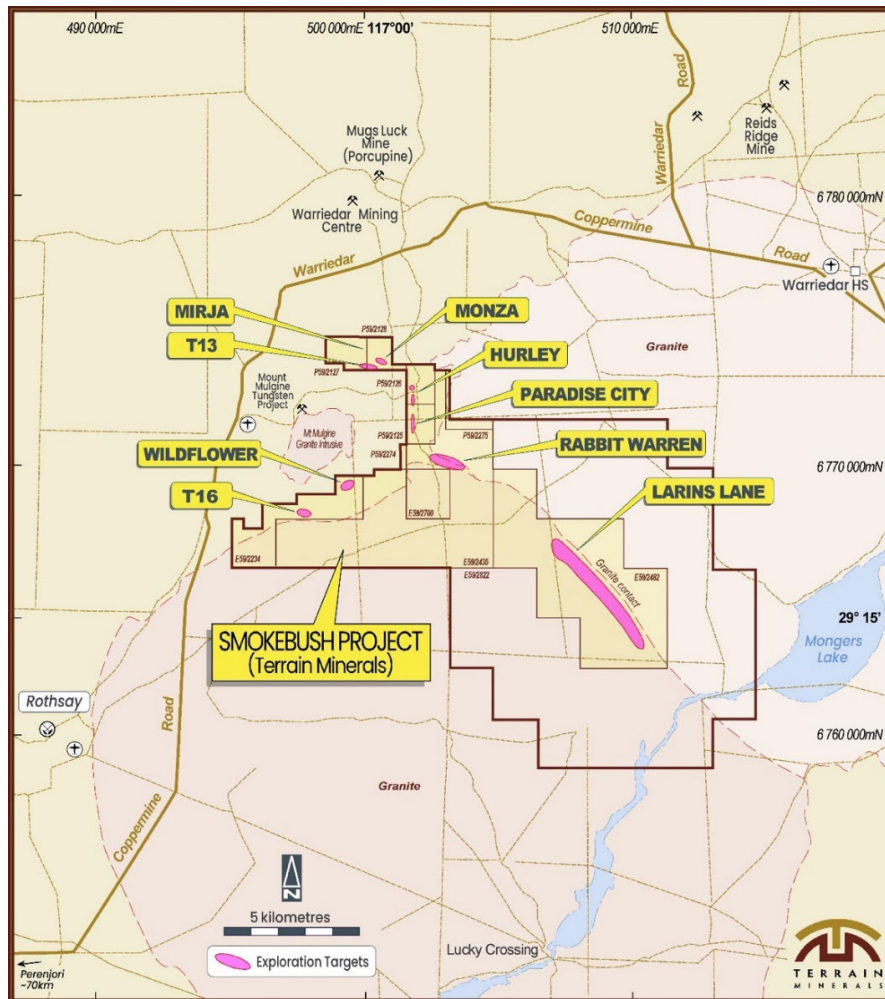


Figure 1: Prospects map of Terrain Mineral's 100% owned Smokebush Project

Project Updates:

Wildflower and Cota Gold Project:

- Completed initial air-core reconnaissance drill campaign with 71 holes for 1,710 metres in September 2024 with strong gold anomalies.
 - Strong gold soils anomalies: 1000-metre by 500-metre gold-in-soil surface geochemical anomaly, with peak values reaching 246 parts per billion (ppb) gold.
 - 15m @ 1.49g/t gold from 10m downhole (hole MM110) within the geochemical anomaly at Cota.
- Follow up Reverse Circulation (RC) Stage One drilling at Wildflower was completed in December 2024 on 8 holes for 1,182 metres RC.
 - Samples have been submitted, results now pending.
 - Targets tested: Cota (T16Ww), Target 16 and Wildflower.
- Stage Two RC drilling to commence January 2025 (~11 holes for ~1,368 metres RC).

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Review of Operations

Smokebush Project - Gallium, REE & Gold (continued)

Lightning and Monza – Gold Projects

- Terrain conducted a small RC Drilling campaign and tested multiple Induced Polarization (IP) targets, which confirmed gold mineralisation at Lightning.
 - Lightning is a 600-metre-long IP target that runs parallel to the historic Monza drilling. Only two holes 400 metres apart were drilled into Lightning in November 2023, with both returning gold intersections.
- Exploration drilling continues during the stage 2 January 2025 campaign.

Larin's Lane Progress - Gallium and Rare Earths Project:

Background: In December 2023, Terrain completed a large Mobile Metal Ions (MMI) soil campaign over the Larin's Lane area and consequently followed up the anomalies with 108 holes, 6,611-meter Air-Core Drilling Program. 70% of holes returned impressive intersection of Gallium up to 64 metres wide and 54.74 g/t (ppm) in layers of Oxide/clays.

- Phase One JORC compliant exploration target released over 5% of the target area in November 2024.
 - Metallurgical studies are underway with twin holes being drilled for sample material with results expected mid-2025.
- Terrain also confirmed in December 2024 that it is taking part in a phase two Metallurgical study being led by geological consulting group RSC who have been appointed to lead the Minerals Research Institute of Western Australia (MRIWA) Project M10528.
 - MRIWA Project M10528 study overview:
 - Samples will be tested with 8 separate solvents (acids as their pH <7).
 - Terrain has switched the focus of the study goals to target Gallium extraction which is a critical metal.
 - Terrain samples delivered in late December 2024.
 - Final results will be available mid-year 2025 with interim results along the way.

Note: For additional information refer to ASX announcement:

5 August 2024	- Wildflower Gold Drilling to follow up 15m @ 1.49/g/t gold
26 September 2024	- Commencement of Drilling at Wildflower Gold Project
6 November 2024	- Larin's Lane Stage One JORC Exploration Target
12 November 2024	- Gold 'Supergene' mineralisation intersected at Wildflower
26 November 2024	- Wildflower Gold 'High Impact December' RC Drilling Program
5 December 2024	- Larin's Lane Gallium Project Metallurgical Study underway
10 December 2024	- RC Gold Drilling Commenced at Wildflower Gold Project

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Review of Operations

Lort River Project – Nickel and Copper – 100%

Ownership: 100% Terrain Minerals Limited

Size: 550sqm

Location: 650 kilometres southeast Perth (or 50 kilometres northwest of Esperance) within the Albany-Fraser Belt of Western Australia.

Background: The Lort River Project is located within the Albany-Fraser Belt of Western Australia. This region is home to two important mining operations: AngloGold Ashanti's Tropicana Gold Mine and IGO's Nova-Bollinger Nickel-Copper Mine. IGO have stated that, based on their extensive exploration work, the entire Albany-Fraser Belt is prospective for Nova-style magmatic nickel-copper mineralisation. Based on this stated position from IGO, Terrain initiated its search for repetition of the Nova-Bollinger ore bodies in the southern section of the Belt.



Figure 2. Terrain Minerals' 100% owned Lort Rover Project

Project Updates:

- Terrain completed an airborne electromagnetic (AEM survey) in August 2024 followed by a ground-based electromagnetic (EM) survey during December 2024.
- Follow on reverse circulation drilling was announced for Targets T1 and T2, post year end to drill test High-Priority Bedrock Conductors during Q1 2025.
- Leading geophysical consultants Southern Geoscience has confirmed that the "eye" feature at Lort River is likely a mafic or ultramafic "intrusion" potentially emplaced during the Albany- Fraser orogeny.
- Two of the conductors are located on the western edge of the intrusive feature, like Nova-Bollinger's ore bodies, which are also located on an intrusive unit.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Review of Operations

Lort River Project – Nickel and Copper – 100% (continued)

Note: For additional information refer to ASX announcement:

13 August 2024 - Bedrock Conductors Detected in EYE feature at Lort River

9 December 2024 - EM Survey Lort River testing 4 Bedrock Sulphide Conductors

17 December 2024 - Share Issue for land access payments at Lort River Project

Pending Applications

Terrain has several pending tenement (packages) applications across Western Australia and Queensland. These applications include:

- The Biloela Copper & Gold Project located along strike of the Cracow Gold Mine in QLD (ASX release 21 June 2023).
- The Carlindie Lithium Project situated near Lithium Power International Ltd's (LPI) Tabbatabba Lithium Project and is located between the tenements of Wildcat Resources Ltd (WC8) and Kali Metals Ltd (KM1). The application of this Project is currently a top priority for the company.

CORPORATE

Placements

On 25 July 2024, the Company issued 314,358,130 shares at an issue price of \$0.0030 per share raising \$943,074 (before expenses). As part of the same placement, Executive Director Mr Justin Virgin subscribed 34,000,000 shares at \$0.003 per share contributing \$102,000 (before expenses). This transaction was later ratified by shareholders, increasing his share ownership to over 5% and making him a substantial shareholder.

The company successfully raised \$1,045,074 (before expenses) in the July 2024 placement.

The Company also issued 20,000,000 shares at an issue price of \$0.0030 per share to Mungala Investments Pty Ltd as payment for six months of promotional consulting services valued at \$60,000 (exclusive of GST).

In December 2024, Terrain entered into four separate land access agreements, each involving a payment of \$8,000 (exclusive of GST). This payment covers landholders' legal expenses, access for the electromagnetic (EM) survey, and the initial drilling phase at the Lort River Project. The total payment across all four agreements amounts to \$32,000. All landholders have chosen to receive their payment in Terrain shares, with each receiving 2,666,666 fully paid ordinary shares at an issue price of \$0.0030 per share (a total of 10,666,666 shares issued).

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Board and Management Changes

Mr Jason MacDonald was appointed as Non-Executive Director on 1 July 2024. Mr Jason MacDonald is a qualified legal practitioner, holding a Bachelor of Laws and a Bachelor of Commerce, with a double major in Accounting and Finance from the University of Western Australia. He has practiced in both mining corporate/commercial and commercial litigation areas. Mr MacDonald has been a director of several public and private resource companies. He has a diverse range of corporate, equity capital market and mining related experience.

The board engaged Mr Trevor Bradley as the geological consultant to the board. Mr Bradley was a former board member of Terrain and currently contracts through his consulting business Bradley Geo Science Pty Ltd.

New Opportunities & Project Review

Terrain continues to search and identify potential 'company making' projects including Gold, Copper, Nickel, REEs, Lithium and industrial minerals throughout Australia. Other regions are also being considered around the world with several jurisdictions of interest being identified. Geological assessment and discussion opportunity are ongoing on a continual basis as opportunities present. All economic commodities will be considered on their merits as indicated in previous quarterly reports.

Details of the company's projects and exploration results can be found in the quarterly activity reports located on the Company's website as well as on the ASX website.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 15 January 2025, the Company appointed Dry Kirkness (Audit) Pty Ltd as its new auditor, following the resignation of BDO Audit Pty Ltd and ASIC's consent to the resignation. This change resulted from the Board's review of the Company's external audit arrangements. In accordance with section 327C of the Corporations Act, a resolution will be proposed at the next Annual General Meeting to confirm the appointment of the new auditor.

On 22 January 2025, the Company raised funds of \$450,012 (before expenses) from the issue of 150,003,990 shares at an issue price of \$0.0030 per share.

On 29 January 2025, the Company raised funds of \$150,000 (before expenses) from the issue of 42,857,143 shares at an issue price of \$0.0035 per share.

Both share placements were completed on 30 January 2025.

On 11 February 2025, the Company's Board finalised the pay increase and payment arrangement in shares for the directors. This was ratified by shareholders in the 2024 AGM on 28 November 2024.

Other than matters disclosed above there are no matters or circumstances that have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company that would require disclosure.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2024 has been received and can be found on page 9 of the interim financial report.

Signed in accordance with a resolution of the Board of Directors:



Mr Justin Virgin
Executive Director
Dated: 07 March 2025

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Terrain Minerals Limited for the half year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 7 March 2025

TERRAIN MINERALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

		31 DECEMBER	31 DECEMBER
		2024	2023
	NOTE	\$	\$
Revenue from continuing operations		5,347	3,211
Employee benefits expense		(148,759)	(138,750)
Depreciation		(150)	-
Exploration expenditure write off	3	(58,366)	(252,422)
Share-based payments expense	8	(116,704)	(89,046)
Administrative expenses		(288,772)	(207,418)
Loss before income tax		(607,404)	(684,425)
Income tax expense		-	-
Loss for the half-year after tax		(607,404)	(684,425)
Changes in the fair value of financial assets through other comprehensive loss		-	-
Total comprehensive loss for the half-year		(607,404)	(684,425)
Total comprehensive loss for the half-year attributable to members of Terrain Minerals Ltd:		(607,404)	(684,425)
Loss per share attributable to owners of TMX			
Basic and dilutive loss per share (cents)		(0.03)	(0.07)

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

TERRAIN MINERALS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		31 DECEMBER	30 JUNE
		2024	2024
ASSETS	NOTE	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		662,993	449,506
Trade and other receivables	2	46,601	12,407
Others		14,418	9,453
TOTAL CURRENT ASSETS		724,012	471,366
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	3	3,665,595	3,206,648
Property, plant and equipment		1,027	463
TOTAL NON-CURRENT ASSETS		3,666,622	3,207,111
TOTAL ASSETS		4,390,635	3,678,477
CURRENT LIABILITIES			
Trade and other payables		269,735	59,652
Provisions		106,364	99,289
TOTAL CURRENT LIABILITIES		376,099	158,941
TOTAL LIABILITIES		376,099	158,941
NET ASSETS		4,014,536	3,519,536
EQUITY			
Issued capital	4(A)	25,556,200	24,510,500
Reserves		1,980,957	1,924,253
Accumulated losses		(23,522,621)	(22,915,217)
TOTAL EQUITY		4,014,536	3,519,536

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

TERRAIN MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Balance at 1 July 2024

Loss attributable to members of the parent entity

Total comprehensive loss for the period

Transactions with owners, in their capacity as owners, and other transfers

Contributions of equity, net of transaction costs

Options based payments

Balance at 31 December 2024

Balance at 1 July 2023

Loss attributable to members of the parent entity

Total comprehensive loss for the period

Transactions with owners, in their capacity as owners, and other transfers

Contributions of equity, net of transaction costs

Options based payments

Balance at 31 December 2023

ORDINARY SHARES	OPTIONS RESERVE	ACCUMULATED LOSSES	TOTAL
\$	\$	\$	\$
24,510,500	1,924,253	(22,915,217)	3,519,536
-	-	(607,404)	(607,404)
-	-	(607,404)	(607,404)
1,045,700	-	-	1,045,700
-	56,704	-	56,704
25,556,200	1,980,957	(23,522,621)	4,014,536
23,123,664	1,844,588	(21,399,616)	3,568,636
-	-	(684,425)	(684,425)
-	-	(684,425)	(684,425)
1,082,107	-	-	1,082,107
-	91,769	-	91,769
24,205,771	1,936,357	(22,084,041)	4,058,087

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

TERRAIN MINERALS LIMITED

STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	31 DECEMBER 2024 \$	31 DECEMBER 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(417,049)	(337,714)
Interest received	5,347	3,211
Net cash (used) in operating activities	(411,702)	(334,503)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for exploration expenditure	(328,512)	(1,128,420)
Proceeds from sale of investments	-	-
Net cash (used) in investing activities	(328,512)	(1,128,420)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	1,045,075	1,216,028
Share issue costs	(91,374)	(131,199)
Net cash provided by financing activities	953,701	1,084,829
Net cash increase/(decrease) in cash and cash equivalents	213,487	(378,094)
Cash and cash equivalents at beginning of the half-year	449,506	1,309,307
Cash and cash equivalents at end of the half-year	662,993	931,213

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

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF PREPARATION

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Statement of compliance

These interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by Terrain Minerals Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period other than those identified below under the Basis of preparation and changes to the Company's accounting policies.

Standards and Interpretations applicable to 31 December 2024

In the half-year ended 31 December 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2024.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted

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

Critical accounting estimates and significant judgements

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2024.

Going Concern

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

The Company incurred a net loss of \$607,404 for the half-year to 31 December 2024 (31 December 2023: net loss \$684,425) and had cash outflows from operating activities of \$411,702 for the half-year (31 December 2023: outflows \$334,503). Notwithstanding this, the financial report has been prepared on a going concern basis which the Directors consider to be appropriate based upon the available cash assets of \$662,993 as at 31 December 2024 (30 June 2024: \$449,506).

The ability of the Company to continue as a going concern is dependent on the Company being able to raise additional funds as required to meet ongoing exploration commitments and for working capital. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As a result, the financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors are confident in the Company's ability to raise the capital mentioned above due to historical experience in securing funding for ongoing operational requirements, ongoing communications with funding providers and major shareholders; and
- The Directors are also confident they can manage discretionary spending to ensure that cash is available to meet debts as and when they fall due.

However, should the Company be unsuccessful in undertaking additional raisings, the Company may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Should the going concern basis not be appropriate, the entity may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 2: TRADE AND OTHER RECEIVABLES

	31 DECEMBER	30 JUNE
	2024	2024
	\$	\$
Current		
GST	46,601	12,407
	46,601	12,407

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

The following table details the movement in deferred exploration and evaluation expenditure reported in the statement of financial position during the half-year.

	31 DECEMBER	30 JUNE
	2024	2024
	\$	\$
Carrying amount at beginning of period	3,206,648	2,638,235
Capitalised Expenditure	485,313	1,465,364
Share-based payment for Land Access Agreements	32,000	-
Shares issued for acquisition of projects	-	20,000
Carrying value of exploration assets disposed	-	(530,126)
Written off exploration expenditure (i)	(58,366)	(386,825)
	3,665,595	3,206,648

- I. The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The Company has identified that there were assets where no exploration program can be justified, and the tenements should be relinquished and therefore capitalised expenditure allocated to these tenements was written off in accordance with AASB 6 'Exploration for and Evaluation of Mineral Resources'. The Board has approved the write down of \$58,366 exploration expenditure incurred during this half-year financial period in the Statement of Profit or Loss and other Comprehensive Income based on the grounds that (1) the tenements are still in the application phase, the Company does not currently hold the right to tenure and (2) the tenements have been assessed as not economically viable and the Company has decided to surrender the right to tenure (June 2024: \$386,825).

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 4: ISSUED CAPITAL

	31 DECEMBER 2024		30 JUNE 2024	
	Number	\$	Number	\$
Ordinary Shares	1,810,695,468	25,556,200	1,431,670,672	24,510,500
	1,810,695,468	25,556,200	1,431,670,672	24,510,500

(A) Ordinary Shares

Movements in ordinary share capital

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Entity in proportion to the number of shares held. Every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held.

	Date	Number of Shares	Issue Price	Balance \$
Opening Balance	1 July 2024	1,431,670,672		24,510,500
Placement	25 July 2024	171,191,130	\$ 0.0030	513,573
Placement	25 July 2024	143,167,000	\$ 0.0030	429,501
Issued for payment of broker promotion service	25 July 2024	20,000,000	\$ 0.0030	60,000
Placement - Director participation	25 September 2024	34,000,000	\$ 0.0030	102,000
Issued under land access agreement	19 December 2024	10,666,666	\$ 0.0030	32,000
Less: transaction costs				(91,374)
Closing Balance	31 Dec 2024	1,810,695,468		25,556,200

	Date	Number of Shares	Issue Price	Balance \$
Opening Balance	1 July 2023	1,083,199,307		23,123,664
Placement	20 September 2023	108,319,930	\$ 0.0045	487,440
Placement	20 September 2023	66,124,521	\$ 0.0045	297,560
Placement	30 October 2023	86,205,574	\$ 0.0050	431,028
1 free for 9 shares issued	30 October 2023	9,578,484	\$ -	-
Option exercised	24 January 2024	20,631	\$ 0.0090	186
Placement of shortfall	24 January 2024	70,400,000	\$ 0.0050	352,000
Shortfall - Free attaching share	24 January 2024	7,822,225	\$ -	-
Less: transaction costs				(181,378)
Closing Balance	30 June 2024	1,431,670,672		24,510,500

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

(B) OPTIONS

The Company is unable to determine the fair value of the services received, hence the fair value of services received in return for share options granted is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. The life of the options and early exercise options are built into the option model. On 28 November 2024, 20 million options were granted to Directors and Consultant as share-based payment which formed part of their remuneration package. Refer to Note 8 for options granted to Directors and Consultant. On 20 November 2024, 6 million options which were previously granted to Directors expired without exercise.

NOTE 5: OPERATING SEGMENTS

Management has determined that the company has one reportable segment, being mineral exploration in Western Australia. As the company is focused on mineral exploration, the Board (the chief operating decision maker) monitors the company based on actual versus budgeted exploration expenditure incurred by the company as a whole. This reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date. The reportable segment is represented by the primary statements forming this financial report.

NOTE 6: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at reporting date, there has been no change to the contingent liabilities or contingent assets from 30 June 2024.

NOTE 7: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no significant changes in the nature of related party transactions since 30 June 2024. Refer to Note 8 for options granted to Directors and consultant.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 8: SHARE-BASED PAYMENTS

Fair Value of goods and services cannot be reliably determined

The Company is unable to determine the fair value of the services received, hence the fair value of services received in return for share options granted is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology. The life of the options and early exercise options are built into the option model.

On 28 November 2024, the shareholders of Terrain approved the granting of 20,000,000 options as compensation to the following key management personnel and consultants of the Company:

	No of Options Granted	Fair Value \$
Justin Virgin	8,000,000	22,681
Jason MacDonald	4,000,000	11,341
Johannes Lin	4,000,000	11,341
Benjamin Bell - Consultant (Head of Exploration)	4,000,000	11,341

Each of the options are exercisable at \$0.0042 on or before 28 November 2029 and vested immediately on the date of grant, being 28 November 2024.

The weighted average fair value of those equity instruments, determined by reference to market price, was \$0.0034. The assumptions used for the options, prepared by using the Black-Scholes valuation, are as follows:

Exercise Price	\$0.0042
Expected Life	5 years
Share Price at Grant date	\$0.0030
Expected Volatility	174.08%
Risk-free Interest Rate	4.17%
Option Value	\$0.0034

The key management personnel and consultant options-based payments of \$56,704 (30 June 2024: \$79,378) have been included in the Option Reserve in the Statement of Changes in Equity.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 8: SHARE-BASED PAYMENTS (continued)

Fair Value of goods and services can be reliably determined

Share-based payments to suppliers and landowners for the goods and services received, and the corresponding increase in equity, are measured directly at the fair value of the goods and services received.

On 28 July 2024, the Company issued 20,000,000 shares at an issue price of \$0.0030 per share to Mungala Investments Pty Ltd as payment for six months of promotional consulting services valued at \$60,000 (exclusive of GST).

In December 2024, Terrain entered into four separate land access agreements, each involving a payment of \$8,000. This payment covers landholders' legal expenses, access for the electromagnetic (EM) survey, and the initial drilling phase at the Lort River Project. The total payment across all four agreements amounts to \$32,000. All landholders have chosen to receive their payment in Terrain shares, with each receiving 2,666,666 fully paid ordinary shares at an issue price of \$0.0030 per share (a total of 10,666,666 shares issued).

Included under Share-based payments expense in the statement of profit or loss and other comprehensive income is \$116,704 which relates to equity-settled share-based payment transactions (30 June 2024: \$79,378).

Included under Share-based payments in the Exploration and evaluation expenditure in the Statement of Financial Position is \$32,000 which relates to equity-settled share-based payment transactions (30 June 2024: Nil).

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

NOTE 9: EVENTS AFTER THE END OF THE REPORTING PERIOD

On 15 January 2025, the Company appointed Dry Kirkness (Audit) Pty Ltd as its new auditor, following the resignation of BDO Audit Pty Ltd and ASIC's consent to the resignation. This change resulted from the Board's review of the Company's external audit arrangements. In accordance with section 327C of the Corporations Act, a resolution will be proposed at the next Annual General Meeting to confirm the appointment of the new auditor.

On 22 January 2025, the Company raised funds of \$450,012 (before expenses) from the issue of 150,003,990 shares at an issue price of \$0.0030 per share.

On 29 January 2025, the Company raised funds of \$150,000 (before expenses) from the issue of 42,857,143 shares at an issue price of \$0.0035 per share.

Both share placements were completed on 30 January 2025.

On 11 February 2025, the Company's Board finalised the pay increase and payment arrangement in shares for the directors. This was ratified by shareholders in the 2024 AGM on 28 November 2024.

Other than matters disclosed above there are no matters or circumstances that have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company that would require disclosure.

TERRAIN MINERALS LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 21, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standard 134, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 31 December 2024 and of the performance for the half-year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of Directors by:



Mr Justin Virgin

Executive Director

Dated: 07 March 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF TERRAIN MINERALS LIMITED**

Conclusion

We have reviewed the accompanying half year interim financial report of Terrain Minerals Limited ("the Company") which comprises the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year period ended on that date, a summary of material accounting policy information, other explanatory information and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half year interim financial report of the Company is not in accordance with the *Corporations Act 2001* including:

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

Emphasis of matter – material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the Company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern and therefore, the Company may not be able to realise its assets and discharge its liabilities in the ordinary course of business. Our review conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with Auditing Standard on Review Engagements 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 half year financial report* section of our report.

We are independent of the Company 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 ethical requirements in accordance with the Code.

Directors' responsibilities for the half year interim financial report

The directors of the Company are responsible for the preparation and fair presentation of the half year interim financial report in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year interim 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 half year interim financial report

Our responsibility is to express a conclusion on the half year interim financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half year interim financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the Company's financial position as at 31 December 2024 and its financial performance and its cash flows for the half year period 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 interim 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.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 7 March 2025