

30 January 2023

Dear Shareholder

TERRA URANIUM LIMITED - PRO-RATA NON-RENOUNCEABLE BONUS ISSUE OF OPTIONS

As announced on 25 January 2023, Terra Uranium Limited (ACN 650 774 253) (**Company**) is undertaking a pro-rata non-renounceable bonus issue of options to acquire fully paid ordinary shares in the Company (**Shares**) exercisable at \$0.30 each on or before 6 September 2025 (**Bonus Options**) on the basis of one (1) Bonus Option for every two (2) Shares held by eligible shareholders, to be issued for nil consideration (the **Bonus Issue**).

The Company lodged a prospectus in relation to the Bonus Issue with ASIC and ASX on 25 January 2023 (**Prospectus**).

The Bonus Issue is made to all shareholders of the Company registered as holders of Shares (**Shareholders**) as at 5:00 pm AWST on Thursday, 2 February 2023 whose registered address is in Australia, New Zealand or Canada (within the Provinces of Alberta, British Columbia, Ontario and Saskatchewan only).

Based on the capital structure of the Company as at the date of the Prospectus, approximately 24,597,500 Bonus Options (subject to rounding of entitlements) will be issued pursuant to the Bonus Issue. No funds will be raised from the issue of the Bonus Options as the Bonus Options will be issued for nil consideration. However, if all Bonus Options are exercised, the Company will receive approximately \$7,379,250 in aggregate, by virtue of payment of the exercise price of the Bonus Options. The Company will apply for quotation of the Bonus Options on ASX.

Ineligible shareholders

A Shareholder who has a registered address outside Australia, New Zealand and Canada (but limited to within the Provinces of Alberta, British Columbia, Ontario and Saskatchewan only) (**Ineligible Shareholder**) will not be entitled to participate in the Bonus Issue.

As you are an Ineligible Shareholder, you are not eligible to participate in the Bonus Issue. This decision has been made pursuant to ASX Listing Rule 7.7.1(a) after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand and Canada (but limited to the Provinces of Alberta, British Columbia, Ontario and Saskatchewan only) compared with the small number of Ineligible Shareholders and the number and value of Bonus Options to which they would otherwise be entitled.

If you have any queries in relation to the Bonus Issue, please contact your professional adviser or Nova Taylor, Company Secretary, on +61 3 8678 4090.

Yours sincerely

Andrew Vigar
Executive Chairman
Terra Uranium Limited