TERRAIN MINERALS LTD
ABN 45 116 153 514
ASX: TMX

ANNUAL FINANCIAL REPORT
30 JUNE 2026

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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

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Perth WA 6000

Stock Exchange
Terrain Minerals Ltd shares are
listed on the Australian Securities Exchange
Ordinary fully paid shares (ASX code TMX)

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TERRAIN MINERALS LIMITED

LETTER TO SHAREHOLDERS

FOR THE YEAR ENDED 30 JUNE 2026

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 ended 30 June 2026.

Once again, the 2025/26 financial year has been another busy year on the exploration front, with 61 RC holes and four diamond holes for 12,734m completed at Smokebush and 35 air-core holes for 897m at Lort River, as well as a large successful soil sampling campaign at Carlindie, and numerous other desktop studies.

Terrain's **flagship Lightning Gold & Silver Project (Smokebush)** is coming of age, with the grant of a 21-year mining lease over Lightning in December 2025. The drilling database, which stood at a few thousand metres two years ago, now exceeds 16,000 metres across 101 holes, with high-grade gold and silver mineralisation confirmed along strike and at depth, with both remaining open. This enabled the company to release its maiden 'starter' **JORC Mineral Resource Estimate** (MRE) on 27 July 2026.

This represents another significant milestone at Lightning Prospect. The Company intends to accelerate exploration activities aimed at upgrading the current MRE to the Indicated Mineral Resource category, while expanding the overall resource inventory through further drilling.

Importantly, this Starter MRE represents an initial foundation rather than the full extent of the Project's mineral endowment at Lightning. Numerous look-alike gold targets across the broader Project area will continue to be advanced with the longer-term objective of defining a substantial gold resource inventory.

Key Points:

- <u>Independent Inferred Mineral Resource Estimate ("MRE") for Lightning delivers 677,000 tonnes at 2.5 g/t Au for 54,000 oz.</u>
- Resource is contained within an optimised pit shell, with economic assumptions applied for underground mining.
- <u>Mineralisation starts from surface and remains open along strike and at depth.</u>
- <u>Infill & expansion drilling to capture mineralisation currently sitting outside of the MRE.</u>
- Metallurgical stage one results due Q3 2026, with further work scheduled.
- Mineralisation at Lightning is high grade and shows both open pit and underground potential.

Category	Tonnes (t)	Gold (g/t)	Gold Ounces	Silver (g/t)	Silver (Ounces)
Open Pit	157,000	3.5	17,500	4.6	23,000
Underground	520,000	2.2	36,500	8.0	133,500
TOTAL	**677,000**	**2.5**	**54,000**	**7.2**	**156,500**

Table 1: Lightning Inferred Mineral Resource Estimation

Disclaimer: For further details, including JORC 2012 and ASX Listing Rule disclosures, refer to ASX announcement of 27 July 2026. The Company confirms that it is not aware of any new information or data that materially affects the information contained in that announcement and that all material assumptions and technical parameters underpinning the estimate in that announcement continue to apply and have not materially changed.

Importantly on the health and safety front the board is pleased to have an incident-free year on the ground, with all activities carried out without any safety or environmental incidents.

Drilling throughout FY26 confirmed the Lightning gold system is larger and more complex than we understood twelve months ago, with standout intercepts including (see ASX release 15 April 2026):

- 8m @ 6.87 g/t gold from 76m, including 5m @ 10.06 g/t gold (SBRC095)
- 7m @ 7.08 g/t gold from 217m, including 1m @ 21.80 g/t gold (SBRC106)
- 11m @ 2.61 g/t gold from 86m, including 1m @ 12.29 g/t gold (SBRC116)

Multi-element assays confirmed a genuine gold-silver system, with intersections including 21m @ 15.79 g/t silver from 105m (see ASX release 13 October 2025) - a co-product that materially strengthens the economics behind the project. Assays also pointed to a possible third mineralised zone at depth, giving us a clear pathway to grow the resource beyond the maiden estimate.

Three milestones this year de-risked the path to the Maiden Mineral Resource Estimate (MRE). In December 2025, Terrain secured a 21-year Mining Licence (M59/0796) over Lightning - critical tenure security as we move from exploration into resource definition and, eventually, development studies. In April 2026, a four-hole diamond drilling program delivered the density and structural data the resource estimate requires. In May 2026, we engaged Independent Metallurgical Operations to commence preliminary test work, with early geological assessment suggesting the gold is non-refractory, pointing towards a conventional, lower-capital processing route should that be confirmed.

Lightning remains Terrain's primary focus and the Company's near-term value driver. Around it, we continue to build genuine momentum. First-pass drilling at the adjacent Wildflower Prospect in June 2026 intersected gold and silver across all three targets tested, with the system open at depth and along strike. The same geological model that built Lightning is now generating new discoveries next door.

Larin’s Lane (Smokebush) ***- Gallium REE Project*** The MRIWA metallurgical study has been completed and is awaiting WA Government Ministerial approval for release. Subject to approval, the Company expects to release the results in the first half of FY27.

At Lort River ***- REE Project***, an airborne electromagnetic survey was reinterpreted to identify a new 66 km² regolith basin. A drilling campaign consisting of 35 holes for 897 metres of air-core successfully returned strong ***Neodymium*** and ***Praseodymium*** grades, highlighting potential for a large scale REE project (see ASX releases 1 July 2026).

At Carlindie — **Gold/Lithium Project** — first-pass soil sampling returned a coherent 4km by 3km gold pathfinder anomaly, independently corroborated by machine-learning bedrock modelling, with ground follow-up planned (see ASX announcement dated 4 June 2026).

The company’s secondary opportunities are being advanced slowly, with the aim of positioning them for potential future advancement or divestment. The company's primary focus is on the Smokebush Gold & Silver Project, with the majority of capital deployment staying squarely on expanding Lightning's maiden resource with the aim of achieving production and generating cash flow firmly in our sights.

Terrain raised approximately $4.55 million during the year through a series of well-supported shareholder placements, keeping the Company fully funded throughout its record FY26 drilling program. The Board again demonstrated its strong support for the Company, contributing $450,000 during the year and continuing to align its interests with those of shareholders. Terrain also continued to build its investor profile during the year, presenting at the RIU conferences at Fremantle and Sydney as well as at other investor conferences, and through the Company's secondary listing on the Frankfurt Stock Exchange (FRA: T4Y).

Looking ahead, FY27 has one clear priority at the Smokebush Project: building on the maiden JORC Mineral Resource Estimate at Lightning, released after year end on 27 July 2026, with further definition and expansion drilling to flow together with new IP survey and metallurgical results. Follow-up drilling at the Wildflower area, Hurley, Paradise City and new targets generated with IP surveys. Terrain REE/Gallium projects, Larin's Lane and Lort River will be further advanced, with the company focus on solving the metallurgical flow sheet and securing a joint venture partner with additional exploration activities continuing at Carlindie and Biloela.

On behalf of the Board and management, I would like to thank our shareholders, consultants, and stakeholders for their continued support as we advance Terrain towards resource definition with the sole aim of wealth creation through discovery.

Yours sincerely,

Justin Virgin
Executive Director

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2026

The Directors present the financial report of Terrain Minerals Limited (Terrain or the Company) for the financial year ended 30 June 2026. 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 Practicing 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 publicly listed resource companies 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 2026 from ordinary activities after providing for income tax amounted to $1,354,734 (30 June 2025: loss of $1,710,061).

REVIEW OF OPERATIONS

Terrain Minerals Limited (ASX: TMX | FSE: T4Y) (Terrain or the Company) is a Western Australian gold exploration company, singularly focused on advancing its 100%-owned Lightning Gold & Silver Project, part of the Smokebush Project in the Murchison region, with its maiden 'starter' JORC Mineral Resource Estimate released on time and after year end on 27 July 2026. This discovery is underpinned by a drilling database of approximately 16,000 metres, a granted 21-year Mining Licence, and metallurgical test work now underway.

Around this flagship asset, Terrain holds a portfolio of exploration assets across Western Australia and Queensland spanning gallium, rare earths, copper and lithium. The other non-core exploration assets are being funded incrementally to prove (or disprove) their next milestone – they add genuine optionality for shareholders and have in some cases taken multiple years to be secured. Importantly, these non-core opportunities do not divert capital or management attention from the Company's primary near-term value driver at Lightning Deposit and the greater Smokebush package.

Terrain has established a solid track record of exploration success and disciplined, staged capital allocation. With Lightning advancing towards resource definition during the year (and beyond) and a clear pipeline of lower-cost, high-leverage targets behind it, the Company is well-positioned to deliver continued value to shareholders over the year ahead.

Capital Raising: During the financial year, **Terrain** successfully raised **$4,717,750** (before expenses) through equity financing, comprising $4,553,250 in cash and $164,500 through the issue of shares to suppliers and the landowner in settlement of amounts owed. The funds supported the Company's exploration and project development initiatives, including its record FY26 drilling programs, IP surveys and Mineral Resource studies at Lightning and Wildflower, while maintaining a measured approach to activities across its broader project portfolio.

Mr Justin Virgin continued to demonstrate strong leadership and confidence in the Company's exploration strategy, contributing $450,000 during FY26. His participation in the capital raisings demonstrates management's continued commitment to the Company's exploration program and aligns his interests with those of shareholders.

Consistent with Terrain's disciplined approach to capital allocation, the majority of funds raised during the year were directed towards the Lightning resource program, with portfolio optionality projects funded only incrementally against milestones achieved.

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

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 and 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 and successfully raised $1,033,500 (before expenses). AFSL holders were paid a fee of 6% on the funds they placed.

On 3 February 2026, the Company issued 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 to Mr Justin Virgin.

REVIEW OF OPERATIONS (Continued)

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

On 8 May 2026, 900,000 shares were issued to a landholder at $0.005 per share in accordance with the Land Access Agreement entered into in December 2024, as consideration for land access.

On 8 May 2026, the Company issued 375,000,000 shares at $0.004 per share, successfully raised $1,500,000 (before expenses). AFSL holders were paid a fee of 6% on the funds they placed.

FLAGSHIP ASSET – LIGHTNING GOLD & SILVER PROJECT

Smokebush 100% - Lightning Deposit, plus other Gold and Silver Targets

Ownership : 100% Terrain Minerals Limited

Size : ~170 km2 (part of the Smokebush Project)

Location : Located ~350km north of Perth, Western Australia, within the Yalgoo-Singleton Greenstone Belt, a 190km-long Archean greenstone belt in the southwestern Murchison Domain. Lightning sits approximately 10 kilometres from Vault Minerals' operating Rothsay Gold Mine and approximately 15 kilometres from Capricorn Metals' 4.5-million-ounce Mt Gibson Gold Deposit.

Background : Terrain's geological model interprets Lightning and Monza as hosted within the same Mougooderra Formation shear system that controls gold mineralisation at Rothsay and across the belt.

Overview : In December 2025, the Company secured the grant of a 21-year Mining Licence (M59/0796) over the Lightning tenement area – critical tenure security as the project transitions from exploration towards resource definition. The project is now underpinned by a drilling database of approximately 16,000 metres.

During FY26, Terrain completed an extensive combined RC and diamond drilling program at Lightning deposit, confirming high-grade gold and silver mineralisation is continuous along strike and at depth, and that the system is larger and more complex than previously understood. A four-hole diamond drilling program completed in April 2026 delivered the density and structural data required to underpin the resource estimate, and in May 2026 Terrain engaged Independent Metallurgical Operations to commence preliminary metallurgical test work, with initial geological assessment indicating potential for good recoveries.

FY26 Exploration (Gold & Silver): Drilling commenced in November 2025 and continued through to April 2026, with a database comprising 97 RC holes and 4 diamond holes for approximately 16,000 metres. Standout results include:

- 8m @ 6.87 g/t gold from 76m, including 5m @ 10.06 g/t gold (SBRC095)
- 7m @ 7.08 g/t gold from 217m, including 1m @ 21.80 g/t gold (SBRC106)
- 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, including 1m @ 18.04 g/t gold (SBRC074)
- 11m @ 2.61 g/t gold from 86m, including 1m @ 12.29 g/t gold (SBRC116)

  Note: For JORC information on the above results see ASX releases 2 September 2025, 29 September 2025 and 15 April 2026.

REVIEW OF OPERATIONS (Continued)

Smokebush 100% - Lightning Deposit, plus other Gold and Silver Targets

FY26 Exploration (Gold & Silver): Multi-element assays confirmed a strong gold-silver association across Lightning, materially strengthening the potential economics of the future resource:

- 21m @ 15.79 g/t silver from 105m, including 1m @ 70.59 g/t silver from 108m (SBRC074)
- 17m @ 17.88 g/t silver from 147m, including 4m @ 48.80 g/t silver from 151m (SBRC080)
- 11m @ 6.03 g/t gold + 43.5 g/t silver from 75m (SBRC063)
  Note: JORC information on above results, see ASX release 13 October 2025.

A four-hole diamond drilling program was completed in April 2026, comprising 671m (340m RC pre-collar and 331m diamond tail), confirming continuity of mineralisation at depth, including 3.4m @ 4.96 g/t gold from 213.6m, including 1m @ 10.93 g/t gold (SBDD002). See ASX release 20 April 2026.

FY27 Strategy and Program: Delivering the maiden 'starter' JORC Mineral Resource Estimate (MRE) at Lightning, targeted on 27 July 2026. Delivering the MRE was Terrain's single clearest priority and this was achieved on time. Multiple support activities were required for the MRE calculation including; Differential GPS drill collar survey, a topographic drone survey, and preliminary metallurgical test work was completed or is currently underway (see ASX releases 19 May 2026 and 21 May 2026). Assay results have also identified the potential emergence of a third mineralised structure at depth, which will be the subject of follow-up drilling as the Company works to grow the resource base beyond the maiden estimate.

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

Lightning deposit: Monza structure 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.

Historic rock chip sampling over Paradise City also returned seven samples above 10 g/t Au, with a maximum of 49.27 g/t Au, and 31 rock chip or grab samples averaging 8.15 g/t Au. Terrain's own follow-up rock chip sampling over the Paradise City old workings averaged 5.18 g/t Au.

In May 2026, Terrain extended a recent polarisation (IP) survey program over the granted mining lease to also cover Paradise City, T17 and Hurley targets with dipole dipole, the same proven IP configuration that identified the Lightning chargeability anomaly in 2023. See ASX release 26 May 2026.

REVIEW OF OPERATIONS (Continued)

Smokebush 100% - Wildflower

***FY26 Exploration*: **Over the Wildflower area 13-hole, 2,276-metre first-pass RC program tested three high-priority IP targets, intersecting gold mineralisation in 8 of 13 holes, including:

- 1m @ 6.05 g/t gold from 171m (SBRC132) - Wildflower
- 1m @ 4.38 g/t gold and 20.34 g/t silver from 140m (SBRC122) - Cota
- 1m @ 3.99 g/t gold and 5.17 g/t silver from 148m (SBRC123) - Cota
- 1m @ 1.8 g/t gold from 94m (SBRC126) - T16
- 1m @ 1.7 g/t gold from 53m (SBRC131) - T16

Note: JORC information see ASX release 09 June 2026.

The strongest intercepts occurred below 130 metres, mirroring the depth profile of the Lightning discovery, with coincident gold-silver mineralisation reflecting the same multi-metal signature. The IP chargeability anomaly remains open at depth and along strike into granted tenement E59/2345, with the full extent of the system yet to be tested.

Subsequent Exploration: Following the FY26 drilling program, further IP work across the broader Smokebush Project identified seven new priority gold drill targets, providing additional targets for follow-up exploration across the project area (refer to ASX announcement 21 August 2026).

FY27 Strategy and Program: Terrain will assess the full drilling and IP dataset at Wildflower to design a potential follow-up program – funded and staged so as not to compete with the flag ship Lightning deposits resource expansion program for capital or drill rig time.

REVIEW OF OPERATIONS (Continued)

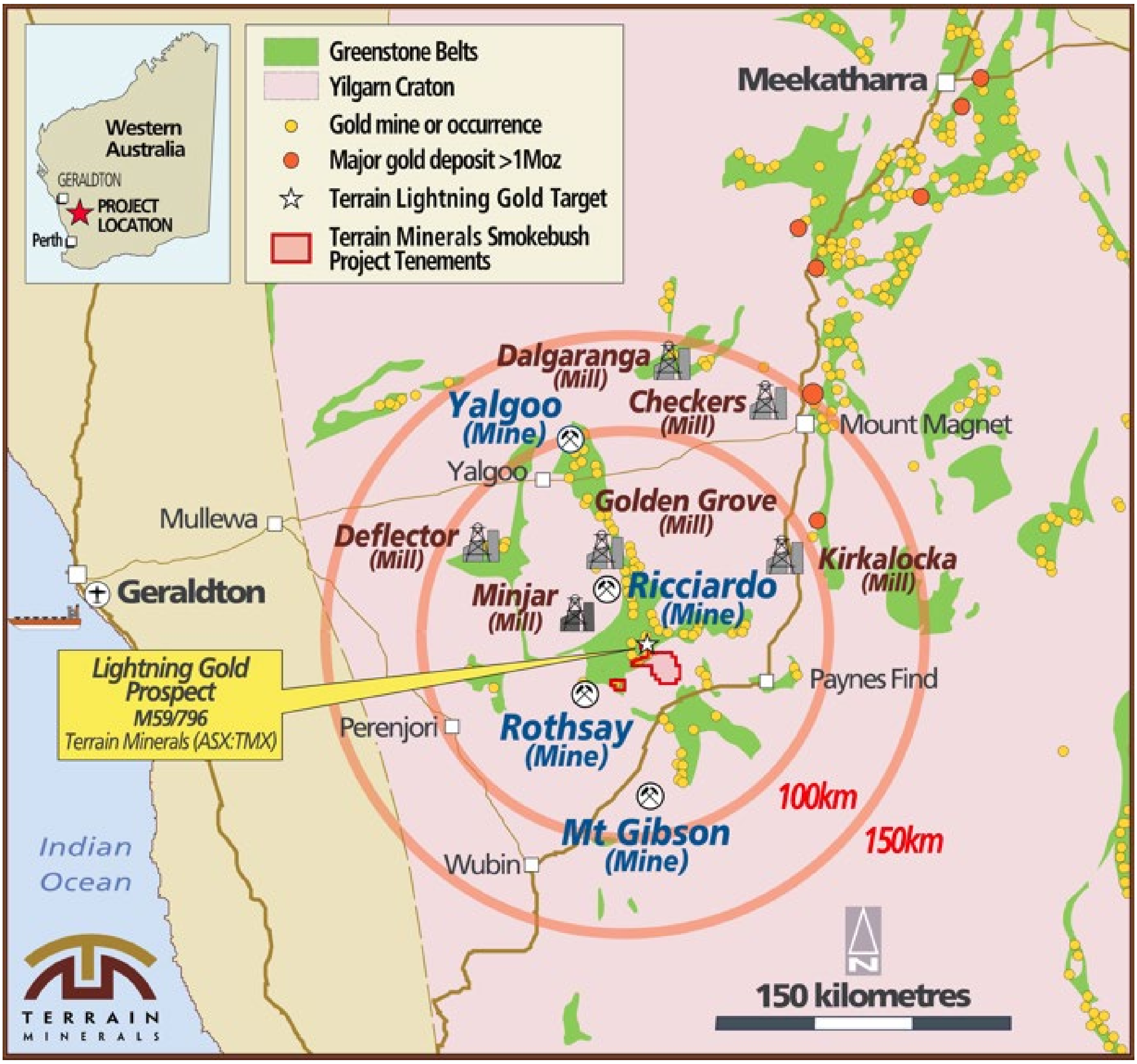

Diagram 1: Terrain Minerals' 100%-owned Lightning Gold Prospect, part of the Company's greater Smokebush Project, is located within the highly prospective Murchison Gold Region of Western Australia. Located 350km north of Perth, the project is surrounded by mining operations including Capricorn Metals Gold Project to the north, east and south and Vault Minerals' Rothsay Gold Mine to the west.

REVIEW OF OPERATIONS (Continued)

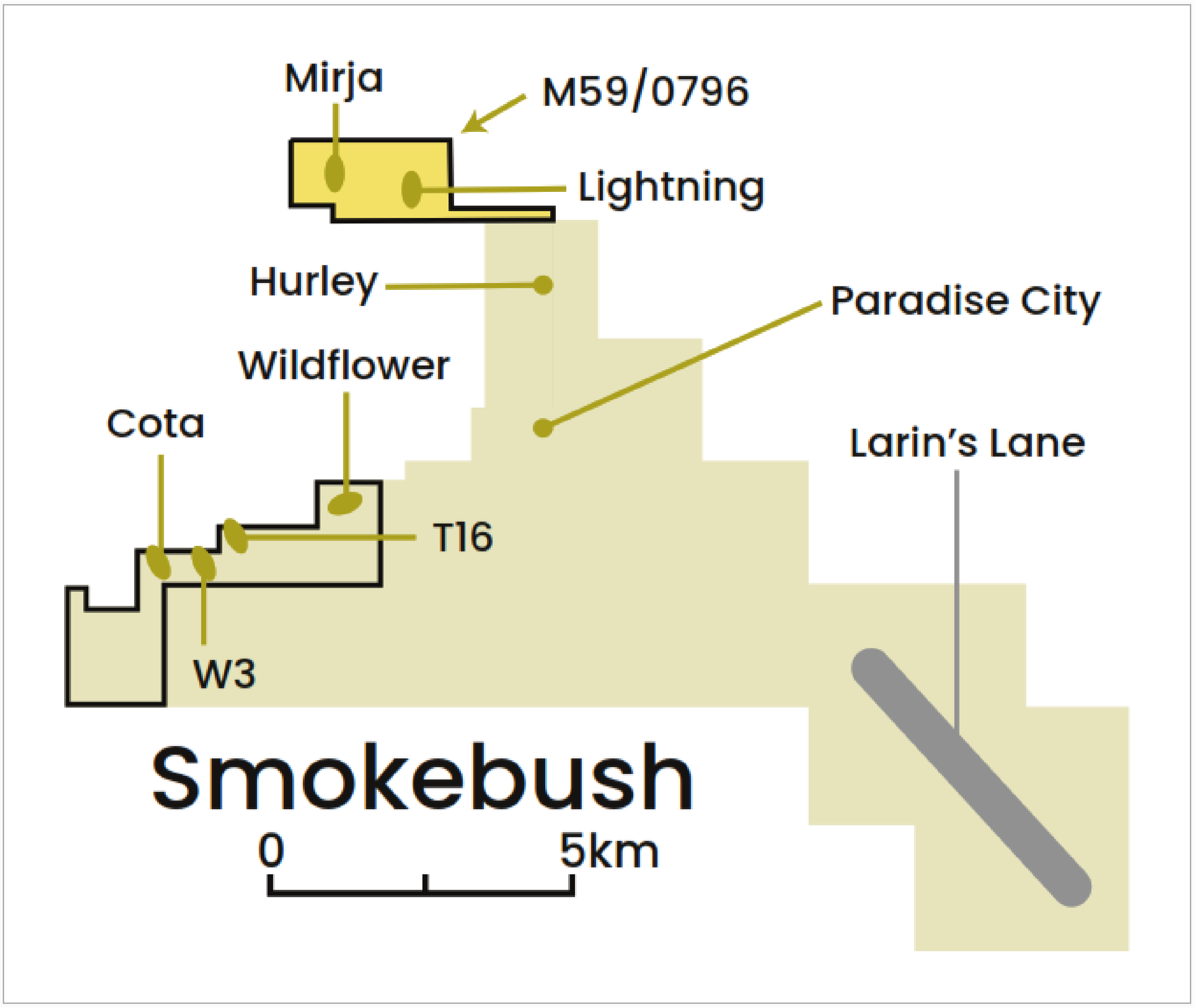

Diagram 2: Smokebush Project - Target location map including Larin's Lane which is not a gold/silver target.

REVIEW OF OPERATIONS (Continued)

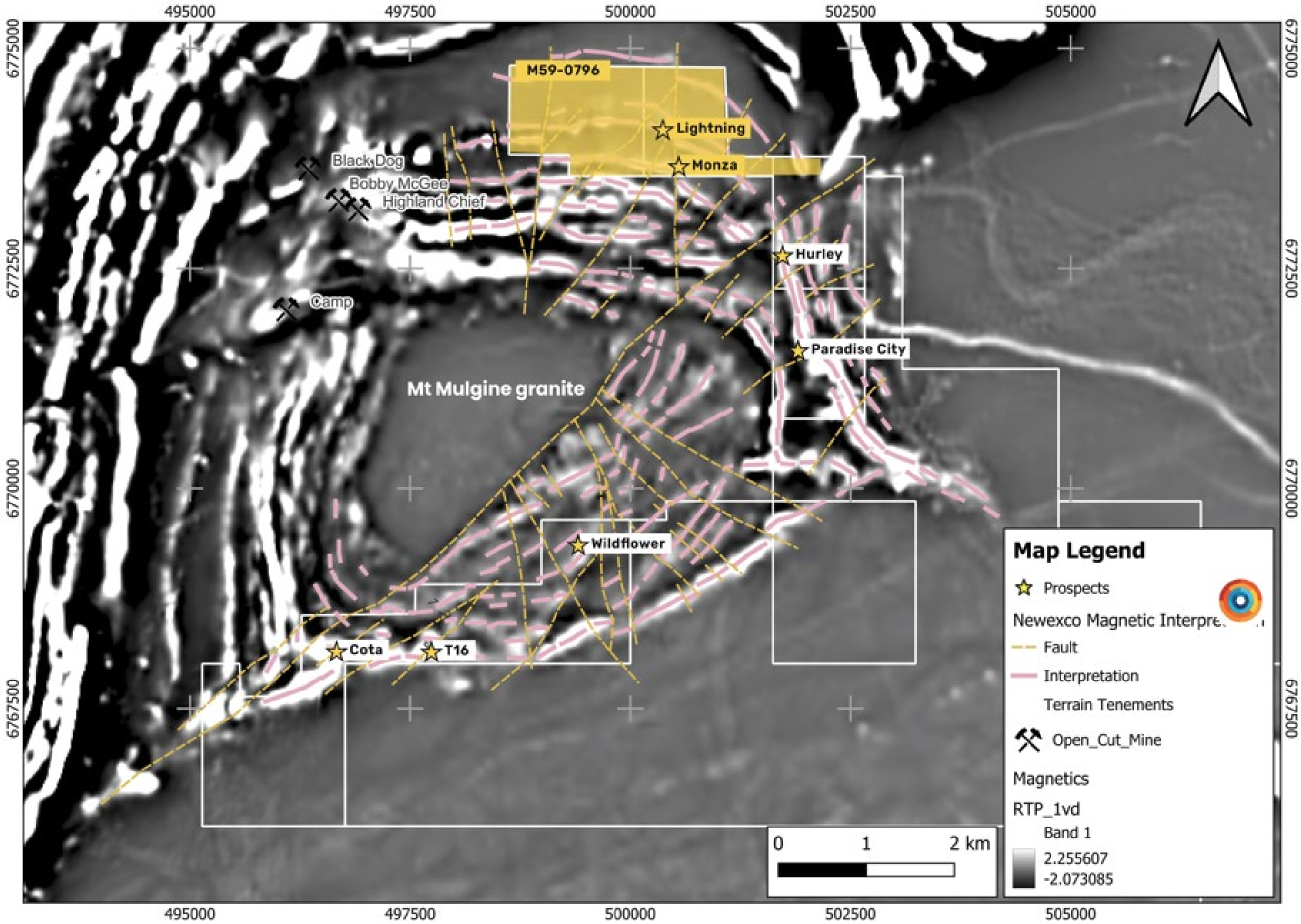

Diagram 3: Smokebush Project All gold targets appear to be driven by fluids pushing into basalt structures from the Mt Mulgine Granite intrusion. Granted mining leases M59/0796 highlighted in Yellow with the white outlines identifying the tenement package.

REVIEW OF OPERATIONS (Continued)

Lightning Deposit Maiden Minerals Resource Estimate (MRE) released on the ASX on 27 July 2026, after the end of the financial year. The MRE has been included in this 2026 Financial Report as it represents another significant milestone at the Lightning Prospect and provides important context for the Company's ongoing exploration activities and future plans.

The Company intends to accelerate exploration activities aimed at upgrading the current MRE to the Indicated Mineral Resource category, while expanding the overall resource inventory through further drilling.

Importantly, this Starter MRE represents an initial foundation rather than the full extent of the Project's mineral endowment at Lightning. Numerous look-alike gold targets across the broader Project area, will continue to be advanced with the longer-term objective of defining a substantial gold resource inventory.

Key Points:

- Independent Inferred Mineral Resource Estimate ("MRE") for Lightning delivers 677,000 tonnes at 2.5g/t Au for 54,000oz.
- Resource is contained within an optimised pit shell, with economic assumptions applied for underground mining.
- Mineralisation starts from surface and remains open along strike and at depth.
- Infill & expansion drilling to capture mineralisation currently sitting outside of the MRE.
- Metallurgical stage one results due Q3 2026, with further work scheduled.
- Mineralisation at Lightning is high grade and shows both open pit and underground potential.

Category	Tonnes (t)	Gold (g/t)	Gold Ounces	Silver (g/t)	Silver (Ounces)
Open Pit	157,000	3.5	17,500	4.6	23,000
Underground	520,000	2.2	36,500	8.0	133,500
TOTAL	677,000	2.5	54,000	7.2	156,500

Table 1: Lightning Inferred Mineral Resource Estimation

Notes:

1. The 2026 Maiden Lightning MRE is reported in accordance with the 2012 Edition of the Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code")
2. The 2026 Lightning MRE was prepared and reviewed by Mr. Kevin Hon, P.Geo, and Mr. Steve Nicholls M.AIG, all senior consultants of Apex Geoscience and are competent persons.
3. Mineral resources which are not mineral reserves do not have demonstrated economic viability. No mineral reserves have been calculated for the Lightning deposit. There is no guarantee that any part of mineral resources discussed herein will be converted to a mineral reserve in the future.
4. The quantity and grade of the reported Inferred Resources are uncertain in nature and there has not been sufficient work to define these Inferred Resources as Indicated or Measured Resources. It is reasonably expected that most of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
5. All figures are rounded to reflect the relative accuracy of the estimates. Tonnes have been rounded to the nearest 1,000 and contained metals have been rounded to the nearest 500 gold ounces or silver ounces. Totals may not sum due to rounding.
6. Bulk density was assigned based on data collected from diamond drilling completed at Lightning. The following median density value that was used: 2.60 g/cm^3 for Transitional and 2.95 g/cm^3 for fresh.
7. The 2026 Maiden Lightning MRE is limited to material contained within the estimation domains at a nominal 0.5g/t gold mineralised envelope and is reported at a lower cut-off grade of 0.5 g/t gold. The Lightning MRE detailed herein is reported as undiluted and constrained by pit optimisation. The reporting cut-off grade was based on assumptions regarding possible mining methods, metal prices, metal recoveries, mining costs, processing costs, and G&A costs.
8. Open pit mining assumes a gold price of AUD$6,000 per ounce with 93% recovery of total gold and $20 per ounce for silver. Silver has been treated as a by-product of mining gold.
9. Costs are AUD$35/t for open pit mining (ore & waste), AUD$100/t for underground mining, AUD$25/t for processing, and AUD$9/t for G&A.

REVIEW OF OPERATIONS (Continued)

Independent geological consultancy Apex Geoscience completed the MRE, which is constrained within an optimised pit shell and economic assumptions for underground. The resource extends from surface and remains open at depth and is under-drilled to the north of the main orebody.

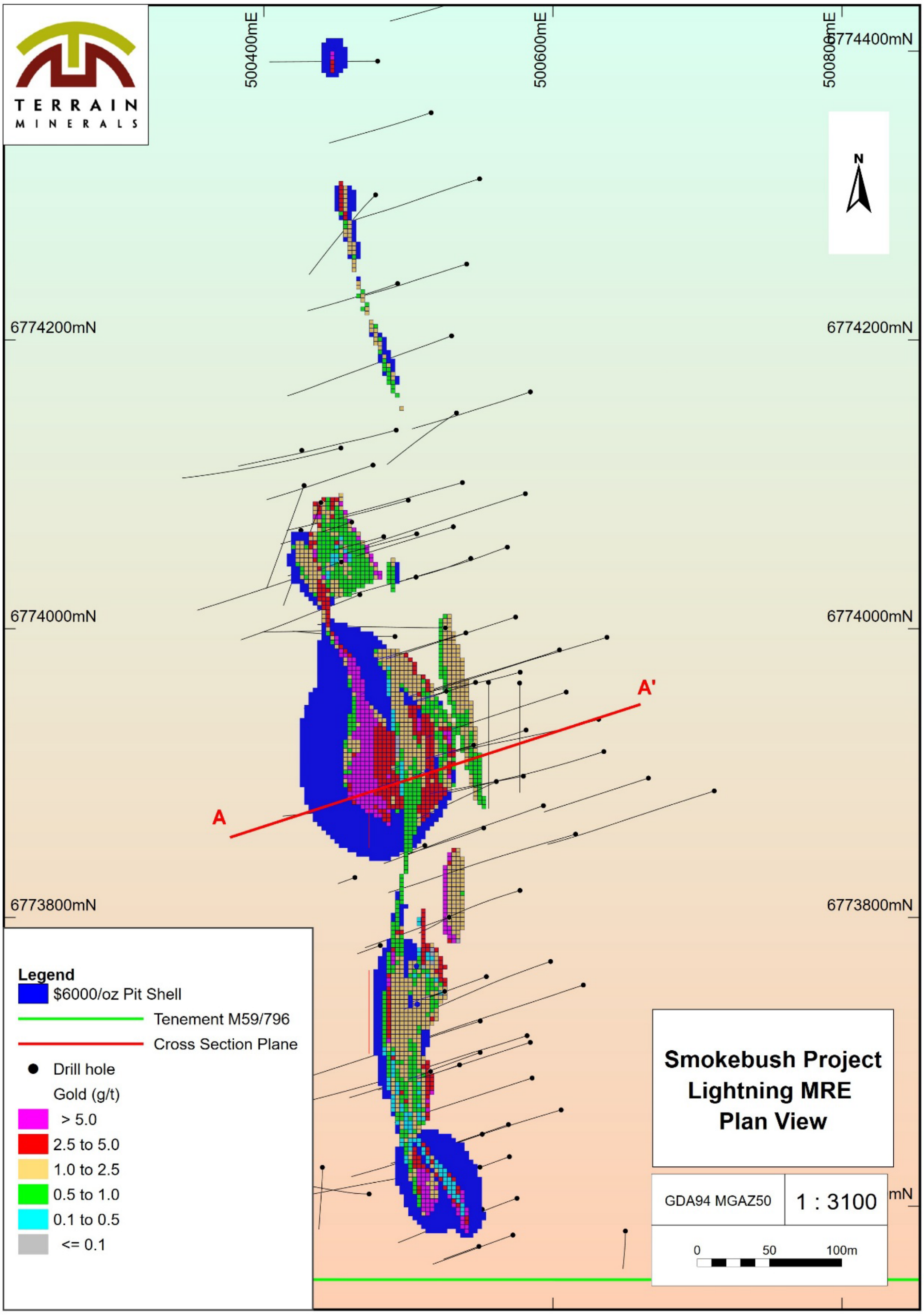

Diagram 4: Plan View of Lightning Inferred Mineral Resource Estimation with $6000/oz optimised pit shell.

REVIEW OF OPERATIONS (Continued)

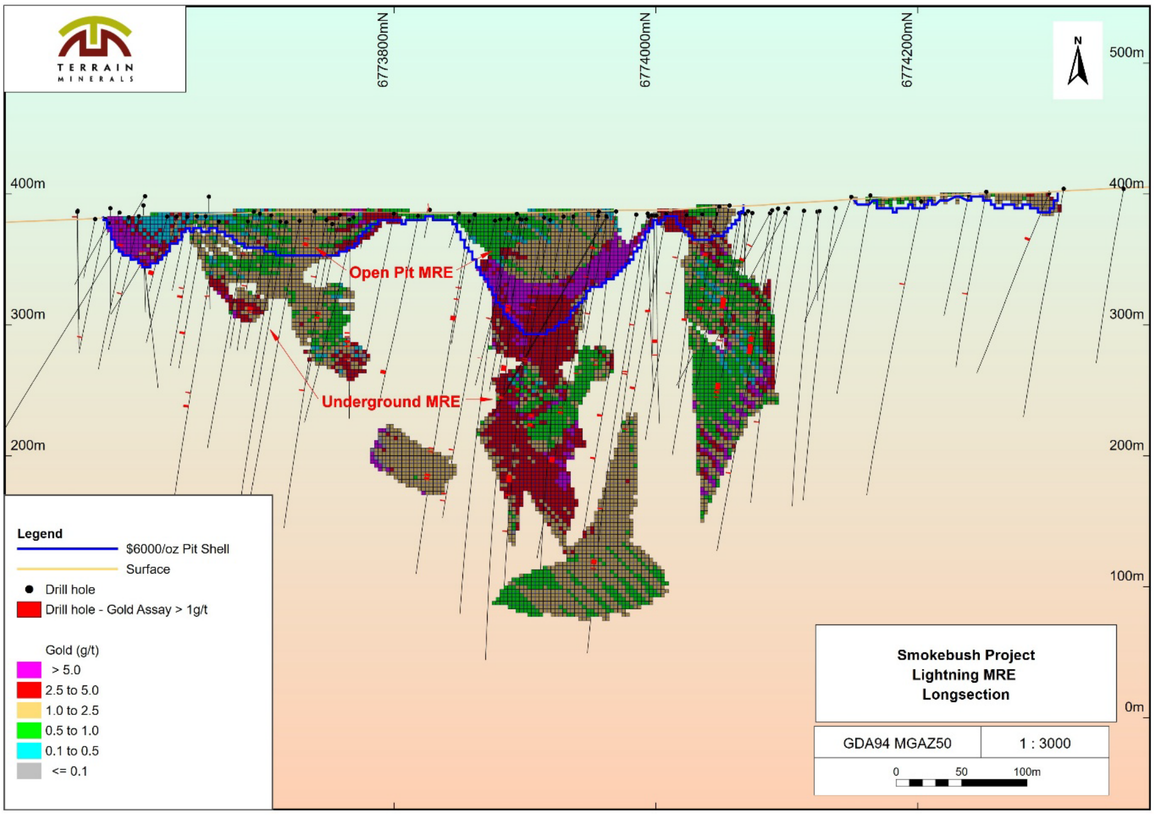

Diagram 5: Lightning Inferred Mineral Resource Estimation long section.

Picture 1: Aerial view of Lightning drill project area looking to the West - Drill pads and access tracks.

REVIEW OF OPERATIONS (Continued)

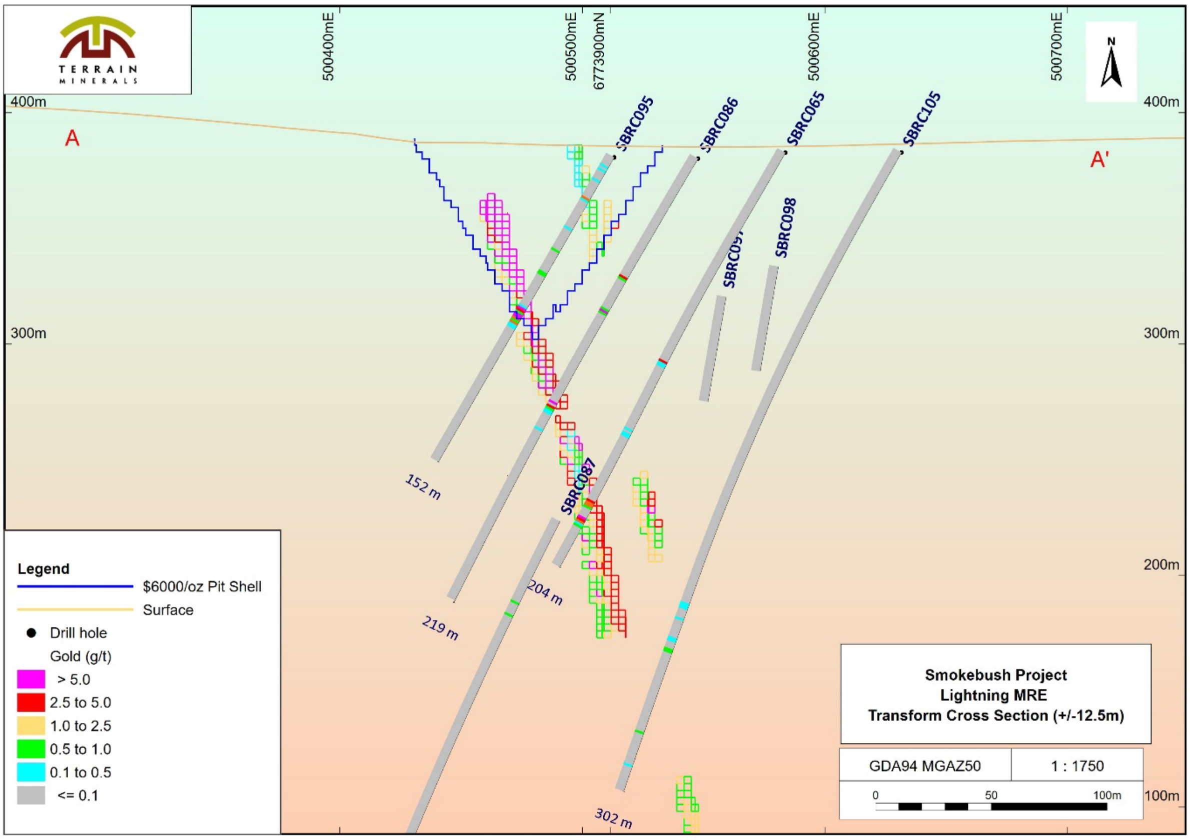

Diagram 6: Lightning transform cross section - SBRC095 to SBRC105 (+/-12.5m).

Category	Tonnes (t)	Gold (g/t)	Gold (Ounces)	Silver (g/t)	Silver (Ounces)
Transitional	68,000	2.0	4,500	1.9	4,000
Fresh	609,000	2.5	49,500	7.8	152,500
TOTAL	**677,000**	**2.5**	**54,000**	**7.2**	**156,500**

Table 2: Lightning Inferred Mineral Resource Estimation by Weathering Profile

*Rounding discrepancies may occur.

REVIEW OF OPERATIONS (Continued)

Material Information Summary – Mineral Resource Estimation (as per ASX LR 5.8.1)

The Company provides the following summary of Material Information for the Lightning Mineral Resource Estimation in accordance with ASX Listing Rule 5.8.1 requirements. Further information is provided in the JORC Code Table 1 below.

Location:

The Lightning Deposit is located on the northern portion of the Smokebush Project. The Smokebush project is located approximately 350 km north of Perth, Western Australia. The Project can be accessed via the unsealed Warriedar Coppermine Road. The nearest services are in Perenjori or in the town of Morawa, 10 km north of Perenjori.

The Project area has highly variable topography with significant outcropping ridges and rocky ranges transitioning to flat low-lying areas with thick transported and regolith cover. The project is located adjacent to large scale tungsten molybdenum resources that are associated with the Mt Mulgine Granite. Several stockwork gold deposits peripheral to the tungsten molybdenum system have been developed in recent years and form an analogue for the Smokebush Gold Project.

Geological Interpretation:

The Smokebush Project resides on the south-eastern portion of the fold belt, straddling the greenstone boundaries with the Mt Mulgine Granite. The Mt Mulgine Granite forms the core of the Mt Mulgine Anticline, which hosts several molybdenum-tungsten deposits and small-scale stockwork gold deposits.

The stratigraphy of mafic volcanic and sedimentary successions is similar in the major fold belts of the region. There are broadly recognised to be four associations of supracrustal volcanics and sediments preserved in the supracrustal fold belts (Lipple et al., 1983):

- The lower mafic volcanic association
- The lower sedimentary association
- The upper mafic volcanic association
- Intrusion of post-tectonic granitoid masses in the region

Locally the Lightning Deposit, gold mineralisation is hosted within a shear zone developed in a north-northeast-trending felsic-intruded structure within a dolerite sequence. Mineralisation occurs in variably altered dolerite characterised by silica ± sericite ± muscovite ± biotite ± chlorite alteration adjacent to felsic porphyry and pegmatite intrusions. Higher grade mineralisation (>0.5 g/t Au) is associated with the most intensely altered intervals containing minor concentrations of sulphides, including pyrite, pyrrhotite, arsenopyrite, chalcopyrite and stibnite. These high-grade zones are enclosed within broader envelopes of weaker alteration and sulphide mineralisation that contain lower-grade gold mineralisation (>0.1 g/t Au), indicating the potential for wider mineralised zones. The defined mineralised system has a strike length of approximately 850m, trending at approximately 355° and dips steeply east at predominantly 80° and has been defined to depths ranging between 75m and 175m below surface.

Drilling Techniques:

A total of 101 drill holes has been completed at the Lightning prospect, comprising 97 RC (16,173 m) and 4 diamond drill holes (328 m). Of these, 11 RC holes were completed by Minjar Gold between 2013-2014, with the remainder of the drilling completed by Terrain Minerals from 2020 onwards. The RC drilling was completed using a face sampling 5 ½ inch hammer while the diamond drilling was NQ size diamond core. Collar positions were picked up by DGPS where possible with 72 of the 98 drill holes surveyed by DGPS. The remainder of the holes were established using a handheld GPS (+/-5m). All but 28 of the holes had downhole surveys collected at regular intervals (between 5m to 30m) down the drillhole using a north-seeking gyroscopic tool.

REVIEW OF OPERATIONS (Continued)

The majority of the drilling was completed at -60° toward 250° in orientation, which is perpendicular to mineralisation.

Sampling and Sub Sampling Techniques:

The RC samples were split using a rig-mounted cone splitter at 1m intervals to obtain an approximate 3kg sample for analytical test work. All 1m samples were submitted for gold analysis. Approximately 28% of the samples were sent for multi element analysis.
The diamond drilling was completed using NQ size drill equipment, core was sampled to geological contacts or one metre intervals. All core was cut in half and sent for analysis. Sample size varied from 0.3 to 1.2 m in size. Core recovery was excellent with geologists noting little to no core loss.

Sample Analysis Method:

Samples were sent to different commercially certified laboratories over the project life. Samples were typically dried at 105° then crushed and pulverised to a nominal 85% passing 75um. These include Bureau Veritas where samples underwent 40g Fire Assay (FA40/AAS), ALS for 50g Fire Assay (Au-AA26) and Intertek for 50g Fire Assay. The multi element analysis was conducted by Intertek (4A/MS48) and Bureau Veritas Ultratrace (ICP-AES) using a 4-Acid digestion with a 48-element analysis.
Quality control data was used throughout the drilling programs with the regular insertion of blank, certified standards/CRMs and field duplicates. These were routinely reviewed for laboratory performance. Review of this data concluded that the results were satisfactory for the use in a Mineral Resource Estimation.

Grade Top cut/Capping:

To prevent metal grades from being overestimated due to outlier values, composite grades are capped to specific maximum values. Potential outliers are first identified using log-probability plots, which highlight composite values that deviate significantly from the expected distribution. These outliers are then examined in 3D to determine if they are part of a consistent high-grade trend. Gold capping levels ranged from 11 to 19g/t, and silver ranged from 10.5 to 87 g/t Ag. Only five composites were capped for both gold and silver.

Estimation Methodology:

Independent geological consultancy Apex Geoscience was contracted to conduct the maiden MRE. Apex Geoscience has supervised all of Terrain's drilling activities since 2020. The mineralised domains were interpreted using a nominal 0.5g/t Au lower cut-off grade with a minimum composite interval of 2m. The mineralisation interpretation was extrapolated to the nominal 25m spaced drill sections and terminated halfway to the next drill section where mineralisation terminated.
Ordinary Kriging (OK) was used to estimate metal grades for the 2026 Lightning MRE block model. Only blocks that intersect the estimation domains were estimated. Grades were estimated into a 3m (X) x 3m (Y) x 3m (Z) block. Hard boundaries were applied between domains. Variography was conducted on the larger domains to determine the ranges used in the multi staged estimation runs. Blocks were only estimated into parent blocks.
The samples that were not assayed for silver were given a 0.00 g/t Ag grade to prevent over estimation. Silver has been treated as a by-product of the gold MRE.
A multiple-pass estimation method is used to control Kriging's smoothing effect, ensuring accurate block-scale grade and tonnage estimates above the reporting cutoff. With each pass the number of composites used and number of drill holes decreased as the search distance increased.

REVIEW OF OPERATIONS (Continued)

Resource Classification:

Resource classification was considered on the basis of drill hole spacing and continuity of mineralisation. Other factors considered were the amount of composites that had silver analysis conducted, topographic control and collar/ downhole survey control. The Lightning MRE has been classified as Inferred.

Cut-Off Grades/Reasonable Prospects of Economic Extraction:

Due to the high grade and shallow nature of mineralisation, the Lightning deposit has reasonable prospects of economic extraction via a small, high grade, open pit and underground mine. The open pit resource has been reported at a 0.5g/t Au cut-off using -60^{0} wall angles, AUD$35/tonne for mining ore and waste, G&A cost of AUD$9/tonne and a recovery of 93% at a gold price of AUD$6,000/oz. The Underground reportable resource has been calculated using a AUD$100/tonne ore/waste mining cost at a minimum of 3m wide zones. These cost assumptions are similar to mining costs used by other operations/companies in the goldfields. These include Capricorn Metals Ltd - Mt Gibson operation, Westgold Resources – Southern Goldfield operations, Ramelius – Rebbecca Roe operation for Open Pit assumptions and Meeka Metals - Murchison Gold Project, Rox Resources – Youanmi Project and Ramelius Rebbecca Roe operation for underground assumptions.

Density:

Four diamond holes were drilled into the Lightning deposit in order to obtain accurate density data for the use in the MRE. A density sample was collected every metre from the top of the diamond core to the bottom of the hole using the air/water emulsion method. A total of 324 samples were collected. A nominal value of 2.60 g/cm3 and 2.95 g/cm3 was applied to the transitional and fresh rock (respectively) profiles.

Metallurgy:

At the time of calculating the Lightning MRE, no metallurgical test work was completed at Lightning. Samples have been submitted for initial metallurgical test work but results are pending. Assumptions on recovery (93% for gold) have been based on similar deposits in the area.

Modifying Factors:

No modifying factors were applied to the MRE. Parameters reflecting the mining dilution, ore loss and metallurgical recoveries will be considered during the mining evaluation.

Subsequent Event - Metallurgical Test Work: Terrain announced the results of metallurgical test work, confirming that Lightning Gold is amenable to conventional gravity and CIL processing, with gold recoveries of up to 93.7% achieved using a conventional gravity and cyanide leach flowsheet, with no refractory or deleterious behaviour was identified across the three composites tested (See ASX release dated 16 September 2026).

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

- 31 March 2025 -- 11m @6.03 g/t Gold and 43.5 g/t Silver from Lightning & Monza.
- 16 July 2025 - Expanded Gold Drilling Program Completed 4,995m for 22 holes.
- 02 September 2025 - 22 metres @ 2.71 g/t Gold Intersected at Lightning & Monza Gold Prospect.
- 09 September 2025 - Geophysical (IP) Survey started over Wildflower Gold Targets.
- 29 September 2025 - Lightning Strikes Again with High-Grade Gold Drilling Results.
- 12 October 2025 - Exciting Silver Grades Continues to Accompany High Grade Gold at Lightning Prospect.
- 10 November 2025 - New IP Gold Targets Blooming Bright at Wildflower.
- 17 November 2025 - High Grade Lightning Thunders Back to Life with the Commencement of Gold and Silver RC Drilling.

REVIEW OF OPERATIONS (Continued)

- 27 November 2025 - Lightning & Wildflower Gold & Silver Drilling has Commenced.
- 02 December 2025 - Mining Licence M59/0796 Granted, Includes Lightning Prospect.
- 15 January 2026 - RC Drilling 2026 Restart at Lightning Gold & Silver Prospect.
- 04 February 2026 - Diamond Drilling Strikes Lightning Gold/Silver.
- 04 March 2026 - 7,739m RC Diamond Program at Lightning and Wildflower.
- 15 April 2026 - Lightning Delivers High-Grade Gold Across Expanded System.
- 20 April 2026 - Lightning Project Completion of Diamond Drilling Program.
- 19 May 2026 - Metallurgical Test Work Commences at Lightning Gold Project.
- 21 May 2026 - Lightning Gold MRE Activities Advancing to July 26 Target.
- 26 May 2026 - IP Survey Expanded to Test Paradise City, Hurley & T17.
- 09 June 2026 - Drilling Confirms Open Gold-Silver System at Wildflower.

PORTFOLIO OPTIONALITY – RARE EARTH ELEMENTS (REE)

Terrain's primary focus is the Smokebush Project (Lightning), but it is also slowly advancing two REE and specialty metals projects – Larin's Lane at Smokebush and Lort River. The objective is to advance both to a point that could attract a joint venture partner and/or a potential IPO, ultimately with the goal of giving shareholders a liquidity event.

Larin's Lane - Gallium & Rare Earths

Ownership **:** 100% Terrain Minerals Limited

Location **:** Located within the Company's 100% Smokebush tenement package, in Western Australia's emerging Midwest clay-hosted REE district.

Background **:** Terrain holds a JORC-compliant exploration target over 5% of the 27km2 target area, underpinned by selected historic holes.

Selected historic holes include (applying a Gallium Oxide cut-off of 40.32 g/t (ppm)):

- 16m @ 53.74 g/t Ga_2O_3 from 64m - (23SBAC035)
- 30m @ 40.32 g/t Ga_2O_3 from 24m - (23SBAC071)
- 8m @ 52.62 g/t Ga_2O_3 from 20m - (23SBAC080)

FY 2026 Work in Progress: Metallurgical test work forming part of the Minerals Research Institute of Western Australia (MRIWA) Project M10528, in partnership with Curtin University, which has concentrated on low corrosive organic acids, has now been completed. Results are expected to be released in the new financial year as they require WA government sign-off; additional metallurgical studies are currently being assessed.

Subsequent Event - Metallurgical Test Work: on **2 September 2026**, the Company announced positive metallurgical test work results from Larin's Lane, confirming 83% total rare earth element (REE) recovery, increasing to up to 99% following thermal pre-treatment. The test work also identified recoverable scandium and gallium, providing additional potential for the project (refer to ASX release 2 September 2026).

Subject to a successful outcome, Terrain's objective remains to work towards producing a saleable concentrate for industry evaluation.

REVIEW OF OPERATIONS (Continued)

Lort River - Rare Earths

Ownership	**:** 100% Terrain Minerals Limited
Size	**:** 81km^2
Location	**:** Located in the Albany-Fraser Belt, 50km northwest of Esperance, Western Australia.
Background	**:** Terrain's airborne electromagnetic (V-TEM) survey was converted into a regolith map which identified a 66km2 basin, within which hole LTRC03 returned 8m @ 4,049ppm TREO from 23m (see ASX release 26 March 2025).

FY26 Exploration: A follow-up drilling campaign returned total rare earth oxide (TREO) values above 200ppm in 25 of the 35 holes, identifying a broad clay-hosted rare earth system across the project, with strong neodymium and praseodymium grades, highlighting potential for a large-scale REE project (see ASX release 1 January 2026).

- **Strong heavy rare earth proportion – High-grade zone in LTAC028 – 8m @ 3,349ppm TREO from 27m (33% HREO), including** 6m @ 4,230ppm TREO and a peak of 3m @ 5,568ppm TREO (37% HREO), including 227ppm dysprosium (Dy_2O_3) and 39ppm terbium (Tb_4O_7) - results represent a strong heavy rare earth proportion relative to other Australian clay-hosted deposits[1].
- Dysprosium/terbium: critical rare earth elements essential for future-facing technologies, also experiencing supply constraints outside of China.
- **Wide, shallow intervals –** LTAC023 returned 60m @ 530ppm TREO from 27m and LTAC024 returned 45m @ 455ppm TREO from 12m.
- **Mineralisation open at depth –** ten holes ended in mineralisation, including LTAC023 (60m to 87m end-of-hole), LTAC028, LTAC026, LTAC042, LTAC047 and LTAC048, indicating the system may extend below the depths tested by air core and that reported widths may understate the project's REE potential.
- **Balanced light-and-heavy basket –** Neodymium (Nd) and praseodymium (Pr) together represent approximately 23% of the basket (24.6% MREO overall); the heavy fraction averages 12–15% of TREO and reaches 28–33% in discrete zones, led by yttrium (Y) and dysprosium (Dy).

Additional information can be found in ASX releases 28 October 2025 and 13 March 2026.

[1] Heavy rare earth oxide (HREO) proportions for Australian clay-hosted REE deposits average 21% (interquartile range 7–32%), with the highest documented proportions at Lort River (35%), Cowalinya (30%) and Koppamurra (30%). Source: Knorsch, M., Gazley, M., Ince, M., et al. (2025), "Characterisation of clay-hosted rare-earth element deposits in Australia: mineralogy, geochemistry and metallurgy," *Australian Journal of Earth Sciences*, published online 30 October 2025.

REVIEW OF OPERATIONS (Continued)

PORTFOLIO OPTIONALITY – COPPER, GOLD & LITHIUM

As with Terrain's REE opportunities, both Carlindie (WA, East Pilbara) and Biloela (Queensland) are similarly staged projects showing encouraging first-pass results. Terrain intends to slowly and carefully advance these projects to a decision point which may involve a joint venture partner and/or a potential IPO, ultimately with the goal of giving shareholders a liquidity event.

Carlindie - Lithium & Gold (New Anomaly Identified)

Ownership : 100% Terrain Minerals Limited (several tenement applications still pending grant)
Size : ~735km^2
Location : 90 kilometres southeast of Port Hedland, Western Australia, strategically positioned between Wildcat Resources' (ASX: WC8) Bolt Cutter Lithium Project and Kali Metals/SQM tenements in the East Pilbara.
Background : In June 2026, a first-pass soil survey returned a coherent, multi-element gold-pathfinder anomaly extending approximately 4km by 3km, independently corroborated by machine-learning-assisted bedrock mapping, including a high-intensity bismuth-tungsten point-source feature an order of magnitude above background. See ASX release 04 June 2026. On-ground reconnaissance is planned for July 2026, funded as a discrete, low-cost follow-up rather than a competing exploration priority.

FY26 Exploration: Key Points Highlighting Exciting Project Advancements

- **Large coherent gold-pathfinder anomaly defined at Carlindie:** a first-pass conventional soil survey has returned a coherent, multi-element gold-pathfinder anomaly (As-Sb-Bi-W-Cs) extending approximately 4 by 3 kilometres (see diagrams 8 and 9).
- **Two independent lines of evidence converge on the same target:** the soil anomaly is spatially coincident with an interpreted concealed greenstone belt independently defined by RSC's machine-learning-assisted bedrock mapping (see diagrams 7 to 9).
- **High-intensity bismuth-tungsten point-source feature identified within the anomaly:** a single sample at 736831 mE / 7704428 mN returned coincident bismuth (9.91 ppm) and tungsten (6.74 ppm), an order of magnitude above background (10 times higher), on-trend with the arsenic-antimony cluster. This site is the primary follow-up target of the July field reconnaissance.
- **Staged follow-up program committed:** on-ground reconnaissance commences July 2026, targeting the bismuth-tungsten site and lithium areas where shallow cover is indicated. A cover-adapted CSIRO UltraFine+™ soil program follows from August 2026, designed to validate and sharpen the anomaly footprint and test the continuation of the target north and south within E45/6524. Results expected Q4 2026.

A first-pass conventional soil survey[2] at the Carlindie Project has defined a coherent, multi-element gold-pathfinder anomaly [3] (arsenic-antimony-bismuth-tungsten-caesium) extending approximately 4 by 3 kilometres in the south-eastern part of the surveyed area[4,5] coincident with an interpreted concealed greenstone belt independently identified by RSC's machine-learning-assisted mapping using regional

[2] Comprising 813 samples within survey specifications include 200 metre × 200 metre grid; <0.4 mm fraction

[3] The multi-element anomaly footprint (89 samples) is defined as areas As, Sb, Bi, W, Cs mostly exceeds the 90th percentile of the dataset (P90 thresholds: As = 4.7 ppm, Sb = 0.61 ppm, Bi = 0.18 ppm, W = 0.75 ppm, and Cs = 4.43 ppm.

[4] with 42% of samples within the anomaly coincidently elevated in two or more pathfinder elements at P90 compared to negligible coincidence elsewhere on the grid

[5] Halley, S.W. (2020) "A new multi-element geochemical approach to finding buried gold deposits", in Proceedings of the 2020 NewGenGold Conference, Perth, Western Australia. The pathfinder association (Mo-Bi-Te-As-Sb-W-Cs) defined by Halley is recognised as the diagnostic multi-element signature for Archaean orogenic gold mineralisation.

REVIEW OF OPERATIONS (Continued)

geophysical datasets (see diagram 7). Significantly, the anomaly footprint sits within an area that the machine-learning prospectivity study ranked as a priority area for both gold and lithium.

The convergence of geochemical and geophysical evidence over the same target is the principal outcome of the soil survey and is the basis on which the Company is now stepping up its exploration at Carlindie.

On-ground reconnaissance was undertaken in July 2026, followed by an UltraFine+ soil sampling program in August 2026, targeting the priority lithium areas and the high-intensity arsenic-antimony-bismuth-tungsten anomaly within the gold-pathfinder anomaly.A cover-adapted UltraFine+™ soil program follows from August 2026, designed to sharpen the defined anomaly footprint and extend coverage both north and south of it. UltraFine+ soil results are expected in Q4 2026.

Further UltraFine+ coverage across the balance of the target area within E45/6524 and E45/6951, including the second machine-learning target to the north (see diagram 7), is planned for 2027. Work over E45/6525 will be deferred until that tenement is granted.

The priority target hosting the defined anomaly footprint within tenement E45/6524 lies along the interpreted extension of the tectonic structure[6] that hosts Wildcat Resources' (ASX: WC8) Tabba Tabba lithium deposit.

Full assays from the first-pass conventional soil survey are reported in ASX release 4 June 2026, with the anomaly statistics and the high-intensity bismuth-tungsten point described in detail in that release.

[6] The anomaly was returned using a conventional sieved soil method in an area interpreted to be under partial transported cover; UltraFine+™ sampling may provide additional resolution in this covered area.

REVIEW OF OPERATIONS (Continued)

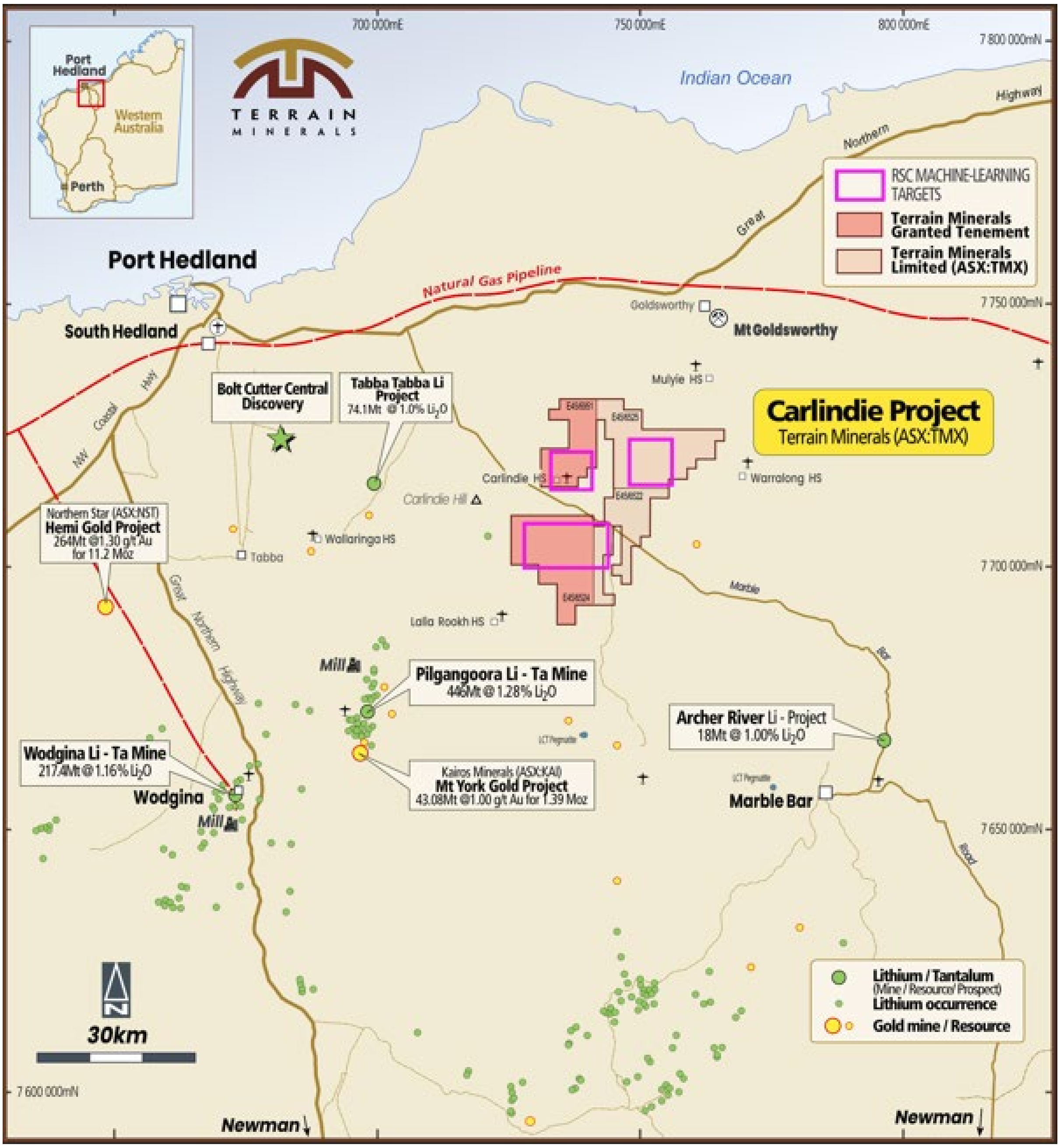

Diagram 7: RSC machine-learning-assisted prospectivity output over the Carlindie Project, showing the priority lithium and gold target footprints that the cover-adapted soil program and field reconnaissance will test.

REVIEW OF OPERATIONS (Continued)

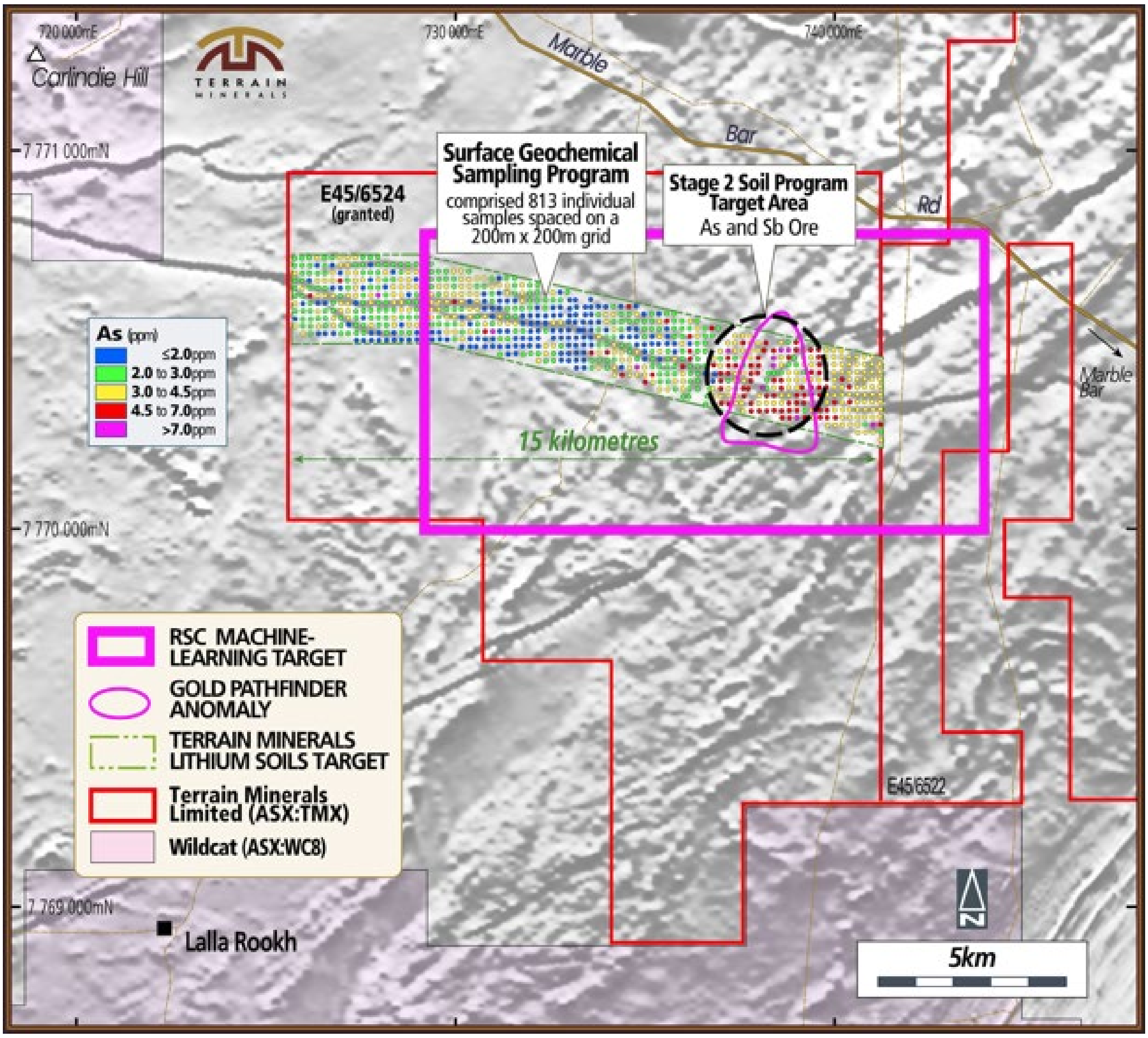

Diagram 8: Plan of arsenic (As) in soils across the surveyed grid at Carlindie, showing the coherent multi-kilometre arsenic response defining the south-eastern part of the gold-pathfinder anomaly footprint (see ASX release 4 June 2026).

REVIEW OF OPERATIONS (Continued)

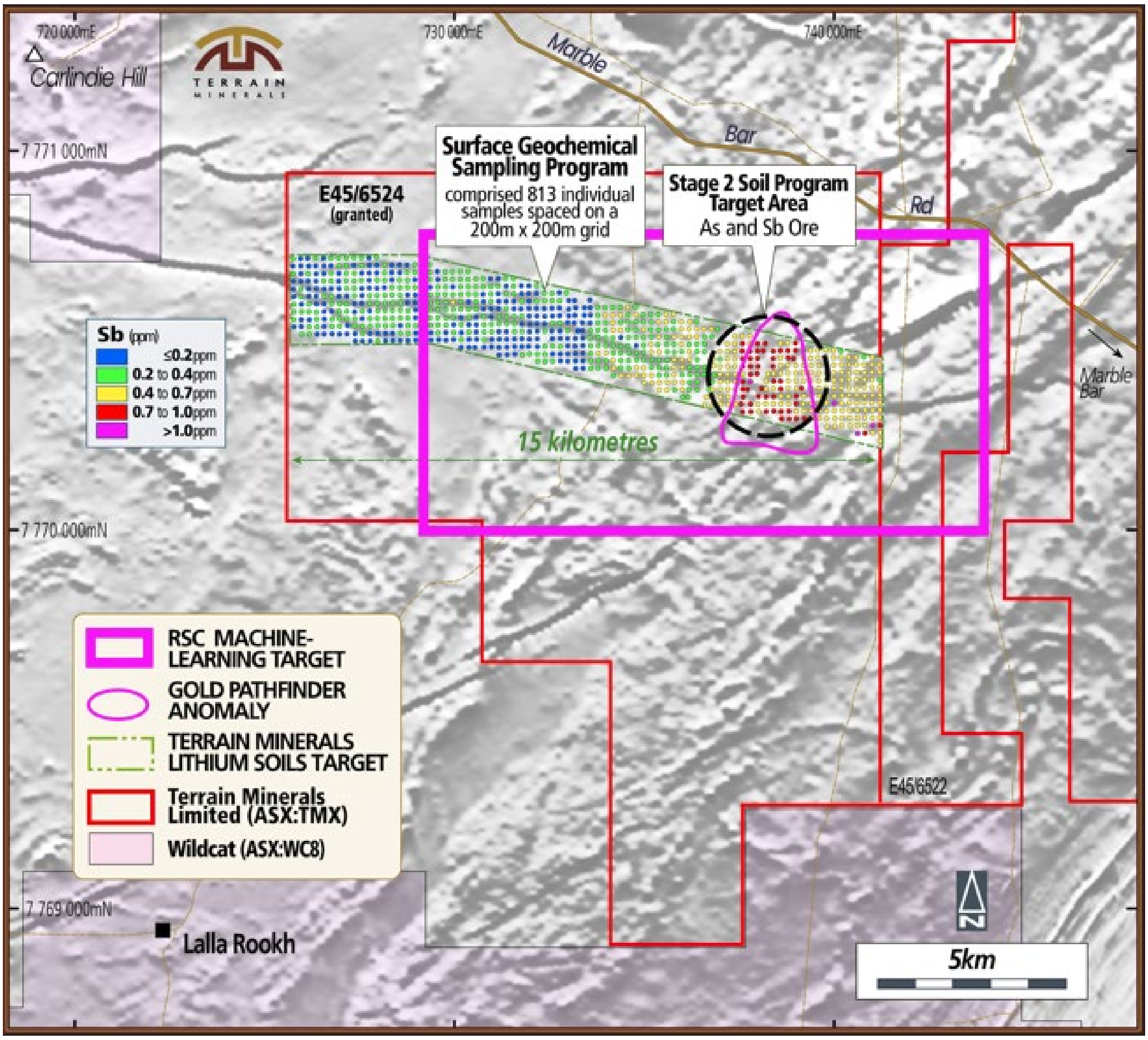

Diagram 9: Plan of antimony (Sb) in soils across the surveyed grid at Carlindie, showing the coherent multi-kilometre antimony response coincident with the arsenic anomaly in the south-eastern part of the surveyed area, and consistent with an Archaean orogenic gold pathfinder signature (see ASX release 4 June 2026).

REVIEW OF OPERATIONS (Continued)

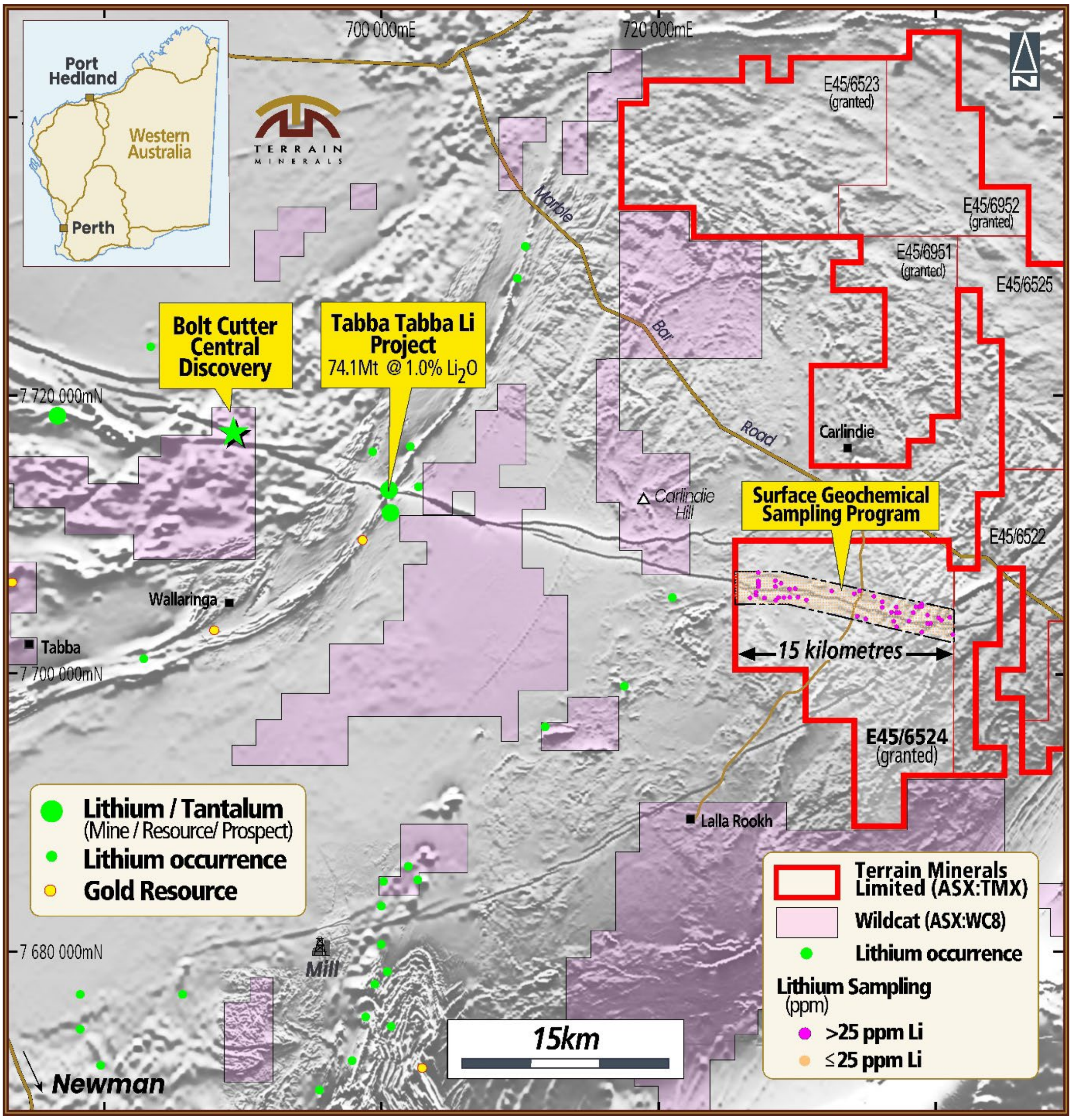

Diagram 10: Processing of the open-file Western Australian Government aeromagnetic data highlighted that the tectonic structure associated with Wildcat Resources' Tabba Tabba lithium deposit extends into Terrain Minerals' Carlindie Project. This results in Terrain Minerals identifying more than 15 kilometres of prospective geology within its 100% owned tenement E45/6524. The prospectivity of this tectonic structure was strengthened following Wildcat Resources' ASX announcement dated 4 August 2025, where they reported multiple lithium-bearing pegmatite swarms at Bolt Cutter Central, the interpreted western extension of the same tectonic structure that extends into Terrain Minerals' Carlindie Project.

REVIEW OF OPERATIONS (Continued)

Biloela - Gold & Copper (Longer-Term Optionality)

Ownership **:** 100% Terrain Minerals Limited

Size **:** ~2,500km^2

Location **:** Located approximately 400 km northwest of Brisbane, Queensland, the Biloela Project lies within a geologically prospective province encompassing seven historic mines and ten additional mineralisation occurrences across the Biloela–Cracow region. Situated just 13 km north of the Cracow Gold Mine, the project covers approximately 2,500 km² across the Glandore and Theodore region, highlighting its significant exploration potential.

Background : Terrain considers Biloela a longer-term exploration opportunity rather than a near-term priority. The extensive tenement package was initially identified by Rio Tinto, Gold Fields Limited and Newcrest Mining Limited as prospective for mineralisation.

Northwest-trending faults in the northeastern part of the Biloela Project exhibit similarities to the structural features associated with the Cracow Gold Mine and are considered highly prospective for epithermal-style gold mineralisation. Terrain has identified seven prospective copper and gold targets across the project area, providing significant longer-term exploration potential.

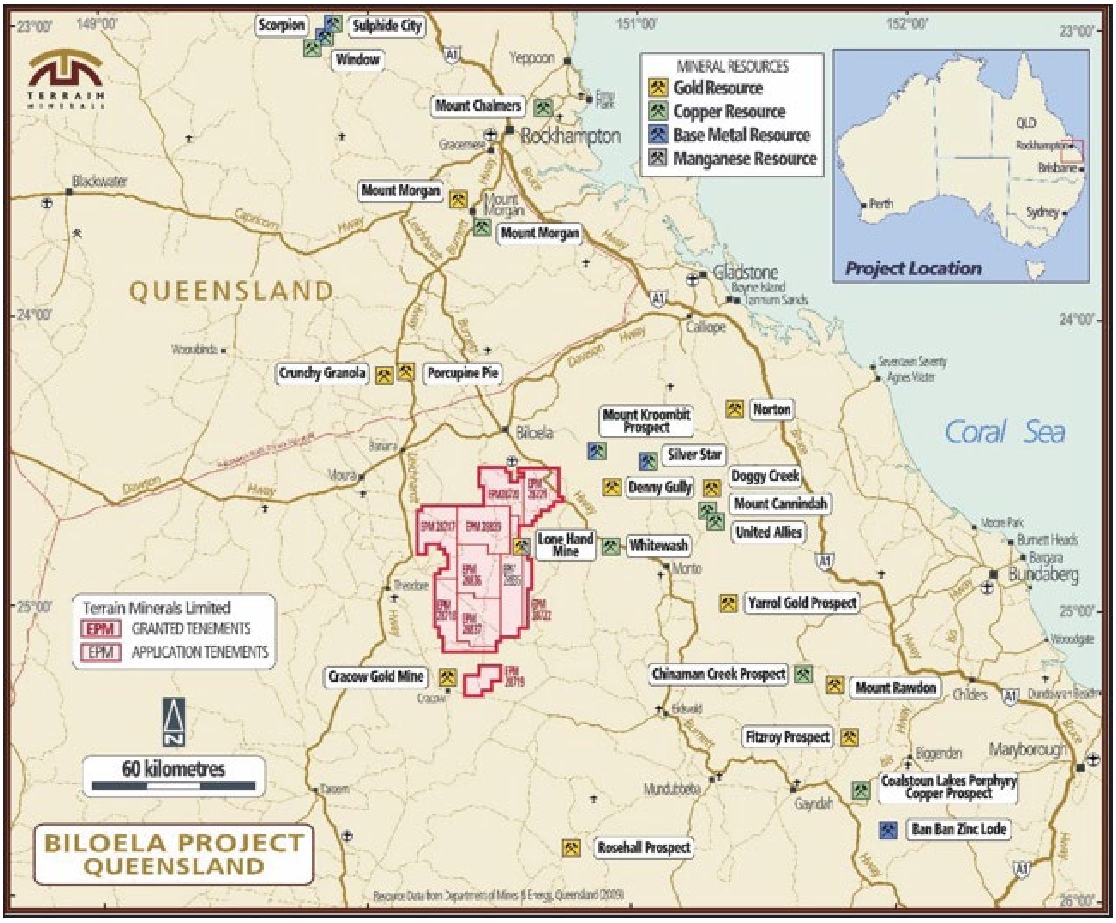

Diagram 11: Biloela Tenement package and location.

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.

(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.

(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 $8,186,305 at 30 June 2026 from $4,983,441 at 30 June 2025.

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

Lightning Maiden Mineral Resource Estimate (also refer Material Information Summary in Review of Operation): On 27 July 2026, subsequent to the end of the reporting period, the Company announced a Maiden Mineral Resource Estimate ("MRE") for the Lightning Prospect, part of the Company's 100%-owned Smokebush Gold & Silver Project. The MRE represents another significant milestone at the Lightning Prospect and comprises an Inferred Mineral Resource of 677,000 tonnes at 2.5 g/t gold for 54,000 ounces of contained gold.
The Company intends to accelerate exploration activities aimed at upgrading the current MRE to the Indicated Mineral Resource category, while expanding the overall resource inventory through further drilling.

Importantly, this Starter MRE represents an initial foundation rather than the full extent of the Project's mineral endowment at Lightning. Numerous look-alike gold targets across the broader Project area will continue to be advanced, with the longer-term objective of defining a substantial gold resource inventory.

The announcement of the Maiden MRE occurred after the reporting period and does not affect the amounts recognised in the financial statements for the year ended 30 June 2026. The financial effect of this event cannot be reliably estimated at the date of this report.

Capital Raising After Reporting Date: On 9 September 2026, the Company announced a capital raising comprising a placement and non-renounceable rights issue, on the same terms, to raise a combined total of $2,513,000 (before costs).

The capital raising is being undertaken at an issue price of $0.004 per share, with one free attaching unlisted option for every share issued. The options are exercisable at $0.006 per option with a three-year expiry.

EVENTS SUBSEQUENT TO THE REPORTING DATE (continued)

The placement comprises a $1,000,000 strategic investment by Gandel Metals, including a $914,000 placement utilising the Company's available capacity under ASX Listing Rule 7.1 and a commitment to subscribe for a minimum of $86,000 under the rights issue.

Under the non-renounceable rights issue, eligible shareholders are offered the opportunity to subscribe for one new share for every 9.85 shares held at the record date, together with one attaching unlisted option for every new share subscribed. The rights issue is intended to raise approximately $1.6 million, before costs, subject to shareholder participation.

Eligible shareholders may also apply for additional shares under a top-up facility for any shortfall under the rights issue. The Board reserves the right to scale back applications and to place any remaining shortfall shares with unrelated third parties, including new investors.

Proposed Share Consolidation After Reporting Date: The Company also announced a proposed 1-for-14 share consolidation, under which the existing ordinary shares of approximately 3,712 billion would be consolidated to approximately 265 million shares (prior to completion of the rights issue). The proposed consolidation is subject to shareholder approval and is expected to occur following completion of the rights issue.

Proposed Unmarketable Parcel Buy-Back: The Company is proposing to conduct a small parcel clean-up facility for shareholders holding unmarketable parcels valued at less than $500, following completion of the proposed rights issue and share consolidation. Subject to the establishment of the relevant record date and the final terms of the facility, eligible shareholders holding an unmarketable parcel at the record date will have the opportunity to sell their shares to the Company without incurring brokerage or selling fees. The Board has highlighted the proposed rights issue as an opportunity for shareholders who currently hold unmarketable parcels to increase their holdings to a value of $500 at an issue price of $0.004 per share. Shareholders participating in the rights issue will also receive one attaching unlisted option for every share subscribed for, with no fees or brokerage payable in connection with the subscription. Further details of the proposed unmarketable parcel buy-back facility, including the applicable eligibility criteria, record date and timing, will be provided by the Company once the relevant arrangements have been finalised.

Issue of shares and options: On 16 September 2026, subsequent to the reporting date, the Company issued 228,500,000 fully paid ordinary shares at an issue price of $0.004 per share, raising $914,000 before transaction costs. The shares were issued together with 228,500,000 free-attaching unlisted options, each exercisable at $0.006 per share and expiring on 23 October 2029.

Other than matters disclosed above, 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.

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.

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	242,134,390 options over ordinary shares and 267,648,280 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 successful takeover by a marine Company. 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	17,206,159 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.

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

Mr Jason Macdonald	Non-Executive Director – Appointed 01 July 2024
Experience	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. He has been a director of public companies including Helix Resources Ltd and Triton Minerals Ltd. 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. 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.
Interest in Shares and Options	10,675,676 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	5	5
Mr Jason Macdonald	5	5
Mr Johannes Lin	5	3

INDEMNIFYING OFFICERS OR AUDITORS

Terrain has paid premiums totalling $9,463 (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.

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.

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

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
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
24 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
16 September 2026	23 October 2029	0.0060	228,500,000
			1,170,757,671

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 2026 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 2026 (30 June 2025: Nil).

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.

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.

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 2026	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, shareholders approved the grant of 160,000,000 performance-based incentive options to Mr Virgin on 15 May 2025, 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.

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 2026 and 30 June 2025 are set out in the following tables:

For the year ended 30 June 2026

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments			
Key Management Personnel	**Salary, fees and leave**	**Other**	**Superannuation**	**Shares**	**Options**	**Total Remuneration**	**Remuneration consisting of options**
	$	$	$	$	$	$	%
Mr Justin Virgin	281,250	-	33,750	-	85,921[1]	400,921	21.43
Mr Johannes Lin	31,250	-	3,750	-	-	35,000	-
Mr Jason Macdonald	41,667	-	5,000	-	-	46,667	-
TOTAL	**354,167**	**-**	**42,500**	**-**	**85,921**	**482,588**	**17.80**

[1] Long Term Incentive Options granted 15 May 2025 subject to vesting conditions

For the year ended 30 June 2025

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments			
Key Management Personnel	**Salary, fees and leave**	**Other**	**Superannuation**	**Shares**	**Options**	**Total Remuneration**	**Remuneration consisting of 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	-	4,600	-	11,341	55,941	20.27
Mr Xavier Braud	2,072	-	238	-	-	2,310	-
TOTAL	**334,572**	**-**	**38,476**	**-**	**53,768**	**426,816**	**12.60**

REMUNERATION REPORT (AUDITED) Continued

REMUNERATION POLICY

SHARE-BASED PAYMENTS

2026

Options vested immediately upon grant
During the year ended 30 June 2026: Nil options were granted to the directors (30 June 2025: 16,000,000).

Performance options subject to vesting conditions
The Company continues to amortise the performance options granted to the Executive Director, Mr Justin Virgin, on 15 May 2025, subject to the vesting conditions disclosed in the 30 June 2025 Annual Report. Each tranche of the incentive options is exercisable at $0.0070 per option on or before 31 March 2030 and is subject to various vesting conditions.

2025

Options vested immediately upon grant
The options granted to Directors in the year 30 June 2025 were for nil consideration as remuneration. Each of the options 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 $0.0045. 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%

Performance options subject to vesting conditions
The performance options granted to Directors in the year 30 June 2025 were for nil consideration as remuneration. Each of the options are exercisable at $0.0070 on or before 31 March 2030 and is subject to various vesting conditions.

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%

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 2026	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	149,898,280	-	-	112,750,000[1]	262,648,280
Mr Johannes Lin	62,068,930	-	-	-	62,068,930
Mr Jason Macdonald	8,175,676	-	-	-	8,175,676
	220,142,886	**-**	**-**	**112,750,000**	**332,892,886**

1. *Mr Justin Virgin acquired 1,500,000 shares on-market on 21 July 2025 and a further 111,250,000 shares through the Company's share placement on 3 February 2026.*

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 2026	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	250,134,390	-	-	-	(8,000,000)	242,134,390	-	82,134,390	85,921[1]
Mr Johannes Lin	21,206,159	-	-	-	(4,000,000)	17,206,159	-	17,206,159	-
Mr Jason Macdonald	11,675,676	-	-	-	(1,000,000)	10,675,676	-	10,675,676	-
	283,016,225	**-**	**-**	**-**	**(13,000,000)**	**270,016,225**	**-**	**110,016,225**	**85,921**

1. *Amortisation of Performance Options granted on 15 May 2025, which remain subject to vesting conditions.*

REMUNERATION REPORT (AUDITED) Continued

REMUNERATION POLICY

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS

Other Key Management Personnel Transactions	**2026 $**	**2025 $**
Payments to director-related parties:		
J Virgin and his related parties	37,150	17,043
	37,150	**17,043**

The payment was made to Mr Justin Virgin, the Executive Director of the Company, and his related parties for vehicle hire and other minor work-related disbursements. The transactions were conducted on an arm's length basis.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2025 ANNUAL GENERAL MEETING

The Company's remuneration report for the 2025 financial year was approved at the Annual General Meeting held on 28 November 2025. The Company did not receive any feedback at the AGM on its Remuneration Report. During the year ended 30 June 2026, 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: 17 September 2026

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Terrain Minerals Limited for the year ended 30 June 2026, 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
Principal

Perth
Date: 17 September 2026

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TERRAIN MINERALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
INCOME			
Other income	2	43,018	29,099
Net income		43,018	29,099
EXPENSE			
Administrative expenses		(369,833)	(279,948)
Depreciation		(1,328)	(472)
Employee benefits expenses		(391,254)	(453,668)
Exploration rent and rates refunded (i)		39,054	-
Exploration expenditure write-off	7	(127,383)	(550,490)
Share-based payments – employees and consultant	16A	(114,919)	(67,946)
Share-based payments – Other	16B	-	(60,000)
Other expenses		(432,089)	(326,636)
(Loss) before income taxes		(1,354,734)	(1,710,061)
Less Income tax expense	3	-	-
(Loss) after income tax for the year		(1,354,734)	(1,710,061)
Other comprehensive income		-	-
Total comprehensive (loss) for the year attributable to owners of Terrain Minerals Ltd		(1,354,734)	(1,710,061)
(Loss) from continuing operations attributable to owners of Terrain Minerals Ltd		(1,354,734)	(1,710,061)
(Loss) per share attributable to owners of Terrain Minerals Ltd			
From continuing operations:			
Basic (loss) per share (cents)	11	(0.04)	(0.09)
Diluted (loss) per share (cents)	11	(0.04)	(0.09)

i. Rent and rates refunds - During the year, the Company received $39,054 in refunds relating to rent and rates previously expensed. The refunds have been recognised as a recoupment of expenses in the Statement of Profit or Loss and Other Comprehensive Income.

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 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,390,645	1,138,549
Other receivables	5	104,078	53,252
Other	6	42,535	9,981
TOTAL CURRENT ASSETS		1,537,258	1,201,782
NON-CURRENT ASSETS			
Exploration expenditure	7	7,516,983	4,347,041
Property, plant and equipment		1,075	1,159
TOTAL NON-CURRENT ASSETS		7,518,058	4,348,200
TOTAL ASSETS		9,055,316	5,549,982
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	694,514	386,631
Provisions		174,497	179,910
TOTAL CURRENT LIABILITIES		869,011	566,541
TOTAL LIABILITIES		869,011	566,541
NET ASSETS		**8,186,305**	**4,983,441**
EQUITY			
Issued capital	9	32,059,199	27,616,520
Reserves	10	2,107,118	1,992,199
Accumulated losses		(25,980,012)	(24,625,278)
TOTAL EQUITY		**8,186,305**	**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 YEAR ENDED 30 JUNE 2026

	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	-	-	(1,354,734)	(1,354,734)
Other comprehensive (loss) for the year	-	-	-	-
Total comprehensive (loss) for the year	**-**	**-**	**(1,354,734)**	**(1,354,734)**
Transactions with owners, in their capacity as owners, and other transfers				
Contributions of equity, net of transaction costs	**4,442,679**	**-**	**-**	**4,442,679**
Option-based payment	**-**	**114,919**	**-**	**114,919**
Balance at 30 June 2026	**32,059,199**	**2,107,118**	**(25,980,012)**	**8,186,305**
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)**
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**

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 2026

	NOTE	2026 $	2025 $
CASH FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(1,176,579)	(995,908)
Interest received		7,567	8,366
Government grant, incentives and others		36,867	12,661
Net cash (used) in operating activities	19	(1,132,145)	(974,881)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for exploration and evaluation expenditure		(2,944,391)	(1,368,904)
Rent and rates refunds		39,054	-
Net cash (used) in investing activities		(2,905,337)	(1,368,904)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		4,553,250	3,229,860
Payment of share issue costs		(263,672)	(197,032)
Net cash from financing activities		4,289,578	3,032,828
Net increase / (decrease) in cash and cash equivalents		252,096	689,043
Cash and cash equivalents at beginning of year		1,138,549	449,506
Cash and cash equivalents at end of the year	4	**1,390,645**	**1,138,549**

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

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 17 September 2026 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 $1,354,734 for the year ended 30 June 2026 and had cash outflows from operations activities of $1,132,145 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 $1,390,645 as at 30 June 2026 and the company's ability to raise such additional capital as may be required to meet its budgetary expectations in the period through to 30 September 2027.

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. The Directors also have the ability to manage discretionary spending to ensure that cash is available to meet debts as and when they fall due.

Should the going concern basis not be appropriate, the company 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.

NOTE 2: REVENUE AND SIGNIFICANT EXPENSES ITEMS

	2026 $	2025 $
Revenue from continuing operations:		
Interest income	7,567	8,366
Currency Gains/(Loss)	(1,416)	(292)
Government R & D Tax Offset	36,867	12,661
Fuel Tax Credit	-	8,364
	43,018	**29,099**

NOTE 3: INCOME TAX

THE COMPONENTS OF TAX EXPENSE COMPRISE

	2026 $	2025 $
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% (2025: 30%)	(406,420)	(513,018)
Add/(less) tax effect of:		
Revenue losses not recognised	1,462,645	754,641
Option based payments	34,476	20,384
Other non-deductible expenses	11,429	259
Other non-assessable income	(11,060)	-
Recoupment of prior year tax losses not previously brought to account	-	-
Deferred tax balances not recognised	(1,091,070)	(262,265)
Income tax expense	-	-

NOTE 3: INCOME TAX (Continued)

Deferred tax at 30% (2025: 30%):	**2026** $	**2025** $
Deferred tax liabilities:		
- Exploration expenditure	2,216,188	1,230,081
- Prepayments	12,325	2,628
- Property, plant and equipment	323	348
Unrecognised deferred tax liabilities	**2,228,836**	**1,233,057**
Deferred tax assets:		
- Other deferred tax assets:		
• Accruals and provisions	74,235	139,245
• Blackholes expenditure	162,536	110,254
- Total unrecognised other deferred tax assets	236,771	249,499
- Carry forward revenue losses	8,417,204	6,985,195
- Carry forward capital losses	958,255	958,255
	9,375,459	7,943,450
Unrecognised deferred tax assets	**9,612,230**	**8,192,949**

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

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

The company has no franking credits as at 30 June 2026 available for use in future years (2025: Nil).

NOTE 4: CASH AND CASH EQUIVALENTS

	2026	2025
	$	$
Cash at bank	1,386,558	1,136,763
Petty cash	4,087	1,786
	1,390,645	**1,138,549**

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

	2026	2025
CURRENT	$	$
Other receivables	-	-
GST paid	104,078	53,252
	104,078	**53,252**

Trade and other receivables are non-trade receivables, non-interest bearing and have and 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.

NOTE 6: OTHER

	2026 $	2025 $
Current		
Prepayments	41,082	8,761
Bond and deposits	1,453	1,220
	42,535	**9,981**

NOTE 7: EXPLORATION EXPENDITURE	**2026** **$**	**2025** **$**
Balance at beginning of the year	4,347,041	3,206,648
Total Expenditure during the year – (exclude share-based payment)	3,292,825	1,508,883
Share-based payment for Land Access (iii)	4,500	32,000
Share-based payment for drilling	-	150,000
Carrying value of exploration assets disposed of	-	-
Written off exploration expenditure (ii)	(127,383)	(550,490)
	7,516,983	**4,347,041**

(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 $127,383, 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 2025: $550,490) during the financial period in the Statement of Profit or Loss and other Comprehensive Income.

(iii) On 8 May 2026, the Company issued 900,000 shares at an issue price of $0.005 per share as consideration for the Land Access Agreement entered into in December 2024 in relation to the Lort River Project. The equity-settled share-based payment, totalling $4,500, has been recognised as exploration and evaluation expenditure in the Statement of Financial Position.

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

	2026 $	2025 $
CURRENT		
Trade payables and accruals – unsecured	680,545	369,851
Other payables – unsecured	13,969	16,780
	694,514	**386,631**

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.

Note 9: Issued Capital

(A) Issued Capital	2026 No.	2026 $	2025 No.	2025 $
Fully paid ordinary shares	**3,711,728,173**	**32,059,199**	**2,531,814,273**	**27,616,520**

(B) Ordinary Shares	Issue Date	No. of Shares	Issue Price	Total ($)
2026				
Balance at 1 July 2025		**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	$0.030	100,000
Right issue shortfall-Share based pmt	16-Sep-25	3,333,333	$0.030	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
Placement - Director J Virgin	03-Feb-26	10,000,000	$0.0045	45,000
Placement - Director J Virgin	03-Feb-26	101,250,000	$0.0040	405,000
Share based payment - Land access	08-May-26	900,000	$0.0050	4,500
Placement	08-May-26	375,000,000	$0.0040	1,500,000
Less: Equity raising transaction costs				(275,071)
Balance at 30 June 2026		**3,711,728,173**		**32,059,199**
2025				
Balance at 1 July 2024		**1,431,670,672**		**24,510,500**
Placement	29 July 2024	314,358,130	$0.0030	943,074
Share based payment	29 July 2024	20,000,000	$0.0030	60,000
Placement – Director participation	25 September 2024	34,000,000	$0.0030	102,000
Share based payment-Land access	29 December 2024	10,666,666	$0.0030	32,000
Placement	30 January 2025	150,003,990	$0.0030	450,012
Placement	30 January 2025	42,857,143	$0.0035	150,000
Placement	02 May 2025	221,666,666	$0.0030	665,000
Placement	12 May 2025	23,333,334	$0.0030	70,000
Right Issue	24 June 2025	187,519,493	$0.0030	562,558
Right Issue – Shortfall	24 June 2025	57,404,845	$0.0030	172,215
Right Issue – Shortfall Directors	24 June 2025	38,333,334	$0.0030	115,000
Less: Equity raising transaction costs				(215,839)
Balance at 30 June 2025		**2,531,814,273**		**27,616,520**

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.

NOTE 9: ISSUED CAPITAL (Continued)

(C) OPTIONS

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

2026

Grant	No.	Exercise Price	Expiry
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
25 July 2025	245,000,000	$0.0050	17 June 2027
15 August 2025	50,000,000	$0.0050	17 June 2027
9 September 25	63,333,333	$0.0050	17 June 2027
16 September 2025	36,666,666	$0.0050	17 June 2027
	942,257,671		

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		

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

Description	2026 No.	2025 No.
Balance at 1 July	563,257,672	52,000,000
Granted during the year	-	20,000,000
Granted during the year	-	214,000,000[2]
Granted during the year	394,999,999[1]	283,257,672
Exercised during the year	-	-
Expired during the year	(16,000,000)	(6,000,000)
Balance at 30 June	942,257,671	563,257,672

[1.] *Free-attaching options granted in connection with non-renounceable pro-rata rights issue as per the Prospectus dated 12 May 2025.*

[2.] *Long-Term and Short-Term Performance Incentives options, subject to vesting conditions.*

NOTE 9: ISSUED CAPITAL – OPTION (Continued)

a) OPTIONS-BASED REMUNERATION PAYMENT (VESTED IMMEDIATELY UPON GRANT)

No options were granted to directors or consultants during the year ended 30 June 2026 (2025: Options valued at $0.00284 each).

2026	Unlisted options
Number of options in series	-
Grant date share price	-
Exercise price	-
Expected volatility	-
Option life	-
Dividend yield	-
Interest rate	-
Total value	-

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

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

No options were granted to the Executive Director or Head of Exploration during the year ended 30 June 2026. The Company continues to amortise the fair value of the options granted in the prior year at $0.00255 per option, which are subject to the Company's market capitalisation performance conditions. The options were valued using the Black-Scholes option pricing model based on the assumptions outlined below.

In accordance with AASB 2, the fair value of the options is recognised as an expense on a straight-line basis over the vesting period. As the relevant vesting conditions had not been satisfied as at 30 June 2026, the Company continues to recognise the expense over the remaining vesting period. The amount recognised as an expense in relation to these options during the year ended 30 June 2026 was $114,919 (2025: $11,242). 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.

2026	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

NOTE 9: ISSUED CAPITAL

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

Vesting Conditions for the Unlisted Incentive Options:

Class	Number	Exercise Price	Vesting Conditions	Expiry Date
A	40,000,000	$0.01	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-Mar-30
B	40,000,000	$0.01	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-Mar-30
C	40,000,000	$0.01	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-Mar-30
D	40,000,000	$0.01	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-Mar-30
E	27,000,000	$0.01	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-Mar-30
F	27,000,000	$0.01	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-Mar-30

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.

NOTE 9: ISSUED CAPITAL

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 initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2026 and 30 June 2025 are as follows:

	2026 $	2025 $
Cash and cash equivalents	1,390,645	1,138,549
Trade and other receivables	146,612	63,233
Trade and other payables	(694,513)	(386,631)
Working capital position	**842,744**	**815,151**

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

	2026 $	2025 $
Option Reserve		
Opening balance	1,992,199	1,924,253
Option-based payment (Note 16A)	114,919	67,946
Closing balance Option Reserve	2,107,118	1,992,199
Total Reserve balances at 30 June	**2,107,118**	**1,992,199**

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

NOTE 11: EARNINGS PER SHARE

	2026 $	2025 $
(Loss) used to calculate basic EPS	(1,354,734)	(1,710,061)
(Loss) used in calculation of dilutive EPS	(1,354,734)	(1,710,061)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	3,077,296,601	1,898,069,780
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	3,077,296,601	1,898,069,780

	2026 $	2025 $
Total basic (loss) per share attributable to the ordinary equity holders of the Company (cents)	(0.04)	(0.09)
Total diluted (loss) per share attributable to the ordinary equity holders of the Company (cents)	(0.04)	(0.09)

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 $353,600 (2025 - $251,687). These obligations are also subject to variations by farm-out arrangements or sale of the relevant tenements.

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	2026 $	2025 $
Financial Assets			
Cash and cash equivalents	4	1,390,645	1,138,549
Total Financial Assets		1,390,645	1,138,549
Financial Liabilities			
Trade and other payables	8	694,513	386,631
Lease liability		-	-
Total Financial Liabilities		694,513	386,631

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.

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 Bank Limited, 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**	
	2026 $	**2025 $**	**2026 $**	**2025 $**	**2026 $**	**2025 $**
Financial liabilities due for payment						
Trade and other payables	694,514	386,631	-	-	694,514	386,631
Total contractual outflows	694,514	386,631	-	-	694,514	386,631
Total expected outflows	694,514	386,631	-	-	694,514	386,631
Financial assets – cash flows realisable						
Trade and other receivables	104,078	53,252	-	-	104,078	53,252
Total anticipated inflows	104,078	53,252	-	-	104,078	53,252

NOTE 13: FINANCIAL RISK MANAGEMENT (Continued)

i. Interest rate risk

The company's cashflow 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 percentage 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 2026.

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

	2026	2025
	$	$
Short-term employee benefits	354,167	334,572
Post-employment benefits	42,500	38,476
Share-based payments	85,921	53,768
	482,588	**426,816**

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

OTHER KEY MANAGEMENT PERSONNEL TRANSACTIONS	**2026 $**	**2025 $**
Payments to director-related parties:		
Director and director-related parties	37,150	17,043
	37,150	**17,043**

The payment was made to Mr Justin Virgin, the Executive Director of the Company, and his related parties for vehicle hire and other minor work-related disbursements. The transactions were 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.

Non-Cash Performance Incentives Options subject to vesting conditions

The Company continues to recognise the non-cash performance incentive options granted to key management personnel and consultants in May 2025, which remain subject to the vesting conditions. These incentives were designed with reference to industry benchmarks within the mining exploration sector and to align the interests of key management personnel and consultants with the long-term interests of shareholders.

	No of Options Granted	**Fair Value**	**Amount recognised**
		$	**$**
Justin Virgin	160,000,000	408,745	85,921
Benjamin Bell - Consultant (Head of Exploration)	54,000,000	137,952	28,998
Total	214,000,000	546,697	114,919

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(C)(b).

The key management personnel and consultant options-based payments expense of $114,919 (30 June 2025: $67,946) 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.

NOTE 16: SHARE-BASED PAYMENTS (continued)

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 15 August 2025, the Company issued 50,000,000 shortfall shares under the non-renounceable rights issue at an issue price of $0.003 per share, as consideration for drilling services provided by Challenge Drilling during the financial year ended 30 June 2025. The $150,000 equity-settled share-based payment was accrued as drilling expenditure at 30 June 2025 and capitalised as exploration and evaluation expenditure in the prior financial year (refer Note 7: Exploration Expenditure). During the current financial year, the shares were issued to settle the prior-year drilling expenditure accrual. Accordingly, the $150,000 has been applied against the drilling expenditure accrual recognised at 30 June 2025 and does not represent an additional exploration expenditure in the current financial year.

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 $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).

On 8 May 2026, the Company issued 900,000 shares at an issue price of $0.005 per share as consideration for the Land Access Agreement entered into in December 2024 in relation to the Lort River Project. The equity-settled share-based payment, totalling $4,500, has been recognised as exploration expenditure in the Statement of Financial Position (refer Note 7: Exploration Expenditure).

NOTE 17: AUDITOR'S REMUNERATION

Remuneration of the auditor of the company for:

	2026 $	2025 $
Dry Kirkness (Audit) Pty Ltd - auditing or reviewing the financial report	28,750	18,000
	28,750	**47,131**

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Terrain now holds 100% ownership of E59/2234 (P59/2125, 2126, 2127, 2128 have been amalgamated into E59/2234 and M59/0796), 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.

NOTE 19: CASH FLOW INFORMATION

RECONCILIATION OF CASH OUTFLOWS FROM OPERATIONS WITH LOSS AFTER INCOME TAX

	2026 $	2025 $
Net (loss) for the year	(1,354,734)	(1,710,061)
Other income	-	-
Exploration rent and rates refunded	(39,054)	-
Non-cash items in (loss)		
Share based payments – Employees and consultant	114,919	67,946
Share based payments – Others	-	60,000
Exploration written off	127,383	550,490
Depreciation	1,328	472
Unrealised Forex	908	(30)
Changes in assets and liabilities		
(Increase)/decrease in office equipment	(1,244)	(1,167)
(Increase)/decrease in trade and term receivables	(50,826)	(40,845)
(Increase)/decrease in prepayments	(10,163)	(528)
Increase/(decrease) in trade payables and accruals	84,750	18,221
Increase/(decrease) in provision	(5,413)	80,621
Net cash used in operating activities	**(1,132,145)**	**(974,881)**

NOTE 20: EVENTS AFTER THE END OF THE REPORTING DATE

Lightning Maiden Mineral Resource Estimate (also refer Material Information Summary in Review of Operation): On 27 July 2026, subsequent to the end of the reporting period, the Company announced a Maiden Mineral Resource Estimate ("MRE") for the Lightning Prospect, part of the Company's 100%-owned Smokebush Gold & Silver Project. The MRE represents another significant milestone at the Lightning Prospect and comprises an Inferred Mineral Resource of 677,000 tonnes at 2.5 g/t gold for 54,000 ounces of contained gold.

The Company intends to accelerate exploration activities aimed at upgrading the current MRE to the Indicated Mineral Resource category, while expanding the overall resource inventory through further drilling.

Importantly, this Starter MRE represents an initial foundation rather than the full extent of the Project's mineral endowment at Lightning. Numerous look-alike gold targets across the broader Project area will continue to be advanced, with the longer-term objective of defining a substantial gold resource inventory.

NOTE 20: EVENTS AFTER THE END OF THE REPORTING DATE (continued)

The announcement of the Maiden MRE occurred after the reporting period and does not affect the amounts recognised in the financial statements for the year ended 30 June 2026. The financial effect of this event cannot be reliably estimated at the date of this report.

Capital Raising After Reporting Date: On 9 September 2026, the Company announced a capital raising comprising a placement and non-renounceable rights issue, on the same terms, to raise a combined total of $2,513,000 (before costs).

The capital raising is being undertaken at an issue price of $0.004 per share, with one free attaching unlisted option for every share issued. The options are exercisable at $0.006 per option with a three-year expiry.

The placement comprises a $1,000,000 strategic investment by Gandel Metals, including a $914,000 placement utilising the Company's available capacity under ASX Listing Rule 7.1 and a commitment to subscribe for a minimum of $86,000 under the rights issue.

Under the non-renounceable rights issue, eligible shareholders are offered the opportunity to subscribe for one new share for every 9.85 shares held at the record date, together with one attaching unlisted option for every new share subscribed. The rights issue is intended to raise approximately $1.6 million, before costs, subject to shareholder participation.

Eligible shareholders may also apply for additional shares under a top-up facility for any shortfall under the rights issue. The Board reserves the right to scale back applications and to place any remaining shortfall shares with unrelated third parties, including new investors.

Proposed Share Consolidation After Reporting Date: The Company also announced a proposed 1-for-14 share consolidation, under which the existing ordinary shares of approximately 3,712 billion would be consolidated to approximately 265 million shares (prior to completion of the rights issue). The proposed consolidation is subject to shareholder approval and is expected to occur following completion of the rights issue.

Proposed Unmarketable Parcel Buy-Back: The Company is proposing to conduct a small parcel clean-up facility for shareholders holding unmarketable parcels valued at less than $500, following completion of the proposed rights issue and share consolidation. Subject to the establishment of the relevant record date and the final terms of the facility, eligible shareholders holding an unmarketable parcel at the record date will have the opportunity to sell their shares to the Company without incurring brokerage or selling fees. The Board has highlighted the proposed rights issue as an opportunity for shareholders who currently hold unmarketable parcels to increase their holdings to a value of $500 at an issue price of $0.004 per share. Shareholders participating in the rights issue will also receive one attaching unlisted option for every share subscribed for, with no fees or brokerage payable in connection with the subscription. Further details of the proposed unmarketable parcel buy-back facility, including the applicable eligibility criteria, record date and timing, will be provided by the Company once the relevant arrangements have been finalised.

NOTE 20: EVENTS AFTER THE END OF THE REPORTING DATE (continued)

Issue of shares and options: On 16 September 2026, subsequent to the reporting date, the Company issued 228,500,000 fully paid ordinary shares at an issue price of $0.004 per share, raising $914,000 before transaction costs. The shares were issued together with 228,500,000 free-attaching unlisted options, each exercisable at $0.006 per share and expiring on 23 October 2029.

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.

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 2025. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2026 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.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2026

Terrain 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 2026

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;

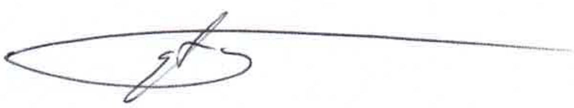
(b) the financial statements and accompanying notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board;

(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: 17 September 2026

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 2026 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 2026 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.

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.

Dry Kirkness (Audit) Pty Ltd
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ABN: 61 112 942 373
RCA No: 289109

Key Audit Matter	How our audit addressed the key audit matter
Capitalised mineral exploration expenditure (*refer note 7)* 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. 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 $7,516,983 as at 30 June 2026. 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.	Our audit procedures included: • ensuring the Company's continued right to explore for minerals in the relevant areas of interest including assessing documentation such as mining, and exploration 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 2026 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.

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 38 to 45 of the directors' report for the year ended 30 June 2026.

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

LUCY P GARDNER | Perth
Principal | Date: 17 September 2026

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2026

The Company's 2026 Corporate Governance Statement is contained in the 'Corporate Governance' section of the Company's website at www.terrainminerals.com.au .

The shareholder information set out below was applicable as at 14 September 2026.

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

Range	Holders	Units	%
1 – 1,000	48	9,831	0.00
1,001 – 5,000	20	65,474	0.00
5,001 – 10,000	34	314,049	0.01
10,001 – 100,000	376	23,464,079	0.63
100,001 Over	1,317	3,687,874,740	99.36
Total	**1,795**	**3,711,728,173**	**100.00**

On 14 September 2026, there were 639 holders of unmarketable parcels of less than 166,667 ordinary shares (based on the closing share price of $0.003).

(ii) Unlisted Options

At 14 September 2026, the Company has on issue 728,257,671 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 $0.015 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>	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	-
Mr Jason MacDonald	-	-	-	4,000,000	-
Holders < 20%	-	-	4,000,000	-	678,257,671
Total	**6,000,000**	**4,000,000**	**20,000,000**	**20,000,000**	**678,257,671**

(iii) Performance Options

At 14 September 2026, 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 14 September 2026:

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: 262,648,280 fully paid ordinary shares, representing 7.87% (based on 3,335,828,173 shares on issue at the time of lodging the notice)
Notice Received: 3 February 2026

5. Restricted Securities

At 14 September 2026, 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. Twenty Largest Shareholders

The twenty largest shareholders of the Company's quoted securities as at 14 September 2026 are as follows:

Holder	Units	%
MR JUSTIN ANTHONY VIRGIN	267,648,280	7.21
MR LIN YONGCAI	149,999,316	4.04
MR MICHAEL PETER HETRELEZIS <MIKE'S INVESTMENT A/C>	117,748,323	3.17
MR JONATHAN KENG HOCK LIM	101,125,884	2.72
GERARD C TOSCAN MANAGEMENT PTY LIMITED <GERARD C TOSCAN FAM NO 2 A/C>	96,387,991	2.60
MR MARK ANDREW TKOCZ	90,000,000	2.42
OLGEN PTY LTD	78,125,000	2.10
CITICORP NOMINEES PTY LIMITED	63,205,484	1.70
MR JOHANNES LIN	62,068,930	1.67
BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	55,923,078	1.51
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	54,457,353	1.47
WDC HOLDINGS PTY LTD	50,000,000	1.35
VAN AM MARKETING PTY LTD	47,952,407	1.29
CITYSHINE HOLDINGS PTY LTD	42,783,786	1.15
JOHN WARDMAN & ASSOCIATES PTY LTD <WARDMAN SUPER FUND A/C>	40,000,000	1.08
RINGWOOD MANAGEMENT PTY LIMITED <RINGWOOD SUPER FUND A/C>	39,801,804	1.07
SWEET SNACKS SUPERANNUATION FUND PTY LTD <SWEET SNACKS SUPER FUND A/C>	39,666,667	1.07
MR PETER KARAS + MRS CHRISTINA KARAS	38,547,771	1.04
MR ALLEN DONALD SHANKS	31,637,155	0.85
MS KYLIE RACHAEL FARINA	30,011,896	0.81
Total	**1,497,091,125**	**40.33**

8. Tenement Listing

The Company has an interest in the following tenements:

Project	Tenement	Status	Interest
Smokebush	E59/2234	Granted	100%
Smokebush	E59/2435	Granted	100%
Smokebush	E59/2482	Granted	100%
Smokebush	E59/2700	Granted	100%
Smokebush	P59/2822	Granted	100%
Smokebush	M59/0796	Granted	100%
Smokebush	E59/3006	Application	100%
Smokebush	L59/0225	Application	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	Granted	100%
Biloela	EPM/28836	Granted	100%
Biloela	EPM/28837	Granted	100%
Biloela	EPM/28839	Granted	100%
Carlindie	E45/6522	Application	100%
Carlindie	E45/6524	Granted	100%
Carlindie	E45/6525	Application	100%
Carlindie	E45/6951	Granted	100%

9. Competent Person's Statements

Competent Person's Statement: Smokebush Project

The information in this report that relates to Mineral Resources for the Smokebush Project is based on information compiled by Mr Steven Nicholls, Competent Person who is a Member of Australian Institute of Geoscientists (AIG). Mr Nicholls is a full-time employee of Apex Geoscience Ltd and has sufficient experience that 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 Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Nicholls consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Smokebush Project is 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: Larin's 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.

Competent Person's Statement: Biloela Project

The information in this report that relates to Exploration Results for the Biloela Project is 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.