



TERRAIN MINERALS LTD
ABN 45 116 153 514
ASX: TMX

INTERIM FINANCIAL REPORT 31 DECEMBER 2025

Note: The information contained in this condensed report is to be read in conjunction with Terrain Minerals Limited 30 June 2025 annual report and any announcements made by the company during the half-year period ended 31 December 2025

TERRAIN MINERALS LIMITED

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

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TERRAIN MINERALS LIMITED

CORPORATE DIRECTORY

Terrain Minerals Limited Board

Justin Virgin

Executive Director

Jason Macdonald

Non-Executive Director

Johannes Lin

Non-Executive Director

Melissa Chapman and Catherine Grant-Edwards

Company Secretaries

Share Register

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Perth WA 6000

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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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TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Your directors present their report, together with the financial statements of Terrain Minerals Limited ("Terrain" or "the Company") for the half-year ended 31 December 2025.

DIRECTORS

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

Current Directors

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

COMPANY SECRETARIES

Melissa Chapman and Catherine Grant-Edwards

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE HALF-YEAR

The loss from ordinary activities after providing for income tax for the half-year amounted to \$624,341 (2024: loss of \$607,404) and had a net cash outflow from operations of \$ 484,463 for the half-year (2024: \$411,702 outflow).

REVIEW OF OPERATIONS

Smokebush Project – Gold, Silver, Gallium & REE

Ownership:	100% Terrain Minerals Limited
Size:	170km ²
Location:	350 kilometres north of Perth, within the Murchison Gold Province of Western Australia.
Background:	Terrain's Smokebush Project is located within the Yalgoo-Singleton Greenstone Belt, a highly prospective Archean mineral province that hosts several operating gold mines including the historic Golden Dragon and Minjar gold mining operations.

Incorporates the following sub-projects:

Gold Targets:	Lightning, Wildflower, Mirja, Cota, W3, T16, Hurley and Paradise City
Silver Target:	Lightning
Gallium Project:	Larin's Lane

TERRAIN MINERALS LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Review of Operations

Smokebush Project – Gold, Silver, Gallium & REE (continued)

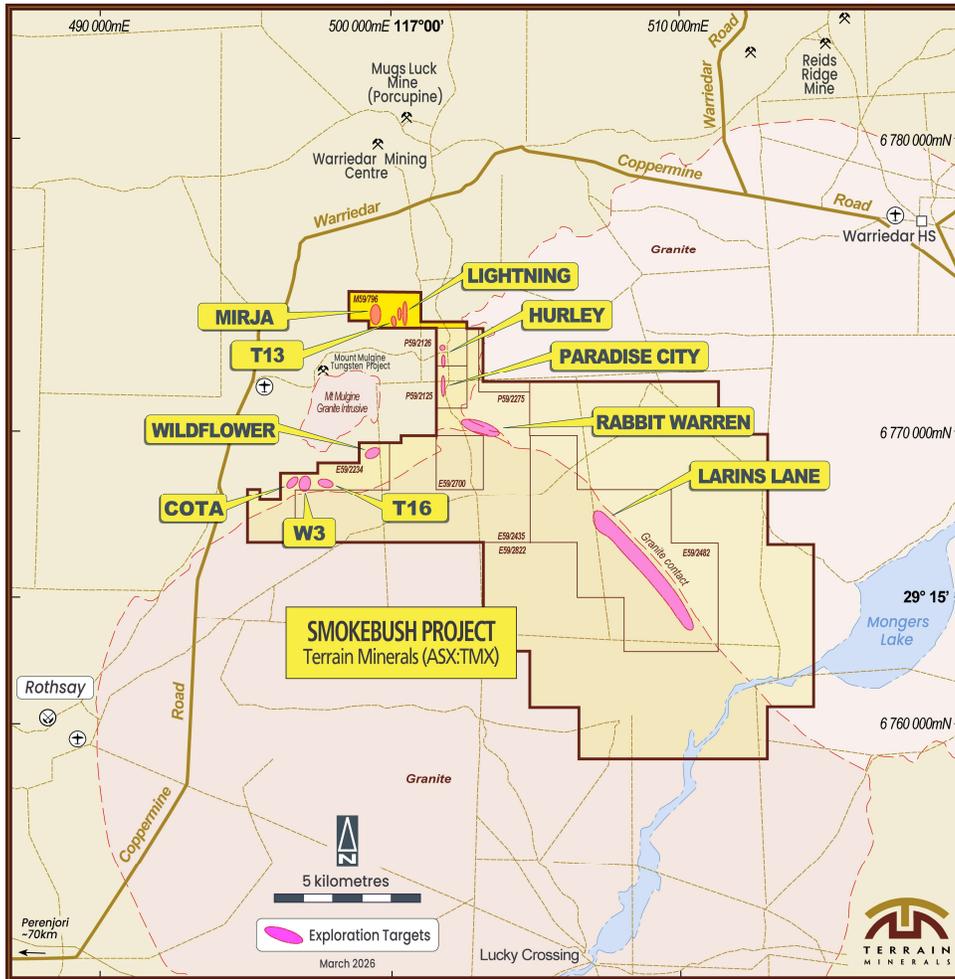


Figure 1: Prospects map of Terrain Mineral's 100% owned Smokebush Project

Project Updates:

Lightning Prospect - Gold & Silver:

During the half-year ended 31 December 2025, exploration activities advanced significantly towards the objective of defining a maiden JORC Mineral Resource targeted for mid-CY2026.

Key achievements during the six-month period include:

May 2025 RC drilling campaign, completed in mid-July 2026

- Completed expanded reverse circulation (RC) drilling campaign comprising 22 holes for 4,995 metres, targeting multiple parallel mineralised structures identified through induced polarisation (IP) modelling.
- Gold mineralisation intersected in approximately 80% of drill holes, confirming continuity and scale potential of the system.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Review of Operations

Smokebush Project – Gold, Silver, Gallium & REE (continued)

- “High-grade Gold” intercepts (selective) included:
 - 13m @ 8.13 g/t Gold from 122m, including 2m @ 48.22 g/t Gold (SBRC087)
 - 17m @ 3.43 g/t Gold from 147m, including 2m @ 17.17 g/t Gold (SBRC080)
 - 22m @ 2.71 g/t Gold from 105m (SBRC074)
 - 1m @ 18.04 g/t Gold from 124m (SBRC074)
 - 7m @ 1.92 g/t Gold from 155m (SBRC087)
 - 9m @ 1.20 g/t Gold from 35m (SBRC079)
 - 3m @ 3.61 g/t Gold from 95m (SBRC082)
 - 4m @ 2.73 g/t Gold from 122m (SBRC086)
- Multi-element assay results confirmed a strong association between gold and silver mineralisation, supporting potential polymetallic upside at Lightning and across the broader Smokebush Project.

November 2025 RC drilling campaign

- A 21-hole RC drilling program for 4,500 metres commenced during November 2025 with 12 holes completed before the Christmas pause.
- The three key objectives of the campaign include:
 1. Extending Known Gold Zones (3,200 metres – 71% of program)
 - Drilling deeper and along strike from existing high-grade gold trends.
 - Building tonnage for our maiden resource estimate.
 - Following the gold mineralisation both down-plunge and along strike.
 2. Testing New Discovery Targets (975 metres – 22% of program)
 - Exploring east-west trending magnetic features that may host additional gold.
 - These structures appear to concentrate gold-bearing fluids.
 3. Potential Repeat Discovery (250 metres – 7% of program)
 - Testing a previously undrilled area with similar magnetic signature to Lightning.
 - Potential to represent a repeat of Lightning-style mineralisation.
 - Located in the northern part of the Smokebush Project area.
- Additional 500 metres contingency for follow-up drilling of any exciting results encountered during the program.

Mining Lease Grant

- A major permitting milestone was achieved during the period with the successful grant of Mining Licence M59/0796, covering the Lightning Prospect.
 - Licence granted for a 21-year term to 2046.
 - Provides long-term tenure security and supports future development studies.
- Represents a key step in progressing Smokebush toward potential mining development.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Review of Operations

Smokebush Project – Gold, Silver, Gallium & REE (continued)

Wildflower Project - Gold:

During the period, exploration at the Wildflower Prospect progressed from geophysical targeting to drill-ready status.

Key achievements during the six-month period include:

Expanded IP survey

- An induced polarisation (IP) survey completed at Wildflower during the period identified three priority targets.
- New targets located under elevated gold in soil anomalies and near recent first pass drilling with strong similarities to Terrain's Lightning discovery, to the north.
- The survey results significantly improved targeting confidence and demonstrated the effectiveness of Terrain's systematic exploration methodology.

Wildflower RC drill program commenced February 2026

- A 13-hole RC drilling program for 2,300 metres to test three priority targets following completion of Lightning drilling, with results expected back in April 2026.

Larin's Lane Project - Gallium and Rare Earths:

During the half-year period, activities at Larin's Lane were primarily focused on advancing metallurgical understanding and technical evaluation of previously identified mineralisation.

Key achievements during the six-month period include:

- Continued progression of metallurgical studies under the Minerals Research Institute of Western Australia (MRIWA) Research Project M10528, aimed at assessing extraction pathways for gallium and associated REE mineralisation.
- Ongoing technical assessment of metallurgical test work, with results expected to support future development evaluation and processing pathway optimisation.
- Confirmation that metallurgical study results are anticipated by the end of the first quarter of 2026, reflecting continued advancement of laboratory testing and analysis programs.
- Integration of Larin's Lane into the broader Smokebush exploration strategy, with the Project positioned geographically separate from the gold targets on the eastern side of the project area.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Review of Operations

Smokebush Project – Gold, Silver, Gallium & REE (continued)

Note: For additional information refer to ASX announcement:

16 July 2025	- Expanded Gold Drill Program Completed 4,995m for 22 holes
2 September 2025	- 22m @ 2.71 g/t Gold Intersected at Lightning & Monza
9 September 2025	- Geophysical (IP) Survey started over Wildflower Gold Targets
29 September 2025	- Lightning Strikes Again with High-Grade Gold Drill Results
13 October 2025	- Exciting Silver Grades with High Grade Gold at Lightning
10 November 2025	- New IP Gold Targets Blooming Bright at Wildflower
17 November 2025	- Drilling Underway at Lightning as it Thunders Back to Life
27 November 2025	- Lightning & Wildflower Gold/Silver 6,800m Drilling Commences
2 December 2025	- Mining Licence M59/0796 Granted, Includes Lightning Prospect
18 December 2025	- Lightning Gold Drilling Paused for Christmas at Smokebush

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

Ownership: 100% Terrain Minerals Limited

Size: 81km²

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. Tenure is lightly explored section of the belt due to being located on arable farming land. The Rare Earth targets appear to sit on the edge of a unique ~3km by ~5km mafic intrusive feature.

Significant intersection 8 m @ 4,049ppm TREO from 23m down hole (LTRC03). With the neodymium (Nd) and Praseodymium (Pr) grades at this level compare extremely favourably on existing Australian and Brazilian clay-hosted REE projects.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Review of Operations

Lort River Project – Rare Earth Elements (REE) (continued)



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

During the half-year ended 31 December 2025, exploration activities at the Lort River Project focused on advancing geophysical interpretation and refining targets for future drill testing.

Key activities undertaken during the reporting period included:

- Completion and interpretation of an airborne electromagnetic (AEM) survey across the Project area, successfully mapping conductive regolith horizons and basin architecture.
- Geophysical modelling confirmed the presence of a large conductive basin interpreted to exceed 12 kilometres in length and approximately 5.5 kilometres in width, covering an area of approximately 66 square kilometres.
- Survey results demonstrated strong correlation between mapped conductive zones and previously identified REE-bearing regolith horizons from earlier drilling programs, validating Terrain's exploration model.
- Geological interpretation during the period further refined understanding of basin geometry and mineralisation controls, supporting prioritisation of future exploration targets.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Review of Operations

Lort River Project – Rare Earth Elements (REE) (continued)

The work completed during the half year represents an important technical advancement in understanding the scale and geometry of the regolith-hosted mineral system at Lort River.

Geophysical datasets generated during the period are expected to support:

- targeting of future air-core drilling programs,
- refinement of basin-hosted REE mineralisation models, and
- prioritisation of conductive anomalies for systematic exploration testing.

Note: For additional information refer to ASX announcement:

26 March 2025 - High-grade REE mineralisation intersected at Lort River

28 October 2025 - V-tem identifies large REE Regolith-Hosted target Lort River

Carlindie Project – Lithium & Gold – 100%

Ownership: 100% Terrain Minerals Limited

Size: ~1,135km² – (partly granted)

Location: 90 kilometres southeast of Port Hedland, Western Australia along the strike of Wildcat Resources Bolt Cutter Lithium Project and neighbouring SQM and Kali Metals Pilbara Lithium Project.

Background: The Carlindie Project is located within a prospective lithium exploration corridor in the Pilbara region, positioned along interpreted extensions of tectonic structures associated with lithium-bearing pegmatites identified in nearby deposits, including the Tabba Tabba Lithium Project. The Project provides Terrain with exposure to lithium exploration alongside its gold and critical minerals portfolio.

TERRAIN MINERALS LIMITED
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Review of Operations

Carlindie Project – Lithium & Gold (continued)

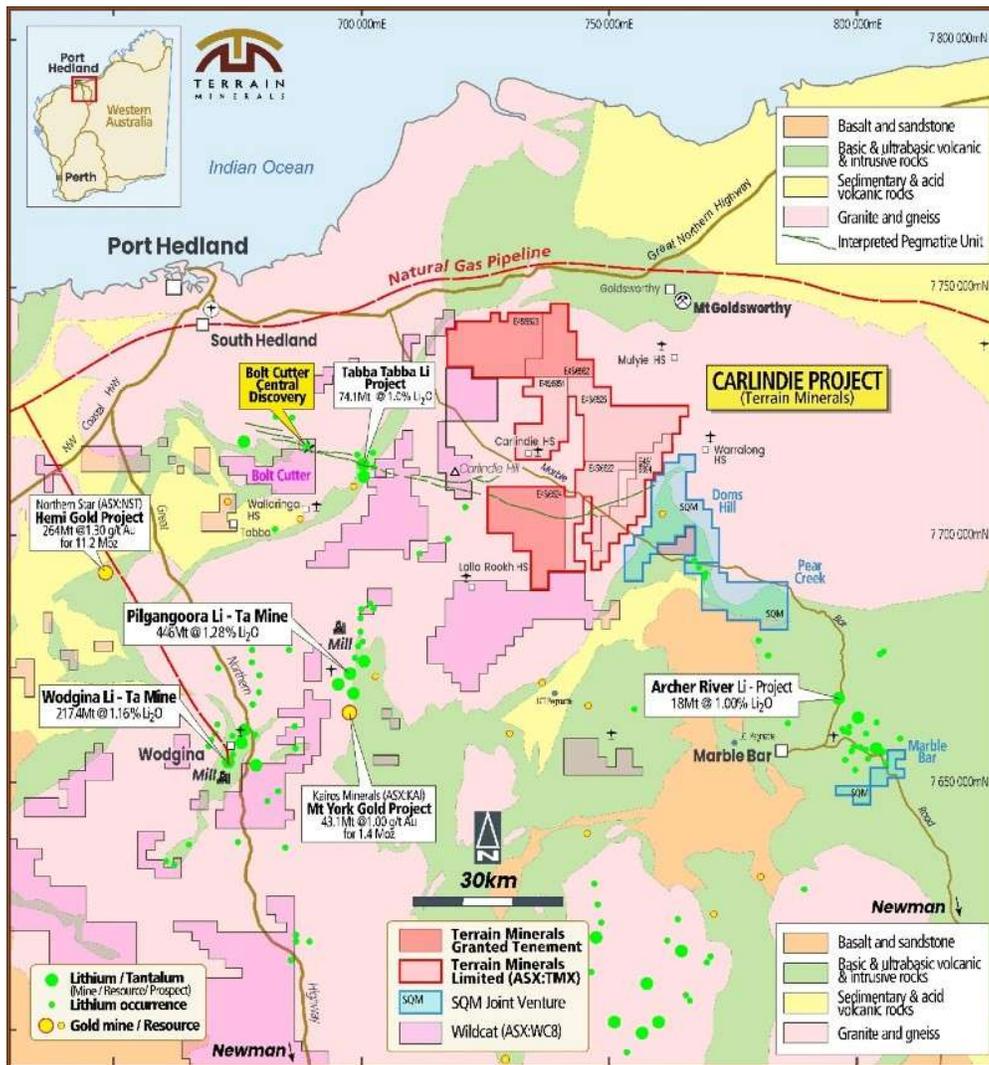


Figure 3. Terrain Minerals' 100% owned Carlindie Project

During the half-year, exploration activities at the Carlindie Project focused on early-stage geochemical reconnaissance aimed at identifying lithium-bearing pegmatite and gold targets across the tenement package.

Key activities undertaken during the reporting period included:

- A maiden on-ground exploration program undertaken with an ultra-low-cost regional soil sampling program targeting prospective structural corridors interpreted to control lithium mineralisation, was completed during the period.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Review of Operations

Carlindie Project – Lithium & Gold (continued)

- Soil sampling conducted across approximately 15 kilometres of strike extent, covering extensions of tectonic structures considered prospective for pegmatite emplacement.
- Collection of 822 soil samples on a systematic 400m x 400m grid across exploration licence E45/6524 to evaluate lithium fertility across the project area.
- The reconnaissance soil program represents the first systematic geochemical assessment of the Carlindie tenure and is designed to:
 - identify lithium anomalism associated with pegmatite systems,
 - refine structural targeting across the project area, and
 - generate drill-ready targets for subsequent exploration phases.
- Results from laboratory analysis are expected to guide future exploration activities, including infill sampling and potential drill testing of priority anomalies.
- Machine learning study on going over tenement package targeting gold and Lithium.

Note: For additional information refer to ASX announcement:

01 October 2025 - Exploration Commenced at Carlindie (Pilbara) Lithium Project

Biloela Project – Copper & Gold – 100%

Ownership: 100% Terrain Minerals Limited

Size: ~2,462km²

Location: Situated within the prospective gold corridor of Central Queensland, near the township of Biloela and 400km northeast of Brisbane.

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. 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. The tenements include a combination of granted Prospecting Licences and Exploration Licences, covering a substantial area with additional ground secured to support future development. The project area is accessible via established regional roads, along with historical exploration tracks that facilitate movement across key target zones.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

New Opportunities & Project Review

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

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

CORPORATE

Placements

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, the Company placed 63,333,333 shortfall shares from its recent non-renounceable rights issue at an issue price of \$0.003 per share, raising \$190,000. This placement also included 63,333,333 free-attaching options, exercisable at \$0.005 each and expiring on 17 June 2027. AFSL holders were paid a fee of 6% of the funds raised.

On 16 September 2025, the Company successfully placed a further 36,666,666 shortfall shares from the non-renounceable rights issue at an issue price of \$0.003 per share, raising \$110,000. This placement also included 36,666,666 free-attaching options, exercisable at \$0.005 each and expiring on 17 June 2027. AFSL holders were paid a fee of 10% of the funds raised.

On 7 November 2025, the Company issued 284,388,901 shares at \$0.0045 per share, successfully raised \$1,279,750 (before expenses). AFSL holders were paid a fee of 6% on the funds they placed.

On 15 December 2025, the Company issued 258,375,000 shares at \$0.004 per share, successfully raised \$1,033,500 (before expenses). AFSL holders were paid a fee of 6% on the funds they placed.

The Company's Executive Director, Mr Justin Virgin, provided a firm commitment to subscribe for 101,250,000 shares at \$0.004 per share and 10,000,000 shares at \$0.0045 per share, raising \$405,000 and \$45,000 respectively. Both placements were approved at a General Meeting held on 30 January 2026.

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

EVENTS AFTER THE END OF THE REPORTING PERIOD

Following the recent General Meeting held on 30 January 2026, shareholders approved the share placement to the Company's Executive Director, Mr Justin Virgin.

On 3 February 2026, the Company issued 10,000,000 shares at \$0.0045 per share and 101,250,000 shares at \$0.0040 per share to Mr Virgin, raising a total of \$445,000 (before expenses).

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

TERRAIN MINERALS LIMITED

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2025 has been received and can be found on page 15 of the interim financial report.

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



Mr Justin Virgin
Executive Director
Dated: 11 March 2026

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Terrain Minerals Limited for the half year ended 31 December 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: 11 March 2026

TERRAIN MINERALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	31-Dec 2025 \$	31-Dec 2024 \$
Revenue from continuing operations		1,220	5,347
Employee benefits expense		(185,959)	(148,759)
Depreciation		(632)	(150)
Exploration expenditure write off	3	(11,205)	(58,366)
Exploration tenement application refunds		29,568	-
Share-based payments expense	8	(59,359)	(116,704)
Administrative expenses		(397,974)	(288,772)
Loss before income tax		(624,341)	(607,404)
Income tax expense		-	-
Loss for the half-year after tax		(624,341)	(607,404)
Changes in the fair value of financial assets through other comprehensive loss		-	-
Total comprehensive loss for the half-year		(624,341)	(607,404)
Total comprehensive loss for the half-year attributable to members of Terrain Minerals Ltd:		(624,341)	(607,404)
Loss per share attributable to owners of TMX			
Basic and dilutive loss per share (cents)		(0.02)	(0.03)

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

TERRAIN MINERALS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

ASSETS	Note	31-Dec 2025 \$	30-Jun 2025 \$
CURRENT ASSETS			
Cash and cash equivalents		2,039,663	1,138,549
Trade and other receivables	2	80,442	53,252
Others		67,485	9,981
TOTAL CURRENT ASSETS		2,187,590	1,201,782
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	3	5,558,137	4,347,041
Property, plant and equipment		1,771	1,159
TOTAL NON-CURRENT ASSETS		5,559,908	4,348,200
TOTAL ASSETS		7,747,498	5,549,982
CURRENT LIABILITIES			
Trade and other payables		543,864	386,631
Provisions		175,469	179,910
TOTAL CURRENT LIABILITIES		719,333	566,541
TOTAL LIABILITIES		719,333	566,541
NET ASSETS		7,028,165	4,983,441
EQUITY			
Issued capital	4(A)	30,226,226	27,616,520
Reserves		2,051,558	1,992,199
Accumulated losses		(25,249,619)	(24,625,278)
TOTAL EQUITY		7,028,165	4,983,441

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

TERRAIN MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Ordinary Shares	options Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2025	27,616,520	1,992,199	(24,625,278)	4,983,441
Loss attributable to members of the parent entity	-	-	(624,341)	(624,341)
Total comprehensive loss for the period	-	-	(624,341)	(624,341)
Transactions with owners, in their capacity as owners, and other transfers				
Contributions of equity, net of transaction costs	2,619,706	-	-	2,619,706
Shares and options based payments	(10,000)	59,359	-	49,359
Balance at 31 December 2025	30,226,226	2,051,558	(25,249,619)	7,028,165
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	-	-	(607,404)	(607,404)
Total comprehensive loss for the period	-	-	(607,404)	(607,404)
Transactions with owners, in their capacity as owners, and other transfers				
Contributions of equity, net of transaction costs	1,045,700	-	-	1,045,700
Options based payments	-	56,704	-	56,704
Balance at 31 December 2024	25,556,200	1,980,957	(23,522,621)	4,014,536

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 HALF-YEAR ENDED 31 DECEMBER 2025

	31-Dec 2025	31-Dec 2024
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(486,574)	(417,049)
Interest received	2,111	5,347
Government Grant and incentives	-	-
Net cash (used) in operating activities	<u>(484,463)</u>	<u>(411,702)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for exploration expenditure	(1,081,495)	(328,512)
Proceeds from sale of investments	-	-
Net cash (used) in investing activities	<u>(1,081,495)</u>	<u>(328,512)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	2,603,250	1,045,075
Share issue costs	(136,178)	(91,374)
Net cash provided by financing activities	<u>2,467,072</u>	<u>953,701</u>
Net cash increase/(decrease) in cash and cash equivalents	901,114	213,487
Cash and cash equivalents at beginning of the half-year	1,138,549	449,506
Cash and cash equivalents at end of the half-year	<u>2,039,663</u>	<u>662,993</u>

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

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF PREPARATION

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

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

Statement of compliance

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by Terrain Minerals Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

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

Standards and Interpretations applicable to 31 December 2025

In the half-year ended 31 December 2025, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2025.

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

Standards and Interpretations in issue not yet adopted

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

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Critical accounting estimates and significant judgements

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

In preparing this interim report, the significant judgments made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2025.

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 \$624,341 for the half-year to 31 December 2025 (31 December 2024: net loss \$607,404) and had cash outflows from operating activities of \$484,463 for the half-year (31 December 2024: outflows \$411,702). 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 \$2,039,663 as at 31 December 2025 (30 June 2025: \$1,138,549).

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 the existence of a material uncertainty that may cast significant doubt on 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.

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

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

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

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

TERRAIN MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 2: TRADE AND OTHER RECEIVABLES

	31 DECEMBER	30 JUNE
	2025	2025
	\$	\$
<u>Current</u>		
GST	80,442	53,252
	80,442	53,252

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

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

	31-Dec	30-Jun
	2025	2025
	\$	\$
Carrying amount at beginning of period	4,347,041	3,206,648
Capitalised Expenditure during the year – (exc share-based pmt)	1,222,301	1,508,883
Share-based payment for Land Access	-	32,000
Share-based payment for drilling	-	150,000
Written off exploration expenditure	(11,205)	(550,490)
	5,558,137	4,347,041

- I. The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The Company has identified that there were assets where no exploration program can be justified, and the tenements should be relinquished and therefore capitalised expenditure allocated to these tenements was written off in accordance with AASB 6 ‘Exploration for and Evaluation of Mineral Resources’. The Board has approved the write down of \$11,205 exploration expenditure incurred during this half-year financial period in the Statement of Profit or Loss and other Comprehensive Income based on the grounds that (1) the tenements are still in the application phase, the Company does not currently hold the right to tenure and (2) the tenements have been assessed as not economically viable and the Company has decided to surrender the right to tenure (June 2025: \$550,490).

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 4: ISSUED CAPITAL

	31-Dec 2025		30-Jun 2025	
	Number	\$	Number	\$
Ordinary Shares	3,224,578,173	30,226,226	2,531,814,273	27,616,520
	3,224,578,173	30,226,226	2,531,814,273	27,616,520

(A) Ordinary Shares

Movements in ordinary share capital

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

	Date	Number of Shares	Issue Price	Balance \$
Opening Balance		2,531,814,273		27,616,520
Right Issue shortfall - Share based pmt - Drilling	15-Aug-25	50,000,000	\$ 0.0030	150,000
Right Issue shortfall	09-Sep-25	63,333,333	\$ 0.0030	190,000
Right Issue shortfall	16-Sep-25	33,333,333	\$ 0.0030	100,000
Right Issue Share based payment – fee	16-Sep-25	3,333,333	\$ 0.0030	10,000
Placement	07-Nov-25	284,388,901	\$ 0.0045	1,279,750
Placement	15-Dec-25	258,375,000	\$ 0.0040	1,033,500
Less: transaction costs				(153,544)
Closing Balance	31 Dec 2025	3,224,578,173		30,226,226

	Date	Number of Shares	Issue Price	Balance \$
Opening Balance		1,431,670,672		24,510,500
Placement	29-Jul-24	314,358,130	\$ 0.0030	943,074
Share based payment	29-Jul-24	20,000,000	\$ 0.0030	60,000
Placement – Director participation	25-Sep-24	34,000,000	\$ 0.0030	102,000
Share based payment-Land access	29-Dec-24	10,666,666	\$ 0.0030	32,000
Placement	30-Jan-25	150,003,990	\$ 0.0030	450,012
Placement	30-Jan-25	42,857,143	\$ 0.0035	150,000
Placement	2-May-25	221,666,666	\$ 0.0030	665,000
Placement	12-May-25	23,333,334	\$ 0.0030	70,000
Right Issue	24-Jun-25	187,519,493	\$ 0.0030	562,558
Right Issue – Shortfall	24-Jun-25	57,404,845	\$ 0.0030	172,215
Right Issue – Shortfall Directors	24-Jun-25	38,333,334	\$ 0.0030	115,000
Less: Equity raising transaction costs				(215,839)
Closing Balance	30 Jun 2025	2,531,814,273		27,616,520

TERRAIN MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 4: ISSUED CAPITAL (continued)

(B) OPTIONS

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

214 million options which tied to the Company's market capitalisation performance were granted to Directors and Consultant on 15 May 2025, as share-based payment which formed part of their remuneration package. Refer to Note 8 for options granted to Directors and Consultant. On 25 November 2025, 16 million options which were previously granted to Directors expired without exercise.

UNLISTED OPTIONS

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

Grant	Number of unlisted Options	Exercise Price	Expiry
7-Dec-21	6,000,000	\$0.0200	7-Dec-26
22-Feb-23	4,000,000	\$0.0100	24-Feb-28
30-Nov-23	20,000,000	\$0.0056	30-Nov-28
28-Nov-24	20,000,000	\$0.0042	28-Nov-29
15-May-25	214,000,000	\$0.0070	31-Mar-30
24-Jun-25	528,257,672	\$0.0050	17-Jun-27
15-Aug-25	50,000,000	\$0.0050	17-Jun-27
9-Sep-25	63,333,333	\$0.0050	17-Jun-27
16-Sep-25	36,666,666	\$0.0050	17-Jun-27
Closing Balance 31 Dec 25	942,257,671		

Grant	Number of unlisted Options	Exercise Price	Expiry
25-Nov-20	16,000,000	\$0.0200	25-Nov-25
7-Dec-21	6,000,000	\$0.0200	7-Dec-26
22-Feb-23	4,000,000	\$0.0100	24-Feb-28
30-Nov-23	20,000,000	\$0.0056	30-Nov-28
28-Nov-24	20,000,000	\$0.0042	28-Nov-29
15-May-25	214,000,000	\$0.0070	31-Mar-30
24-Jun-25	283,257,672	\$0.0050	17-Jun-27
Closing Balance 30 Jun 25	563,257,672		

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 5: OPERATING SEGMENTS

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

NOTE 6: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at reporting date, there has been no change to the contingent liabilities or contingent assets from 30 June 2025.

NOTE 7: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no significant changes in the nature of related party transactions since 30 June 2025. Refer to Note 8 for options granted to Directors and consultant.

NOTE 8: SHARE-BASED PAYMENTS

Fair Value of goods and services can be reliably determined

Share-based payments to suppliers 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 15 August 2025, the Company issued 50,000,000 shortfall shares from the non-renounceable rights issue at an issue price of \$0.003 per share as payment for drilling services provided by Challenge Drilling in the 30 June 2025 financial year valued at \$150,000 exclusive of GST.

On 16 September 2025, the Company issued 3,333,333 shares under the non-renounceable rights issue at an issue price of \$0.003 per share in settlement of capital raising services, with the total value of the transaction being \$10,000 exclusive of GST.

The \$150,000 share-based payment, relating to equity-settled share-based payment transactions that were accrued as drilling expenses at 30 June 2025, was capitalised in the financial year ended 30 June 2025 as a share-based payment for drilling (Refer Note 3: Deferred Exploration and Evaluation Expenditure, 30 June 2025: \$150,000). In the current period, this amount has been applied against the drilling expenditure accrual at 30 June 2025 and is recorded in the Statement of Financial Position as a reduction of that prior accrual.

The \$10,000 capital raising cost, arising from equity-settled share-based payment transactions, is recognised under share-based payments in the Statement of Changes in Equity and forms part of the capital raising costs (30 June 2025: Nil).

TERRAIN MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 8: SHARE-BASED PAYMENTS (continued)

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.

Options-based incentive payment valued at \$0.00255 each, tied to the Company's market capitalisation performance, were approved by shareholders and granted to the Executive Director and the Head of Exploration on 15 May 2025. 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 31 December 2025	\$ 59,359

The key management personnel and consultant options-based incentive payments of \$59,359 (30 June 2025: \$67,946) have been recognised in the statement of profit or loss and other comprehensive income and the Option Reserve in the Statement of Changes in Equity.

TERRAIN MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

NOTE 9: EVENTS AFTER THE END OF THE REPORTING PERIOD

Following the recent General Meeting held on 30 January 2026, shareholders approved the share placement to the Company's Executive Director, Mr Justin Virgin.

On 3 February 2026, the Company issued 10,000,000 shares at \$0.0045 per share and 101,250,000 shares at \$0.0040 per share to Mr Virgin, raising a total of \$445,000.

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

TERRAIN MINERALS LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 16 to 27, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standard 134, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 31 December 2025 and of the performance for the half-year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Mr Justin Virgin

Executive Director

Dated: 11 March 2026

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

Conclusion

We have reviewed the accompanying half year interim financial report of Terrain Minerals Limited ("the Company") which comprises the statement of financial position as at 31 December 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year period ended on that date, a summary of material accounting policy information, other explanatory information and the directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its financial performance for the half year period ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter – material uncertainty related to going concern

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

Basis for Conclusion

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the half year financial report* section of our report.

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



Directors' responsibilities for the half year interim financial report

The directors of the Company are responsible for the preparation and fair presentation of the half year interim financial report in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the half year interim financial report

Our responsibility is to express a conclusion on the half year interim financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half year interim financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the Company's financial position as at 31 December 2025 and its financial performance and its cash flows for the half year period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

DRY KIRKNESS (AUDIT) PTY LTD

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

LUCY P GARDNER
Director

Perth
Date: 11 March 2026