

Terra Uranium Limited

(Formerly known as Terra Uranium Pty Ltd)

ACN 650 774 253

Interim Report - 31 December 2021

For personal use only

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Corporate directory
31 December 2021

| | |
|-----------------------------|--|
| Directors | Niv Dagan Andrew Vigar Dr. Darryl Clark (appointed 12 May 2022) Dr. Kylie Prendergast (appointed 23 May 2022) |
| Company secretary | Nova Taylor |
| Registered office | Level 5 126 Phillip Street Sydney NSW 2000 |
| Principal place of business | Level 5 126 Phillip Street Sydney NSW 2000 |
| Auditor | BDO (Audit) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000 |
| Solicitors | Steinepreis Paganin Lawyers & Consultants Level 4, The Read Buildings 16 Milligan Street Perth WA 6000 |

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Directors' report
31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Terra Uranium Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of Terra Uranium Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

| | |
|-----------------------|--|
| Niv Dagan | Executive Director |
| Andrew Vigar | Executive Director (appointed 13 October 2021) |
| Darryl Clark | Non-Executive Director (appointed 12 May 2022) |
| Dr. Kylie Prendergast | Non-Executive Director (appointed 23 May 2022) |

Principal activities

Terra Uranium Limited is an Australian company incorporated on 4 June 2021. During the financial period the principal continuing activities of the company consisted of:

- undertaken pre-listing activities and the Pre-IPO Placement;
- assembled a highly skilled and experienced geological and management team based in Canada;
- undertaken a data compilation and prospectivity analysis of the eastern Athabasca Basin; and
- formed Terra Uranium Canada Limited, a wholly owned Canadian subsidiary of the Company, which has staked and been granted 100% of 16 Claims cover a total area of 768sqm forming the HawkRock Project, the Pasfield Lake Project and the Parker Lake Project:

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$317,705.

The company is pursuing an initial public offering to the Official List of the Australian Securities Exchange to raise funds to continue commercialisation of the business.

Significant changes in the state of affairs

During the financial half-year:

- the company changed from an Australian Proprietary Company to an Australian Public Company on 20 October 2021; and
- incorporated Terra Uranium Canada Limited on 12 November 2021 as a 100% owned Canadian subsidiary of the company.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

In March 2022, the Board ratified an additional placement of 200,000 shares at \$0.10, raising \$20,000.

During March 2022, additional tenements were acquired, bringing the total projects to three being Pasfield Lake Project, HawkRock Project and Parker Lake Project. This expanded package will now become the core set of projects for the group which now moves to 100% owned projects and owner/operator status.

On the 8 April 2022 the previous agreements with CanAlaska expired.

On 14 April 2022, the company lodged an 'Application for In-principal Advice' to list on the ASX which was accepted during April 2022.

On 26 April 2022, 1,000,000 new shares were issued as consideration to a director and proposed key management personnel for services provided to secure the additional tenements. These were issued for nil consideration and share based payment expense recognised was \$100,000.

On 12 May 2022, Dr. Darryl Clark was appointed Non-Executive Director.

On 23 May 2022, Dr. Kylie Prendergast was appointed Non-Executive Director.

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Directors' report
31 December 2021

On 25 May 2022, 300,000 new shares were issued to the Lead Manager for services provided in relation to Pre-IPO Placement for nil consideration. The share-based payment expense in relation to these shares were recognised in the period ended 31 December 2021.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Company secretary

Justyn Stedwell (appointed 4 June 2021, resigned 10 February 2022)

Mr Stedwell held the role of company secretary from the company's incorporation date 4 June 2021, until his resignation on 10 February 2022. Mr Stedwell is a professional Company Secretary consultant with over 12 years' experience acting as a Company Secretary of ASX listed companies across a wide range of industries.

Nova Taylor (appointed 10 February 2022)

Ms Taylor has completed a Bachelor of Laws from Deakin University. She has over six years' experience working as a company secretary for various ASX listed companies.

Auditor's independence declaration


A copy of the auditor's independence declaration is set out immediately after this directors' report.

Auditor

BDO (Audit) Pty Ltd is in office in accordance with Australian Accounting Standards.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Andrew Vigar
Executive Director

20 June 2022

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TERRA URANIUM LIMITED

As lead auditor for the review of Terra Uranium Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Terra Uranium Limited and the entity it controlled during the period.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 20 June 2022

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Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
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General information

The financial statements cover Terra Uranium Limited as a consolidated entity consisting of Terra Uranium Limited and the entities it controlled at the end of, or during the half-year. The financial statements are presented in Australian dollars, which is Terra Uranium Limited's functional and presentation currency.

Terra Uranium Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5
126 Phillip Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 June 2022.

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

| | Note | Consolidated 31 Dec 2021 \$ |
|--|------|-----------------------------------|
| Expenses | | |
| Audit fees | | (5,200) |
| Consulting & accounting fees | | (65,623) |
| Legal fees | | (14,682) |
| IPO expenses | | (32,184) |
| Share-based payments expense | 9 | (200,000) |
| Other administration and corporate expenses | | (16) |
| | | <hr/> |
| Loss before income tax expense | | (317,705) |
| Income tax expense | | - |
| | | <hr/> |
| Loss after income tax expense for the half-year attributable to the owners of Terra Uranium Limited | | (317,705) |
| Other comprehensive income for the half-year, net of tax | | - |
| | | <hr/> |
| Total comprehensive income for the half-year attributable to the owners of Terra Uranium Limited | | (317,705) |
| | | <hr/> <hr/> |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Consolidated statement of financial position
As at 31 December 2021

| | Note | Consolidated 31 Dec 2021 \$ | 30 Jun 2021 \$ |
|----------------------------------|------|-----------------------------------|-------------------|
| Assets | | | |
| Current assets | | | |
| Trade and other receivables | 4 | 456,624 | 300 |
| Other assets | 5 | 30,000 | - |
| Prepayments | 6 | 71,500 | - |
| Total current assets | | <u>558,124</u> | <u>300</u> |
| Non-current assets | | | |
| Exploration and evaluation | 7 | 43,448 | - |
| Total non-current assets | | <u>43,448</u> | <u>-</u> |
| Total assets | | <u>601,572</u> | <u>300</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 231,051 | 12,074 |
| Total current liabilities | | <u>231,051</u> | <u>12,074</u> |
| Total liabilities | | <u>231,051</u> | <u>12,074</u> |
| Net assets/(liabilities) | | <u>370,521</u> | <u>(11,774)</u> |
| Equity | | | |
| Issued capital | 9 | 700,300 | 300 |
| Accumulated losses | | <u>(329,779)</u> | <u>(12,074)</u> |
| Total equity/(deficiency) | | <u>370,521</u> | <u>(11,774)</u> |

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

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Consolidated statement of changes in equity
For the half-year ended 31 December 2021

| Consolidated | Issued capital \$ | Retained profits \$ | Total equity \$ |
|--|----------------------------------|------------------------------------|----------------------------|
| Balance at 1 July 2021 | 300 | (12,074) | (11,774) |
| Loss after income tax expense for the half-year | - | (317,705) | (317,705) |
| Other comprehensive income for the half-year, net of tax | - | - | - |
| Total comprehensive income for the half-year | - | (317,705) | (317,705) |
| <i>Transactions with owners in their capacity as owners:</i> | | | |
| Contributions of equity, net of transaction costs (note 9) | 500,000 | - | 500,000 |
| Share-based payments (note 9) | 200,000 | - | 200,000 |
| Balance at 31 December 2021 | <u>700,300</u> | <u>(329,779)</u> | <u>370,521</u> |

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

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Consolidated statement of cash flows
For the half-year ended 31 December 2021

| | Note | Consolidated 31 Dec 2021 \$ |
|---|------|-----------------------------------|
| Net cash from operating activities | 14 | - |
| Net cash from investing activities | | - |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | | - |
| Net cash from financing activities | | - |
| Net increase in cash and cash equivalents | | - |
| Cash and cash equivalents at the beginning of the financial half-year | | - |
| Cash and cash equivalents at the end of the financial half-year | | - |

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the period ended 30 June 2021.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going concern

For the period ended 31 December 2021 the company recorded a loss of \$317,705 and has nil net cash inflows from operating activities. The company has nil cash or cash equivalents and a net working capital of \$370,521 as at 31 December 2021.

The ability of the company to continue as a going concern and to continue to support its exploration activities is dependent upon the company raising further capital through IPO process and or shareholders continued financial support.

The directors believe that there are reasonable grounds to believe that the company will continue as a going concern, after consideration of the following factors:

- The company is pursuing an initial public offering ('IPO') to the Official List of the Australian Securities Exchange to raise between \$6,000,000 and \$7,500,000 to fund potential mining operations in Canada. The Company has raised \$520,000 from seed prior to IPO.
- The company has plans to raise further working capital through the issue of equity during the financial year ended 30 June 2022.
- The company continues to keep costs at a minimum in order to conserve cash reserves for the financial period ended 30 June 2022.

Accordingly, the Directors believe that the company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Should the company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern and meet its debts as and when they become due and payable.

The directors plan to continue the company's operations on the basis as outlined above and believe there will be sufficient funds for the company to meet its obligations and liabilities for at least twelve months for the date of this report.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Initial Public Offering ('IPO') Costs

In connection with the IPO, the consolidated entity incurred costs, which are treated as follows:

- incremental costs that are directly attributable to issued new shares are deducted from equity (net of any income tax benefit);
- incremental costs that are directly attributable to shares that have not yet been issued are recorded as prepaid share issue costs and are to be deducted from equity upon share issue;
- costs that relate to the ASX listing, or are otherwise not incremental and directly attributable to issuing new shares, are recorded as an expense in the consolidated statement of profit or loss and other comprehensive income.
- costs that relate to both share issuance and listing are allocated between those functions based on the proportion of new shares issued to the total number of new and existing shares listed.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Notes to the consolidated financial statements
31 December 2021

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment: mineral exploration in Canada. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Accordingly under the management approach outlined only one operating segment has been identified and no further disclosures are required.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Note 4. Trade and other receivables

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2021 | 30 Jun 2021 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Other receivables | 7,800 | 300 |
| Receivable from monies held in Trust Account * | 439,440 | - |
| GST receivable | 9,384 | - |
| | <u>456,624</u> | <u>300</u> |

* The monies held in the Trust Account are from the recent seed capital raising in the December 2021 quarter and are to be transferred to the company's bank account once it is open.

Note 5. Other assets

| | Consolidated | |
|-----------------------|---------------------|--------------------|
| | 31 Dec 2021 | 30 Jun 2021 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Other assets* | <u>30,000</u> | <u>-</u> |

*The \$30,000 Lead Manager Fee will be taken to share issue cost after IPO and will be paid for by the issue of 300,000 new shares for nil consideration on 25 May 2022.

Note 6. Prepayments

| | Consolidated | |
|----------------------------|---------------------|--------------------|
| | 31 Dec 2021 | 30 Jun 2021 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Prepayments | 1,600 | - |
| Prepaid share issue costs* | 69,900 | - |
| | <u>71,500</u> | <u>-</u> |

* These relate to share issue costs paid from the monies held in the Trust Account (note 4) for legal fees and independent geologists reports for the new shares to be issued with the planned IPO. The amount will be recorded in costs of share issue once the new shares are issued.

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Notes to the consolidated financial statements
31 December 2021

Note 7. Exploration and evaluation

| | Consolidated | 31 Dec 2021 | 30 Jun 2021 |
|--|---------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| <i>Non-current assets</i> | | | |
| Exploration and evaluation - Pasfield Lake Project - at cost | <u>43,448</u> | <u>-</u> | |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Pasfield Lake Project \$ | Total \$ |
|----------------------------------|--------------------------------|---------------|
| Balance at 1 July 2021 | - | - |
| Expenditure during the half-year | <u>43,448</u> | <u>43,448</u> |
| Balance at 31 December 2021 | <u>43,448</u> | <u>43,448</u> |

Note 8. Trade and other payables

| | Consolidated | 31 Dec 2021 | 30 Jun 2021 |
|-------------------------------------|---------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| <i>Current liabilities</i> | | | |
| Trade payables | 166,215 | - | |
| Accrued expenses | 34,836 | 12,074 | |
| Accrued expense - Lead Manager Fee* | <u>30,000</u> | <u>-</u> | |
| | <u>231,051</u> | <u>12,074</u> | |

* The \$30,000 Lead Manager Fee accrued for above was paid for by the issue of 300,000 new shares for nil consideration on 25 May 2022.

Note 9. Issued capital

| | Consolidated | | | |
|------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2021 | 30 Jun 2021 | 31 Dec 2021 | 30 Jun 2021 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | <u>10,000,000</u> | <u>3,000,000</u> | <u>700,300</u> | <u>300</u> |

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|---|----------------------|-------------------|--------------------|----------------|
| Balance | 1 July 2021 | 3,000,000 | | 300 |
| Share Capital seed raising * | Oct 2021 to Dec 2021 | 5,000,000 | \$0.1000 | 500,000 |
| Equity share based payment to company issued to directors and managers for advisory | 6 December 2021 | <u>2,000,000</u> | \$0.1000 | <u>200,000</u> |
| Balance | 31 December 2021 | <u>10,000,000</u> | | <u>700,300</u> |

* - These funds are currently held in a Trust Account, refer note 4 'Trade and other receivables'

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Notes to the consolidated financial statements
31 December 2021

Note 9. Issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Commitments and contingencies

There were no commitments or contingent liabilities which would require disclosure at the end of the period.

Note 12. Related party transactions

The following transactions occurred with related parties:

| | Consolidated 31 Dec 2021 \$ |
|---|--|
| Other transactions: | |
| 350,000 ordinary shares issued to Niv Dagan (a director) as a share based payment for services | 35,000 |
| 700,000 ordinary shares issued to Andrew Vigar (a director) as a share based payment for services | 70,000 |
| 350,000 ordinary shares issued to Dr Darryl Clark (a director) as a share based payment for services | 75,000 |
| 200,000 ordinary shares issued to Troy Boisjoli (a director of the Canadian subsidiary) as a share based payment for services | 20,000 |
| Approve the issue of 300,000 ordinary shares to Niv Dagan (a director) as payment for Lead Manager Services, to be issued in May 2022 (see note 5 and note 8) | 30,000 |

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 13. Events after the reporting period

In March 2022, the Board ratified an additional placement of 200,000 shares at \$0.10, raising \$20,000.

During March 2022, additional tenements were acquired, bringing the total projects to three being Pasfield Lake Project, HawkRock Project and Parker Lake Project. This expanded package will now become the core set of projects for the group which now moves to 100% owned projects and owner/operator status.

On the 8 April 2022 the previous agreements with CanAlaska expired.

On 14 April 2022, the company lodged an 'Application for In-principal Advice' to list on the ASX which was accepted during April 2022.

On 26 April 2022, 1,000,000 new shares were issued as consideration to a director and proposed key management personnel for services provided to secure the additional tenements. These were issued for nil consideration and share based payment expense recognised was \$100,000.

On 12 May 2022, Dr. Darryl Clark was appointed Non-Executive Director.

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Notes to the consolidated financial statements
31 December 2021

Note 13. Events after the reporting period (continued)

On 23 May 2022, Dr. Kylie Prendergast was appointed Non-Executive Director.

On 25 May 2022, 300,000 new shares were issued to the Lead Manager for services provided in relation to Pre-IPO Placement for nil consideration. The share-based payment expense in relation to these shares were recognised in the period ended 31 December 2021.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Reconciliation of loss after income tax to net cash from operating activities

| | Consolidated 31 Dec 2021 \$ |
|---|--|
| Loss after income tax expense for the half-year | (317,705) |
| Adjustments for: | |
| Share-based payments | 200,000 |
| Change in operating assets and liabilities: | |
| Decrease in trade and other receivables | 43,676 |
| Increase in prepayments | (71,500) |
| Increase in trade and other payables | 145,529 |
| Net cash from operating activities | <u><u>-</u></u> |

Terra Uranium Limited
(Formerly known as Terra Uranium Pty Ltd)
Directors' declaration
31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Vigar
Executive Director

20 June 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Terra Uranium Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Terra Uranium Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty relating to going concern

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

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 20 June 2022

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