



TERRAIN MINERALS LTD
ABN 45 116 153 514
ASX: TMX

**ANNUAL FINANCIAL REPORT
30 JUNE 2025**

TERRAIN MINERALS LIMITED

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FOR THE YEAR ENDED 30 JUNE 2025

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TERRAIN MINERALS LIMITED CORPORATE DIRECTORY

Terrain Minerals Limited Board

Justin Virgin

Executive Director

Jason Macdonald – Appointed 1 July 2024

Non-Executive Director

Johannes Lin

Non-Executive Director

Xavier Braud - Resigned 1 July 2024

Non-Executive Director

Melissa Chapman and Catherine Grant-Edwards

Company Secretaries

Share Register

Computershare Investor Services Pty Ltd

Level 17

221 St Georges Terrace

Perth WA 6000

Telephone: +61 8 9323 2000

Facsimile: +61 8 9323 2033

Auditor

Dry Kirkness (Audit) Pty Ltd

Ground Floor

50 Colin Street

West Perth WA 6005

Solicitors

Steinepreis Paganin

Level 4, The Read Building

16 Milligan Street

Perth WA 6000

House Legal

86 First Avenue

Mt Lawley WA 6050

Banker

NAB

100 St Georges Terrace

Perth WA 6000

Stock Exchange

Terrain Minerals Ltd shares are

listed on the Australian Securities Exchange

Ordinary fully paid shares (ASX code TMX)

Principal and Registered office in Australia

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West Perth, WA 6005

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Telephone: +61 8 9381 5558

Email: terrain@terrainminerals.com.au

Website: www.terrainminerals.com.au

TERRAIN MINERALS LIMITED

LETTER TO SHAREHOLDERS

FOR THE YEAR ENDED 30 JUNE 2025

Dear Shareholders,

It is with great pleasure that I present the Annual Report of Terrain Minerals Limited (ASX: TMX, or 'the Company') for the financial year ending 30 June 2025.

Terrain has continued to forge forward through a difficult 2025 financial year, navigating a challenging economic environment and ongoing geopolitical instability, which has made raising exploration funding difficult. Despite these headwinds, Terrain has remained focused on advancing our 100% owned portfolio spread across various commodities including Gold, Gallium/REE & Copper and Lithium exploration projects. It was a busy year on the exploration front, with all activities carried out with no safety or environmental incidents. Exploration activities included a V-TEM arial survey, Drilling: 71 holes for 1,710m Air-core and 44 holes for 7,574m RC across two projects, with encouraging results that are being advanced forward.

The ability to secure strategic funding during volatile conditions and maintain active exploration across multiple fronts is a testament to the team's hard work and the continuing support of our shareholders who are our strongest backers. Notably, all board members also participated personally in the recent rights issue, with some board members also underwriting the issue personally.

Terrain has remained committed to growing value through continued strategy of rigorous and systematic exploration. The standout progress this year has come from our flagship Smokebush Gold & Silver Project, where drilling delivered highly encouraging results. The Lightning and Monza (parallel structures), are the company's most advanced targets, with the January 2025 drilling based on our new IP model giving highly encouraging results (see ASX release 31 March 2025):

- 11m @ 6.03 g/t gold and 43.5 g/t silver from 75m (SBRC063 – Lightning)
- 3m @ 6.12 g/t gold from 26m (SBRC064 – Lightning)
- 5m @ 3.77 g/t gold from 180m (SBRC065 – Monza)

The follow-up RC drill campaign that commenced in May 2025 was expanded twice to 4,495m, for 22 holes, testing both known and new zones of mineralisation, with results expected in late September 2025. The first hole back from this drilling excitingly returned, **22m @ 2.71 g/t gold from 105m downhole** (hole SBRC074), this hole only targeted the Lightning structure and suggests, at this early stage, that the Lightning & Monza Gold Prospect has the potential to host thick zones of gold mineralisation (see ASX release 02 September 2025).

In parallel with drilling, other exploration continues over other earlier stage targets at Smokebush with preparations underway the second induced polarisation (IP) survey over Wildflower prospect, following up earlier mapping and drilling intercepts and refining our exploration model across the Smokebush project.

Progress at our Larin's Lane Gallium Oxide and Rare earth elements (REE) Project has also been significant. Metallurgical test work, conducted as part of Western Australian (WA) governments funded MRIWA Research Project M10528 in partnership with Curtin University, is now underway, with initial results anticipated in December 2025. With Gallium recognised as a critical mineral, we believe this project is strongly positioned to benefit from increasing global strategic interest.

Importantly, the Biloela Copper & Gold Project in Queensland was granted during the year following a protracted approvals process. The Biloela tenements, located adjacent to the Cracow Gold Mine, present another exciting long-term opportunity for the Company.

From a corporate perspective, Terrain raised approximately \$3.2 million during the year through a combination

TERRAIN MINERALS LIMITED

LETTER TO SHAREHOLDERS

FOR THE YEAR ENDED 30 JUNE 2025

of well-supported shareholder placements and a right issue. This funding ensured Terrain could progress its exploration strategy in line with its stated plans.

Terrain has continued to advance its marketing strategy aiming to lift communication activities to further increase and broaden investor awareness to a higher level in Australia but also to potential larger audience in selective international markets by participating in high-profile conferences to strengthen relationships with institutional investors, analysts, and strategic stakeholders.

As part of the new communication strategy the recent listing on the Frankfurt Stock Exchange (FRA: T4Y) helps expand Terrain's profile and allows European investors easier access to invest in the Company.

Terrain continues to operate with a lean and focused team, as we prepare for what is expected to be a transformative FY26, Terrain's small team of specialties remains focused and committed to delivering exploration programs and opportunities that offers investors potential to large scale opportunities within future facing commodities.

Looking ahead, the Company is focused on trying to deliver a maiden Mineral Resource Estimate at Lightning-Monza by mid-2026. Concurrently, metallurgical studies at Larin's Lane and Lort River and geophysical targeting at Wildflower are expected to further define our exploration roadmap across multiple projects and commodities including our new and emerging projects.

On behalf of the Board and management, I would like to express my gratitude to our shareholders, consultants, and stakeholders for their efforts and dedication in challenging conditions as we continue to roll out exploration activities with the sole aim of wealth creation through discovery.

Yours sincerely,



Justin Virgin
Executive Director

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The Directors present the financial report of Terrain Minerals Limited (**Terrain** or the **Company**) for the financial year ended 30 June 2025. To comply with the provisions of the Corporations Act 2001, the Directors' Report is 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:

Current Directors

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

COMPANY SECRETARIES

Ms Melissa Chapman (*Certified Practising Accountant (CPA), AGIA/ACIS, GAICD*) and Ms Catherine Grant-Edwards (*Chartered Accountant (CA)*) are directors of Bellatrix Corporate Pty Ltd (**Bellatrix**), a company that provides company secretarial and accounting services to a number of ASX listed companies. Between them, Ms Chapman and Ms Grant-Edwards have over 30 years of experience in the provision of accounting, finance and company secretarial services to public listed resource and private companies in Australia and the UK, and in the field of public practice external audit.

PRINCIPAL ACTIVITIES

The principal activities of Terrain consisted of exploration for economic commodities, including gold, gallium, and base metals, as well as other economic minerals. Current projects are domiciled in Western Australia and Queensland, though other jurisdictions around the world may also be considered. There has been no significant change in activities during the year.

OPERATING RESULTS

The loss of the company for the year ended 30 June 2025 from ordinary activities after providing for income tax amounted to \$1,710,061 (30 June 2024: loss of \$1,515,601).

REVIEW OF OPERATIONS

Terrain Minerals Limited (Terrain or the Company) is a diversified exploration company dedicated to the discovery and delineation of advanced Gold, Gallium, and Rare Earth Elements (REE) targets, alongside advancing its portfolio of copper and lithium projects. While the Company is primarily focused on projects in Western Australia and Queensland, it is actively evaluating opportunities in other regions of Australia as well as international jurisdictions, including Africa, Europe, and the Americas, across a range of commodities.

Throughout the financial year, the Company has made significant progress toward its goals, maintaining a strong commitment to its strategic end goal of creating substantial wealth for its shareholders by continuing to systematically advance its current assets.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Terrain has established a solid track record of exploration success and strategic decision-making. With ongoing exploration initiatives and a keen focus on identifying, testing and advancing high-potential projects, the Company is well-positioned to drive future growth and deliver continued value to its shareholders from its existing portfolio of exciting exploration projects.

Smokebush 100% - Gold Smokebush Gold Project is located ~350km north of Perth, Western Australia and within the same interpreted geological setting as the historic Golden Dragon and Minjar (Warriedar Resources) gold mining operations. Terrain continues to advance exploration at the Lightning and Monza targets, drilling several RC campaigns during the year, uncovering high-grade gold and silver mineralisation across multiple holes which successfully used the IP survey data for drill targeting. Terrain also conducted successful first pass drilling over the Wildflower area and is planning an IP survey over the area. Looking ahead, results from the May 2025 RC drilling campaign are expected in late September 2025, with further drilling planned and a maiden Mineral Resource estimate being worked towards for early to mid-2026.

Smokebush 100% - Gallium & Rare Earths the Larin's Lane Gallium and Rare Earths Project, located within the Company's 100% Smokebush tenement package. Larin's Lane Gallium Project, located in Western Australia's emerging Midwest clay-hosted REE district, and sits within a unique geological setting. The company has established a JORC-compliant exploration target over 5% of the 27km² target area. With drill sample material part of a WA government MRIWA funded metallurgy study at Curtin University, assessing the recovery of gallium, REEs, and other critical minerals. Metallurgy study results are due back in December 2025. Terrain intends to do further drilling in FY26 to define an Indicated Mineral Resource and aims to produce an end product for industry testing and to advance partnership discussions, subject to successful metallurgical studies outcomes.

Biloela 100% - Gold & Copper The Biloela Gold and Copper Project is located 400km northwest of Brisbane, Queensland and situated on a 2,462km² area and sits within a geologically rich province, hosting seven historic mines and ten additional mineralisation occurrences. Independent review has confirmed intrusion-related, VMS, porphyry, and epithermal gold-copper systems, exist across multiple prospects within the Biloela/Cracow region.

Lort River 100% - REE The Lort River Project, located in the Albany-Fraser Belt 50km from the town of Esperance, Western Australia, spans 81km² and benefits from proximity to major mining infrastructure. The project has confirmed potential for high-demand magnet rare earths, including Neodymium and Praseodymium. Early drilling results have returned significant TREO intersections, and accelerated exploration plans, a soil regolith map is being assembled from the Company's recent V-TEM survey data, which will be followed by air-core drilling. Terrain has also submitted Lort River REE samples as part of the State government funded MIRWA metallurgical testing via Curtin University.

Carlindie 100% Lithium & Gold Project (several tenements still pending grant) strategically located between Wildcat Resources (ASX: WC8) and Kali Metals (ASX: KM1) tenements in the East Pilbara of Western Australia. The Company has prioritised the granting of its Carlindie 1,135km² tenement package. Several tenements of the Carlindie areas have recently been granted, and ground-based exploration activities are expected to commence in late 2025.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Capital Raising Terrain completed three successful capital raisings in FY25, raising a total of \$3,229,858 to fund its exploration and project development initiatives:

- \$1,045,074 placement in July 2024
- \$600,011 placement in January 2025
- \$1,584,773 placement and a rights issue in April–June 2025

The majority of funds raised from all placements and the rights issue were done independently without brokers and received strong support from shareholders with all board members taking up their full entitlements in the rights offer, valued at \$218,048. In addition, the directors partially underwrote the shortfall in the rights issue, with Mr Justin Virgin contributing \$100,000 and Mr Jason Macdonald contributing \$15,000. This strategy minimised external costs and ensured that capital was allocated efficiently to high priority exploration activities.

In FY2025, the Board of Directors collectively contributed \$333,048, demonstrating strong leadership and reinforced their strategic commitment to supporting the Company's exploration program.

Exploration Funding - Placement & Non-renounceable rights issue (Entitlement Offer)

On 25 July 2024, the Company issued 314,358,130 shares at an issue price of \$0.0030 per share raising \$943,074 (before expenses). As part of the same placement, Executive Director Mr Justin Virgin subscribed 34,000,000 shares at \$0.003 per share contributing \$102,000 (before expenses). The company successfully raised \$1,045,074 (before expenses) in the July 2024 placement. The Company also issued 20,000,000 shares at an issue price of \$0.0030 per share to Mungala Investments Pty Ltd as payment for six months of promotional consulting services valued at \$60,000 (exclusive of GST). Promotional agreement was terminated early.

In December 2024, Terrain entered into four separate land access agreements, each involving a payment of \$8,000 (exclusive of GST). This payment covers landholders' legal expenses, access for the electromagnetic (EM) survey, and the initial drilling phase at the Lort River Project. The total payment across all four agreements amounts to \$32,000. All landholders have chosen to receive their payment in Terrain shares, with each receiving 2,666,666 fully paid ordinary shares at an issue price of \$0.0030 per share (a total of 10,666,666 shares was issued on 19 December 2024).

On 30 January 2025, the Company issued a total of 192,861,133 shares. This comprised a strategic sophisticated investors placement of 150,003,990 shares at \$0.0030 per share, raising \$450,011.97 (before costs), and the placement of 42,857,143 shares to institutional investor at \$0.0035 per share, raising \$150,000 (before costs). Terrain facilitated a large portion of this raising with Leeuwin Wealth, an AFSL holder, badging the offer and received a 6% fee on the amount they raised.

On 2 and 12 May 2025, the Company issued a total of 245,000,000 placement shares at \$0.0030 per share, raising \$735,000 (before costs). This placement was company led and placed to existing shareholders who are sophisticated investors. No AFSL holder was engaged in the process.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Exploration Funding - Placement & Non-renounceable rights issue (Entitlement Offer)

On 12 May 2025, the Company has undertaken a pro-rata non-renounceable entitlement issue of one share for every 3.7 shares held by eligible shareholders, at an issue price of \$0.003 per share to raise up to \$1,800,000. This offer included one free-attaching option for every one new share subscribed and issued. The options are exercisable at \$0.005 and expire on 17 June 2027. On 24 June 2025, the Company issued 283,257,672 new shares under this Rights Issue Offer, raising \$849,773 (before cost), together with 283,257,672 free-attaching options (exercisable at \$0.005 each expiring 17 June 2027).

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Smokebush - 100% Exploration - Gallium, REE & Gold

Ownership : 100% Terrain Minerals Limited

Size : ~1,254 hectares

Background : Terrain's Smokebush Gold Project is positioned within the same geological corridor that hosts the historic Golden Dragon and Minjar gold mining operations (now Warriedar Resources). This project also shows similarities to the Rothsay Mine that owned by Vault Minerals. Smokebush encompasses both Gold and Gallium focused projects.

Incorporates the following sub-projects:

Gold Targets : Lightning & Monza, Wildflower and area, including Cota, W3, and T16 targets.

Gallium Project: Larin's Lane, Gallium oxide (sand/regolith) Project

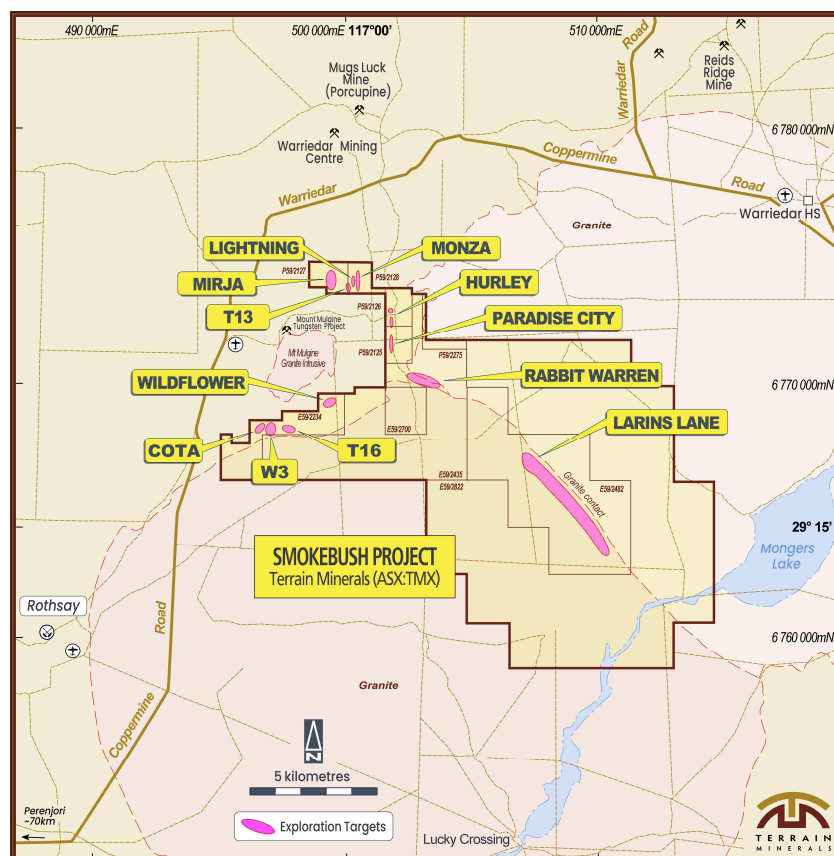


Diagram 1: Smokebush tenements and location of priority gold target, also including the Larin's Lane Gallium Project.

Location & Access : The Smokebush Project (100% owned) is located approximately ~350km from Perth Western Australia and 85 kilometres east northeast of the Perenjori township and 65 kilometres west of Payne's Find. The project is contained within contiguous licenses enclosing a total area of approximately 1,254 hectares. Additional areas have also been pegged and granted and are 100% owned. The tenements can be accessed via the unsealed Perenjori - Warriedar Road, and via extensive historical exploration grid lines, station tracks and fence lines.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Smokebush Project – Gold, Silver and Gallium

Overview : The Lightning, 600m long IP anomaly/target (see ASX release 2 & 22 May 2023), sits west 50m parallel to the Monza structure, which is currently 700m long. These extensions suggest a significantly larger mineralised system than previously modelled. The impressive drill intersections reinforce the effectiveness of Terrain's new IP-driven exploration model and indicate the potential presence of multiple mineralising events.

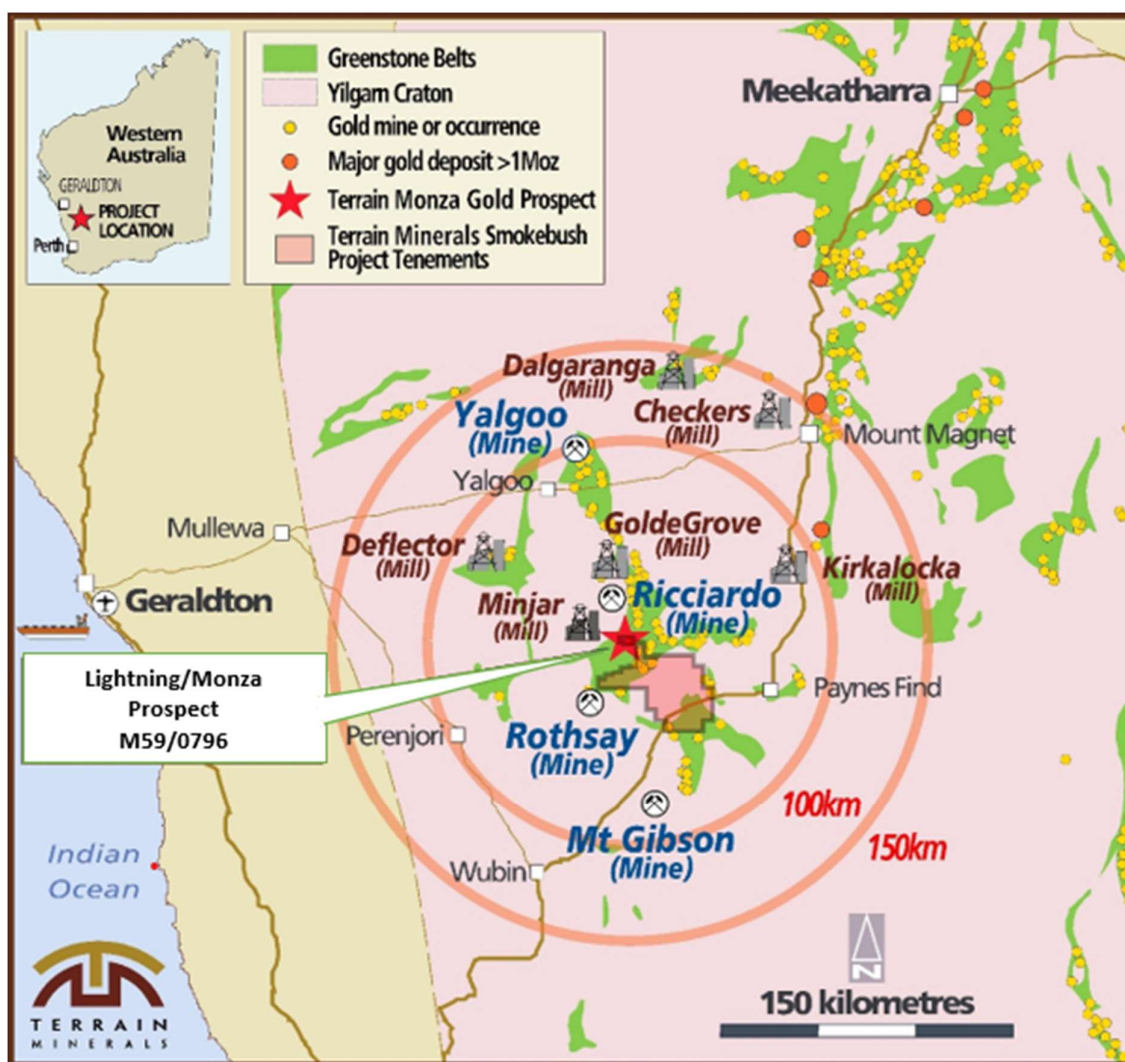


Diagram 2: Location of other mining operations to Terrain's Smokebush Gold Prospect.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

FY25 Exploration (Gold): Drilling activity commenced again in May 2025 at the Lightning prospect where a 600-meter IP anomaly was confirmed, supported by high-grade intersections:

- 11 meters at 6.03 g/t Au and 43.5 g/t silver from 75 meters (hole SBRC063), and
- 3 meters at 6.12 g/t Au from 26 meters (hole SBRC064),

The Monza prospect has demonstrated a 700-meter strike length that remains open along both strike and depth. Down-plunge exploration has uncovered high-grade mineralisation, including:

- 5 meters at 3.77 g/t Au from 180 meters (hole SBRC065)

Note: JORC information on above results see ASX release 31 March 2025.

There is also potential for new parallel structures and shear zones, (near Lightning and Monza) further enhancing the prospect's exploration appeal. Initial modelling suggests the higher-grade gold mineralisation has a northward plunge. These zones were one of the key areas of focus of the expanded May 2025 RC drill program which increased from 17 holes totalling 3,350 meters to 22 holes totalling 4,295 meters, with drilling completed on the 14 July 2025 for additional information see ASX release 16 July 2025.

FY26 Strategy and Program: Results from the May 2025 drilling are expected back in late September 2025 with additional drilling expected to recommence shortly after. The induced polarisation (IP) model, (see ASX release 22 May 2023) which is being refined as new geological data is added, is providing further insight into Terrain's understanding of other prospects such as Hurley and Paradise City targets (see diagram 1), which host known mineralisation. Historic targets are now being re-examined, applying the new geological model and Terrain is aiming to release a maiden Mineral Resource estimate for both Lightning and Monza in early to mid-2026.

Historic Exploration selective drilling results from various Smokebush targets and opportunities:

Monza Historical RC drilling - Best Gold (Au) Results Include:

- 4m @ 4.46 g/t Au (incl 1m at 10.3 g/t) from 51 metres SBRC003
- 7m @ 2.72 g/t Au (incl 1m at 11.1 g/t) from 25 metres and 1m at 0.85g/t from 43m SBRC005
- 6m @ 2.12 g/t Au (incl 1m at 7.2 g/t) from 80 metres SBRC011
- 8m @ 1.37 g/t Au from 85 metres and 2m at 0.8 g/t from 96m SBRC006
- 2m @ 11.3g/t Au from 70m MMRC162 – (not Terrain)
- 2m @ 9.2g/t Au from 24m MMRC154 – (not Terrain)

Hurley & T17 areas – Historic RC Drilling Results:

- 10m @ 1.4g/t Au from 15m MM084 – RAB - (not Terrain)
- 2m @ 2.5g/t Au from 51m MMRC074 – RC - (not Terrain)

Note: JORC information for MMI survey 12 October 2020 - Exciting Drilling Results at Smokebush Gold Project.

Paradise City Gold Prospect – Historic RC Drilling Results (not Terrain):

- 3m @ 2.17 g/t Au from 10m PCRC001
- 5m @ 1.35 g/t Au from 13m PCRC002
- 2m @ 3.61 g/t Au from 15m PCRC007
- 3m @ 1.94 g/t Au from 19m PCRC008

Note: JORC information for MMI survey 03 December 2020 - New Application Granted with Exciting Historic Results at the Paradise City Gold Prospect - Smokebush Gold Project (In the release refer to Diagram 2 & Table 1 for Historic Significant Intercepts).

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

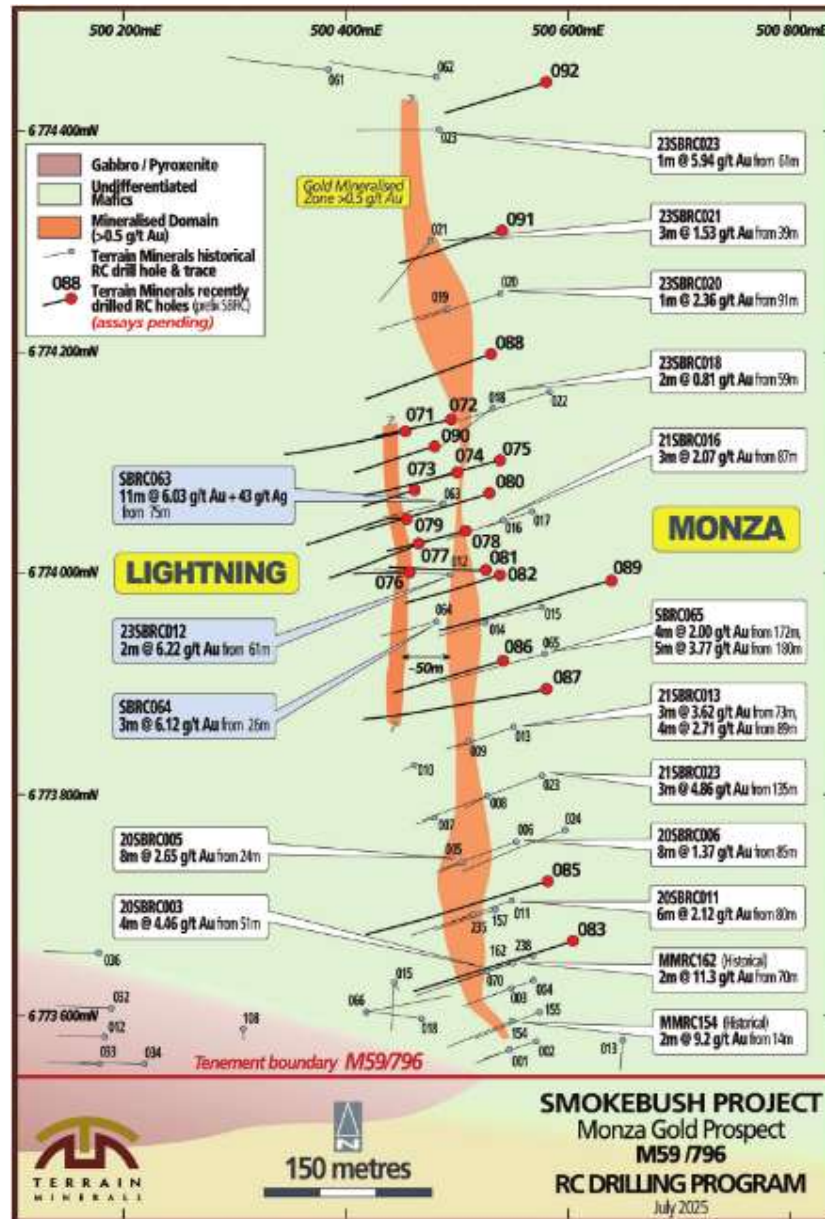


Diagram 3: Monza and Lightning RC Drilling Campaign 22 holes RC for 4,495m results expected late September 2025, also targeting for the existence of other potential structures.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

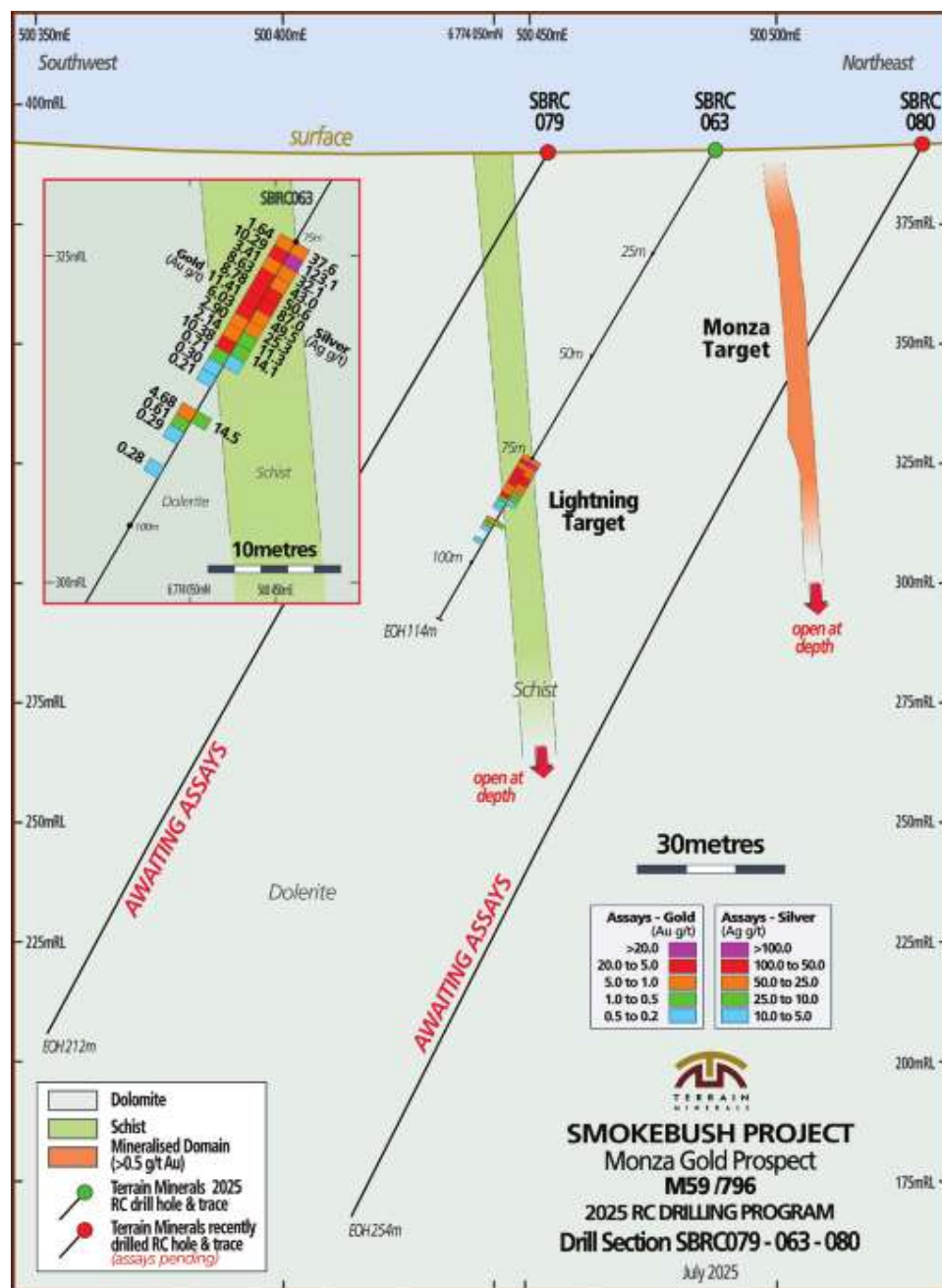


Diagram 4: Schematic geological cross section of hole SBRC063, which formed part of Terrain's January 2025 drilling campaign at its Monza Gold Prospect. Drill hole SBRC063 was designed to test the Lightning target located 50 metres west of the gold mineralisation at Monza (see ASX release 31 March 2025). SBRC079

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

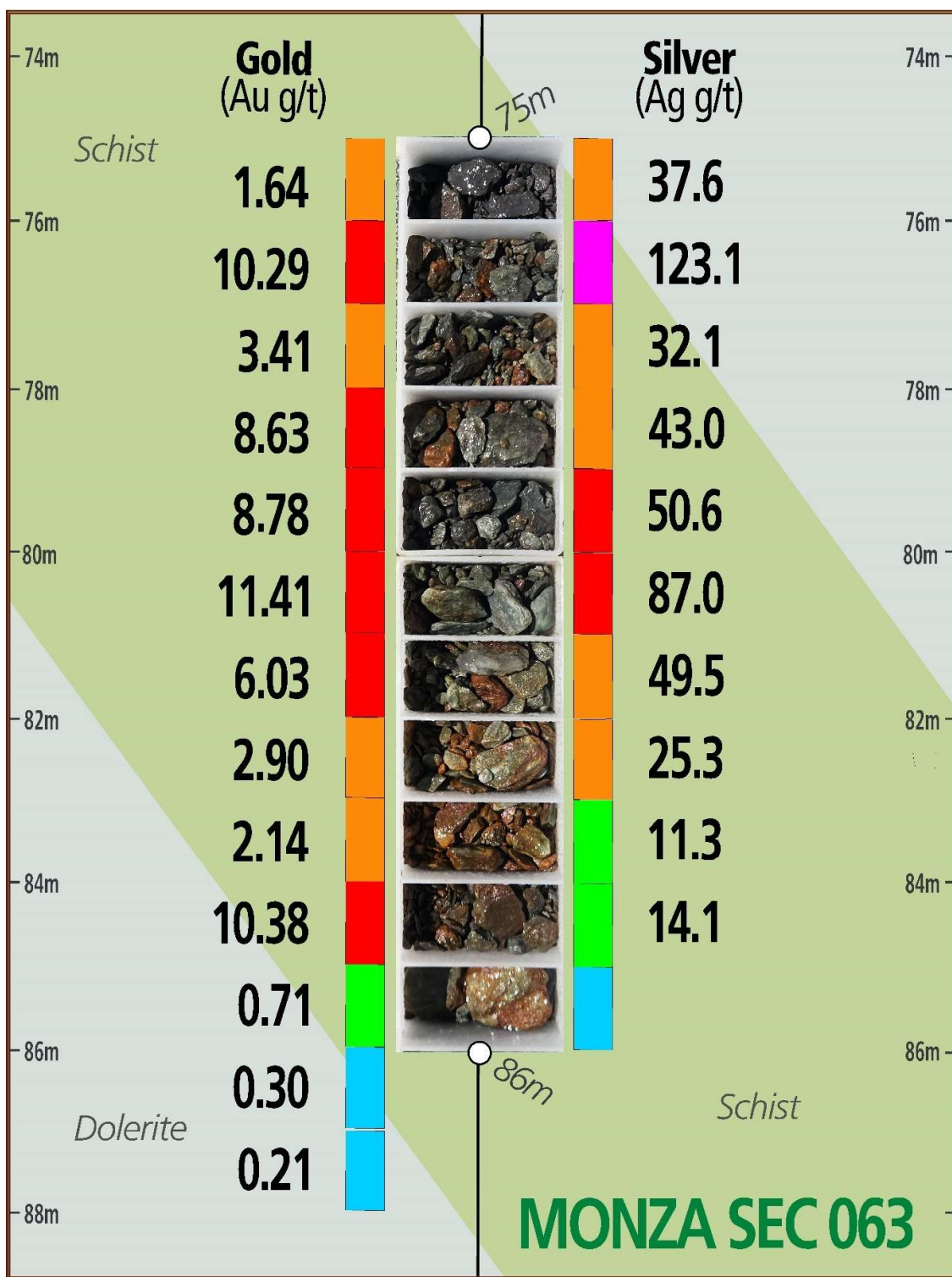


Diagram 5: Photograph of the drill chips from hole SBRC063 with assay results superimposed for the individual metres from 75 metres downhole. (See Diagram 4 of the full drill trace of hole SBRC063) Refer to ASX release 31 March 2025.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Smokebush Project - Wildflower Gold (*Unlocking Promising Potential*)

Overview : Exploration activities both mapping and drilling across the Wildflower project in 2024 and 2025 yielded encouraging results, reinforcing the region's strong mineral prospectivity. Multiple targets have been identified, including Cota, W3, T16, and Wildflower, all situated beneath approximately 30 metres of soil cover.

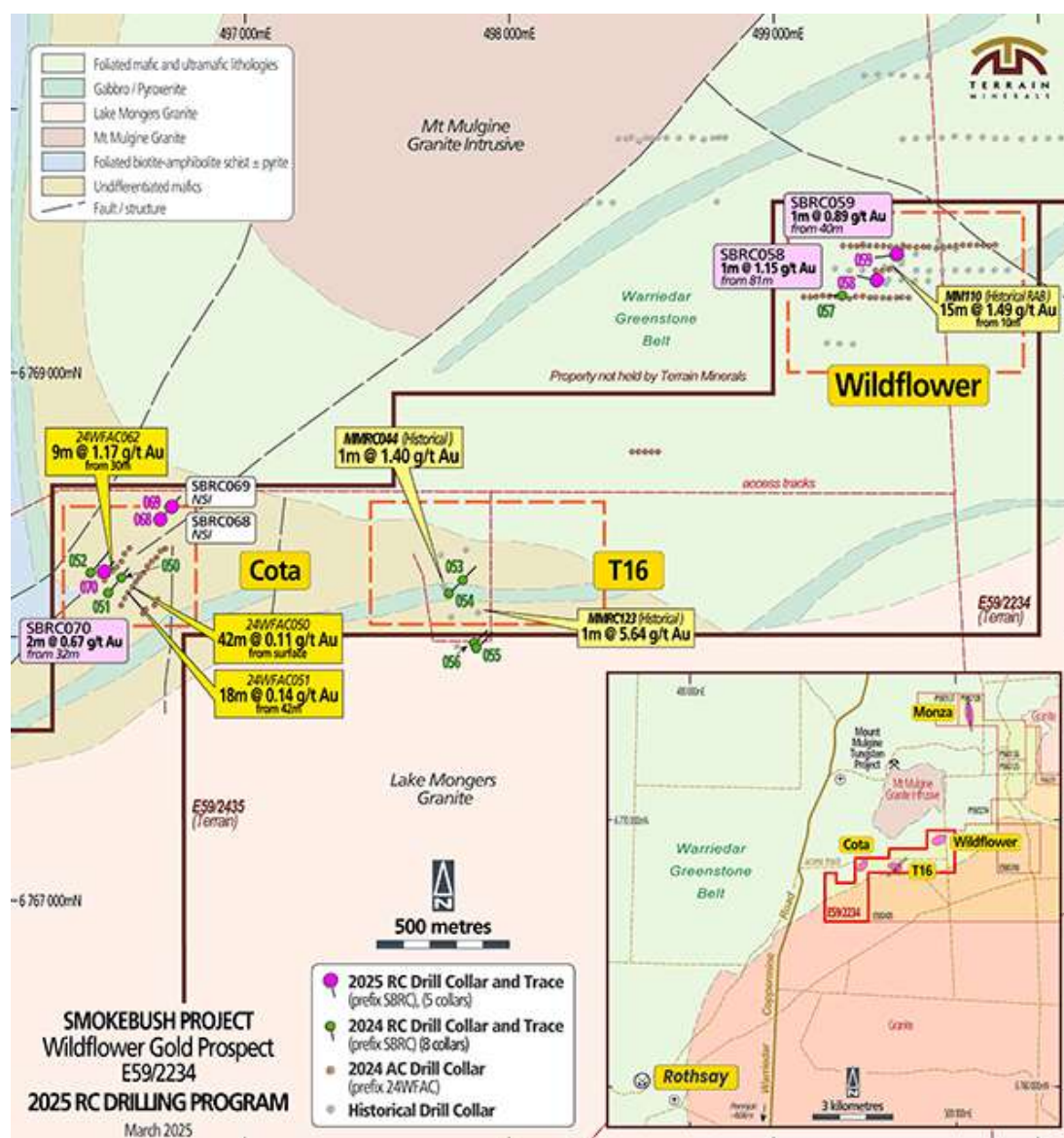


Diagram 6: Drill collar location plan showing the reverse circulation (RC) holes completed by Terrain over its 100%-owned Wildflower Gold Prospect during the Company's February 2025 drilling campaign.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Smokebush Project: Wildflower Gold (overview continued)

FY25 Exploration: A successful first-pass air-core drilling program at the Wildflower Cota target (T16W) confirmed the presence of supergene mineralisation:

- 9 metres @ 1.17 g/t Au from 30 metres - hole 24WFAC062 including 3m @ 2.61 g/t Gold from 33m

Note: JORC information see ASX release 31 March 2025.

In addition to these results, several broad zones of lower-grade supergene gold anomalism were encountered, further supporting the area's exploration potential.

FY26 Strategy and Program: Future exploration will focus on high-priority northwest-trending structures, which are interpreted as potential repetitions of the shear zones that host the Rothsay Deposit. These structures coincide with historic elevated gold-in-soil anomalies, and recent drilling results suggest the potential for additional repeat structural shears beneath cover.

Preparations are currently underway for an induced polarisation (IP) survey, which will inform the next phase of drilling and help refine targeting across the Wildflower area.

Note: For additional information refer to ASX announcement on Smokebush:

- 02 December 2019 - Farm-in Agreement for the Smokebush Gold Project at Mt Mulgine, 65km West of Paynes Find WA.
- 18 December 2019 - Smokebush Exceptional Historic Drilling Results Identified During Project Due Diligence.
- 03 March 2020 - Exciting Results from Smokebush Gold Project.
- 08 October 2020 - High Grade Rock Chips at Smokebush Gold Project.
- 12 October 2020 - Exciting Drilling Results at Smokebush Gold Project.
- 03 December 2020 - New Application Granted with Exciting Historic Results at the Paradise City Gold Prospect - Smokebush Gold Project.
- 12 February 2021 - Ground Geophysics & Mapping Refines Targeting Matrix at Smokebush Gold Project.
- 17 March 2021 - Drilling & Project Update - Smokebush Gold Project.
- 22 April 2021 - 2,100m RC Drilling Program Commenced at the Smokebush Gold Project.
- 27 May 2021 - New Rock Chip Samples & Drilling Update Smokebush Gold Project.
- 19 July 2021 - Positive First Pass Drilling Results Smokebush Gold Project.
- 13 September 2021 - New Geological Interpretation (Monza) & Exploration Update, Smokebush Gold Project.
- 23 August 2022 - New Project Calytrix & Smokebush & Wild-viper Gold Project Updates.
- 02 December 2022 - Acquisition Smokebush JV Tenement Now 100% owned.
- 06 December 2022 - Smokebush - Pegmatite Swarms Identified, Sampling for Lithium Mineralisation Underway.
- 07 February 2023 - Smokebush – 2023 Field Season Now Underway, IP Survey & MMI Soils Programs.
- 17 March 2023 – Smokebush - IP Survey & Lithium Update Priority Gold Drill Targets Emerging.
- 02 May 2023 - Smokebush IP Survey Expanded & Update.
- 16 May 2023- Smokebush - New Gold & Copper/Ni Anomalies.
- 22 May 2023 - 600-metre-long chargeability anomaly identified parallel to Monza Gold prospect, Smokebush Project.
- 06 June 2023 - Commencement of Pegmatite Drilling at Smokebush.
- 19 June 2023 - First phase of RC drilling successfully intersects pegmatites at Smokebush.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

- 05 July 2023 - Smokebush "Phase 2" Gold & Pegmatite RC Drilling has Commenced.
- 14 August 2023 - Heritage approval received for maiden REE drilling at Lort River & Smokebush Exploration Update.
- 16 August 2023 - Gallium (Ga) Discovered at Smokebush RC drilling campaign.
- 18 October 2023 – Larin's Lane - MMI Extends & Identifies New Copper/Nickel/Gold & Silver Anomalies.
- 14 November 2023 - Smokebush high grade gold mineralisation intersected, confirming 600-metre-long gold target zone.
- 28 November 2023 - Larin's Lane - Maiden drilling testing poly-metallic targets.
- 19 December 2023 - Larin's Lane, Maiden drill program completed.
- 11 March 2024 - Highly encouraging REE & Gallium results at Larins Lane Project Only ~25% of samples assayed to date
- 27 May 2024 - Exciting Gallium & REE drilling results at Larin's Lane.
- 05 August 2024 - Exploration drilling at Wildflower Gold Project Testing strike and depth extension of 15m@1.49/g/t gold.
- 26 September 2024 - Commencement of Drilling at Wildflower Gold Project.
- 12 November 2024 - Wildflower Air-Core results.
- 10 December 2024 - RC Gold Drilling Commenced at Wildflower Gold Project.
- 20 December 2024 - Christmas & New Year - Drilling Pause at Wildflower Gold Project.
- 28 January 2025 – Wildflower Gold drilling started and Lort River drill update.
- 10 March 2025 Continued Execution on Gold Exploration Program.
- 31 March 2025 – 11m @6.03 g/t Gold and 43.5 g/t Silver from Lightning & Monza.
- 07 May 2025 – 3,550m Gold RC Drilling Campaign Lightning & Monza.
- 20 May 2025 – Drill Crew has Commenced Gold & Silver Expansion Drilling at Lightning & Monza Prospects.
- 26 June 2025 - Expanded Gold Drilling at Lightning & Monza & US Marketing Activities Update.
- 16 July 2025 - Expanded Gold Drilling Program Completed 4,995m for 22 holes.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Smokebush Project - Larin's Lane Gallium

Overview : Located 350 kilometres north of Perth, within the Murchison Gold Province of Western Australia. Terrain's Smokebush Gallium Project is situated in a unique geological setting positioned between granites and adjacent to the projects advancing gold targets to the east.

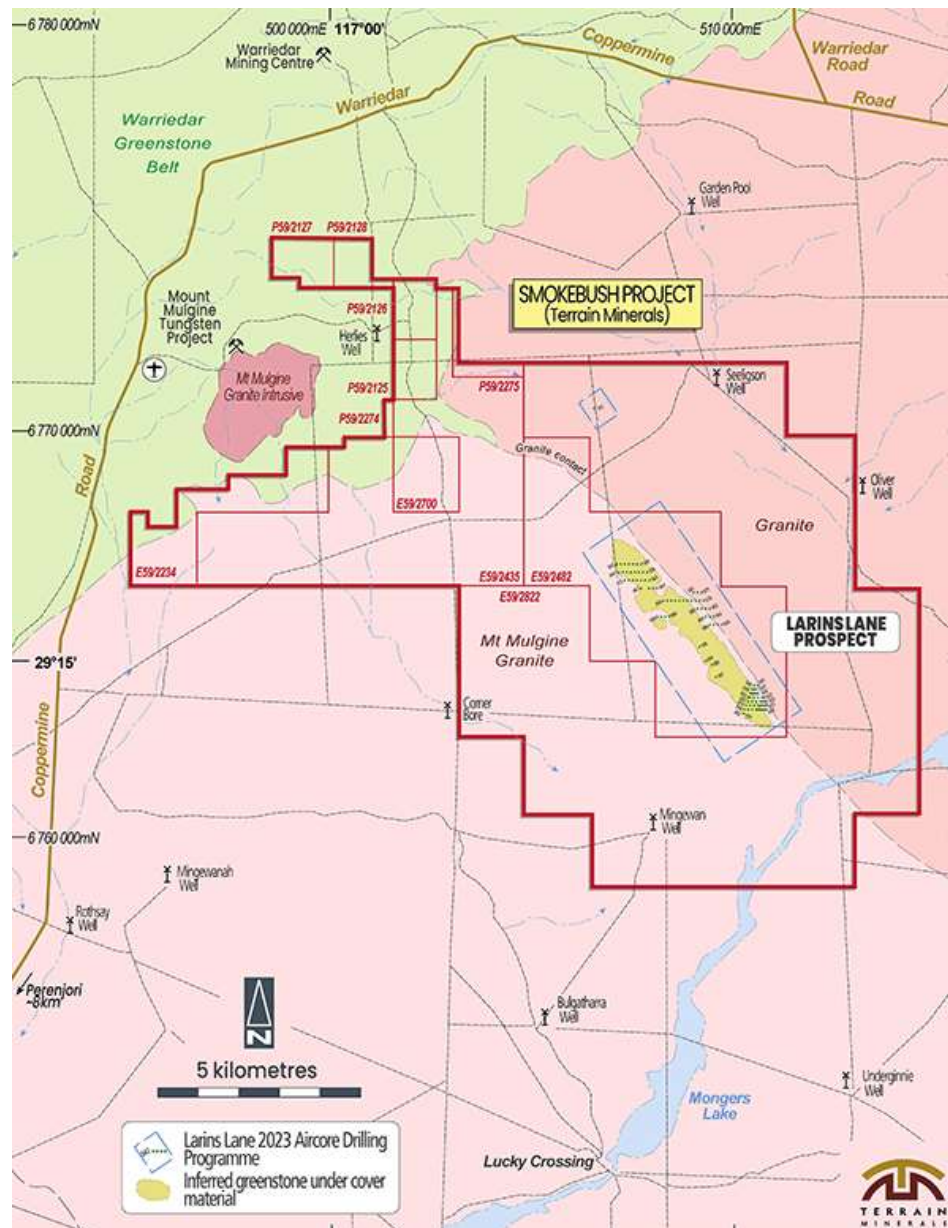


Diagram 7: The Smokebush project area map showing the Larin's Lane gallium project and current drill targets and hole density.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

FY25 Exploration: The Larin's Lane Gallium Project is located within the emerging Midwest clay-hosted rare earth elements (REE) district of Western Australia. In November 2024, Terrain released a Phase One JORC-compliant exploration target covering 5% of the target area. For JORC information, refer to ASX release 06 Nov 2024.

In December 2024, Terrain confirmed its participation in a Phase Two metallurgical study led by geological consulting group RSC, appointed to oversee the Minerals Research Institute of Western Australia (MRIWA) Project M10528. This study involves testing samples with eight different solvents (acids with pH < 7), with a focus on gallium extraction due to its classification as a critical metal. Terrain delivered its samples in late December 2024.

Selected holes include:

Applying: Gallium Oxide (GaO) cut-off 40.32 g/t (ppm)

- 16m @ 53.74 g/t Ga2O3 from 64m - (23SBAC035)
- 20m @ 48.33 g/t Ga2O3 from 4m - (23SBAC045)
- 30m @ 40.32 g/t Ga2O3 from 24m - (23SBAC071)
- 24m @ 46.34 g/t Ga2O3 from 32m - (23SBAC077)
- 8m @ 52.62 g/t Ga2O3 from 20m - (23SBAC080)

Note: for additional results data including JORC see ASX release 27 May 2024.

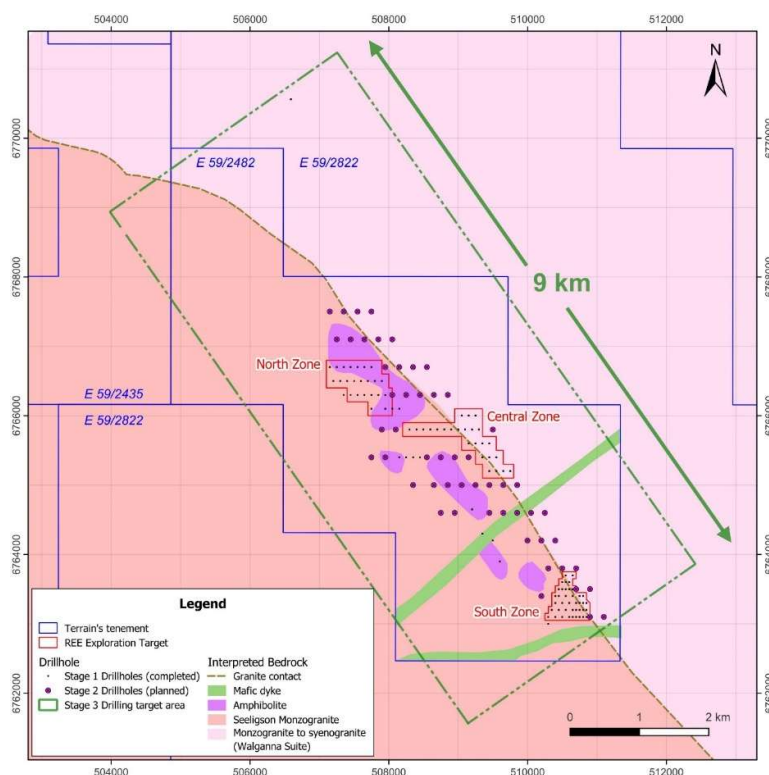


Diagram 8: Indicative area covered by the completed Stage 1 (2023) air-core drill program, plus the proposed Stage 2 and Stage 3 drilling programs, highlighted in the legend box.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Metallurgical test work is underway on the sample pulps provided and received by RSC. These samples have been submitted to Curtin University for comprehensive metallurgical test work. The metallurgical studies will focus on the recovery characteristics of gallium and rare earth elements (REE), as well as assess the potential recovery of other associated critical minerals see ASX release 05 December 2024.

The program is expected to be completed by the end of calendar year 2025, with interim results to be reported as they become available. This test work represents a key step in Terrain's strategy to advance the Larin's Lane Gallium/REE Oxide Project through to potential concentrate production and industry assessment.

Forward program for 2026 financial year: Subject to successful outcomes from ongoing metallurgical test work, Terrain's strategic objective is to engage a specialist consulting group to produce a concentrate suitable for customer trials and broader industry evaluation. Developing a saleable end-product is considered a prudent and value-accretive step ahead of any significant resource expansion or infill drilling programs. The Company is targeting the extensive 27km² sand/clay regolith zone at Larin's Lane, which remains largely underexplored. Terrain intends to undertake further drilling to define an Indicated Mineral Resource, as required prior to the commencement of any mining or feasibility studies, in accordance with the JORC Code.

The Larin's Lane critical minerals target is hosted within a near-surface sand/clay regolith, distinguishing it from traditional hard rock REE deposits typically found in lithologies such as chloritised schist or granite. Importantly, many gallium and REE intersections encountered to date occur at or close to surface. Oxide-hosted REE mineralisation is typically more amenable to cost-effective extraction and processing, and initial observations suggest this may also apply at Larin's Lane. It should be noted that many of the Larin's Lane gallium intersections are at surface and or close to surface, i.e. REE in oxide material being in a sand/clay regolith geological setting. Terrain will continue to advance the project methodically, with the objective of de-risking and unlocking value at Larin's Lane through a combination of metallurgical, geological, and economic studies.

Note: Gallium - For addition information and references, refer to ASX releases:

- 16 August 2023 - Gallium (Ga) Discovered at Smokebush RC drilling campaign.
- 31 October 2023 – Quarterly Activities Report: September 2023.
- 23 October 2023 – Gallium Clays in drilling at Lort River.
- 11 March 2024 - Highly encouraging REE & Gallium results at Larin's Lane Project, only ~25% of samples assayed to date.
- 27 May 2024 - Exciting Gallium & REE drilling results at Larin's Lane.
- 06 November 2024 - Larin's Lane Phase One JORC Exploration Target Outlines Potential.
- 05 December 2024 - Larin's Lane Gallium Project Metallurgical Studies Underway MRIWA Research Project M10528.
- 28 May 2025 - Project Update: Larin's Lane Gallium/REE Project Metallurgical Studies MRIWA Research Project M10528

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Biloela Project - Copper and Gold

Ownership : 100% Terrain Minerals Limited

Size : ~2,500sqm

Location : Situated within the prospective gold corridor of Central Queensland, near the township of Biloela and 400km northeast of Brisbane. The project area is accessible via established regional roads, along with historical exploration tracks that facilitate movement across key target zones.

Background : Terrain's Biloela Gold and Copper Project is positioned within an emerging geological province known for its rich mineral endowment. The project benefits from proximity to historical gold discoveries and aligns with key structural trends conducive to significant mineralisation.

- Seven historic copper/gold mines reported within Biloela Project (refer to ASX release on 21 June 2023).
- Ten additional mineralisation occurrences reported across the project.
- Independent review confirmed volcanogenic massive sulphide (VMS), porphyry copper/gold and epithermal gold mineral systems present within the project area.

The Biloela Project encompasses seven potential copper and gold sites identified within the Biloela/Cracow region including: Prospect Park, Mari, Lookerbie, Drumburle, Wild Scotsman (Mt Tam), Oaky Creek, and Auburn, see ASX release 21 June 2023.

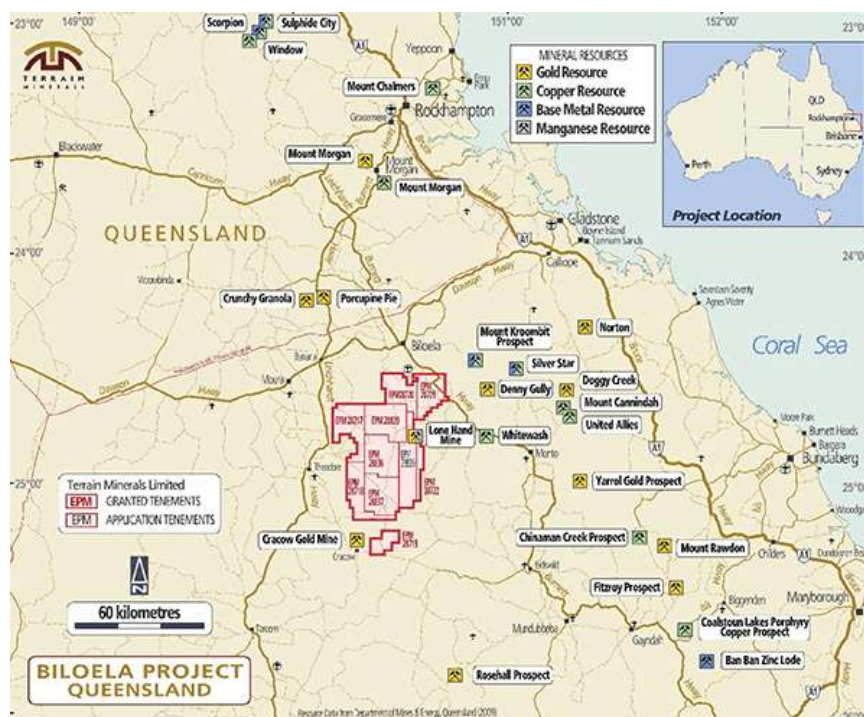


Diagram 9: Terrain's Biloela Gold and Copper Project location.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

FY25 Exploration: During FY25, Terrain successfully secured full tenure over its Biloela Copper & Gold Project, located near the Cracow Gold Mine in Queensland. The permitting process, spanning approximately two years, highlights the persistence and commitment of the Terrain team. Independent review has confirmed intrusion-related and epithermal gold-copper mineral systems. The addition of Biloela strengthens Terrain's portfolio and provides exposure to a different mineral system and jurisdiction, see ASX release 21 June 2023.

Forward program for 2026 financial year: Planning and scoping of initial exploration programs continue, with fieldwork expected to commence in early FY26. This will include a reconnaissance trip (mapping & sampling) to categorise targets in order of prospectivity and then drill testing. The areas sit on grazing land and Terrain is currently undergoing land access discussions.

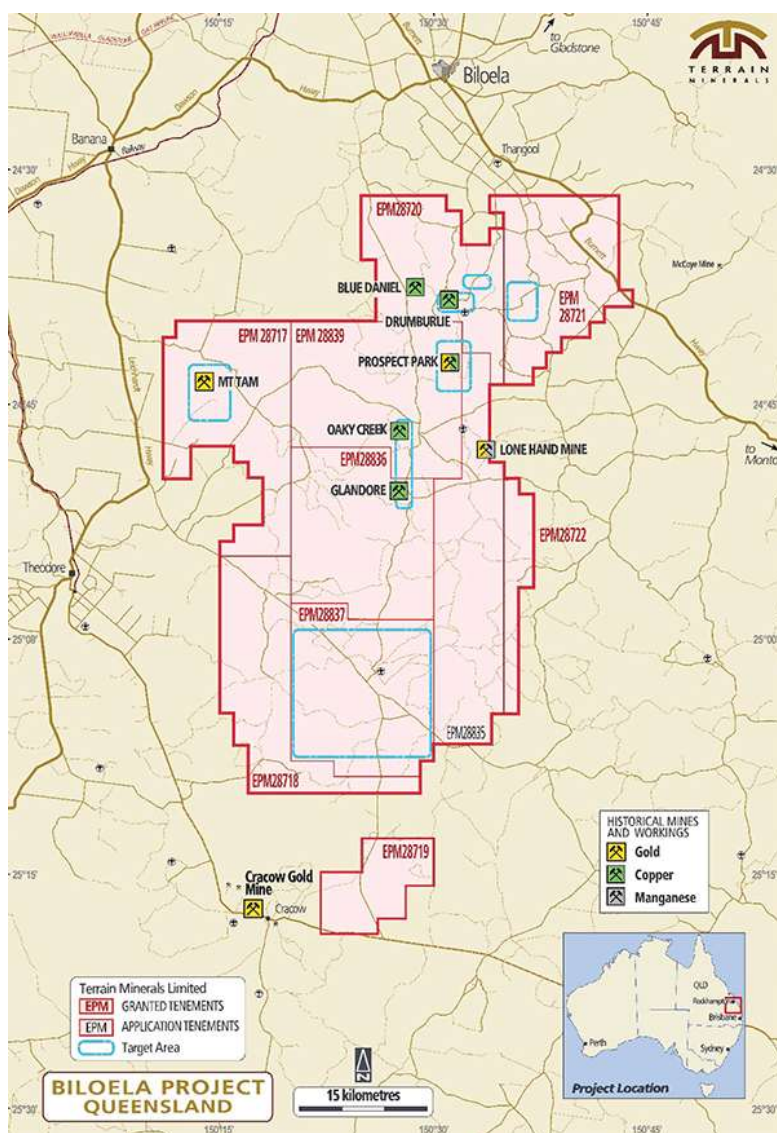


Diagram 10: Biloela Gold and Copper exploration targets.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Lort River – Rare Earth Minerals (REE)

Ownership	: 100% Terrain Minerals Limited
Size	: 81sqkm
Location	: 650 kilometres southeast Perth (or 50 kilometres northwest of Esperance) within the Albany-Fraser Belt of Western Australia.
Background	: The Lort River Project is located within the Albany-Fraser Belt of Western Australia. This region is home to two important mining operations: AngloGold Ashanti's Tropicana Gold Mine and IGO's Nova-Bollinger Nickel-Copper Mine, and the mining town of Ravensthorpe. The Esperance area has also seen an increase of REE exploration activities in recent years.
Strategic Location	: Benefits from proximity to mining infrastructure and the Port Town of Esperance, the project area is located on arable farming land and so is lightly explored and sits under cover.
Rare Earths Discovery	: Confirmed potential for high-demand magnet Rare Earths Neodymium (Nd) and Praseodymium (Pr), critical for global industries, see ASX release 26 March 2025.

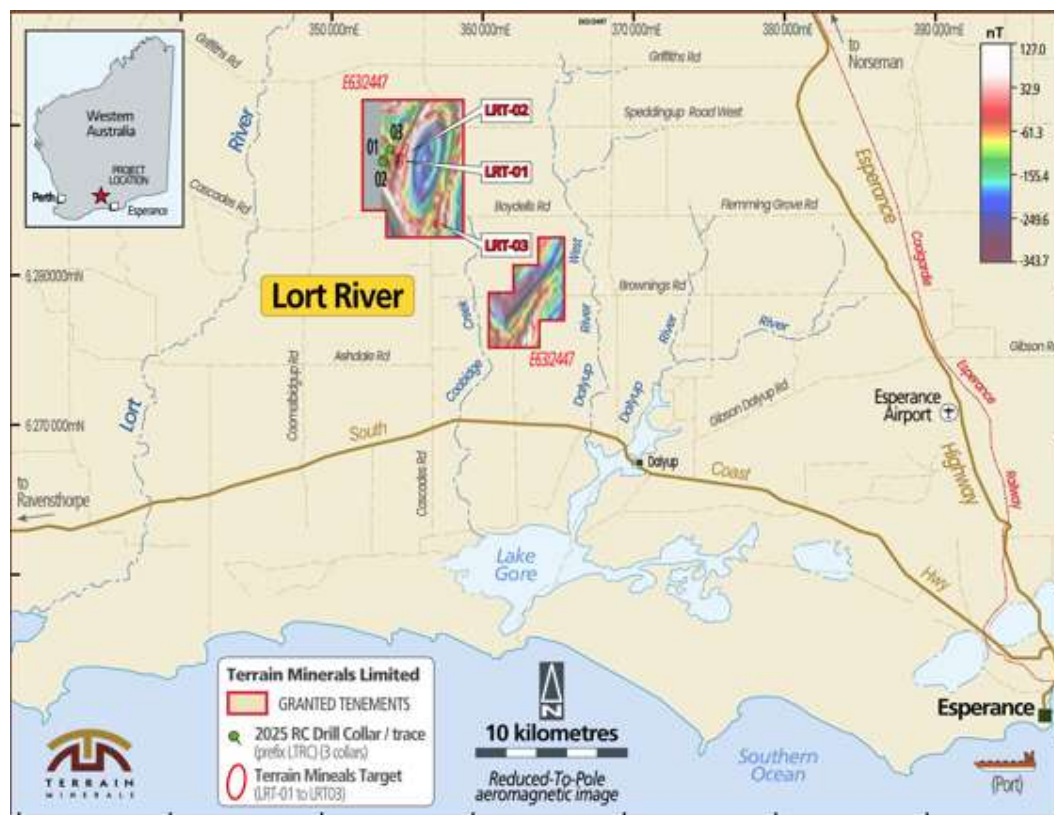


Diagram 11: Lort River location map and target areas.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Lort River – Rare Earth Minerals (REE) (continued)

FY25 Exploration: Terrain conducted substantial exploration activities at Lort River, with efforts originally focused on Nova-style magmatic sulphide mineralisation within the Albany-Fraser Belt. Carrying out Airborne (V-TEM) and ground-based electromagnetic surveys successfully identified bedrock conductors on the edge of an interpreted mafic intrusive feature (see diagram 11, refer to ASX 13 August 2024 and 9 December 2024). Terrain drill tested two bedrock conductors, with no success. However, one hole unexpectedly returned impressive shallow REE results within the clay regolith zone, within the mafic intrusive unit's, interface zone (edge) as see below:

Significant intersections from the reconnaissance drill program include:

- 8 metres @ 4,037ppm TREO from 23 metres down hole (LTRC03), including
 - 1 metres @ 9,842ppm (or 0.98%) TREO from 25 metres down hole and
 - 1 metres @ 9,022ppm (or 0.90%) TREO from 27 metres down hole

Note: for additional results data including JORC see ASX release 26 March 2025.

Forward program for 2026 financial year: Metallurgical testing, REE samples have been added to the WA Government funded MIRWA study with results expect to be back in December 2025. Terrain has also commenced a study to map the regolith target profile using the data acquired from its V-TEM survey. This map will assist in defining drill targets and the size of the prospective target area which will be used for future air-core drill testing in late December 2025 or January 2026. The current target area lies within active farmland, which is presently under crop.

Note: For additional information refer to ASX announcement on Lort River:

- 5 May 2022 - Lort River (320km²) Rare Earth Project Highly Prospective Tenements Granted.
- 30 May 2022 - High-Grade Clay Type Rare Earths (REE) Soil Anomaly Identified at Lort River Project.
- 21 Nov 2022 - Rare Earths (REE) Exploration Planning for 2023 has Commenced at Lort River.
- 14 August 2023 - Heritage approval received for maiden REE drilling at Lort River & Smokebush Exploration Update.
- 22 August 2023 - Lort River 'REE' Maiden Drilling has Commenced.
- 28 August 2023 - Lort River 'REE' - Drilling Intersected Large Clay Zones.
- 19 October 2023 - Rare Earth Element (REE) Mineralisation Intersected across the Lort River project area.
- 23 October 2023 - Gallium Clays Mineralisation Intersected in all Drill holes at the Lort River (REE) Project.
- 22 February 2024 - Nova-style "eye" feature identified within Albany-Fraser tenement; Conductor also identified within "eye" feature Detailed airborne electromagnetic survey to commence.
- 16 April 2024 - Airborne electromagnetic contract awarded over the Nova-style "eye" Target – Commencing early May 2024 at Lort River Exploration Project.
- 07 May 2024 - Airborne electromagnetic (VTEM) survey has now commenced over the Nova-style "Eye" at Lort River.
- 13 August 2024 - High-Priority Nickel-Copper Targets Identified in Lort River Project's "Eye" Feature.
- 09 December 2024 - Commencement of EM Survey at Lort River - Testing Four Bedrock Sulphide Conductors (Nickel/Copper).
- 16 January 2025 Start of Drilling Bedrock Sulphide Conductor at Lort River.
- 26 March 2025 - High-grade REE mineralisation intersected at Lort River.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

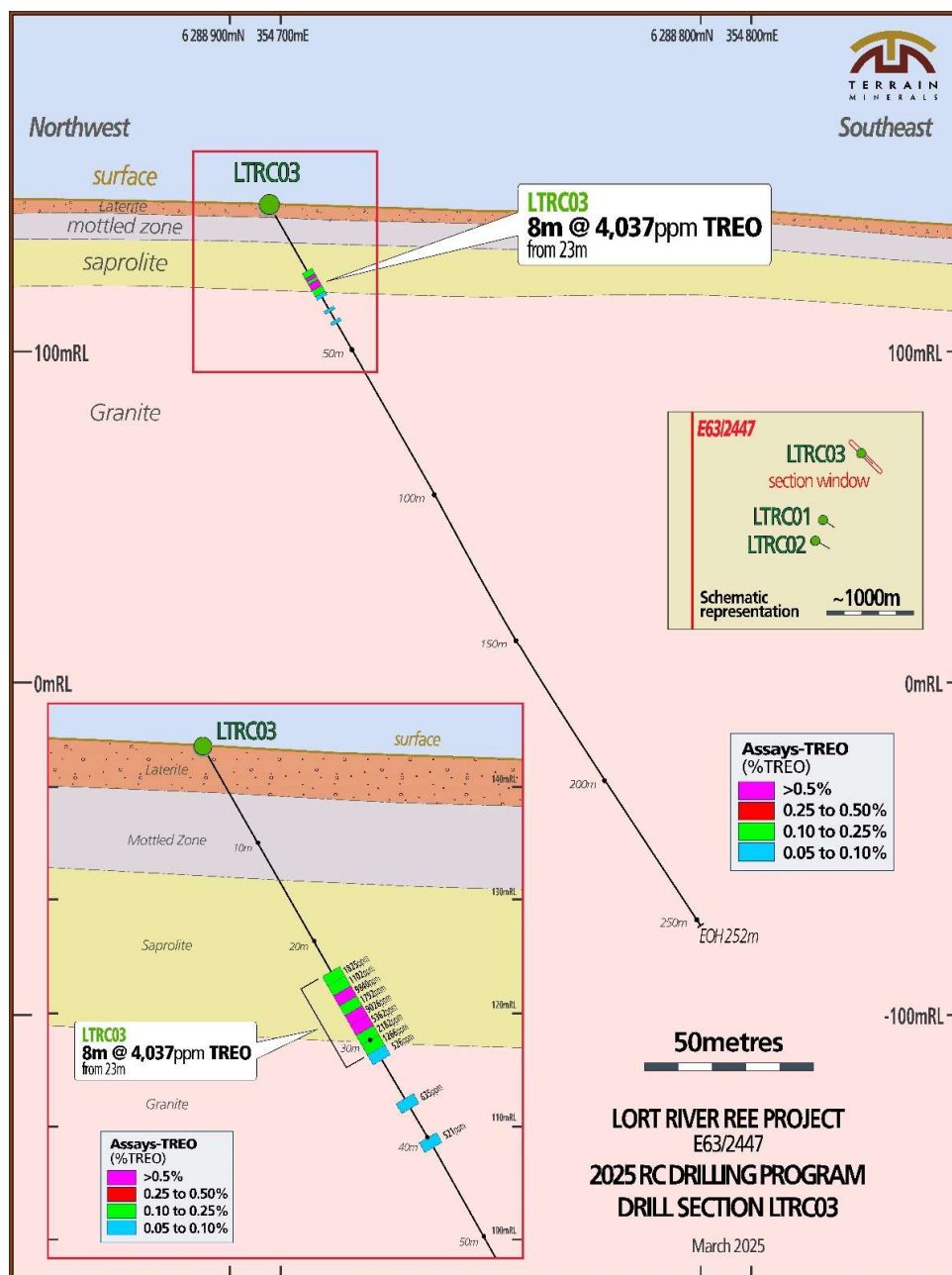


Diagram 12: (also see diagram 13 same hole): Schematic geological cross section of hole LTRC03, which formed part of Terrain Minerals' January 2025 drilling campaign at its Lort River Project in southwest Western Australia. Rare earth mineralisation within the Lort River Project appears to occur within the saprolite (or weathered bedrock) horizon immediately above the granitic bedrock. With only one hole having tested this mineralisation horizon at Lort River to date, the mineralisation (whose maximum grade is 0.98% total rare earth oxide, or TREO over individual metres) is therefore considered open in all directions. Importantly, the uranium levels reported in drill hole LTRC03 were less than 2ppm. For reference, the uranium levels of a standard household granite kitchen benchtop is between 10 and 20ppm¹, see ASX release 26 March 2025.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

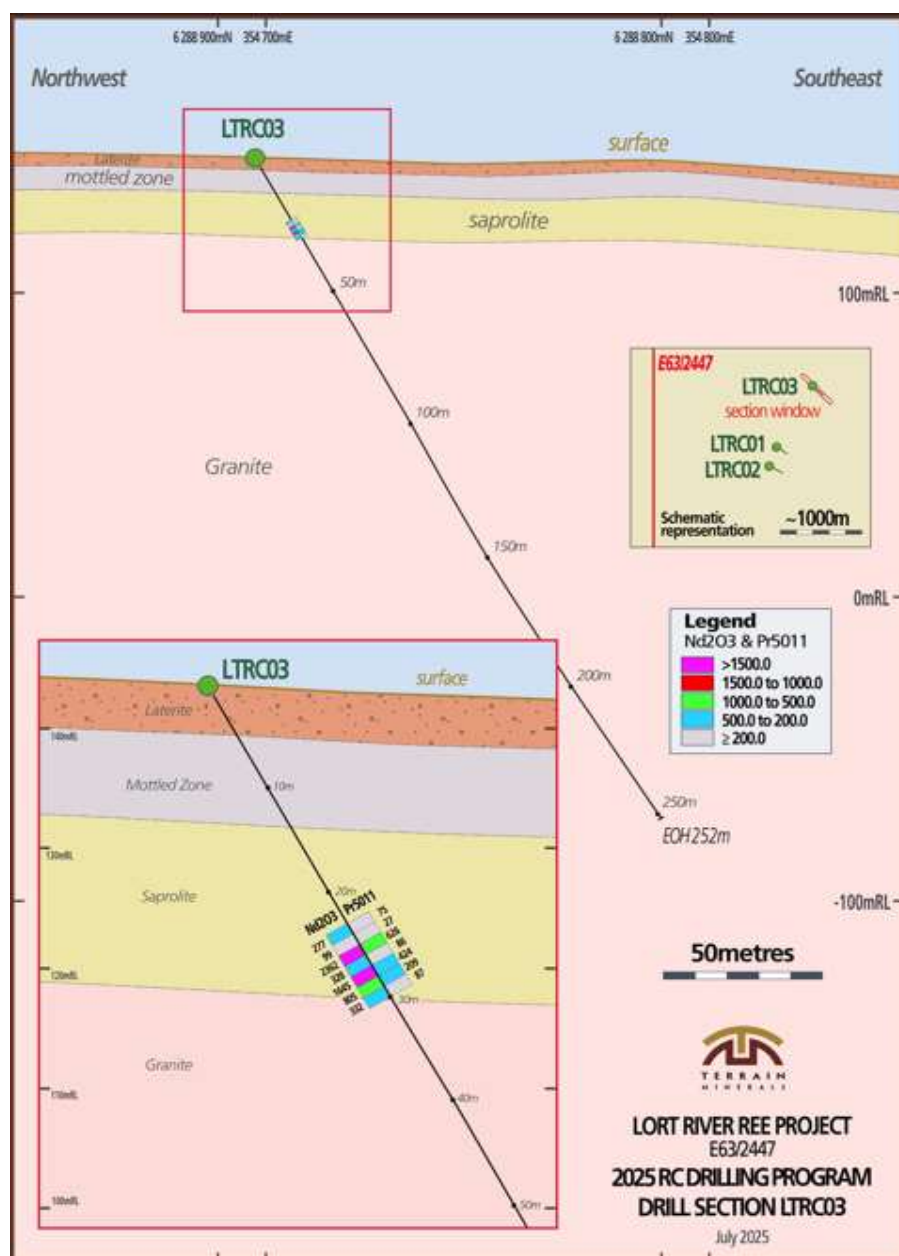


Diagram 13: (Also see diagram 12 same hole): Schematic geological cross-section of hole LTRC03, whose results appear to confirm the Lort River Project's potential to host the in-demand magnet rare earths of neodymium (Nd) and praseodymium (Pr), with assays as high as 2,362ppm Nd₂O₃ and 647ppm Pr₅O₁₁ being intersected. Neodymium (Nd) and praseodymium (Pr) grades at this level compare extremely favourably to existing Australian and Brazilian clay-hosted rare earth projects, see ASX release 26 March 2025.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

Carlindie Project – Lithium

- Ownership** : 100% Terrain Minerals Limited (*with several Applications still pending grant*)
- Size** : ~1,135km²
- Location** : 90 kilometres southeast of Port Hedland, Western Australian along the strike of Wildcat Resources Bolt Cutter Lithium Project and neighbouring SQM and Kali Metals Pilbara Lithium Project.
- Background** : Terrain is seeking to fast track the remaining ungranted tenements. Terrain intends to commence a soil sampling program over parts of the tenement package to be followed up with drilling. Desktop studies have identified key areas fitting to Terrain's internal geological modelling. Terrain's Carlindie Project is under 3m of soil cover and in a favourable geological setting within WA's premier Lithium district.

Forward program for 2026 financial year: Terrain intends to carry out further desktop and soil sampling over prospective areas, which will be followed up with air-core drilling.

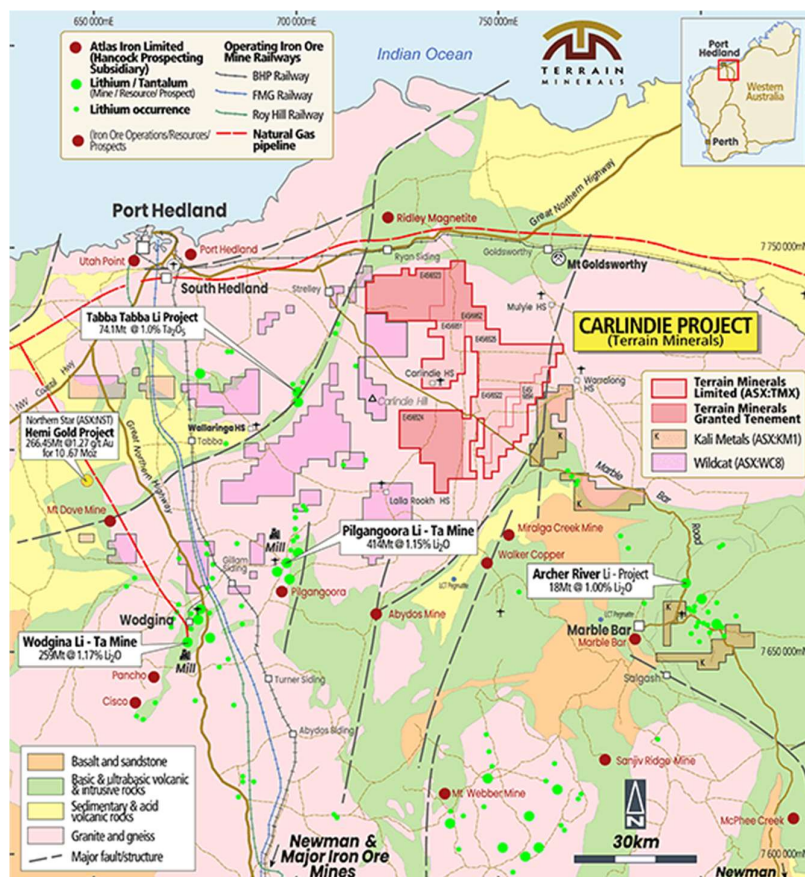


Diagram 14: Carlindie Project Location and tenement package.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REVIEW OF OPERATIONS (Continued)

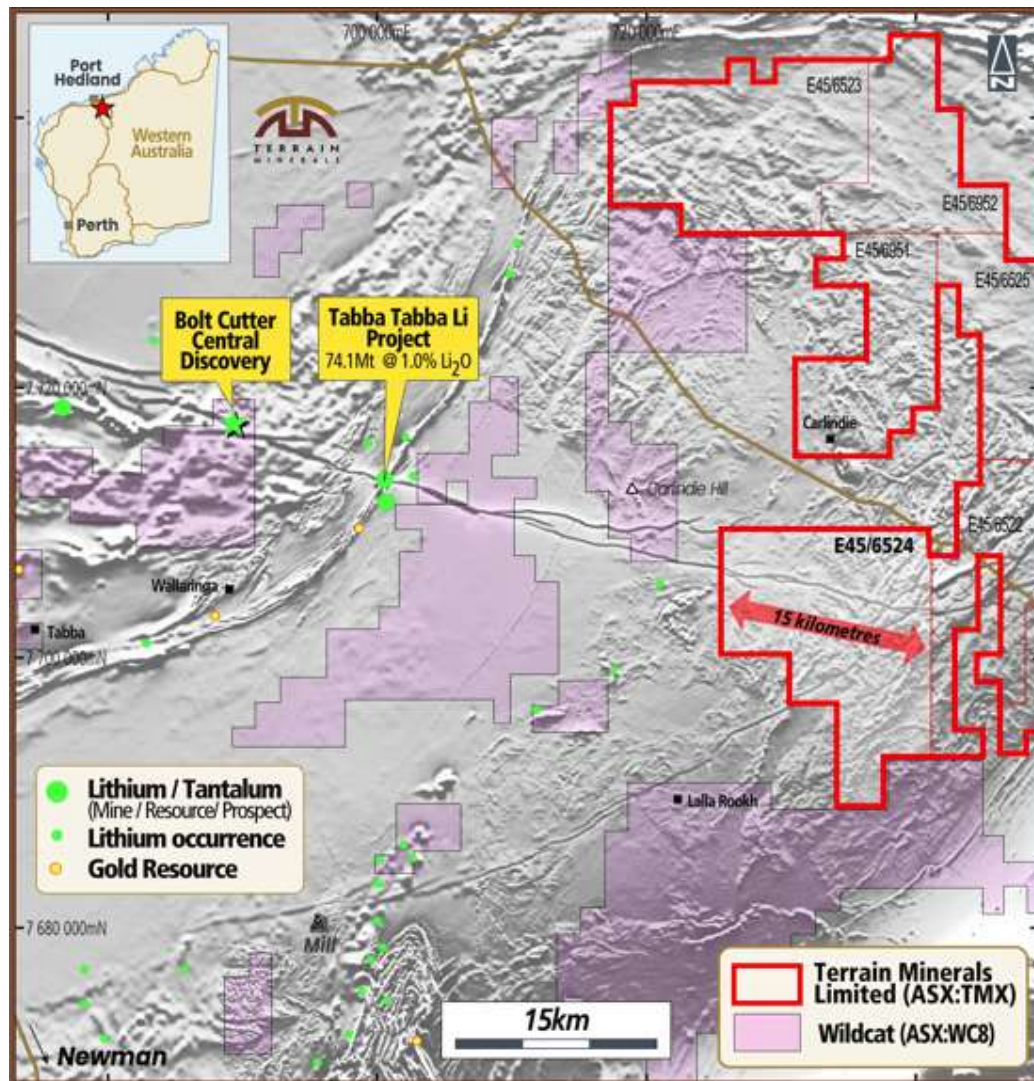


Diagram 15: Carlindie Project Location showing nearby Lithium and gold occurrences.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

MATERIAL BUSINESS RISK

The Company makes every effort to identify material risks and to manage these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Company or by investors in the Company, nor are they in order of significance. Actual events may be different to those described.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks can be highly unpredictable and the extent to which the Board can effectively manage them is limited.

(a) Tenure and access risk

Applications

While the Company does not anticipate there to be any issues with the grant of its tenement applications, there can be no assurance that the application (or any future applications) will be granted. While the Company considers the risk to be low, there can be no assurance that when the relevant tenement is granted, it will be granted in its entirety. Some of the tenement areas applied for may be excluded.

Renewal

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to the discretion of the relevant authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Access

A number of the tenements overlap certain third-party interests that may limit the Company's ability to conduct exploration and mining activities, including private land, Crown Reserves, areas on which native title is yet to be determined and other forms of tenure for railways, pipelines and similar third-party interest.

Where the Project overlaps private land, exploration and mining activity on the Project may require authorisation or consent from the owners of that land. The Company is not required to enter into land access agreements to undertake its proposed exploration program on the Tenements. However, the Company intends to carry out heritage clearance surveys before implementing its proposed exploration program. The Company's current proposed exploration program is not impacted by the known sites of registered aboriginal heritage significance.

(b) Exploration Risk

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Project, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The success of the Company will also depend on the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approval for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of its projects.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

MATERIAL BUSINESS RISK (continued)

(c) *Climate Conditions*

The operations and activities of the Company are subject to change to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these regulations.

Climate conditions may also cause certain physical and environmental risks that cannot be predicted by the Company, including unpredictable weather patterns, incidence of extreme seasonal weather events and longer-term physical risks such as the ever-shifting climate cycles. All these risks associated with weather patterns may significantly change the industry in which the Company operates.

(d) *Reliance on Key Personnel*

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continual contributions of its key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(e) *Environmental*

The operations and proposed activities of the Company are subject to Australian laws and regulations concerning the environment. As with most exploration projects the Company's activities are expected to have an impact on the environment, particularly if advance exploration proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(f) *Native Title*

The Native Title Act recognises the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia, and this may impact on the Company's operations and future plans.

The Company is not required to enter into land access agreements to undertake its proposed exploration program on the Tenements. However, the Company intends to carry out heritage clearance surveys before implementing its proposed exploration program as required. The Company's current proposed exploration program is not impacted by the known sites of registered aboriginal heritage significance.

(g) *Economic*

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as its ability to fund its operations.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

MATERIAL BUSINESS RISK (continued)

(h) Additional requirements for capital

The Company's capital requirements depend upon numerous factors. The Company may require further financing in addition to amounts raised under an offer. Any additional equity financing will dilute shareholding, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

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 increased to \$4,983,441 at 30 June 2025 from \$3,519,536 at 30 June 2024.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as mentioned in the Review of Operations, no significant changes in the state of affairs of the Company occurred during the financial period.

EVENTS SUBSEQUENT TO THE REPORTING DATE

Capital Raising After Reporting Date: On 15 August 2025, the Company issued 50,000,000 shortfall shares from the recent non-renounceable rights issue at an issue price of \$0.003 per share totalling \$150,000 as consideration for drilling services provided by Challenge Drilling in June 2025. As part of the issue, 50,000,000 free-attaching options (exercisable at \$0.005 each expiring 17 June 2027) were granted.

On 9 September 2025 and 16 September 2025, the Company successfully placed 63,333,333 and 36,666,666 shortfall shares, respectively, from its recent non-renounceable rights issue at an issue price of \$0.003 per share, raising \$190,000 and \$110,000. These placements also included a total of 99,999,999 free-attaching options (exercisable at \$0.005 each expiring 17 June 2027). AFSL holders were paid a fee of 10% on the funds raised.

Other than matters disclosed above, there are no 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.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

ENVIRONMENTAL REGULATIONS

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.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

INFORMATION ON DIRECTORS' AND DIRECTORS' INTERESTS IN SECURITIES OF TERRAIN

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Mr Justin Virgin

Executive Director – Appointed 31 July 2012

Experience

Mr Virgin has over 14 years of experience as a ASX Director of listed exploration companies, as well as 16 years of experience in the financial services and Securities industry, with expertise in providing a wide range of financial services which includes capital raisings, promotion, providing general corporate advice for listed small-cap companies, and other investment advice involved in negotiations, mergers, acquisitions and valuations.

Mr Virgin also has over 10 years of onsite mining experience operating in remote and isolated sites throughout WA and NT. His experience includes project acquisition and sale negotiations, mine closure and rehabilitation activities, as well as extensive preventative maintenance planning and execution for onsite mobile fleets and exploration programs.

Interest in Shares and Options

250,134,390 options over ordinary shares and 151,398,280 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 3 years.

Mr Johannes Lin

Non-Executive Director – Appointed 1 May 2017

Experience

Mr Lin has over 10 years of management experience as an entrepreneur and presently manages as Finance Director of Windsor Capital Pte Ltd, and Managing Director of both Windsor F&B Pte Ltd and Oprian Investments Pte Ltd which collectively owns and manages a diversified portfolio in Commercial Leasing in Manila, Philippines, a duo of Japanese Restaurants in Sentosa, Singapore, a Confectionery chain with franchisees and Automated Central Kitchen in Nanjing, China, a joint-development project for Hotel Development in Boracay, Philippines and a software development company in Singapore.

Past experience includes serving as a member of advisory team in the restructuring of a Singapore SGX listed Enzer Holdings Limited where series of debt negotiations, debt buy-out, capital raising by placements, right issues, debt to equity conversion and eventual takeover by a marine Company successfully. He has also overseen the development of Pasir Ria Apartments in Singapore, and a key investment team member in the development of Monarch Parksuites Condominium Manila, Philippines.

Mr Lin holds a Bachelor of Commerce, Accounting and Finance from the University of Western Australia.

Interest in Shares and Options

21,206,159 options over ordinary shares and 62,068,930 shares.

Special Responsibilities

Nil

Directorships held in other listed entities during the three years prior to the current year

Mr Lin held no other directorships of ASX listed companies during the last three years.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

INFORMATION ON DIRECTORS' AND DIRECTORS' INTERESTS IN SECURITIES OF TERRAIN (Continued)

Mr Jason Macdonald	Non-Executive Director – Appointed 01 July 2024
Experience	<p>Mr MacDonald was a lawyer and has practiced in both mining corporate/commercial and commercial litigation areas. He has a detailed knowledge of both the ASX Listing Rules and the Corporations Act, in addition to a suite of broader legal knowledge and skills.</p> <p>He has been a director of public companies including Helix Resources Ltd and Triton Minerals Ltd.</p> <p>He has and continues to be involved with the project generation, compliance and listing of numerous other exploration and mining companies on the ASX and AIM markets. He is also actively involved with the project generation, direction and compliance of private companies involved in the mining, technology, commodity trading and liquor and gaming spaces.</p> <p>Mr Macdonald was also a stockbroker and has an intimate knowledge of capital markets and promotional activities. He has a range of detailed corporate, equity capital market and mining related experience. He also provided investment advice concerned with mergers and acquisitions, valuations and negotiations.</p>
Interest in Shares and Options	11,675,676 options over Ordinary Shares 8,175,676 shares
Special Responsibilities	Nil
Directorships held in other listed entities during the three years prior to the current year	Mr Macdonald held no other directorships of ASX listed companies during the last three years.

MEETINGS OF DIRECTORS

During the financial year, five meetings of Directors were held. Attendances by each Director were as follows:

	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Mr Justin Virgin	4	4
Mr Jason Macdonald	4	4
Mr Johannes Lin	4	3

INDEMNIFYING OFFICERS OR AUDITORS

Terrain has paid premiums totalling \$8,814 (exclusive of GST) 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, other than conduct involving a wilful breach of duty in relation to Terrain.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

OPTIONS

At the date of this report, the unissued ordinary shares of Terrain under option, to the date of this report, are as follows:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE	NO. UNDER OPTION
25 November 2020	25 November 2025	0.0214	16,000,000
7 December 2021	7 December 2026	0.0150	6,000,000
22 February 2023	24 February 2028	0.0108	4,000,000
30 November 2023	30 November 2028	0.0056	20,000,000
28 November 2024	28 November 2029	0.0042	20,000,000
15 May 2025	31 March 2030	0.0070	214,000,000
17 June 2025	17 June 2027	0.0050	283,257,672
25 July 2025	17 June 2027	0.0050	245,000,000
15 August 2025	17 June 2027	0.0050	50,000,000
09 September 2025	17 June 2027	0.0050	63,333,333
16 September 2025	17 June 2027	0.0050	36,666,666
			<u>958,257,671</u>

For details of options granted to Directors and executives as remuneration, refer to the remuneration report.

PROCEEDINGS ON BEHALF OF COMPANY

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

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 46 of the financial report.

The auditor did not provide any non-audit services for the year ended 30 June 2025 (30 June 2024: Nil).

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

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.

Assessing performance:

The Board is responsible for assessing performance against KPIs and determining the STI and LTI to be paid.

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 Company did not engage external remuneration consultants to advise the Board on remuneration matters during the year.

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. A Director is not present at any discussions relating to determination of his own remuneration.

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 \$600,000.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED)

Executive Pay

The overall level of executive compensation takes into account the company's performance. Since the Company is engaged in mineral exploration and did not generate a profit, growth in earnings is not considered a relevant factor. Shareholder wealth depends on exploration success, and it has fluctuated accordingly.

The executive pays and reward framework has three components:

- i. base pay and benefits
- ii. long-term incentives
- 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 are no guaranteed base pay increases included in any senior executives' contracts.

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

- ii. Incentives

Individual performance reviews are carried out annually. Any allotment of options to executives are considered by the Board depending on individual performance.

- iii. Other

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

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED) Continued

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.

KEY MANAGEMENT PERSONNEL	POSITION HELD AS AT 30 JUNE 2025	CONTRACT DETAILS (DURATION & TERMINATION)
Mr Justin Virgin	Executive Director	Executive agreement effective 1 December 2015
Mr Jason Macdonald	Non-Executive Director	On-going basis with no termination benefits
Mr Johannes Lin	Non-Executive Director	On-going basis with no termination benefits

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

On 1 December 2015 the Company entered into an Executive Service Agreement with Director Justin Virgin. This contract was then reviewed and revised as per ASX announcement on 13 March 2025. Under the new terms of the contract:

- Mr Virgin's Executive Service Agreement has been revised and increased to \$270,000 plus superannuation effective retrospectively from 1 August 2024.
- In accordance with the short-term and long-term incentive plans, on 15 May 2025, shareholders approved the grant of 160,000,000 performance-based incentive options to Mr Virgin, subject to the achievement of specified vesting conditions.
- The Company may terminate this agreement in writing if the Executive becomes incapacitated by illness or accident for an accumulated period of two months or a period aggregating more than three months in any twelve month period.
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.
- If the Company terminates the agreement for any reason other than the above, the Company must pay the Executive an amount equal to six month's salary.
- If Mr Virgin terminates the agreement, he must provide the Company with 60 days' notice period.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED) Continued

REMUNERATION DETAILS

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 2025 and 30 June 2024 are set out in the following tables:

For the year ended 30 June 2025

KEY MANAGEMENT PERSONNEL	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	EQUITY-SETTLED SHARE-BASED PAYMENTS		TOTAL REMUNERATION	REMUNERATION CONSISTING OF OPTIONS
	SALARY, FEES AND LEAVE	OTHER	SUPERANNUATION	SHARES	OPTIONS		
	\$	\$	\$	\$	\$	\$	%
Mr Justin Virgin	262,500	-	30,188	-	31,086	323,774	9.60
Mr Johannes Lin	30,000	-	3,450	-	11,341	44,791	25.32
Mr Jason Macdonald	40,000	-	4600	-	11,341	55,941	20.27
Mr Xavier Braud ¹	2,072	-	238	-	-	2,310	-
TOTAL	334,572	-	38,476	-	53,768	426,816	12.60

1. Resigned 1 July 2024

For the year ended 30 June 2024

KEY MANAGEMENT PERSONNEL	SHORT-TERM BENEFITS		POST-EMPLOYMENT BENEFITS	EQUITY-SETTLED SHARE-BASED PAYMENTS		TOTAL REMUNERATION	REMUNERATION CONSISTING OF OPTIONS
	SALARY, FEES AND LEAVE	OTHER	SUPERANNUATION	SHARES	OPTIONS		
	\$	\$	\$	\$	\$	\$	%
Mr Justin Virgin	180,000	-	19,800	-	39,689	239,489	16.57
Mr Johannes Lin	30,000	-	3,300	-	-	33,300	-
Mr Xavier Braud	40,000	-	4,400	-	19,844	64,244	30.89
TOTAL	250,000	-	27,500	-	59,533	337,033	17.66

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED) Continued

REMUNERATION POLICY

SHARE-BASED PAYMENTS

During the year ended 30 June 2025: 16,000,000 (30 June 2024: 15,000,000) options were granted to the directors.

KEY MANAGEMENT PERSONNEL	REMUNERATION TYPE	GRANT DATE	NO OF OPTIONS	GRANT VALUE \$	PERCENTAGE VESTED/PAID DURING THE YEAR %	PERCENTAGE FORFEITED DURING YEAR %	PERCENTAGE REMAINING AS UNVESTED %
Mr Justin Virgin	Options	28 November 2024	8,000,000	22,681	100	-	-
Mr Johannes Lin	Options	28 November 2024	4,000,000	11,341	100	-	-
Mr Jason Macdonald	Options	28 November 2024	4,000,000	11,341	100	-	-

DESCRIPTION OF OPTIONS/RIGHTS GRANTED AS REMUNERATION

2025

The options granted to Directors in the year 30 June 2025 were for nil consideration as remuneration.

16,000,000 options granted below are exercisable at \$0.0042 on or before 30 November 2029 and vested immediately on the date of shareholder approval, being 28 November 2024.

The weighted average fair value of those equity instruments, determined by reference to market price, was \$0.0030. The assumptions used for the options, prepared by using the Black and Scholes valuation, are as follows:

Number of options in series	16,000,000
Grant date share price	\$0.0030
Exercise price	\$0.0042
Expected volatility	174.08%
Option life	5 years
Dividend yield	0.00%
Interest rate	4.17%

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED) Continued

REMUNERATION POLICY

DESCRIPTION OF PERFORMANCE OPTIONS

key management personnel	Remuneration type	Grant date	NO OF OPTIONS	Grant Value \$	Percentage vested/paid during the year %	Percentage forfeited during year %	Percentage remaining as unvested %
Mr Justin Virgin	Options	15 May 2025	160,000,000	408,745	-	-	100%

During the year ended 30 June 2025, a total of 160,000,000 performance options were granted to the Executive Director, Mr. Justin Virgin. On 15 May 2025, shareholders approved the following short-term and long-term incentive performance options, subject to the vesting conditions set out below.

Class	Number	Exercise Price	Vesting Conditions	Expiry Date
A	30,000,000	\$0.007	The market capitalisation of the Company being not less than \$25,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
B	30,000,000	\$0.007	The market capitalisation of the Company being not less than \$50,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
C	30,000,000	\$0.007	The market capitalisation of the Company being not less than \$75,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
D	30,000,000	\$0.007	The market capitalisation of the Company being not less than \$100,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
E	20,000,000	\$0.007	The market capitalisation of the Company being not less than \$200,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
F	20,000,000	\$0.007	The market capitalisation of the Company being not less than \$500,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030

Each tranche of the incentive options is exercisable at \$0.0070 on or before 31 March 2030 and is subject to various vesting conditions.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED) Continued

REMUNERATION POLICY

DESCRIPTION OF PERFORMANCE OPTIONS (continued)

The weighted average fair value of those equity instruments, determined by reference to market price, was \$0.0030. The assumptions used for the options, prepared by using the Black and Scholes valuation, are as follows:

Number of options in series	160,000,000
Grant date share price	\$0.0030
Exercise price	\$0.0070
Expected volatility	145.58%
Option life	4.88 years
Dividend yield	0.00%
Interest rate	3.668%

2024

The options granted to Directors in the year 30 June 2024 were for nil consideration as remuneration. Each of the options are exercisable at \$0.0056 on or before 30 November 2028 and vested immediately on the date of grant, being 30 November 2023.

The weighted average fair value of those equity instruments, determined by reference to market price, was \$0.0045. The assumptions used for the options, prepared by using the Black and Scholes valuation, are as follows:

Number of options in series	15,000,000
Grant date share price	\$0.0045
Exercise price	\$0.0056
Expected volatility	140.30%
Option life	5 years
Dividend yield	0.00%
Interest rate	3.86%

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED) Continued

REMUNERATION POLICY

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

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

30 JUNE 2025	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
Mr Justin Virgin	57,763,890	-	-	92,134,390 ¹	149,898,280
Mr Johannes Lin	48,862,771	-	-	13,206,159 ²	62,068,930
Mr Jason Macdonald	-	-	-	8,175,676 ³	8,175,676
Mr Xavier Braud	7,402,778	-	-	(7,402,778) ⁴	-
	114,029,439	-	-	106,113,447	220,142,886

1. Mr Justin Virgin acquired non-renounceable pro-rata rights issue as per the Prospectus dated 12 May 2025 and participated in the placement on 25 September 2024.
2. Mr Johannes Lin acquired non-renounceable pro-rata rights issue as per the Prospectus dated 12 May 2025.
3. Mr Jason Macdonald submitted declaration of prior holdings on 1 July 2024 and acquired non-renounceable pro-rata rights issue as per the Prospectus dated 12 May 2025.
4. Mr Xavier Braud submitted his final Director's Interest Notice following his resignation as a Non-Executive Director on 1 July 2024.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED) Continued

REMUNERATION POLICY

KEY MANAGEMENT PERSONNEL OPTIONS AND RIGHTS HOLDINGS

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

30 JUNE 2025	BALANCE AT BEGINNING OF YEAR	GRANTED AS REMUNERATION DURING THE YEAR	EXERCISED DURING THE YEAR	PRICE PAID FOR EXERCISED OPTIONS \$	OTHER CHANGES DURING THE YEAR	BALANCE AT END OF YEAR	VESTED DURING THE YEAR	VESTED AND EXERCISABLE	VALUE OF OPTIONS GRANTED AS REMUNERATION \$
Mr Justin Virgin	28,000,000	168,000,000 ¹	-	-	54,134,390 ²	250,134,390	66,134,390	90,134,390	31,086
Mr Johannes Lin	4,000,000	4,000,000	-	-	13,206,159 ³	21,206,159	17,206,159	21,206,159	11,341
Mr Jason Macdonald	-	4,000,000	-	-	7,675,676 ⁴	11,675,676	9,675,676	11,675,676	11,341
Mr Xavier Braud	9,000,000	-	-	-	(9,000,000) ⁵	-	-	-	-
	41,000,000	176,000,000	-	-	66,016,225	283,016,225	93,016,225	123,016,225	53,768

1. This comprised of options granted as remuneration on 28 November 2024 and Performance Options granted on 15 May 2025.

2. This includes options expired on 20 November 2024 and free attaching option granted from the non-renounceable pro-rata rights issue as per the Prospectus dated 12 May 2025.

3. Free attaching option granted from the non-renounceable pro-rata rights issue as per the Prospectus dated 12 May 2025.

4. Prior holdings Declaration Appendix 3Y on 1 July 2024 and free attaching option granted from the non-renounceable pro-rata rights issue as per the Prospectus dated 12 May 2025.

5. Mr Xavier Braud submitted his final Director's Interest Notice following his resignation as a Non-Executive Director on 1 July 2024.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION REPORT (AUDITED) Continued

REMUNERATION POLICY

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

Other Key Management Personnel Transactions

Payments to director-related parties:

	2025 \$	2024 \$
J Virgin ⁽ⁱ⁾	2,800	3,899
S Virgin ⁽ⁱⁱ⁾	14,243	1,053
	17,043	4,952

- (i) The payment was made to Mr Justin Virgin, the Executive Director of the Company for vehicle hire and was conducted on an arm's length basis.
- (ii) The payment was made to the spouse of Mr Justin Virgin, the Executive Director of the Company, for vehicle hire services and was conducted on an arm's length basis.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2024 ANNUAL GENERAL MEETING

The Company's remuneration report for the 2024 financial year was approved at the Annual General Meeting held on 28 November 2024. The Company did not receive any feedback at the AGM on its Remuneration Report. During the year ended 30 June 2025, the Company did not have a separately established nomination or remuneration committee. Considering the size of the Company and number of directors, the Board is of the view that these functions would be efficiently performed with full Board participation.

END OF AUDITED REMUNERATION REPORT

The directors' report incorporating the remuneration reports is signed in accordance with a resolution of the Board of Directors made pursuant to s298(2) of the Corporations Act 2001.



Justin Virgin
Executive Director
Dated: 29 September 2025

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Terrain Minerals Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 29 September 2025

TERRAIN MINERALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
INCOME			
Other income	2	29,099	5,461
Net income		29,099	5,461
EXPENSE			
Administrative expenses		(279,948)	(244,032)
Depreciation		(472)	(13)
Employee benefits expenses		(453,668)	(376,789)
Exploration expenditure write-off	7	(550,490)	(386,825)
Share-based payments – employees and consultant	16A	(67,946)	(79,378)
Share-based payments – Other	16B	(60,000)	-
Loss on sale of exploration asset		-	(230,126)
Other expenses		(326,636)	(203,899)
(Loss) before income taxes		(1,710,061)	(1,515,601)
Less Income tax expense	3	-	-
(Loss) after income tax for the year		(1,710,061)	(1,515,601)
Other comprehensive income/(loss)			
Changes in the fair value of Financial Assets through other comprehensive (loss)		-	-
Total comprehensive (loss) for the year attributable to owners of Terrain Minerals Limited		(1,710,061)	(1,515,601)
(Loss) from continuing operations attributable to owners of Terrain Minerals Limited		(1,710,061)	(1,515,601)
(Loss) per share attributable to owners of Terrain Minerals Ltd			
From continuing operations:			
Basic (loss) per share (cents)	11	(0.09)	(0.14)
Diluted (loss) per share (cents)	11	(0.09)	(0.14)

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

TERRAIN MINERALS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	NOTE	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,138,549	449,506
Other receivables	5	53,252	12,407
Other	6	9,981	9,453
TOTAL CURRENT ASSETS		1,201,782	471,366
NON-CURRENT ASSETS			
Exploration expenditure	7	4,347,041	3,206,648
Property, plant and equipment		1,159	463
TOTAL NON-CURRENT ASSETS		4,348,200	3,207,111
TOTAL ASSETS		5,549,982	3,678,477
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	386,631	59,652
Provisions		179,910	99,289
TOTAL CURRENT LIABILITIES		566,541	158,941
TOTAL LIABILITIES		566,541	158,941
NET ASSETS		4,983,441	3,519,536
EQUITY			
Issued capital	9	27,616,520	24,510,500
Reserves	10	1,992,199	1,924,253
Accumulated losses		(24,625,278)	(22,915,217)
TOTAL EQUITY		4,983,441	3,519,536

The above statement of financial position should be read in conjunction with the accompanying notes

TERRAIN MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	ORDINARY SHARES	OPTIONS RESERVE	ACCUMULATED LOSSES	TOTAL
	\$	\$	\$	\$
Balance at 1 July 2024	24,510,500	1,924,253	(22,915,217)	3,519,536
(Loss) attributable to members of the parent entity	-	-	(1,710,061)	(1,710,061)
Other comprehensive (loss) for the year	-	-	-	-
Total comprehensive (loss) for the year	-	-	(1,710,061)	(1,710,061)
Transfer of reserve	-	-	-	-
Transactions with owners, in their capacity as owners, and other transfers				
Contributions of equity, net of transaction costs	3,106,020	-	-	3,106,020
Option-based payment	-	67,946	-	67,946
Balance at 30 June 2025	27,616,520	1,992,199	(24,625,278)	4,983,441
Balance at 1 July 2023	23,123,664	1,844,588	(21,399,616)	3,568,636
(Loss) attributable to members of the parent entity	-	-	(1,515,601)	(1,515,601)
Other comprehensive (loss) for the year	-	-	-	-
Total comprehensive (loss) for the year	-	-	(1,515,601)	(1,515,601)
Transfer of reserve	-	-	-	-
Transactions with owners, in their capacity as owners, and other transfers				
Contributions of equity, net of transaction costs	1,386,836	-	-	1,386,836
Option-based payment	-	79,665	-	79,665
Balance at 30 June 2024	24,510,500	1,924,253	(22,915,217)	3,519,536

The above statement of changes in equity should be read in conjunction with the accompanying notes.

TERRAIN MINERALS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 \$	2024 \$
CASH FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(995,908)	(688,181)
Interest received		8,366	5,461
Government Grant and incentives		12,661	-
Net cash (used) in operating activities	19	(974,881)	(682,720)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for Exploration and evaluation expenditure		(1,368,904)	(1,864,204)
Proceeds from sale of investment		-	-
Proceeds from sale of tenement		-	300,000
Net cash (used) in investing activities		(1,368,904)	(1,564,204)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		3,229,860	1,568,028
Proceeds from exercise of options		-	186
Payment of share issue costs		(197,032)	(181,091)
Net cash from financing activities		3,032,828	1,387,123
Net increase / (decrease) in cash and cash equivalents		689,043	(859,801)
Cash and cash equivalents at beginning of year		449,506	1,309,307
Cash and cash equivalents at end of the year	4	1,138,549	449,506

The above statement of cash flows should be read in conjunction with the accompanying notes

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF PREPARATION

This financial report includes the financial statements and notes of Terrain (the company) and was approved for issue on 29 September 2025 by the Board of directors of the Company.

Terrain is a for-profit company limited by shares, incorporated and domiciled in Australia. The financial report is a general purpose financial report 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 is a for-profit entity for the purpose of preparing the financial statements.

The financial statements of Terrain 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.

Going Concern

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

The Company incurred a net loss of \$1,710,061 for the year ended 30 June 2025 and had cash outflows from operations activities of \$974,881 for the year. Notwithstanding this, the financial report has been prepared on a going concern basis which the Directors consider to be appropriate based upon the available cash assets of \$1,138,549 as at 30 June 2025.

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

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

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

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

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 2: REVENUE AND SIGNIFICANT EXPENSES ITEMS

	2025 \$	2024 \$
Revenue from continuing operations:		
Interest income	8,366	5,461
Currency Gains/(Loss)	(292)	-
Government R & D Grant	12,661	-
Fuel Tax Credit	8,364	-
	29,099	5,461

NOTE 3: INCOME TAX

THE COMPONENTS OF TAX EXPENSE COMPRISE

	2025 \$	2024 \$
Current tax	-	-
Deferred tax	-	-
Income tax attributable to entity	-	-
RECONCILIATION OF INCOME TAX EXPENSE TO THE PRIMA FACIE TAX ON PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX:		
Prima facie tax benefit on profit/(loss) from continuing activities before income tax at 30% (2024: 30%)	(513,018)	(454,680)
Add/(less) tax effect of:		
Revenue losses not recognised	754,641	594,256
Option based payments	(20,384)	(23,813)
Other non-deductible expenses	259	727
Recoupment of prior year tax losses not previously brought to account	-	-
Deferred tax balances not recognised	(221,498)	(116,490)
Income tax expense	-	-

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 3: INCOME TAX (Continued)

Deferred tax recognised at 30% (2024:30%):

	2025 \$	2024 \$
Deferred tax liabilities:		
- Exploration expenditure	1,230,081	881,763
- Prepayments	2,628	2,470
- Property, plant and equipment	348	139
Unrecognised deferred tax liabilities	1,233,057	884,372
Deferred tax assets:		
- Other deferred tax assets:		
• Accruals and provisions	139,245	35,487
• Blackholes expenditure	110,254	62,883
- Total unrecognised other deferred tax assets	249,499	98,370
- Carry forward revenue losses	6,985,195	6,230,553
- Carry forward capital losses	958,255	958,255
Unrecognised deferred tax assets	7,943,450	7,188,808
	8,192,949	7,287,178

The tax benefits of the above deferred tax assets will only be obtained if:

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the company in utilising the benefits.

The company has no franking credits as at 30 June 2025 available for use in future years (2024: Nil).

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 4: CASH AND CASH EQUIVALENTS

	2025	2024
	\$	\$
Cash at bank	1,136,763	447,564
Petty cash	1,786	1,942
	1,138,549	449,506

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 year is the carrying amount of each class of cash and cash equivalents.

NOTE 5: OTHER RECEIVABLES

	2025	2024
	\$	\$
CURRENT		
Other receivables	-	-
GST paid	53,252	12,407
	53,252	12,407

Trade and other receivables are non-trade receivables, non-interest bearing and have an average term of 3 months and for GST generally received from the ATO in that time. The carrying amount is equivalent to their face value. No trade and other receivables and other receivables were impaired during the current year. The Company's exposure to risks arising from trade and other receivables is disclosed in Note 13 and no trade and other receivables were impaired during the current year.

Impairment – Trade receivables

The Company assesses the expected credit loss on a forward-looking basis in relation to its trade and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Company applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 6: OTHER

Current

	2025 \$	2024 \$
Prepayments	8,761	8,233
Bond and deposits	1,220	1,220
	9,981	9,453

NOTE 7: EXPLORATION EXPENDITURE

	2025 \$	2024 \$
Balance at beginning of the year	3,206,648	2,638,235
Capitalised Expenditure during the year – (exclude share-based pmt)	1,508,883	1,465,364
Share-based payment for Land Access	32,000	-
Share-based payment for drilling (iii)	150,000	-
Options fee write-off	-	20,000
Carrying value of exploration assets disposed of	-	(530,126)
Written off exploration expenditure (ii)	(550,490)	(386,825)
	4,347,041	3,206,648

- (i) The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of the respective areas of interest, or alternatively, their sale. During the current and prior reporting periods, the Company identified certain assets for which no further exploration programs could be justified. As a result, the associated tenements were determined to be relinquished, and the related capitalised expenditure was written off in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*.
- (ii) The Board has approved a write-down of \$550,490, relating to the relinquishment of certain tenements and expenditure associated with tenements for which the Company has not yet obtained the legal right to explore (June 2024: \$386,825) during the financial period in the Statement of Profit or Loss and other Comprehensive Income.
- (iii) On 15 August 2025, subsequent to year end, the Company issued 50,000,000 shortfall shares under the recent non-renounceable rights issue at an issue price of \$0.003 per share with a total value of \$150,000 as consideration for drilling services provided by Challenge Drilling in June 2025. Refer Note 20.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 7: EXPLORATION EXPENDITURE (continued)

Accounting policy

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. substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is budgeted or planned; and
- iii. 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. 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.

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.

NOTE 8: TRADE AND OTHER PAYABLES

	2025 \$	2024 \$
CURRENT		
Trade payables and accruals – unsecured	369,851	50,036
Other payables – unsecured	16,780	9,616
	386,631	59,652

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 13. The carrying amounts of trade and other payables approximate the fair values.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 9: ISSUED CAPITAL

(A) Issued Capital	2025 No.	2025 \$	2024 No.	2024 \$
Fully paid ordinary shares	2,531,814,273	27,616,520	1,431,670,672	24,510,500

(B) Ordinary Shares

2025

Balance at 1 July 2024

	Issue Date	No. of Shares	Issue Price	Total (\$)
Balance at 1 July 2024		1,431,670,672		24,510,500
Placement	29 July 2024	314,358,130		943,074
Share based payment	29 July 2024	20,000,000		60,000
Placement – Director participation	25 September 2024	34,000,000		102,000
Share based payment-Land access	29 December 2024	10,666,666		32,000
Placement	30 January 2025	192,861,133		600,012
Placement	02 May 2025	221,666,666		665,000
Placement	12 May 2025	23,333,334		70,000
Right Issue	24 June 2025	187,519,493		562,558
Right Issue – Shortfall	24 June 2025	57,404,845		172,215
Right Issue – Shortfall Directors	24 June 2025	38,333,334		115,000

Less: Equity raising transaction costs

(215,839)

Balance at 30 June 2025

2,531,814,273

27,616,520

2024

Balance at 1 July 2023

Balance at 1 July 2023		1,083,199,307		23,123,664
Placement	20 September 2023	108,319,930	0.0045	487,440
Placement	20 September 2023	66,124,521	0.0045	297,560
Placement	30 October 2023	86,205,574	0.0050	431,028
Right Issue - Free attaching share	30 October 2023	9,578,484	-	-
Option exercised	24 January 2024	20,631	0.0090	186
Placement of shortfall	24 January 2024	70,400,000	0.0050	352,000
Shortfall - Free attaching share	24 January 2024	7,822,225	-	-

Less: Equity raising transaction costs

(181,378)

Balance at 30 June 2024

1,431,670,672

24,510,500

Accounting policy

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.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 9: ISSUED CAPITAL (Continued)

(C) OPTIONS

As at reporting date, the Company has the following unlisted options:

2025

Grant	No.	Exercise Price	Expiry
25 November 2020	16,000,000	\$0.0214	25 November 2025
7 December 2021	6,000,000	\$0.0150	7 December 2026
22 February 2023	4,000,000	\$0.0108	24 February 2028
30 November 2023	20,000,000	\$0.0056	30 November 2028
28 November 2024	20,000,000	\$0.0042	28 November 2029
15 May 2025	214,000,000	\$0.0070	31 March 2030
24 June 2025	283,257,672	\$0.0050	17 June 2027
	563,257,672		

2024

Grant	No.	Exercise Price	Expiry
20 November 2019	6,000,000	\$0.0065	20 November 2025
25 November 2020	16,000,000	\$0.0214	25 November 2025
7 December 2021	6,000,000	\$0.0150	7 December 2026
22 February 2023	4,000,000	\$0.0108	24 February 2028
30 November 2023	20,000,000	\$0.0056	30 November 2028
	52,000,000		

Movements in the number of options granted during the year are as follows:

Description	2025 No.	2024 No.
Balance at 1 July	52,000,000	35,000,000
Granted during the year (i)	20,000,000	20,000,000
Granted during the year (ii)	214,000,000 ¹	5,000,000
Granted during the year	283,257,672 ²	147,925,019 ³
Exercised during the year	-	(20,631)
Expired during the year	(6,000,000)	(155,904,388) ³
Balance at 30 June	563,257,672	52,000,000

¹ Long-Term and Short-Term Performance Incentives options, subject to vesting conditions.

² Free-attaching options granted on 24 June 2025 in connection with non-renounceable pro-rata rights issue as per the Prospectus dated 12 May 2025. The remaining 245,000,000 options from the Rights issues offer was granted on 25 July 2025, subsequent to year end.

³ Free-attaching options granted (and subsequently expired) in connection with share placement during the year.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 9: ISSUED CAPITAL – OPTION (Continued)

a) OPTIONS-BASED REMUNERATION PAYMENT

- (i) Options valued at \$0.00284 each (2024: Options valued at \$0.00397 each) granted to directors and a consultant were valued using Black Scholes with the below assumptions. The fair value of the services received was unable to be reliably measured and as such the value of services received was deemed to equal the value of equity instruments granted.

2025	Unlisted options
Number of options in series	20,000,000
Grant date share price	\$0.0030
Exercise price	\$0.0042
Expected volatility	174.08%
Option life	5 years
Dividend yield	0.00%
Interest rate	4.168%
Total value	\$56,704

2024	Unlisted options
Number of options in series	20,000,000
Grant date share price	\$0.0045
Exercise price	\$0.0056
Expected volatility	140.30%
Option life	5 years
Dividend yield	0.00%
Interest rate	3.86%
Total value	\$79,378

b) OPTIONS-BASED INCENTIVE PAYMENT (SUBJECT TO MEETING VESTING CONDITIONS)

- (ii) Option valued at \$0.00255 each, tied to the Company's market capitalisation performance, were granted to the Executive Director and the Head of Exploration. These options were valued using the Black-Scholes option pricing model, based on the assumptions outlined below. In accordance with AASB 2, the expense is recognised on a straight-line basis over the vesting period, prior to the vesting conditions being met. As the fair value of the services received could not be reliably measured, it was deemed to be equal to the fair value of the equity instruments granted.

2025	Unlisted incentive options
Number of options in series	214,000,000
Grant date share price	\$0.0030
Exercise price	\$0.0070
Expected volatility	145.58%
Option life	4.88 years
Dividend yield	0.00%
Interest rate	3.668%
Total Value	\$546,697
Amount recognised 30 June 2025	\$ 11,242

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 9: ISSUED CAPITAL

b) OPTIONS-BASED INCENTIVE PAYMENT (SUBJECT TO MEETING VESTING CONDITIONS)- Continued

Below are the vesting conditions of the unlisted incentive options:

Class	Number	Exercise Price	Vesting Conditions	Expiry Date
A	40,000,000	\$0.007	The market capitalisation of the Company being not less than \$25,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
B	40,000,000	\$0.007	The market capitalisation of the Company being not less than \$50,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
C	40,000,000	\$0.007	The market capitalisation of the Company being not less than \$75,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
D	40,000,000	\$0.007	The market capitalisation of the Company being not less than \$100,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
E	27,000,000	\$0.007	The market capitalisation of the Company being not less than \$200,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030
F	27,000,000	\$0.007	The market capitalisation of the Company being not less than \$500,000,000 for 20 consecutive trading days, on which the Company's Shares have actually traded on ASX.	31 March 2030

Accounting policy

The Company operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

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 include 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

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2025 and 30 June 2024 are as follows:

NOTE 9: ISSUED CAPITAL – CAPITAL RISK MANAGEMENT (Continued)

	2025	2024
	\$	\$
Cash and cash equivalents	1,138,549	449,506
Trade and other receivables	63,233	21,860
Trade and other payables	(386,631)	(59,652)
Working capital position	815,151	411,714

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.

NOTE 10: RESERVES

	2025	2024
	\$	\$
Option Reserve		
Opening balance	1,924,253	1,844,588
Option-based payment (Note 16A)	67,946	79,665
Closing balance Option Reserve	1,992,199	1,924,253
Total Reserve balances at 30 June	1,992,199	1,924,253

SHARE - BASED PAYMENTS

The share-based payments reserve is used to recognise:

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

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 11: EARNINGS PER SHARE

	2025	2024
	\$	\$
(Loss) used to calculate basic EPS	(1,710,061)	(1,515,601)
(Loss) used in calculation of dilutive EPS	(1,710,061)	(1,515,601)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,898,069,780	1,094,815,348
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	1,898,069,780	1,094,815,348

	2025	2024
	\$	\$
Total basic (loss) per share attributable to the ordinary equity holders of the Company (cents)	(0.09)	(0.14)
Total diluted (loss) per share attributable to the ordinary equity holders of the Company (cents)	(0.09)	(0.14)

NOTE 12: EXPENDITURE COMMITMENTS

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and those which cover the following twelve month period amount to \$251,687 (2024 - \$380,600). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 13: 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 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2025 \$	2024 \$
Financial Assets			
Cash and cash equivalents	4	1,138,549	449,506
Total Financial Assets		1,138,549	449,506
Financial Liabilities			
Trade and other payables	8	386,631	59,652
Lease liability		-	-
Total Financial Liabilities		386,631	59,652

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

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 raised 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 exposure to price risk.

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

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.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 13: FINANCIAL RISK MANAGEMENT (Continued)

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 Banking Corporation, which has a AA- credit rating.

(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 table below reflects an undiscounted contractual maturity analysis for financial liabilities. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis	Within 1 Year		1 to 5 Years		Total Contractual Cash Flow	
	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
Financial liabilities due for payment						
Trade and other payables	386,631	59,652	-	-	386,631	59,652
Lease liability	-	-	-	-	-	-
Total contractual outflows	386,631	59,652	-	-	386,631	59,652
Total expected outflows	386,631	59,652	-	-	386,631	59,652
Financial assets – cash flows realisable						
Trade and other receivables	53,252	12,407	-	-	53,252	12,407
Total anticipated inflows	53,252	12,407	-	-	53,252	12,407

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 13: FINANCIAL RISK MANAGEMENT (Continued)

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.

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 could 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.

Price risk also relates to the risk that share price can fluctuate and where assets are held in shares, as tradeable on a recognisable exchange, then the price of these shares and therefore the value of the assets can fluctuate.

NOTE 14: OPERATING SEGMENTS

Terrain has determined that the Company has one reportable segment, being mineral exploration. As the Company is focused on mineral exploration, the Board monitors the Company based on actual versus budgeted revenues and expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

NOTE 15: INTERESTS OF KEY MANAGEMENT PERSONNEL/RELATED PARTIES

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of Terrain key management personnel for the year ended 30 June 2025.

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

	2025	2024
	\$	\$
Short-term employee benefits	334,572	250,000
Post-employment benefits	38,476	27,500
Share-based payments	53,768	59,533
	426,816	337,033

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 15: INTERESTS OF KEY MANAGEMENT PERSONNEL/RELATED PARTIES (Continued)

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS	2025 \$	2024 \$
Payments to director-related parties:		
J Virgin (i)	2,800	3,899
S Virgin (ii)	14,243	1,053
	17,043	4,952

- (i) The payment was made to Mr Justin Virgin, the Executive Director of the Company, for vehicle hire and was conducted on an arm's length basis.
- (ii) The payment was made to the spouse of Mr Justin Virgin, the Executive Director of the Company, for vehicle hire services and was conducted on an arm's length basis.

NOTE 16: SHARE-BASED PAYMENTS

A. FAIR VALUE OF GOODS AND SERVICES CANNOT BE RELIABLY DETERMINED

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

i. Non-Cash Remuneration Compensation

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

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

Each of the options are exercisable at \$0.0042 on or before 28 November 2029 and vested immediately on the date of grant, being 28 November 2024. Details in relation to the valuation of these options can be found in Note 9.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 16: SHARE-BASED PAYMENTS (continued)

ii. Non-Cash Performance Incentives Options

On 15 May 2025, Terrain shareholders approved the issue of non-cash incentive options to key management personnel and consultants of the Company subject to meeting the following vesting conditions. These incentives were designed to align with industry benchmarks within the mining exploration sector and to ensure strong alignment with the long-term interests of shareholders.

	No of Options Granted	Fair Value	Amount recognised
		\$	\$
Justin Virgin	160,000,000	408,745	8,405
Benjamin Bell - Consultant (Head of Exploration)	54,000,000	137,952	2,837

Option valued at \$0.00255 each and are subject to performance conditions linked to the Company's market capitalisation. Details in relation to the valuation of these options and their performance conditions can be found in Note 9.

The key management personnel and consultant options-based payments expense of \$67,946 (30 June 2024: \$79,378) have been included in the Option Reserve in the Statement of Changes in Equity and in the Statement of Profit or Loss and Other Comprehensive Income.

B. FAIR VALUE OF GOODS AND SERVICES CAN BE RELIABLY MEASURED

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

On 28 July 2024, the Company issued 20,000,000 shares at an issue price of \$0.0030 per share to Mungala Investments Pty Ltd as payment for six months of promotional consulting services valued at \$60,000 (exclusive of GST). This equity settled share-based payment has been included in the Statement of Profit or Loss and Other Comprehensive Income.

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

On 15 August 2025, subsequent to year end, the Company issued 50,000,000 shortfall shares under the recent non-renounceable rights issue at an issue price of \$0.003 per share with a total value of \$150,000 as consideration for drilling services provided by Challenge Drilling in June 2025. This equity settled share-based payment has been included in the Exploration and Evaluation Expenditure in the Statement of Financial Position.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 17: AUDITOR'S REMUNERATION

Remuneration of the auditor of the company for:

	2025 \$	2024 \$
Dry Kirkness (Audit) Pty Ltd - auditing or reviewing the financial report	18,000	-
BDO Audit Pty Ltd - auditing or reviewing the financial report	-	47,131
	18,000	47,131

Note: On 15 January 2025, BDO Audit Pty Ltd resigned and Dry Kirkness (Audit) Pty Ltd was appointed as the Company's new auditor.

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Terrain now holds 100% ownership of P59/2125, 2126, 2127, 2128 and E59/2234, which are subject to a 1% Net Smelter Royalty (NSR) on the first 100,000 ounces of gold or to the equivalent value in other minerals. Refer to ASX announcement: 2 December 2022 Acquisition Smokebush JV Tenement now 100% owned.

As at reporting date, there are no other contingent liabilities or known contingent assets.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 19: CASH FLOW INFORMATION

RECONCILIATION OF CASH OUTFLOWS FROM OPERATIONS WITH LOSS AFTER INCOME TAX

	2025 \$	2024 \$
Net (loss) for the year	(1,710,061)	(1,515,601)
Other income	-	-
Non-cash items in (loss)		
Share based payments – Employees and consultant	67,946	79,378
Share based payments – Others	60,000	-
Exploration written off	550,490	386,825
Depreciation	472	13
Unrealised Forex	(30)	-
Loss on sale of exploration asset	-	230,126
Changes in assets and liabilities		
(Increase)/decrease in office equipment	(1,167)	(477)
(Increase)/decrease in trade and term receivables	(40,845)	88,809
(Increase)/decrease in prepayments	(528)	642
Increase/(decrease) in trade payables and accruals	18,221	(51,724)
Increase/(decrease) in provision	80,621	99,289
Net cash used in operating activities	(974,881)	(682,720)

NOTE 20: EVENTS AFTER THE END OF THE REPORTING DATE

Capital Raising After Reporting Date: On 15 August 2025, the Company issued 50,000,000 shortfall shares from the recent non-renounceable rights issue at an issue price of \$0.003 per share totalling \$150,000 as consideration for drilling services provided by Challenge Drilling in June 2025. As part of the issue, 50,000,000 free-attaching options (exercisable at \$0.005 each expiring 17 June 2027) were granted.

On 9 September 2025 and 16 September 2025, the Company successfully placed 63,333,333 and 36,666,666 shortfall shares, respectively, from its recent non-renounceable rights issue at an issue price of \$0.003 per share, raising \$190,000 and \$110,000. These placements also included a total of 99,999,999 free-attaching options (exercisable at \$0.005 each expiring 17 June 2027). AFSL holders were paid a fee of 10% on the funds raised.

Other than matters disclosed above, there are no 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.

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 21: OTHER MATERIAL ACCOUNTING POLICIES

New and amended standards adopted by the Company

The Company has adopted all amended standards which became applicable for the current reporting period.

Early adoption of accounting standards

The Company has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2024. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards is that they are not expected to have a material impact on the Company in the current or future periods.

TERRAIN MINERALS LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

Terrains Minerals Limited has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the entity.

TERRAIN MINERALS LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2025

The Directors declare that:

- (a) 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;
- (b) the financial statements and accompanying notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board;
- (c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, other mandatory professional reporting requirements including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company;
- (d) the consolidated entity disclosure statement is true and correct; and
- (e) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.



Justin Virgin
Executive Director
Dated: 29 September 2025

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

Report on the financial report

Opinion

We have audited the financial report of Terrain Minerals Limited ("the Company"), which comprises the statement of financial position as at 30 June 2025 the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2025 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

Material uncertainty related to going concern

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Capitalised mineral exploration expenditure (refer note 7)</p> <p>The Company operates as an exploration entity and as such its primary activities are focussed on the exploration for and evaluation of economically viable mineral deposits. These activities currently relate to several project areas in Western Australia and Queensland.</p> <p>All exploration and evaluation expenditure incurred on the Company's exploration portfolio has been capitalised and recognised as an asset in the Statement of Financial Position. The closing value of this asset is \$4,347,041 as at 30 June 2025.</p> <p>The carrying value of capitalised mineral exploration assets is subjective and is based on the Company's intention and ability to continue to explore the asset. The carrying value may also be affected by the results of ongoing exploration activity indicating that the mineral reserves and resources may not be commercially viable for extraction. This creates a risk that the asset value included within the financial statements may not be recoverable.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ensuring the Company's continued right to explore for minerals in the relevant areas of interest including assessing documentation such as exploration and mining licences; enquiring of management and the directors as to the Company's intentions and strategies for future exploration activity and reviewing budgets and cash flow forecasts; assessing the results of recent exploration activity to determine whether there are any indicators suggesting a potential impairment of the carrying value of the asset; assessing the Company's ability to finance the planned exploration and evaluation activity; and assessing the adequacy of the disclosures made by the Company in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2025 but does not include the financial report and the auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial report

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

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
 - i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii) the consolidated entity disclosure statement that is true and correct and is free from misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significant in the audit of the financial report for the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

Report on the remuneration report

Opinion

We have audited the remuneration report included on pages 36 to 45 of the directors' report for the year ended 30 June 2025.

In our opinion the remuneration report of Terrain Minerals Limited for the year complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the remuneration report based on our audit conducted in accordance with Australian Auditing Standards.

DRY KIRKNESS (AUDIT) PTY LTD

A handwritten signature in blue ink, appearing to read 'Lucy P Gardner'.

LUCY P GARDNER
Director

Perth
Date: 29 September 2025

TERRAIN MINERALS LIMITED

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025

The Company's 2023 Corporate Governance Statement is contained in the 'Corporate Governance' section of the Company's website at www.terrainminerals.com.au.

TERRAIN MINERALS LIMITED

ADDITIONAL ASX INFORMATION

FOR THE YEAR ENDED 30 JUNE 2025

The shareholder information set out below was applicable as at 12 September 2025.

1. Quotation

Listed securities in Terrain Minerals Limited are quoted on the Australian Securities Exchange under ASX code TMX (Fully Paid Ordinary Shares).

2. Voting Rights

All issued ordinary shares carry one vote per share. There are no voting rights attached to options on issue.

3. Distribution of Shareholders

(i) Fully Paid Ordinary Shares

(i)	Range	Holders	Units	%
	1 – 1,000	47	9,154	0.00
	1,001 – 5,000	19	60,474	0.00
	5,001 – 10,000	35	319,716	0.01
	10,001 – 100,000	328	18,045,239	0.68
	100,001 Over	865	2,626,713,023	99.40
	Total	1,294	2,645,147,606	100.00

On 12 September 2025, there were 628 holders of unmarketable parcels of less than 250,000 ordinary shares (based on the closing share price of \$0.002).

(ii) Unlisted Securities

At 12 September 2025, the Company has on issue 707,591,005 unlisted options over ordinary shares. The names of security holders holding more than 20% of an unlisted class of security are listed below.

Holder	Unlisted Options \$0.0214 25/11/2025	Unlisted Options \$0.015 7/12/2026	Unlisted Options \$0.0108 24/2/2028	Unlisted Options \$0.0056 30/11/2028	Unlisted Options \$0.0042 28/11/2029	Unlisted Options \$0.005 17/06/2027
Mr Justin Anthony Virgin <J Virgin T/A Stockfeed A/C>	8,000,000	6,000,000	-	10,000,000	8,000,000	-
Mr Benjamin Bell	-	-	4,000,000	6,000,000	4,000,000	-
Mr Johannes Lin	4,000,000	-	-	-	4,000,000	-
Mr Jason MacDonald	-	-	-	-	4,000,000	-
Holders < 20%	4,000,000	-	-	4,000,000	-	641,591,005
Total	16,000,000	6,000,000	4,000,000	20,000,000	20,000,000	641,591,005

(iii) Performance Options

At 12 September 2025, the Company has on issue 214,000,000 performance options (subject to vesting conditions) over ordinary shares. The names of security holders holding more than 20% of an unlisted class of security are listed below.

Holder	Performance Options
	31/03/2030
Mr Justin Anthony Virgin <J Virgin T/A Stockfeed A/C>	160,000,000
Mr Benjamin Bell	54,000,000
Holders < 20%	-
Total	214,000,000

4. Substantial Shareholders

The Company has received the following substantial shareholders notices at 12 September 2025:

Name: Mr Justin Anthony Virgin <J Virgin T/A Stockfeed A/C>, Virgin Pty Ltd, Virgin Pty Ltd <VL S/F A/C>
 Holder of: 149,898,280 fully paid ordinary shares, representing 5.92% (based on 2,531,814,273 shares on issue at the time of lodging the notice)
 Notice Received: 24 June 2025

5. Restricted Securities

At 12 September 2025, there was no ordinary fully paid shares subject to escrow.

6. On market buy-back

There is currently no on market buy back in place.

7. Top 20 Shareholders

The twenty largest shareholders of the Company's quoted securities as at 12 September 2025 are as follows:

Holder	Units	%
MR JUSTIN ANTHONY VIRGIN	151,398,280	5.72
MR LIN YONGCAI	149,999,316	5.67
MR JONATHAN KENG HOCK LIM	101,125,884	3.82
GERARD C TOSCAN MANAGEMENT PTY LIMITED <GERARD C TOSCAN FAM NO 2 A/C>	99,687,991	3.77
MR MARK ANDREW TKOCZ	92,000,000	3.48
MR MICHAEL PETER HETRELEZIS <MIKE'S INVESTMENT A/C>	71,727,447	2.71
MR JOHANNES LIN	62,068,930	2.35
MR JAMES PETERSON	51,445,946	1.94
OLGEN PTY LTD	50,000,000	1.89
CITICORP NOMINEES PTY LIMITED	48,308,842	1.83
VAN AM MARKETING PTY LTD	47,952,407	1.81
JOHN WARDMAN & ASSOCIATES PTY LTD <WARDMAN SUPER FUND A/C>	40,000,000	1.51
RINGWOOD MANAGEMENT PTY LIMITED <RINGWOOD SUPER FUND A/C>	39,801,804	1.50

TERRAIN MINERALS LIMITED

ADDITIONAL ASX INFORMATION

FOR THE YEAR ENDED 30 JUNE 2025

SWEET SNACKS SUPERANNUATION FUND PTY LTD <SWEET SNACKS SUPER FUND A/C>	39,666,667	1.50
MR PETER KARAS + MRS CHRISTINA KARAS	36,547,771	1.38
BERKELEY CONSULTANTS PTY LTD <THE BERKELEY A/C>	33,333,333	1.26
MR ALLEN DONALD SHANKS	31,637,155	1.20
MR SIMON WILLIAM TRITTON <INVESTMENT A/C>	28,333,333	1.07
SANCOAST PTY LTD	28,000,000	1.06
YANLING HUANG	21,171,173	0.80
Total	1,224,206,279	46.28

TERRAIN MINERALS LIMITED

ADDITIONAL ASX INFORMATION

FOR THE YEAR ENDED 30 JUNE 2025

8. Tenement Listing

The Company has an interest in the following tenements:

Project	Tenement	Status	Interest
Smokebush	E59/2434	Granted	100%
Smokebush	E59/2435	Granted	100%
Smokebush	E59/2482	Granted	100%
Smokebush	E59/2700	Granted	100%
Smokebush	P59/2822	Granted	100%
Smokebush	E59/2126	Granted	100%
Smokebush	P59/2127	Granted	100%
Smokebush	P59/2128	Granted	100%
Smokebush	M59/0796	Pending	100%
Lort River	E63/2447	Granted	100%
Biloela	EPM/28717	Granted	100%
Biloela	EPM/28718	Granted	100%
Biloela	EPM/28719	Granted	100%
Biloela	EPM/28720	Granted	100%
Biloela	EPM/28721	Granted	100%
Biloela	EPM/28722	Granted	100%
Biloela	EPM/28723	Granted	100%
Biloela	EPM/28835	Application	100%
Biloela	EPM/28836	Granted	100%
Biloela	EPM/28837	Granted	100%
Biloela	EPM/28839	Granted	100%
Bassit Bore	E09/2765	Application	100%
Bassit Bore	E09/2766	Application	100%
Carlindie	E45/6522	Application	100%
Carlindie	E45/6523	Granted	100%
Carlindie	E45/6524	Granted	100%
Carlindie	E45/6525	Application	100%
Carlindie	E45/6894	Application	100%
Carlindie	E45/6951	Application	100%
Carlindie	E45/6552	Granted	100%

9. Competent Person's Statements

Competent Person's Statement: Smokebush and Biloela Projects

The information in this report that relates to Exploration Results for the Monza, Wildflower, Smokebush and Biloela Prospects are based on information compiled by Mr. Benjamin Bell, a Competent Person and who is a Member of the Australian Institute of Geoscientists (AIG). Mr Bell is a consultant retained by Terrain Minerals Limited and is a shareholder and options holder in Terrain Minerals Limited. The full nature of the relationship between Mr Bell and Terrain Minerals Limited has been declared. Mr Bell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Bell consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Person's Statement: Larins Lane Project

The information in this report that relates to Exploration Targets and Exploration Results for the Larin's Lane Prospect is based on information compiled by Mr. Rodney Brown, a Competent Person and who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Member of the Australian Institute of Geoscientists (AIG). Mr Brown is Principal Consultant (Resource Evaluation) at SRK Consulting (Australia) Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Brown consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Person's Statement: Lort River Project

The information in this report that relates to Exploration Results for the Lort River Project is based on information compiled by Mr. Ben Jupp who is a Member of the Australian Institute of Geoscientists (AIG). Mr Jupp is not a shareholder or options holder of Terrain Minerals Limited, nor does Mr Jupp have any financial interest in Terrain Minerals. Mr Jupp is Principal Consultant (Geology) at SRK Consulting (Australia) Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Jupp consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

Competent Person's Statement: Carlindie Project

The information in this report that relates to Exploration Results for the Carlindie Lithium Project is based on information compiled by Dr Michael Gazley, a Competent Person and who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Member of the Australian Institute of Geoscientists (AIG). Dr Gazley is Principal Geochemist and General Manager Geoscience and Exploration at RSC and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Gazley consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.