ABN: 45 116 153 514

TERRAIN MINERALS LIMITED

ANNUAL REPORT

30 JUNE 2013

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FOR THE YEAR ENDED 30 JUNE 2013

CORPORATE DIRECTORY

Terrain Minerals Limited Board

Paul Dickson
Acting Chairman

Jonathan Lim
Vice Chairman

Justin Virgin
Non Executive Director

Jay Stephenson
Company Secretary

Share Register
Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Telephone +61 8 9323 2000
Facsimile +61 8 9323 2033

Auditor
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitor
Julian Atkinson
Kings Park Corporate Lawyers
Suite 8, 8 Clive Street
West Perth WA 6005

Banker
National Australia Bank
Business Banking Centre
1232 Hay Street
West Perth WA 6005

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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West Perth WA 6005
PO Box 79, West Perth WA 6872

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Facsimile : +61 8 6141 3599
Email: terrain@terrainminerals.com.au

Website: www.terrainminerals.com.au

Your directors present their report for the financial year ended 30 June 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The following persons were directors of the Company and were in office for the entire year, and up to the date of this report, unless otherwise stated:

Mr Paul Dickson	Acting Chairman	Appointed 8 November 2012
Mr Jonathan Lim	Vice Chairman	Appointed 11 September 2012
Mr Justin Virgin	Non-Executive Director	Appointed 31 July 2012
Mr Richard Sandner	Chairman	Appointed 20 March 2009, resigned 8 November 2012
Mr Alan Coles	Managing Director	Appointed 1 June 2011, resigned 7 June 2013

COMPANY SECRETARY

Mr Ian Hobson holds a bachelor of business degree and is a Chartered Accountant and Chartered Secretary. Mr Hobson provides company secretary services and corporate, management and accounting advice to a number of listed companies involved in the resource, mining services and oil and gas industries. Mr Hobson resigned on 16 July 2013.

Mr Jay Richard Stephenson was appointed as Terrain Minerals Limited Company Secretary on 16 July 2013 following the resignation of Mr Ian Hobson. Mr Stephenson holds a Master of Business Administration (MBA) and Fellow of the Chartered Secretaries Australia (FCIS), Fellow of the Certified Practicing Accountant of Australia (FCPA), Certified Management Accountant (CMA), Member of the Australian Institute of Company Directors (MAICD)

PRINCIPAL ACTIVITIES

During the year, the principal activities of Terrain Minerals Limited consisted of exploration for gold and other mineral resources. No significant change in the nature of these activities occurred during the year.

OPERATING RESULTS

The loss of the company for the year ended 30 June 2013 from ordinary activities after providing for income tax amounted to $3,251,275 (profit for the year ended 30 June 2012 amounted to $133,622).

REVIEW OF OPERATIONS

During the financial year, the Company continued its exploration on its Projects including the Dodgers Well Project, the East Kambalda Project and the Black Cat Joint Venture.

The Company has identified that there are 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 reviewed the contemplated write down of $2,742,144 during the current year in the Statement of Profit or Loss and Other Comprehensive Income and approved it. Management is currently looking for opportunity to sell the written off exploration assets.

Details of the exploration results of each of the Company's projects can be found in the quarterly activity reports located on the Company Website.

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

FINANCIAL POSITION

The net assets of Terrain Minerals Limited have decreased by $ 3,221,277 from 30 June 2012 to $7,601,114 in 2013. The decrease in net assets is mainly due to write off of exploration expenditures for both East Kambalda and Bundarra projects.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the company occurred during, or since the end of the financial year:

(i) An Acting General Manager, Mr Keith Wells, has been appointed on 7 June 2013;

(ii) A new Non-Executive Director, Mr Justin Virgin, has been appointed on 31 July 2012;

(iii) A new Chairman, Mr Paul Dickson, has been appointed on 8 November 2012;

(iv) A new Company Secretary, Mr Jay Stephenson, has been appointed on 16 July 2013;

(ii) During the year, the company has implemented cost cutting program which included reduction in staff numbers, relocation of offices and restructure company secretarial/accounting roles.

No other significant changes in the nature of the Company's activities have occurred during the year.

EVENTS SUBSEQUENT TO REPORTING DATE

On 16 July 2013, Mr. Jay Stephenson has been appointed as the Company Secretary following with the resignation of Mr Ian Hobson.

On 24 July 2013, the Company announced that it had entered into a Farmin with Ashburton Minerals as a partner for the Mt Andrew Project in the Fraser Range Western Australia.

On 25 July 2013, the Company participated in a share placement with ASX listed company, Ashburton Minerals for $120,000 at $0.002 for 60,000,000 ordinary shares. These funds will be applied to the Mt Andrew work program, to corporate costs and to general working capital.

No other matters or circumstances have arisen since the end of the financial 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 in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The management team and Board of Directors ("the Board") of the Company are continuing to review opportunities available to the Company, which includes the exploration of the Company's existing tenements and assessment of new opportunities.

Any additional information has not been provided since the Directors believe that they may be an unreasonable prejudice to the company.

ENVIRONMENTAL ISSUES

The company is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007. The Energy Efficiency Opportunities Act 2006 requires the company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the company intends to take as a result. The company continues to meet its obligations under this Act.

The National Greenhouse and Energy Reporting Act 2007, requires the company to report its annual greenhouse gas emissions and energy use. The company has implemented systems and processes for the collection and calculation of the data required and submitted its 2010/11 report to the Greenhouse and Energy Data Officer on 24 October 2011.

Other than the above, the company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

The names and particulars of the directors of the company during or since the end of the financial year are:

INFORMATION ON DIRECTORS

Mr Paul Dickson	Acting Chairman (Appointed 8 November 2012)
Experience	Mr Dickson has over twenty years' experience in the Securities and Finance Industries since 1988, with an initial three years in banking followed by approximately thirteen years in stock broking with the majority of his career spent at tier one firm Ord Minnett Ltd. In the past six years as a corporate advisor, with the majority of his time as a principal and co-founder of Paradigm Capital and then DDM Capital where, Paul has originated IPO's and equity placements across the industrial and mining sectors for listed entities and been involved in seed capital raisings, and sub-underwritings during this time.
Interest in Shares and Options	1,000,000 options over ordinary shares and 1,812,837 shares.
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr Dickson is also non-Executive Director (Deputy Chairman) of the ASX listed Alligator Energy Ltd, which listed in February 2011.

Mr Jonathan Lim	Vice Chairman
Experience	Mr. Lim is an entrepreneur having founded Romar Positioning Equipment Pty Ltd in 1984. Since then, Mr. Lim has grown Romar to a leading global heavy automation equipment manufacturer, principally in the energy, alternative energy and oil & gas sector. Romar also has distribution facilities and associates in over thirty countries globally and was ranked 3rd place in the Singapore Enterprise E50 Awards in 2007. In 2008, Romar was acquired by a UK-based MNC. In addition to being an entrepreneur, Mr. Lim is also an avid investor, promoter and venture capitalist in various listed and unlisted companies in advanced materials, oil sands, heavy oil, electric cars and its allied industries, green industries, electronics and LEDs, mineral business and manufacturing businesses in both North and South America, Australia and North and SE Asia. Mr. Lim is Executive Chairman of ADVENTUS (SGX listed).
Interest in Shares and Options	1,000,000 options over ordinary shares and 73,135,419 shares.
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr Lim held no other directorships of ASX listed companies during the last three years.

INFORMATION ON DIRECTORS (CONTINUED)

Mr Justin Virgin	Non-Executive Director (Appointed 31 July 2012)
Experience	Mr Virgin has over eight years' experience in the financial services industry with expertise in providing a wide range of financial services which includes capital raisings, providing general corporate advice, participating in the promotion of small-cap companies and other investment advice involved in mergers, acquisitions and valuation for sale of small to medium enterprises.
Interest in Shares and Options	2,173,914 options over ordinary shares and 9,370,000 shares.
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr Virgin held no other directorships of ASX listed companies during the last three years.
Richard Sandner	Chairman (Resigned 8 November 2012)
Experience	Mr. Sandner is a lawyer with experience in the resources arena and has thirty years senior managerial and corporate experience in the mining industry; having previously been the Managing Director and a founding director of Bendigo Mining NL, Reef Mining NL, and Purus Energy Ltd. Mr. Sandner successfully transformed Reef Mining from an explorer to a mining company. He is the past president of the Minerals Council of Australia – Victorian Division and is currently involved with a Victorian based unlisted gold and base metal explorer.
Interest in Shares and Options	1,500,000 options over ordinary shares and 3,000,001 ordinary shares.
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr. Sandner held no other directorships of ASX listed companies during the last three years.
Mr Alan Coles	Managing Director (Resigned 7 June 2013)
Experience	Mr Coles is a qualified geologist and mining engineer with over thirty years' experience in the mining industry. He has been directly involved in the operational development and management of numerous mining operations and responsible for all facets of operating procedures for exploration, environmental controls, ore processing and mining. Mr Coles has held senior executive roles with Bendigo Mining, Dominion Mining and Wesfarmers. Some of Alan's work has included the commissioning of the Tritton Copper Mine in NSW and development of the new Premier Coal Mine in Western Australia.
Interest in Shares and Options	1,000,000 options over ordinary shares and 3,000,000 ordinary shares.
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr Coles held no other directorships of ASX listed companies during the last three years.

MEETINGS OF DIRECTORS

During the financial year, 3 meetings of directors were held. Attendances by each director were as follows:

	DIRECTORS' MEETINGS	
	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Mr Richard Sandner	1	1
Mr Jonathan Lim	3	3
Mr Alan Coles	3	3
Mr Paul Dickson	3	3
Mr Justin Virgin	3	3

INDEMNIFYING OFFICERS OR AUDITORS

Terrain Minerals Limited has paid premiums to insure directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of Terrain Minerals Limited, other than conduct involving a wilful breach of duty in relation to Terrain Minerals Limited. The premium for all directors amounted to $8,980.

OPTIONS

At the date of this report, the unissued ordinary shares of Terrain Minerals Limited under option, including those options issued during the year and since 30 June 2013 to the date of this report, are as follows:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER UNDER OPTION
9 September 2008	10 September 2013	0.20	500,000
1 December 2008	30 November 2013	0.20	1,500,000
8 October 2009	8 October 2014	0.11	1,900,000
30 November 2009	30 November 2014	0.18	5,500,000
6 April 2011	5 April 2014	0.05	46,239,130
13 December 2011 [1]	30 November 2013	0.05	1,000,000
			56,639,130

[1] - Included in these options were options granted as remuneration to Directors. Details of options granted to key management personnel are disclosed in note 22 to the financial statements.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

During the year, no ordinary shares of Terrain Minerals Limited were issued on the exercise of options granted.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of Terrain Minerals Limited or intervene in any proceedings to which Terrain Minerals Limited is a party for the purpose of taking responsibility on behalf of Terrain Minerals Limited for all or any part of those proceedings.

Terrain Minerals Limited was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid/payable to the external auditors during the year ended 30 June 2013 and 30 June 2012:

	2013	2012
	$	$
BDO Audit (WA) Pty Ltd - auditing or reviewing the financial report	34,519	37,891
BDO Corporate Tax (WA) Pty Ltd - taxation services	11,122	8,670
	45,641	46,561

AUDITOR'S INDEPENDENCE DECLARATION

The auditor’s independence declaration for the year ended 30 June 2013 has been received and can be found on page 16 of the financial report.

REMUNERATION REPORT (AUDITED)

REMUNERATION POLICY

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

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

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- focuses on exploration success as the creation of shareholder value and returns
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution.

The framework currently consists of fixed salaries and options.

The overall level of executive reward takes into account the performance of the company. The company is involved in mineral exploration and did not derive a profit and therefore growth in earnings is not considered relevant. Shareholder wealth is dependent upon exploration success and has fluctuated accordingly. During the same period, average executive remuneration has been maintained in accordance with industry standards.

Non-executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' Fees

The current base remuneration was last reviewed with effect from May 2008. Directors' remuneration is inclusive of committee fees.

REMUNERATION REPORT (CONTINUED) (AUDITED)

REMUNERATION POLICY (CONTINUED)

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total maximum currently stands at $200,000.

Retirement allowances for directors
There is no provision for retirement allowances for non-executive directors.

Performance Based Remuneration
All staff (including executive and non-executive directors) are eligible to participate in the Employee Share Scheme. The scheme is designed to reward employees for a significant improvement in the share price.

Company Performance, Shareholder Wealth and Director's and Executives' Remuneration
The fees paid to directors have not increased since May 2008. Executive remuneration remains in the bottom quartile of remuneration for comparable positions in the minerals industry. Options granted to key management personnel was not linked to company performance.

Executive Pay
The executive pay and reward framework has three components:

I. base pay and benefits
II. long-term incentives through participation in the Employee Share Option Scheme
III. other remuneration such as superannuation.

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

I. Base pay
   Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

   Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

   There is no guaranteed base pay increases included in any senior executives' contracts.

   Executives may receive benefits including memberships, car allowances and reasonable entertainment.

II. Incentives
   Through participation in the Employee Share Option Scheme as and when determined by the Board. Individual performance reviews are carried out annually. Any allotment of options to executives are considered by the Board depending on individual performance. Performance remuneration is not related to company performance. The Company is still in exploration and development phase.

III. Other
   Directors and employees are permitted to nominate a superannuation fund of their choice to receive superannuation contribution.

REMUNERATION REPORT (CONTINUED) (AUDITED)

EMPLOYMENT DETAILS OF MEMBERS OF KEY MANAGEMENT PERSONNEL AND OTHER EXECUTIVES

The following table provides employment details of persons who were, during the financial year, members of key management personnel of Terrain Minerals Limited. The table also illustrates the proportion of remuneration that was fixed salary and the proportion of remuneration received in the form of options.

KEY MANAGEMENT PERSONNEL	POSITION HELD AS AT 30 JUNE 2013	CONTRACT DETAILS (DURATION & TERMINATION)	OPTIONS/ RIGHTS %	FIXED SALARY/FEES %	TOTAL %
Mr Paul Dickson	Acting Chairman	On-going basis with no termination benefits	-	100	100
Mr Jonathan Lim	Vice Chairman	On-going basis with no termination benefits	-	100	100
Mr Justin Virgin	Non-Executive Director	On-going basis with no termination benefits	-	100	100
Mr Alan Coles	Managing Director	Resigned on 7 June 2013	-	100	100
Mr Richard Sandner	Chairman	Resigned on 8 November 2012	-	100	100
Other Executives					
Ian Hobson	Company Secretary	Resigned on 16 July 2013	-	100	100
Keith Wells	Acting General Manager	On-going basis with no termination benefits	-	100	100

The employment terms and conditions of key management personnel are formalised in contracts of employment.

A service agreement was signed between the company and the Managing Director, Alan Coles on 9 November 2011, terminating 9 November 2013. The agreement provides for a salary of $210,000 p.a and subject to shareholder approval, 1 million options exercisable at 5 cents per share. In addition, and subject to shareholder approval, Mr Coles will be granted the equivalent of $30,000 of Terrain Minerals Ltd shares every six months from Commencement Date to a total value of $120,000 of shares. This agreement was terminated when Mr Alan Coles resigned on 7th June 2013, in lieu of the final tranche of shares as cash payment of $30,000 was made to Mr Cole.

A service agreement was signed between the company and the Acting General Manager, Keith Wells on 31 May 2013, position is expected to last for a 2 to 3 months duration. The agreement provides for a salary of $100 per hour or $800 per day in Perth office and $1,440 flat day rates for field work. This service agreement may be terminated at any time by either party giving two weeks' written notice to the other party.

Service Agreement with Wolfstar Group Pty Ltd ("Wolfstar Group")

On 1 July 2013, the Company engaged Wolfstar Group Pty Ltd ("Wolfstar Group") to appoint Jay Stephenson as Company Secretary 6 months from 1 July 2013. WCM is a related party of the Company by virtue of it being controlled by Jay Stephenson Wolfstar Group is entitled to a monthly fee of $5,000 (plus GST). The Company will reimburse Wolfstar Group for all reasonable out-of-pocket expenses incurred including, but not limited to, photocopying, facsimile, longer distance telephone, delivery services and travelling expenditure as required.

REMUNERATION REPORT (CONTINUED) (AUDITED)

EMPLOYMENT DETAILS OF MEMBERS OF KEY MANAGEMENT PERSONNEL AND OTHER EXECUTIVES (CONTINUED)

This service agreement may be terminated at any time by either party giving one month's written notice to the other party.

No other service agreements exist for any other key management personnel.

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2013

Details of the nature and amount of each element of the emoluments of each member of the key management personnel of Terrain Minerals for the year ended 30 June 2013 and 30 June 2012 are set out in the following tables:

For the year ended 30 June 2013

	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	EQUITY-SETTLED SHARE-BASED PAYMENTS		
KEY MANAGEMENT PERSONNEL	SALARY, FEES AND LEAVE $	OTHER $	SUPERANNUATION $	SHARES $	OPTIONS $	TOTAL $
Mr Jonathan Lim	32,700	-	-	-	-	32,700
Mr Paul Dickson [1]	30,000	-	2,700	-	-	32,700
Mr Alan Coles [2]	192,661	30,000(i)	17,339	30,000	-	270,000
Mr Justin Virgin [3]	27,277	-	2,698	-	-	29,975
Mr Richard Sandner [4]	10,656	-	959	-	-	11,615
TOTAL KEY MANAGEMENT PERSONNEL	293,294	30,000	23,696	30,000	-	376,990
OTHER EXECUTIVES						
Mr Ian Hobson [5]	41,855	-	-	-	-	41,855
Mr Keith Wells [6]	2,936	-	264	-	-	3,200
TOTAL OTHER EXECUTIVES	44,791	-	264	-	-	45,055

(i) Per the original terms of Alan Coles service agreement, Alan was entitled to receive 2.5m shares issued at $0.012 per share totalling $30,000. In lieu of the issue of shares a cash payment of $30,000 was made.

[1] Paul Dickson was appointed as interim chairman on 8 November 2012
[2] Balance at the end of year represents resigned directors' remuneration as the date of resignation (7 June 2013)
[3] Justin Virgin was appointed on 31 July 2012
[4] Balance at the end of year represents resigned directors' remuneration as the date of resignation (8 November 2012)
[5] Balance at the end of year represents resigned company secretary's remuneration as the date of resignation (16 July 2013)
[6] Keith Wells was appointed as Acting General Manager on 7 June 2013

REMUNERATION REPORT (CONTINUED) (AUDITED)

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

For the year ended 30 June 2012

	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	EQUITY-SETTLED SHARE-BASED PAYMENTS		
KEY MANAGEMENT PERSONNEL	SALARY, FEES AND LEAVE $	OTHER $	SUPERANNUATION $	SHARES $	OPTIONS $	TOTAL $
Mr Richard Sandner	30,000	-	2,700	-	-	32,700
Mr Jonathan Lim	32,700	-	-	-	-	32,700
Mr Alan Coles	188,116	-	16,930	-	10,936	215,982
Mr Paul Dickson	30,000	-	2,700	-	-	32,700
Mr Justin Virgin	-	-	-	-	-	-
TOTAL KEY MANAGEMENT PERSONNEL	280,816	-	22,330		10,936	314,082
OTHER EXECUTIVES						
Mr Ian Hobson	58,400	-	-	-	-	58,400
TOTAL OTHER EXECUTIVES	58,400	-	-	-	-	58,400

SHARE-BASED PAYMENTS

During the year, Mr Alan Coles received 2.5M fully paid ordinary shares issued at $0.012 per share.

KEY MANAGEMENT PERSONNEL	REMUNERATION TYPE	GRANT DATE	NUMBER OF SHARES	GRANT VALUE $	PERCENTAGE VESTED/PAID DURING THE YEAR %	PERCENTAGE FORFEITED DURING YEAR %	PERCENTAGE REMAINING AS UNVESTED %
Mr Alan Coles	Ordinary Shares	22 November 2012	2,500,000	30,000	100	-	-

Details of the options granted as remuneration to those key management personnel are as follows:

GRANT DATE	ENTITLEMENT ON EXERCISE	DATES EXERCISABLE	EXERCISE PRICE $	VALUE PER OPTION AT GRANT DATE $	% VESTED
13 December 2011	1:1 Ordinary shares in Terrain Minerals Limited	On or before 30 November 2013	$0.05	$0.01	100

Option values at grant date were determined using the Black-Scholes method.

REMUNERATION REPORT (CONTINUED) (AUDITED)

VOTING AND COMMENTS MADE AT THE COMPANY'S 2012 ANNUAL GENERAL MEETING

At the Annual General Meeting held on 22 November 2012, the company received 8,068,177 "yes" votes on its remuneration report for the 2012 financial year.

The Company does not have a remuneration consultant. The remuneration committee is a committee of the Board of the Company.

END OF REMUNERATION REPORT

The director's report, incorporating the remuneration report is signed in accordance with a resolution of the Board of Directors:

Paul Dickson

Acting Chairman

Dated: 27 September 2013

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Subiaco, WA 6008
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Australia

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF TERRAIN MINERALS LIMITED

As lead auditor of Terrain Minerals Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

PETER TOLL
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia
Dated 27 September 2013

Board Composition

The skills, experience and expertise relevant to the position of each director, and board committee member, who is in office at the date of the annual report and their term of office, are detailed in the Director's report.

The independent directors of the Company are Paul Dickson.

When determining the independent status of a Director the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

The Board sets out below its "if not why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

Recommendation		Terrain Minerals Limited Current Practice
1.1	Companies should establish the functions reserved for the board and those delegated to senior executives and disclose those functions.	Satisfied. The functions reserved for the Board and delegated to senior executives have been established. The Board Charter is available at www.terrainminerals.com.au in the Corporate Governance section.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Satisfied. Formal evaluation process has been adopted. The Performance Evaluation Policy is available at www.terrainminerals.com.au in the Corporate Governance section.
1.3	Companies should provide the information indicated in the Guide for reporting on Principle 1	Satisfied The Board Charter is available at www.terrainminerals.com.au in the Corporate Governance section. Formal appraisals of management were not conducted as the composition of senior management changed during the year.
2.1	A majority of the board should be independent directors.	Not Satisfied. Two of the four directors are independent directors being Richard Sandner and Paul Dickson who are Non Executive independent directors as defined in ASX guidelines.
2.2	The chair should be an independent director.	Satisfied.

		Mr Paul Dickson is an independent director.
2.3	The roles of chair and Chief Executive Officer should not be exercised by the same individual.	Satisfied.
2.4	The board should establish a nomination committee.	Not satisfied. The directors consider that given the small size of the company and the board that the functions of this committee are best dealt with by the entire board.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Satisfied. Board Performance Evaluation Policy is available at www.terrainminerals.com.au in the Corporate Governance section.
2.6	Companies should provide the information indicated in the guide to reporting on Principle 2.	Satisfied. No formal board or committee appraisals were completed during the year.
3.1	Companies should disclose a code of conduct and disclose the code or a summary of the code as to: - The practices necessary to maintain confidence in the company's integrity - The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders - The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Satisfied. The Code of Conduct is available at www.terrainminerals.com.au in the Corporate Governance section.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Satisfied. The Diversity Policy is available at www.terrainminerals.com.au in the Corporate Governance policy.

3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity and progress towards achieving them.	Not Satisfied. The measurable objectives have yet to be established.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senor executive positions and women on the board.	Proportion of women employees in the whole organisation is 50%. There are no women in either senior executive positions or the board.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Satisfied.
4.1	The board should establish an audit committee.	Not satisfied. The directors consider that given the small size of the company and the board that the functions of this committee are best dealt with by the entire board.
4.2	The audit committee should be structured so that it: - Consists only of non-executive directors - Consists of a majority of independent directors - Is chaired by an independent chair, who is not chair of the board - Has at least three members.	Not satisfied. .The committee has not been formed.
4.3	The audit committee should have a formal charter.	Satisfied.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Satisfied. The audit committee charter is available at www.terrainminerals.com.au in the Corporate Governance section.
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Satisfied. Continuous disclosure policy is available at www.terrainminerals.com.au in the Corporate Governance section.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Satisfied.

6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of their policy.	Satisfied. Shareholders communication strategy is available at www.terrainminerals.com.au in the Corporate Governance section.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Satisfied.
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Satisfied. The company has established policies for the oversight and management of material business risks. Risk management program is available at www.terrainminerals.com.au in the Corporate Governance section.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Not satisfied. Management consists of the managing director, who works closely with the board on a regular basis to manage material business risks. Management have not separately reported to the Board that those risks are being managed effectively.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Satisfied. The Board has received a section 295A declaration pursuant to the 2011 financial period.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Satisfied.
8.1	The board should establish a remuneration committee.	Not satisfied. The directors consider that given the small size of the company and the board that the functions of this committee are best dealt with by the entire board.

8.2	The remuneration committee should be structured so that is: • Consists of a majority of independent directors • Is chaired by an independent director • Has at least three members	Not satisfied.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The structure of Directors' remuneration is disclosed in the remuneration report of the annual report.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8	The remuneration committee charter is available at www.terrainminerals.com.au in the Corporate Governance section.

Further information about the Company's corporate governance practices is set out on the Company's website at www.terrainminerals.com.au

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $	2012 $
Revenue from continuing operations	2	104,910	372,330
Other income	2	10,520	442,670
Administrative expenses	2	(264,597)	(300,907)
Depreciation expenses	6	(9,155)	(10,503)
Exploration expenditure write off	8	(2,742,144)	-
Employee benefits expenses		(300,076)	(272,095)
Finance costs		-	(56,153)
Occupancy expenses		(50,734)	(41,720)
Profit/(loss) before income taxes		(3,251,275)	133,622
Income tax expense	3	-	-
Profit/(loss) for the year		(3,251,275)	133,622
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year attributable to owners of Terrain Minerals Limited		(3,251,275)	133,622
Profit/(loss) from continuing operations attributable to owners of Terrain Minerals Limited		(3,251,275)	133,622
Earnings/(Loss) per share attributable to owners of TMX			
From continuing operations:			
Basic earnings per share (cents)	13	(0.93)	0.05
Diluted earnings per share (cents)	13	(0.93)	0.04

These financial statements should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	NOTE	2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,823,034	1,519,924
Trade and other receivables	5	6,353	1,034,000
Other assets	7	33,085	37,005
TOTAL CURRENT ASSETS		1,862,472	2,590,929
NON-CURRENT ASSETS			
Trade and other receivables	5	4,263,283	4,263,283
Plant and equipment	6	16,343	25,498
Exploration expenditure	8	1,664,324	4,024,539
TOTAL NON-CURRENT ASSETS		5,943,950	8,313,320
TOTAL ASSETS		7,806,422	10,904,249
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	183,644	64,176
Provisions	10	21,662	17,682
TOTAL CURRENT LIABILITIES		205,306	81,858
TOTAL LIABILITIES		205,306	81,858
NET ASSETS		7,601,116	10,822,391
EQUITY			
Issued capital	11	18,773,806	18,743,806
Reserves	12	1,253,415	1,253,415
Accumulated losses		(12,426,105)	(9,174,830)
TOTAL EQUITY		7,601,116	10,822,391

These financial statements should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	ORDINARY SHARES $	SHARE BASED PAYMENT RESERVE $	ACCUMULATED LOSSES $	TOTAL $
Balance at 1 July 2011	16,287,396	1,242,479	(9,308,452)	8,221,423
Profit attributable to members of the parent entity	-	-	133,622	133,622
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	133,622	133,622
Shares issued during the year	3,980,222	-	-	3,980,222
Transaction costs	(1,523,812)	-	-	(1,523,812)
Share based payments	-	10,936	-	10,936
Balance at 30 June 2012	18,743,806	1,253,415	(9,174,830)	10,822,391
Balance at 1 July 2012	18,743,806	1,253,415	(9,174,830)	10,822,391
Loss attributable to members of the parent entity	-	-	(3,251,275)	(3,251,275)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(3,251,275)	(3,251,275)
Share based payments	30,000	-	-	30,000
Balance at 30 June 2013	18,773,806	1,253,415	(12,426,105)	7,601,116

These financial statements should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $	2012 $
CASH FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(527,694)	(825,545)
Receipts from customers		10,520	-
Refunds of security deposit		334,000	-
Interest received		98,557	58,492
Interest paid		-	(56,153)
Net cash used in operating activities	21	(84,617)	(823,206)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of exploration asset		700,000	2,200,000
Purchase of plant and equipment		-	(22,500)
Exploration and evaluation expenditure		(312,273)	(1,321,798)
Net cash provided by (used in) investing activities		387,727	855,702
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		-	2,310,216
Repayment of borrowings		-	(1,200,000)
Payment of share issue costs		-	(153,806)
Net cash provided by financing activities		-	956,410
OTHER ACTIVITIES:			
Net cash increase in cash and cash equivalents		303,110	988,906
Cash and cash equivalents at beginning of year		1,519,924	531,018
Cash and cash equivalents at end of the year	4	1,823,034	1,519,924

These financial statements should be read in conjunction with the accompanying notes

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of Terrain Minerals Limited (the company).

Terrain Minerals Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report is a general purpose financial statement that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Terrain Minerals limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements of Terrain Minerals Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

New and amended standards adopted by the Company

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

The Company has applied the amendments to AASB 101 arising from AASB 2011-9 “Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income” which is effective for annual periods beginning on or after 1 July 2012. The amendments to AASB 101 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss.

The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Historical cost convention

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. These financial statements are presented in Australian dollars, rounded to the nearest dollar.

Early adoption of standards

The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2011.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(s).

(A) REVENUE AND OTHER INCOME

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(B) INCOME TAX

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) INCOME TAX (CONTINUED)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(C) EMPLOYEE BENEFITS

Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) EMPLOYEE BENEFITS (CONTINUED)

Other Long Term Employee Benefit Obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(D) PROVISIONS

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(E) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(F) FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) FINANCIAL INSTRUMENTS (CONTINUED)

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

(d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets).

(iv) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) FINANCIAL INSTRUMENTS (CONTINUED)

DERECOGNITION

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(G) PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

PLANT AND EQUIPMENT

Plant and equipment are measured on the cost basis.

DEPRECIATION

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable assets are:

CLASS OF FIXED ASSET	USEFUL LIFE
Exploration equipment	3 years
Furniture, Fixtures and Fittings	5 years
Computer Equipment	3 years
Computer Software	2 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of Profit or Loss and Other Comprehensive Income. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Property, plant and equipment is derecognised and removed from the statement of financial position on disposal or when no future economic benefits are expected. Gains and losses from de-recognition are measured as the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(G) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Subsequent costs are included in the property, plant and equipment's carrying value or recognised as a separate asset when it is probable that future economic benefits associated with the item will be realised and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss.

(H) EXPLORATION AND DEVELOPMENT EXPENDITURE

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

i) the rights to tenure of the area of interest are current; and
ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
(b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are occurring.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.
Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(I) IMPAIRMENT OF ASSETS

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement Profit or Loss and Other Comprehensive Income.

1 Summary of Significant Accounting Policies (Continued)

(I) IMPAIRMENT OF ASSETS (CONTINUED)

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.
Where an impairment loss on a re-valued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset. Non-financial assets, other than inventories, deferred tax assets, assets from employee benefits, investment properties, biological assets, and deferred acquisition costs, are assessed for any indication of impairment at the end of each reporting period. Any indication of impairment requires formal testing of impairment by comparing the carrying amount of the asset to an estimate of the recoverable amount of the asset. An impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually regardless of whether there is any indication of impairment.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. The asset's value in use is calculated as the estimated future cash flows discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks associated with the asset. Assets that cannot be tested individually for impairment are grouped together into the smallest group of assets that generates cash inflows (the asset's cash-generating unit).

Impairment losses are recognised in profit or loss. Impairment losses are allocated first, to reduce the carrying amount of any goodwill allocated to cash-generating units, and then to other assets of the group on a pro rata basis.

Assets other than goodwill are assessed at the end of each reporting period to determine whether previously recognised impairment losses may no longer exist or may have decreased. Impairment losses recognised in prior periods for assets other than goodwill are reversed up to the carrying amounts that would have been determined had no impairment loss been recognised in prior periods.

(J) TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(K) GOODS AND SERVICES TAX (GST)

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(L) LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease. Lease payments for operating leases, where substantially all of the risks and benefits remain with the Lessor, are charged as expenses in the periods in which they are incurred.

(M) BORROWING COSTS

For periods beginning on or after January 1, 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to ready for its intended use are capitalised as part of the cost of the asset.

Other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of finance charges and interest expenses calculated using the effective interest method.

(N) SHARE-BASED PAYMENT TRANSACTIONS

Employees of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). When the goods or services acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

The cost of equity-settled transactions and the corresponding increase in equity is measured at the fair value of the goods or services acquired. Where the fair value of the goods or services received cannot be reliably estimated, the fair value is determined indirectly by the fair value of the equity instruments using the Black Scholes option valuation technique.

Equity-settled transactions that vest after employees complete a specified period of service are recognised as services are received during the vesting period with a corresponding increase in equity.

(O) NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less cost to sell. For non-current assets to be classified as held for sale, they must be available for immediate sale in the present condition and their sale must be highly probable. Non-current assets are not depreciated while they are classified as held for sale. Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

1 Summary of Significant Accounting Policies (Continued)

(P) CONTRIBUTED EQUITY

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

(Q) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic steering committee.

(R) EARNINGS PER SHARE

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

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(S) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

KEY ESTIMATES – IMPAIRMENT

The company assesses impairment at the end of the reporting period by evaluating conditions specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

KEY JUDGEMENTS - EXPLORATION AND EVALUATION EXPENDITURE

The company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

KEY JUDGEMENTS - SHARE-BASED PAYMENT TRANSACTIONS

The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes method. The related assumptions are detailed in note 22. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

KEY JUDGEMENTS – DISCOUNT RATE FOR LONG TERM RECEIVABLES

The company has made the judgement that the discount rate of 6.75% is appropriate and as at 30 June 2013, the receivable from SR Mining Pty Ltd (see note 5) is recoverable. However, circumstances with the counterparty may change in the future which may result in a material impairment to the balance.

KEY JUDGEMENTS – REVENUE AND CONTINGENT ASSETS

The Company has made the judgement to not recognise the revenue or contingent assets relating from the sale of mining projects in last financial year. A judgement was made that the transactions did not meet the revenue or contingent asset recognition criteria. The salient points of these transactions are summarised below:

Bundarra and Great Western

The company entered into an agreement for the sale of Bundarra and Great Western Tenements to S R Mining last financial year for $8,000,000 of which $2,000,000 has been received. As per the new agreement, the receivable of $6,000,000 is payable in instalments over 10 years and the first instalment is not due until 31 November 2014. All the terms and conditions remain the same except the repayment date. The amount shown is derived from 10 additional payments of $600,000 annually thereafter for 10 more years on that anniversary date, discounted at an annual rate of 6.75%.

Dodgers Well

The company entered a Tribute Agreement with Stewart Lindsay Williamson through which the company will receive 10% of all gold recovered with no costs to Terrain Minerals Limited.

KEY JUDGEMENTS – CONTINGENT LIABILITIES

The Company has made the judgement to not recognise the payable or contingent liability relating royalties payable on certain tenements. A judgment was made that these agreements did not meet the contingent liability recognition criteria.

Aztec Project - A Royalty Agreement covering E26/97 with Kambalda Mining NL for gold produced will be paid at $10/oz of gold for the first 10,000 ounces and thereafter $5/oz of gold produced.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

During the current year the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

AASB 9 Financial Instruments
Application Date of the standard 1 January 2015
Application Date for the Company 1 July 2015
Impact Currently no impact on the Company

AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).
These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.

(a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.
(b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in Statement of profit or loss and other comprehensive income.
Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

AASB 10 Consolidated Financial Statements
Application Date of the standard 1 January 2013
Application Date for the Company 1 July 2013
Impact When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Company does not have any special purpose entities.

The Company does not have 'defacto' control of any entities with less than 50% ownership interest in an entity.
AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and Interpretation 112 Consolidation – Special Purpose Entities.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the Company.

AASB 11 Joint Arrangements
Application Date of the standard 1 January 2013
Application Date for the Company 1 July 2013
Impact When this standard is first adopted for the year ended 30 June 2014, there will be impact on transactions as subsequent to financial year, the Company has entered into joint venture arrangement with Ashburton Minerals Limited on Mt Andrew project

AASB 11 replaces AASB 131 Interests in Joint Ventures and Interpretation 113 Jointly controlled Entities – Non monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition AASB 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.

AASB 12 Disclosure of Interests in Other Entities
Application Date of the standard 1 January 2013
Application Date for the Company 1 July 2013
Impact As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non- controlling interests.

AASB 13 Fair Value Measurement
Application Date of the standard 1 January 2013
Application Date for the Company 1 July 2013
Impact When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.

AASB 13 establishes a single source of guidance under Australian Accounting Standards for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under Australian Accounting Standards when fair value is required or permitted by Australian Accounting Standards. Application of this definition may result in different fair values being determined for the relevant assets.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

AASB 119 Employee Benefits
Application Date of the standard 1 January 2013
Application Date for the Company 1 July 2013
Impact When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012 as long-term benefits because they are not expected to be settled wholly within 12 months after the end of the reporting period. This will result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.

The main changes to accounting for defined benefit plans are:

- to eliminate the option to defer the recognition of gains and losses (the 'corridor method');
- requiring re-measurements to be presented in other comprehensive income; and
- enhancing the disclosure requirements relating to defined benefit plans for Tier 1 entities.

The AASB has provided relief from certain disclosure requirements for entities that adopt Tier 2 Reduced Disclosure Requirements.

Annual Improvements 2009 2011 Cycle
Application Date of the standard 1 January 2013
Application Date for the Company 1 July 2013

This standard sets out amendments to International Financial Reporting
Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB.

The following items are addressed by this standard:

IFRS 1 First time Adoption of International Financial Reporting Standards

- Repeated application of IFRS 1
- Borrowing costs

IAS 1 Presentation of Financial Statements

- Clarification of the requirements for comparative information

IAS 16 Property, Plant and Equipment

- Classification of servicing equipment

IAS 32 Financial Instruments: Presentation

- Tax effect of distribution to holders of equity instruments

IAS 34 Interim Financial Reporting

- Interim financial reporting and segment information for total assets and liabilities

2 REVENUE AND SIGNIFICANT EXPENSES ITEMS

	2013 $	2012 $
Revenue from continuing operations:		
Interest income	104,910	372,330
	104,910	372,330
Other income:		
Profit on sale of exploration assets	-	442,670
Profit on sale of second hand assets	10,520	-
	10,520	442,670
Expenses:		
Minimum lease payments	(43,946)	(39,289)
Share based payments	(30,000)	(10,936)

3 INCOME TAX EXPENSE

(A) THE COMPONENTS OF TAX EXPENSE COMPRISE:

Current tax	-	-
Deferred tax	-	-
	-	-

(B) THE PRIMA FACIE TAX ON (LOSS)/ PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX IS RECONCILED TO THE INCOME TAX:

Prima facie tax payable on (loss)/ profit from ordinary activities before income tax at 30%	(975,383)	40,087
Add /(less) tax effect of:		
- Share based payments	9,000	3,281
- Other non deductable expenses	10,134	1,055
Tax effect of timing not recognised		
- Exploration expenditure	(114,578)	(413,400)
- Sale of assets held for sale	-	2,400,000
- Other	869,039	(48,396)
- Deferred tax assets relating to tax losses	201,788	(1,982,626)
Income tax attributable to entity	-	-

3 INCOME TAX EXPENSE (CONTINUED)

(c) UNRECOGNISED DEFERRED TAX ASSETS/LIABILITIES:

	2013	2012
	$	$
Unrecognised DTA		
- Tax loss	3,706,941	3,487,793
- Other	72,188	32,793
	3,779,129	3,520,586
Unrecognised DTL		
- Exploration expenditure	(499,297)	(1,207,362)
- Other	(9,926)	-
Net DTA/DTL	3,269,906	2,313,224

The company has tax losses of $12,356,471 (2012: 11,625,976) that are available indefinitely for offset against future taxable profits of the company. The recoupment of available tax losses as at 30 June 2013 are contingent upon, the company deriving assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised; the conditions for deductibility imposed by tax legislation continuing to be complied with; and there being no changes in tax legislation which would adversely affect the company from realising the benefits from the losses.

4 CASH AND CASH EQUIVALENTS

	2013	2012
	$	$
Cash at bank	393,494	397,580
Term deposits	1,429,340	1,122,344
Petty cash	200	-
	1,823,034	1,519,924

The company's exposure to interest rate risk is disclosed in note 15. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents.

5 TRADE AND OTHER RECEIVABLES

	2013 $	2012 $
CURRENT		
Trade receivables	-	700,000
Interest receivable	6,353	-
Security deposits	-	334,000
	6,353	1,034,000

	2013 $	2012 $
NON-CURRENT		
Receivable from S R Mining	4,263,283	4,263,283
	4,263,283	4,263,283

The company's exposure to interest rate risk is disclosed in note 15. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of the interest and receivables from S R Mining. The carrying amounts approximate the fair values. All amounts are short-term.

The non-current receivable relates to consideration on the sale of Bundarra and Great Western Tenements to S R Mining. It is amount shown derived from 10 additional payments of $600,000 annually thereafter for 10 more years on that anniversary date, discounted at an annual rate of 6.75%. As per the new agreement, the receivable of $6,000,000 is payable in instalments over 10 years and the first instalment is not due until 31 November 2014. All the terms and conditions remain the same except the repayment date.

The trade and other receivables balance do not contain impaired assets and are not past due. It is expected that these amounts will be received when due.

6 PLANT AND EQUIPMENT

	2013	2012
	$	$
PLANT AND EQUIPMENT		
- at cost	216,123	216,123
- accumulated depreciation	(199,780)	(190,625)
Total plant and equipment	16,343	25,498

MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amount for each class of plant and equipment between the beginning and the end of the current financial year:

	PLANT AND EQUIPMENT	TOTAL
	$	$
Balance at 30 June 2013		
Balance at the beginning of the year	25,498	25,498
Depreciation expense	(9,155)	(9,155)
Carrying amount at the end of 30 June 2013	16,343	16,343
Balance at 30 June 2012		
Balance at the beginning of the year	13,501	13,501
Additions	22,500	22,500
Depreciation expense	(10,503)	(10,503)
Carrying amount at the end of 30 June 2012	25,498	25,498

7 OTHER ASSETS

	2013	2012
	$	$
CURRENT		
Prepayments	33,085	37,005
	33,085	37,005

8 EXPLORATION EXPENDITURE

	2013	2012
	$	$
Balance at beginning of the year	4,024,539	2,646,538
Expenditure during the year	381,928	1,378,001
Written off exploration expenditure	(2,742,143)	-
	1,664,324	4,024,539

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 year, the Company has identified that there are 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 reviewed the contemplated write down of $2,742,144 during the current year in the Statement of Profit or Loss and Other Comprehensive Income and approved it.

9 TRADE AND OTHER PAYABLES

	2013	2012
	$	$
CURRENT		
Trade payables – unsecured	112,049	39,805
Other payables – unsecured	71,595	24,371
	183,644	64,176

All trade payables are non-interest bearing and are normally settled on 30 day terms.

The company's exposure to risks arising from trade and other payables is disclosed in note 15.
The carrying amounts of trade and other payables approximate the fair values.

10 PROVISIONS

	2013	2012
	$	$
Employee benefits	21,662	17,682
	21,662	17,682

11 ISSUED CAPITAL

	2013 $	2012 $
349,032,224 (2012: 346,532,224) fully paid ordinary shares	20,297,619	20,267,619
Share issue costs	(1,523,813)	(1,523,813)
	18,773,806	18,743,806

ORDINARY SHARES

	DATE	NUMBER	$
Balance at the beginning of the year	**1 July 2011**	217,978,005	17,657,403
Shares issued to Zulu Capital 1 Share on Conversion of Convertible Note @ $0.023		13,043,478	300,000
Right Issue 1 for 2 @$0.02		115,510,741	2,310,216
Capital raising cost		-	(1,523,813)
Balance at the end of the year	**30 June 2012**	**346,532,224**	**18,743,806**
Balance at the beginning of the year	**31 July 2012**	346,532,224	18,743,806
Share-based payments to KMP (i)		2,500,000	30,000
Balance at the end of the year	**30 June 2013**	349,032,224	18,773,806

(i) Refer to Note 22 for details of the share-based payment

OPTIONS

A summary of the movements of all company options issued is as follows:

	NUMBER	WEIGHTED AVERAGE EXERCISED PRICE $
Options outstanding as at 30 June 2011	12,900,000	0.15
Granted	1,000,000	0.05
Expired	(500,000)	0.20
Options outstanding (vested and exercisable) as at 30 June 2012	13,400,000	0.14
Granted	-	-
Expired	(3,000,000)	0.05
Options outstanding (vested and exercisable) as at 30 June 2013	10,400,000	0.16

The weighted average remaining contractual life of options outstanding at year end was 1.09 years.

11 Issued Capital (continued)

Date	Details	Number of Options
1 July 2011	Opening balance	**77,377,128**
17 October 2011	Rights Issue	13,043,478
13 December 2011	Directors' incentives	1,000,000
22 March 2012	Options expired	(500,000)
Balance at 30 June 2012		**90,920,606**
31 December 2012	Options expired	(34,781,476)
Balance at 30 June 2013		**56,139,130**

(ii) For information relating to share options issued to key management personnel, refer to Note 17.

Capital Risk Management

The board controls the capital of the company in order to maintain a good debt to equity ratio, ensure the company can fund its operations and continue as a going concern.

The company's debt and capital includes ordinary shares and financial liabilities.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2013 and 30 June 2012 are as follows:

	2013	2012
	$	$
Cash and cash equivalents	1,823,034	1,519,924
Trade and other receivables	6,353	1,034,000
Trade and other payables	(183,644)	(64,176)
Working capital position	1,645,743	2,489,748

There are no externally imposed capital requirements.

The board effectively manages the company's capital by assessing the financial risks and adjusting its capital structure in response to changes in risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

12 RESERVES

(A) OPTION RESERVE

	2013 $	2012 $
Opening balance	1,253,415	1,242,479
Option expenses	-	10,936
Closing balance	1,253,415	1,253,415

(B) NATURE AND PURPOSE OF OTHER RESERVES

Share - based payments

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of shares issued to employees

13 EARNINGS/(LOSS) PER SHARE

	2013 $	2012 $
Earnings/(Loss) used to calculate basic EPS	(3,251,275)	133,622
Earnings/(Loss) used in calculation of dilutive EPS	(3,251,275)	133,622

Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2013 NUMBER	2012 NUMBER
Weighted average number of ordinary shares outstanding during the year - No. used in calculating basic EPS	347,988,268	287,417,146
Weighted average number of ordinary shares outstanding during the year - No. used in calculating diluted EPS	347,988,268	378,337,752

14 CAPITAL AND LEASING COMMITMENTS

LEASE COMMITMENTS

	2013	2012
	$	$
Payable - lease payments:		
- not later than 12 months	106,195	100,545
- between 12 months and 5 years	-	104,567
	106,195	205,112

CAPITAL EXPENDITURE COMMITMENTS

	2013	2012
Payable:		
- not later than 12 months	189,942	318,586
- between 12 months and 5 years	163,860	238,342
- greater than 5 years	10,393	12,464
	364,195	569,392

15 FINANCIAL RISK MANAGEMENT

Financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2013 $	2012 $
Financial Assets			
Cash and cash equivalents	4	1,823,034	1,519,924
Trade and other receivables - current	5	6,353	1,034,000
Trade and other receivables - non-current	5	4,263,283	4,263,283
Total Financial Assets		6,092,670	6,817,207
Financial Liabilities			
Trade and other payables	9	183,644	64,176
Total Financial Liabilities		183,644	64,176

The carrying amounts of these financial instruments approximate their fair values.

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

FINANCIAL RISK MANAGEMENT POLICIES

Exposure to key financial risks is managed in accordance with the Company's risk management policy with the objective to ensure that the financial risks inherent in mineral exploration activities are identified and then managed or kept as low as reasonably practicable.

The main financial risks that arise in the normal course of business are market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments for exploration expenditure. Exposure to liquidity risk is limited by anticipating liquidity shortages and ensures capital can be raise in advance of shortages. Interest rate risk is managed by limiting the amount interest bearing loans entered into by the company. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit expose to price risk.

Primary responsibility for identification and control of financial risks rests with the Company Secretary, under the authority of the Board. The Board is appraised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial instrument are disclosed in Note 1 to the financial statements. The carrying values less the impairment allowance for receivables and payables are assumed to approximate fair values due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

(A) CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the company.

The company has no customers and consequently no significant exposure to bad debts or other credit risks.

With respect to credit risk arising from financial assets, which comprise cash and cash equivalents and receivables, the exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. At reporting date cash and deposits were held with National Australia Bank, which has a AAA credit rating.

The fair value of receivables use inputs that, if not based on observable market data, is included in level 3. This is the case for the receivable from SR Mining Pty Ltd. The Company has used Net Present Value method (NPV) and an annual discount rate of 6.5% to calculate the net present value of the receivables.

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) LIQUIDITY RISK

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the company's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the company monitors its ongoing research and development cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The company has no undrawn financing facilities. Trade and other payables, the only financial liability of the company, are due within 3 months.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	WITHIN 1 YEAR		**1 TO 5 YEARS**		**TOTAL CONTRACTUAL CASH FLOW**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment						
Trade and other payables	183,644	64,176	-	-	183,644	64,176
Total contractual outflows	183,644	64,176	-	-	183,644	64,176
Total expected outflows	183,644	64,176	-	-	183,644	64,176
Financial assets - cash flows realisable						
Trade and other receivables	6,353	334,000	4,263,283	4,263,283	6,000,000	6,700,000
Total anticipated inflows	6,353	334,000	4,263,283	4,263,283	6,000,000	6,700,000
Net (outflow)/inflow on financial instruments	(177,291)	269,824	4,263,283	4,263,283	5,816,356	6,635,824

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) MARKET RISK

i. Interest rate risk

The company's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. At reporting date, the company does not have any borrowings. The company does not enter into hedges. An increase/ (decrease) in interest rates by 1% during the whole of the respective periods would have led to an increase/ (decrease) in both equity and losses of less than $10,000. 1% was thought to be appropriate because it represents four 0.25 basis point rate rises/falls, which is appropriate in the recent economic climate.

The trade and other receivable relates to consideration on the sale of Bundarra and Great Western Tenements to S R Mining. The receivable amount of $6,000,000 has been discounted at an annual rate of 6.75% (see note 5). An increase/ (decrease) in the discount rate by 1% during the whole of the respective periods would have led to an increase/ (decrease) in both equity and losses of $205,549 and ($191,437).

ii. Price risk

Price risk relates to the risk that the commodity price of the underlying resource being targeted by the company's exploration activities should fluctuate. Management does not currently hedge nor participate in diversification of the type of minerals explored for in an attempt to mitigate the price risk.

16 OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE SEGMENTS

Terrain Minerals Limited has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The board has determined that the company has one reportable segment, being mineral exploration in Western Australia.

	2013 $	2012 $
Revenue from external sources	-	442,670
Reportable segment profit	-	442,670
Reportable segment assets	8,084,193	10,904,249
Reportable segment liabilities	205,307	81,858

16 OPERATING SEGMENTS (CONTINUED)

Reconciliation of reportable segment profit or loss	2013 $	2012 $
Reportable segment profit	-	442,670
Other profit	115,430	372,330
Unallocated:		
- Corporate expenses	(624,562)	(681,378)
- Exploration expenditure written off	(2,742,143)	-
Profit / (loss) before tax	(3,251,275)	133,622

17 INTERESTS OF KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of Terrain Minerals Limited's key management personnel for the year ended 30 June 2013.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2013 $	2012 $
Short-term employee benefits	368,085	339,216
Post-employment benefits	23,960	22,330
Share-based payments	30,000	10,936
	422,045	372,482

17 INTERESTS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

KEY MANAGEMENT PERSONNEL OPTIONS AND RIGHTS HOLDINGS

The number of options over ordinary shares held by each key management person of Terrain Minerals Limited during the financial year is as follows:

30 JUNE 2013	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNER-ATION DURING THE YEAR	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR	VESTED DURING THE YEAR	VESTED AND EXERCISABLE
Mr Richard Sandner[1]	1,900,000	-	-	(400,000)	1,500,000	-	1,500,000
Mr Jonathan Lim	1,500,000	-	-	(500,000)	1,000,000	1,000,000	1,000,000
Mr Alan Coles[2]	1,000,000	-	-		1,000,000	-	1,000,000
Mr Paul Dickson	1,736,445	-	-	(736,445)	1,000,000	1,000,000	1,000,000
Mr Justin Virgin[3]	-	-	-	2,173,914	2,173,914	2,173,914	2,173,914
Mr Ian Hobson	400,000	-	-		400,000	400,000	400,000
	6,536,445	-	-	537,469	7,073,914	4,573,914	7,073,914

30 JUNE 2012	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNER-ATION DURING THE YEAR	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR	VESTED DURING THE YEAR	VESTED AND UNEXERCISABLE
Mr Richard Sandner	1,900,001	-	-	-	1,900,001	-	1,900,001
Mr Jonathan Lim	1,500,000	-	-	-	1,500,000	-	1,500,000
Mr Alan Coles	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
Mr Paul Dickson	1,736,445	-	-	-	1,736,445	-	1,736,445
Mr Ian Hobson	400,000	-	-	-	400,000	-	400,000
	5,536,446	1,000,000	-	-	6,536,446	1,000,000	6,536,446

[1] – Balance at the end of year represents resigned directors' shareholding as the date of resignation (8 November 2012)

[2] – Balance at the end of year represents resigned directors' shareholding as the date of resignation (7 June 2013)

[3] – Mr. Justin Virgin was appointed as director for terrain minerals at 31 July 2012

17 INTERESTS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

The number of ordinary shares in Terrain Minerals Limited held by each key management person of Terrain Minerals Limited during the financial year is as follows:

	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR
30 June 2013					
Mr Richard Sandner[1]	3,000,001	-	-	-	3,000,001
Mr Jonathan Lim	73,135,419	-	-	-	73,135,419
Mr Alan Coles[2]	-	2,500,000	-	500,000	3,000,000
Mr Paul Dickson	1,812,837	-	-	-	1,812,837
Mr Justin Virgin[3]	-	-	-	9,370,000	9,370,000
Mr Ian Hobson	-	-	-	-	-
	77,948,257	2,500,000	-	9,870,000	90,318,257

	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR
30 June 2012					
Mr Richard Sandner	2,000,001	-	-	1,000,001	3,000,002
Mr Jonathan Lim	34,150,202	-	-	38,985,217	73,135,419
Mr Alan Coles	-	-	-	-	-
Mr Paul Dickson	1,208,558	-	-	604,279	1,812,837
Mr Ian Hobson	-	-	-	-	-
	37,358,761	-	-	40,589,497	77,948,258

1 – Balance at the end of year represents resigned directors' shareholding as the date of resignation (8 November 2012)
2 – Balance at the end of year represents resigned directors' shareholding as the date of resignation (7 June 2013)
3 – Mr. Justin Virgin was appointed as director for terrain minerals at 31 July 2012

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with key management personnel, refer to Note 20: Related Party Transactions.

18 AUDITORS' REMUNERATION

	2013	2012
	$	$
Remuneration of the auditor of the company for:		
BDO Audit (WA) Pty Ltd - auditing or reviewing the financial report	34,519	37,891
BDO Corporate Tax (WA) Pty Ltd - taxation services	11,122	8,670
	45,641	46,561

19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no change in contingent liabilities since the last annual reporting date.

20 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.

Service Agreement with Wolfstar Group Pty Ltd ("Wolfstar Group")

On 1 July 2013, the Company engaged Wolfstar Group Pty Ltd ("Wolfstar Group") to appoint Jay Stephenson as Company Secretary 6 months from 1 July 2013. WCM is a related party of the Company by virtue of it being controlled by Jay Stephen Wolfstar Group is entitled to a monthly fee of $5,000 (plus GST). The Company will reimburse Wolfstar Group for all reasonable out-of-pocket expenses incurred including, but not limited to, photocopying, facsimile, longer distance telephone, delivery services and travelling expenditure as required.

This service agreement may be terminated at any time by either party giving one month's written notice to the other party.

21 CASH FLOW INFORMATION

(A) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT /(LOSS) AFTER INCOME TAX

	2013	2012
	$	$
Net income/(loss) for the year	(3,251,275)	133,622
Cash received on sale of exploration assets	-	(442,670)
Other income	(10,520)	(80,774)
Non-cash flows in profit/(loss)		
Depreciation	9,155	10,503
Share based payments	30,000	10,936
Exploration written off	2,742,143	-
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	338,168	(469,584)
(Increase)/decrease in prepayments	3,920	5,627
Increase/(decrease) in trade payables and accruals	49,812	-
Increase/(decrease) in provisions	3,980	9,132
	(84,617)	(823,206)

(B) NON-CASH INVESTING ACTIVITIES

During the year, the Company issued Mr Alan Coles 2.5m shares at $0.012 per share as part of his remuneration package.

22 SHARE-BASED PAYMENTS

During the year, the Company issued Mr Alan Coles 2.5m shares at $0.012 per share as part of his remuneration package. Details of expenses arising from share based payments are detailed in note 2

The Company has made one share based payment comprising options issued last financial year. The tranche was granted to Mr Alan Coles the Managing Director of the company on 13 December 2011. The options were valued under the Black Scholes option valuation model using the following inputs.

Number of options:	1,000,000	Risk free interest rate:	4.25%
Exercise price:	$0.05	Share price at date of issue:	$0.05
Expected exercise price:	30 November 2013	Expected volatility:	100%
Each option was valued at:	$0.01		

23 EVENTS AFTER THE END OF THE REPORTING DATE

On 16 July 2013, Mr. Jay Stephenson has been appointed as the Company Secretary following with the resignation of Mr Ian Hobson.

On 24 July 2013, the Company announced that it had secured a Farmin partner for the Mt Andrew Project in the Fraser Range Western Australia.

On 25 July 2013, the Company participated in a share placement with ASX listed company, Ashburton Minerals for $120,000 at $0.002 for 60,000,000 ordinary shares. These funds will be applied to the Mt Andrew work program, to corporate costs and to general working capital.

No other matters or circumstances have arisen since the end of the financial 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 in future financial years.

24 COMPANY DETAILS

The registered office and principal place of business of the company is:

Terrain Minerals Limited
Level 4, 66 Kings Park Road
West Perth WA 6005
PO Box 79, West Perth WA 6872

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2013

In accordance with a resolution of the directors of Terrain Minerals Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 22 to 57, are in accordance with the *Corporations Act 2001* and:
    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
    b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the 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; and
3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s.295(5) of the Corporations Act 2001 and is signed for and on behalf of the Directors by:

Paul Dickson

Acting Chairman

Dated: 27 September 2013

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Fax: +8 6382 4601
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Subiaco, WA 6008
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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Terrain Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Terrain Minerals Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Terrain Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Terrain Minerals Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Terrain Minerals Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Peter Toll

Director

Perth, Western Australia

Dated this 27th day of September 2013.

ASX INFORMATION

FOR THE YEAR ENDED 30 JUNE 2013

The following additional information is current as at 26 September 2013.

Substantial shareholders

Name	Units	% of Units
Jonathan Lim / Grande Pacific Ltd	73,135,419	21.1

Range of Holding – ordinary shares	Holders	Shares
1-1,000	27	3,901
1,001-5,000	23	82,524
5,001-10,000	47	432,412
10,001 - 100,000	297	14,513,293
100,001 – 9,999,999,999	318	334,000,094
	712	349,032,224

There are 314 shareholders with less than a marketable parcel.

Voting Rights

Each fully paid ordinary share carries voting rights of one vote per share.

The top 20 holders of ordinary shares are:

Rank	Name	Units	% of Units
1.	GRANDE PACIFIC LTD	26,536,223	7.60
2.	MR JONATHAN KENG HOCK LIM	24,689,081	7.07
3.	MR KENG HOCK JONATHAN LIM	21,910,115	6.28
4.	MR JOHANNES Y LIN	15,811,626	4.53
5.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,044,978	3.74
6.	ARMCO BARRIERS PTY LTD	9,500,000	2.72
7.	MS GIOVANNA LINA GAN	9,400,000	2.69
8.	MR BOON KHENG ONG	8,070,569	2.08
9.	MR JUSTIN ANTHONY VIRGIN <J VIRGIN T/A STOCKFEED A/C>	7,250,000	2.08
10.	DAMERE PTY LTD <WALKER SUPER FUND ACCOUNT>	5,700,000	1.63
11.	MR ANTHONY GUAN CHEOW SOH	4,422,858	1.27
12.	MR SIN JEN HWANG	3,500,000	1.00
13.	WESTROCK HOLDINGS PTY LTD <THE WEST SUPER FUND A/C>	3,230,434	0.93
14.	MR VINCENZO BRIZZI + MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F A/C>	3,214,000	0.92
15.	SKYCROSS PTY LTD <THE SKYCROSS SUPER FUND A/C>	3,176,000	0.91
16.	MR BARRY CLIVE ROBINSON + MS ANGELA HUI LI TEOH <MORGAN QUEST SUPER FUND A/C>	3,100,000	0.89
17.	MAX CAMERON SUPERANNUATION PTY LTD <MAX CAMERON S/F A/C>	3,000,000	0.86
18.	MR WILLIAM JENSEN + MRS MARILYN G JANSEN <W & MG JANSEN S/F A/C>	2,864,997	0.82
19.	MR RICHARD KELLER <THE KELLER SUPER FUND A/C>	2,800,000	0.80
20.	TOP PLAIN PROPERTIES PTY LTD	2,708,336	0.78
Totals: Top 20 holders of ORDINARY SHARES (TOTAL)		**173,929,217**	**49.6**

Unquoted equity securities

46 holders of 46,239,130 options to acquire ordinary shares at an exercise price of 5 cents and expiring 5 April 2014 – No one holder holds more than 20%

The following unlisted options have been issued under the Terrain Minerals Ltd Employee Share Option Plan

d 1 holder of 1,500,000 options to acquire ordinary shares at an exercise price of 20 cents and expiring 30 November 2013

e 3 holders of 1,900,000 options to acquire ordinary shares at an exercise price of 11 cents and expiring 8 October 2014

f 6 holders of 5,500,000 options to acquire ordinary shares at an exercise price of 18 cents and expiring 30 November 2014

g 1 holder of 1,000,000 options to acquire ordinary shares at an exercise price of 5 cents and expiring 30 November 2013

INTERESTS IN TENEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

The Company has an interest in the following tenements:

Project	Tenement	Interest	Comment
East Kambalda	E26/97	100%	
Bundarra	M37/489	0%	Hold the right to carry Exploration and prospecting activities for hard rock deposit pursuant to an agreement with the holders.
	P37/7212	100%	
	P37/7213	100%	
	P37/7214	100%	
	P37/7215	100%	
	P37/7216	100%	
Black Cat	E37/667	60%	60% equity held. Earning a further 15% to a total of 75% equity through expenditure.
	L37/126	60%	
	M37/326	60%	
	M37/382	60%	
	M37/480	60%	
	P37/7202	60%	
	P37/7203	60%	
	P37/7204	60%	
	P37/7205	60%	
	P37/7208	60%	
	L37/126	60%	
Dodgers Well	P37/6950	100%	
	P37/7741	100%	
	P37/7742	100%	
	P37/8279	100%	
	P37/8280	100%	
	P37/8281	100%	
Dodger South	E37/1142	100%	