



TERRAIN MINERALS LTD  
ABN 45 116 153 514  
ASX: TMX

## **INTERIM FINANCIAL REPORT 31 DECEMBER 2022**

*Note: The information contained in this condensed report is to be read in conjunction with Terrain Minerals Limited 30 June 2022 annual report and any announcements made by the company during the half-year period ended 31 December 2022*

# TERRAIN MINERALS LIMITED

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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# TERRAIN MINERALS LIMITED

## CORPORATE DIRECTORY

### **Terrain Minerals Limited Board**

Justin Virgin

***Executive Director***

Xavier Braud – appointed 22 February 2023

***Non-Executive Director - Technical***

Johannes Lin

***Non-Executive Director***

Melissa Chapman and Catherine Grant-Edwards

***Company Secretaries***

### **Share Register**

Computershare Investor Services Pty Ltd

Level 11

172 St Georges Terrace

Perth WA 6000

Telephone +61 8 9323 2000

Facsimile +61 8 9323 2033

### ***Auditor***

BDO Audit (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2

5 Spring Street

Perth WA 6000

### **Solicitors**

Steinepreis Paganin

Level 4, The Read Building

16 Milligan Street

Perth WA 6000

### **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**

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# TERRAIN MINERALS LIMITED

## DIRECTORS' REPORT

### FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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 2022.

#### 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 Xavier Braud	Non-Executive Director – Technical – appointed 22 February 2023
Mr Johannes Lin	Non-Executive Director
Mr Trevor Bradley	Non-Executive Director – Geology – resigned 22 February 2023

#### 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 \$376,099 (2021: loss of \$324,387) and had a net cash outflow from operations of \$332,744 for the half-year (2021: \$248,786 outflow).

#### Review of Operations

##### Smokebush - Gold & Lithium Exploration Project – 100%

Activities undertaken during the half year period include:

- Securing the remaining 20% of the JV tenement – Terrain now owns 100% of the Smokebush project.
- Acquisition of tenement E59/2700 surrounding Terrain’s existing Smokebush tenements – small strategic area secured.
- Detailed project review by the Company’s new senior geologist resulting in the identification of 20+ pegmatites during several site visits with these samples being tested and results expected in February 2023.
- Planning for next phase of exploration underway, including drilling on gold & lithium.

##### Note: For additional information refer to ASX announcement:

**19 July 2021** - Positive First Pass Drilling Results Smokebush Gold Project.

**13 September 2021** - New Geological Interpretation (Monza) & Exploration Update, Smokebush Gold Project.

**23 August 2022** - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates.

**2 December 2022** - Acquisition Smokebush JV Tenement Now 100% owned.

**6 December 2022** - Smokebush - Pegmatite Swarms Identified, Sampling for Lithium Mineralisation Underway.

# TERRAIN MINERALS LIMITED

## DIRECTORS' REPORT

### FOR THE HALF YEAR ENDED 31 DECEMBER 2022

#### Review of Operations (continued)

##### Lort River Project – Rare Earth Elements (REE) – 100%

- Engagement of WA based Cube Consulting Pty Ltd to assist with strategic exploration planning with the goal of compiling a maiden resource at Lort River as soon as possible.
- Approvals underway to conduct a wide spaced air core drilling programme over the 320km<sup>2</sup> holding in the first half of 2023.
- Gold & base metal potential continue to be assessed based on the continued review of historic auger drilling data.

##### Note: For additional information refer to ASX announcement:

**5 May 2022** - Lort River (320km<sup>2</sup>) Rare Earth Project Highly Prospective Tenements Granted

**30 May 2022** - High-Grade Clay Type Rare Earths (REE) Soil Anomaly Identified at Lort River Project

**21 November 2022** - Rare Earths (REE) Exploration Planning for 2023 has Commenced at Lort River

##### Calytrix - Gold Exploration Project – 100%

Activities undertaken during the half year period include:

- Granting of tenements comprising 222 blocks and covering ~688km<sup>2</sup>.
- Large first pass geological program executed comprising 240 soil and rock samples collected and submitted for assaying.
- Planning underway to conduct a large (ionic leach) infill soil program.

##### Note: For additional information refer to ASX announcement:

**23 August 2022** - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates

##### Wildviper - Gold Exploration Project - 100%

- Continued desktop studies on the project.
- Site visit planned in the first quarter of 2023 to advance the project.

##### Note: For additional information refer to ASX announcement:

**2 February 2022** - High Grade Rock Chips from New Areas at Wild Viper Gold Project

**23 August 2022** - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates

#### Corporate

##### Placement

On 19 December 2022, the Company issued 133,333,333 shares at an issue price of \$0.006 per share to raise proceeds of \$800,000 (before expenses).

##### Investments

During the half year period, Terrain sold 350,000 shares in Red5 Limited (ASX: RED) raising cash proceeds of \$102,375 (before expenses). As of 31<sup>st</sup> December 2022, Terrain held 650,000 shares in RED5 Limited, valued at \$133,250.

# TERRAIN MINERALS LIMITED

## DIRECTORS' REPORT

### FOR THE HALF YEAR ENDED 31 DECEMBER 2022

#### Review of Operations (continued)

##### Outlook

Terrain continues to search, assess potential 'company making' projects including Gold, Copper, Nickel, REE's Lithium and industrial minerals in Australia, Europe, and other regions. Several jurisdictions of interest have been identified. All economic commodities are being considered as indicated in previous quarterly activities reports.

Geological assessment and discussion are ongoing on several opportunities and new areas has also been pegged, opportunities are located within Western Australia which remains the company's focus at this point of time.

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

##### EVENTS AFTER THE END OF THE REPORTING PERIOD

On the 22 February 2023, the Company announced the appointment of Mr Xavier Braud as a Non-Executive Director to the Terrain Board after the resignation of Mr Trevor Bradley.

On 6 February 2023, the Company issued 177,676,394 shares to existing eligible shareholders who participated in a share purchase plan to raise funds of \$1,066,059 (before expenses). Included in this amount is \$120,000 of shares which were applied for by Directors of the Company.

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 2022**

**AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration for the half year ended 31 December 2022 has been received and can be found on page 6 of the interim financial report.

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



Mr Justin Virgin  
Executive Director  
Dated: 9 March 2023

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TERRAIN MINERALS LIMITED

As lead auditor for the review of Terrain Minerals Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth  
9 March 2023



## TERRAIN MINERALS LIMITED

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

#### FOR THE HALF YEAR ENDED 31 DECEMBER 2022

		31 DECEMBER	31 DECEMBER
		2022	2021
	NOTE	\$	\$
Revenue from continuing operations		2,335	128
Employee benefits expense		(138,125)	(137,500)
Depreciation		(1,914)	(5,741)
Exploration expenditure write off	3	(69,997)	(15,047)
Share based payment expense		-	(35,564)
Administrative expenses		(168,398)	(130,663)
<b>Loss before income tax</b>		<b>(376,099)</b>	<b>(324,387)</b>
Income tax expense		-	-
Loss for the half year after tax		<b>(376,099)</b>	<b>(324,387)</b>
Changes in the fair value of financial assets through other comprehensive income	4	(14,375)	207,250
<b>Total comprehensive loss for the half year</b>		<b>(390,474)</b>	<b>(117,137)</b>
Total comprehensive loss for the half year attributable to members of Terrain Minerals Ltd:		<b>(390,474)</b>	<b>(117,137)</b>
<b>Loss per share attributable to owners of TMX</b>			
Basic and dilutive loss per share (cents)		(0.05)	(0.05)

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

**TERRAIN MINERALS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

		<b>31 DECEMBER</b>	<b>30 JUNE</b>
	<b>NOTE</b>	<b>2022</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,220,447	1,084,926
Trade and other receivables	2	43,210	30,851
Prepayments		41,368	10,473
<b>TOTAL CURRENT ASSETS</b>		<b>1,305,025</b>	<b>1,126,250</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	2	20,000	20,000
Exploration and evaluation expenditure	3	1,861,576	1,437,459
Right of Use assets		-	872
Financial asset at fair value through other comprehensive income	4	133,250	250,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,014,826</b>	<b>1,708,331</b>
<b>TOTAL ASSETS</b>		<b>3,319,851</b>	<b>2,834,581</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		113,622	65,012
Lease liability		-	950
<b>TOTAL CURRENT LIABILITIES</b>		<b>113,622</b>	<b>65,962</b>
<b>TOTAL LIABILITIES</b>		<b>113,622</b>	<b>65,962</b>
<b>NET ASSETS</b>		<b>3,206,229</b>	<b>2,768,619</b>
<b>EQUITY</b>			
Issued capital	5(a)	22,113,588	21,285,504
Reserves		2,433,595	2,447,970
Accumulated losses		(21,340,954)	(20,964,855)
<b>TOTAL EQUITY</b>		<b>3,206,229</b>	<b>2,768,619</b>

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

## TERRAIN MINERALS LIMITED

### STATEMENT OF CHANGES IN EQUITY

#### FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	ORDINARY SHARES	OPTIONS RESERVE	FAIR VALUE OTHER COMPREHENSIVE INCOME ("FVOCI") RESERVE	ACCUMULATED LOSSES	TOTAL
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>21,285,504</b>	<b>1,824,315</b>	<b>623,655</b>	<b>(20,964,855)</b>	<b>2,768,619</b>
Profit/(loss) attributable to members of the parent entity	-	-	-	(376,099)	(376,099)
Other comprehensive income for the period	-	-	(14,375)	-	(14,375)
<b>Total comprehensive profit/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>(14,375)</b>	<b>(376,099)</b>	<b>(390,474)</b>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Issued Capital, net of transaction costs	828,084	-	-	-	828,084
Issue of options	-	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>22,113,588</b>	<b>1,824,315</b>	<b>609,280</b>	<b>(21,340,954)</b>	<b>3,206,229</b>
Balance at 1 July 2021	21,087,791	1,788,751	370,905	(20,386,397)	2,861,050
Loss attributable to members of the parent entity	-	-	-	(324,387)	(324,387)
Other comprehensive income for the period	-	-	207,250	-	207,250
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>207,250</b>	<b>(324,387)</b>	<b>(117,137)</b>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Contributions of equity, net of transaction costs	-	-	-	-	-
Options based payments	-	35,564	-	-	35,564
<b>Balance at 31 December 2021</b>	<b>21,087,791</b>	<b>1,824,315</b>	<b>578,155</b>	<b>(20,710,784)</b>	<b>2,779,477</b>

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

**TERRAIN MINERALS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	<b>31 DECEMBER</b>	<b>31 DECEMBER</b>
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FROM OPERATING ACTIVITIES:</b>		
Payments to suppliers and employees	(335,080)	(248,914)
Interest received	2,336	128
Net cash used in operating activities	<u>(332,744)</u>	<u>(248,786)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for exploration expenditure	(382,194)	(149,273)
Proceeds from sale of investments	102,375	289,035
Net cash (used)/provided by investing activities	<u>(279,819)</u>	<u>139,762</u>
<b>CASH FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	800,000	-
Share issue costs	(51,916)	-
Net cash provided by financing activities	<u>748,084</u>	<u>-</u>
Net cash increase/(decrease) in cash and cash equivalents	135,521	(109,024)
Cash and cash equivalents at beginning of the half year	1,084,926	1,144,436
Cash and cash equivalents at end of the half year	<u><u>1,220,447</u></u>	<u><u>1,035,412</u></u>

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

**TERRAIN MINERALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 2022 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 'Basis of preparation and changes to the Company's accounting policies.

*Standards and Interpretations applicable to 31 December 2022*

In the half-year ended 31 December 2022, 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 2022.

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.

## TERRAIN MINERALS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE HALF YEAR ENDED 31 DECEMBER 2022

##### *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 2022.

##### *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 \$376,099 for the half-year to 31 December 2022 (31 December 2021: net loss \$324,387) and had cash outflows from operations activities of \$332,744 for the half-year (31 December 2021: outflows \$248,786). 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 \$1,220,447 as at 31 December 2022 (30 June 2022: \$1,084,926).

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, realization 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 2022**

**NOTE 2: TRADE AND OTHER RECEIVABLES**

	<b>31 DECEMBER</b>	<b>30 JUNE</b>
	<b>2022</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Current		
Trade receivables	6,814	23,091
GST	36,396	7,760
	<u>43,210</u>	<u>30,851</u>
NON-CURRENT		
Other receivables	<u>20,000</u>	<u>20,000</u>

**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.

	<b>31 DECEMBER</b>	<b>30 JUNE</b>
	<b>2022</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Carrying amount at beginning of period	1,437,459	1,052,883
Capitalised Expenditure	404,114	216,856
Shares issued for acquisition of projects (i)	90,000	200,000
Written off exploration expenditure (ii)	(69,997)	(32,280)
	<u>1,861,576</u>	<u>1,437,459</u>

- (i) On 6 December 2022 Terrain issued 10,000,000 shares valued at \$70,000 for the successful acquisition of the outstanding 20% of the Smokebush project and Terrain also issued 1,428,571 shares and paid \$10,000 cash for the acquisition of Tenement E27/2700. In measuring the fair value of the exploration tenements acquired, management considers general accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to the exploration tenements with limited exploration results, management have determined the consideration paid to be indicative of its value.
- (ii) 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. During the prior period, 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 \$69,997 due to tenement expiring (June 2022: \$32,280) during the financial period in the Statement of Profit or Loss and other Comprehensive Income.

## TERRAIN MINERALS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE HALF YEAR ENDED 31 DECEMBER 2022

##### NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

*(i) Classification of financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income (FVOCI) comprise of equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.

*(ii) Financial assets at fair value through other comprehensive income*

Financial assets at FVOCI comprise the following individual investments:

<b>Non-current</b>	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets at fair value through other comprehensive income</b>		
<i>Opening Balance</i>		
Red 5 Limited	250,000	665,000
<b>Financial assets at fair value through other comprehensive income</b>		
<i>Movement during the period</i>		
Proceeds from sale of financial assets at fair value	(102,375)	(667,750)
(Loss)/Gain recognised in other comprehensive income	(14,375)	252,750
<b>Balance for the period</b>	<b>133,250</b>	<b>250,000</b>

On 6 April 2020 11,542,498 Red 5 Limited ("Red 5") shares were issued to Terrain for the exercise of the option to purchase Great Western gold project at cost of \$2,200,000. The Red 5 shares have been disposed for the period ending 31 December 2022 are as follows:

<b>Gain on disposal for the financial period ended 31 December 2022</b>		
<b>Net proceeds</b>	<b>Carrying value at 30 June 2022</b>	<b>Gain</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>
102,375	(66,710)	35,665
<b>102,375</b>	<b>(66,710)</b>	<b>35,665</b>

Sold in the period ended 31 December 2022

The gain recognised of \$35,665 for the period ending 31 December 2022 (30 June 2022: \$191,250) was disclosed in the profit and loss as other comprehensive income as per AASB 9. The balance as at 31 December 2022 of \$133,250 represents the investment in Red 5 Ltd. The Company holds 650,000 shares and the share price as at 31 December 2022 was \$0.205 per share.



## TERRAIN MINERALS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE HALF YEAR ENDED 31 DECEMBER 2022

##### NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

(ii) Amounts recognised in other comprehensive income

During the period, the following gain was recognised in other comprehensive income.

	<b>31 December 2022</b>	<b>31 December 2021</b>
	\$	\$
Gains recognised in other comprehensive income	<b>(14,375)</b>	252,750

The movement of gain recognised in other comprehensive income for the period ended 31 December 2022 was as follows:

	<b>31 December 2022</b>	<b>31 December 2021</b>
	\$	\$
Gain on sale of Red 5 shares during the period	35,665	191,250
(Decrease)/Increase in value of Red 5 shares	(50,040)	61,500
(Loss)/Gain recognised in other comprehensive income	<b>(14,375)</b>	252,750

**TERRAIN MINERALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**NOTE 5: ISSUED CAPITAL**

	<b>31 DECEMBER</b>	<b>30 JUNE</b>
	<b>2022</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
905,522,913 (30 June 2022: 760,761,009) Ordinary shares	<u>22,113,588</u>	<u>21,285,504</u>

**(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.

**31 December 2022**

<b>Description</b>	<b>Date</b>	<b>Number of shares</b>	<b>Issue Price</b>	<b>\$</b>
<b>Opening balance</b>	1 July 2022	760,761,009		21,285,504
Issued for tenements acquisition (i)	6 December 2022	10,000,000	\$0.007	70,000
Issued for tenements acquisition (ii)	6 December 2022	1,428,571	\$0.007	10,000
Placement	14 December 2022	133,333,333	\$0.006	800,000
Less: transaction costs				(51,916)
<b>Closing balance</b>	<b>31 Dec 2022</b>	<u><b>905,522,913</b></u>		<u><b>22,113,588</b></u>

**30 June 2022**

<b>Description</b>	<b>Date</b>	<b>Number of shares</b>	<b>Issue Price</b>	<b>\$</b>
<b>Opening balance</b>	1 July 2021	735,761,009		21,087,791
Exercise of options	9 May 2022	25,000,000	\$0.008	200,000
Less: transaction costs				(2,287)
<b>Closing balance</b>	<b>30 June 2022</b>	<u><b>760,761,009</b></u>		<u><b>21,285,504</b></u>

- (iii) On 6 December 2022 Terrain issued 10,000,000 shares valued at \$70,000 for the successful acquisition of the outstanding 20% of the Smokebush project.
- (iv) On 6 December Terrain issued 1,428,571 shares and paid \$10,000 cash for the acquisition of Tenement E27/2700.

**(B) Options**

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. This life of the options and early exercise option are built into the option model. As at 31 December 2022 there were Nil share based payments issued to related parties (30 June 2022: \$35,564). On 18 December 2022, 6 million options which were previously issued to Directors expired without exercise.

**TERRAIN MINERALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**NOTE 6: 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 7: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

As a part of the purchase price for the acquisition of the Smokebush project, the company will pay a 1% Net Smelter Royalty on the first 100,000 ounces of gold or to the equivalent value on other minerals.

Other than stated, there are no other changes to the contingent liabilities or contingent assets from 30 June 2022.

**NOTE 8: 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. During the period as voted on by shareholders at the Company's Annual General Meeting the aggregate remuneration fee cap increased from \$200,000 to \$600,000. There were no other significant changes in the nature of related party transactions since 30 June 2022.

**NOTE 9: EVENTS AFTER THE END OF THE REPORTING PERIOD**

On the 22 February 2023, the Company announced the appointment of Mr Xavier Braud as a Non-Executive Director to the Terrain Board after the resignation of Mr Trevor Bradley.

On 6 February 2023, the Company issued 177,676,394 shares to existing eligible shareholders who participated in a share purchase plan to raise funds of \$1,066,059 (before expenses). Included in this amount is \$120,000 of shares which were applied for by Directors of the Company.

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 7 to 17, 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 2022 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.



Mr Justin Virgin

Executive Director

Dated: 9 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Terrain Minerals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Terrain Minerals Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the company's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### 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 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



#### Responsibility of the directors for the financial report

The directors of the company 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 is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility 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 Company's financial position as at 31 December 2022 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.

BDO Audit (WA) Pty Ltd

BDO  


Jarrad Prue

Director

Perth

9 March 2023