

31 JANUARY 2023

Quarterly Activities Report 31 December 2022

Highlights

- **Field Work has commenced** on T92's maiden exploration program focused on discovery of major uranium deposits under cover. Ice road and Pasfield Camp construction is underway following the grant of exploration permits. **Drilling contractors and rigs have been secured.**
- **Exploration permits on all of T92's projects have been granted for 3 years** by the Saskatchewan Government covering trail building, base camp construction at Pasfield Lake, ground geophysics, and drilling.
- The 100% owned Pasfield Project has been expanded to the west with the **addition of two mineral claims with area totalling 92 km² at Moss Creek.**
- **Ambient Noise Tomography (ANT)** passive seismic geophysical survey trial by Fleet Space Technologies at Pasfield **successfully maps the unconformity** and variations in the basement and overlying sediments coincident with ZTEM and VTEM anomalies.
- ZTEM Airborne Geophysics Results/Update
 - Historic MEGATEM conductive anomaly confirmed at Parker
 - **Multiple strong conductors confirmed at Parker and Pasfield**
 - Processing of final data has commenced and preliminary results received
- VTEM Airborne Geophysics underway
 - Pasfield and Parker now targeted for follow-up of strong ZTEM results
 - HawkRock yet to commence, completion forecast for Q1 2023
- Integration of all geophysics and past drilling for Pasfield and Parker into a **3D Earth Model to target diamond drilling** has commenced.
- Historical geochemical samples confirm uranium at surface. Further multi-element and isotope work underway to assess significance.
- Helium sample data from historic drilling at Pasfield has been retrieved and is highly anomalous and proximal to intriguing Pasfield Lake geophysical results. Helium is highly mobile uranium decay daughter product and exploration pathfinder under cover.
- Engagement with indigenous and stakeholder groups continued in good faith as part of preparation for an expanded northern winter exploration program.

Terra Uranium Executive Chairman, Andrew Vigar commented, *"In the first four months as a listed company, T92 has completed airborne geophysics, geochemistry, a highly successful trial of ANT passive seismic to map the basement, data analysis and permitting for ground operations. I believe this rapid progress is a testament to the quality of our projects, Board and particularly the experience of our Saskatoon based Exploration Team. The excellent results from early work strengthen our conviction in the investment case for Terra Uranium as a leading exploration and discovery company".*

Terra Uranium Limited **ASX: T92 (Terra Uranium or the Company)** is pleased to provide its Quarterly Activities Report for the quarter ended 31 December 2022.

During the quarter the Company has continued to build our Corporate and Technical functions, as we expeditiously develop and expand our Canadian field operations.

Projects

The Company holds a 100% interest in 22 Claims covering a total of 1,008 sq km forming the HawkRock Project, the Parker Lake Project and the Pasfield Lake Project (together, the Projects), located in the Cable Bay Shear Zone (CBSZ) on the eastern side of the Athabasca Basin, north-eastern Saskatchewan, Canada. The Projects are approximately 80 km to the west of multiple operating large uranium mills, mines and known deposits.

The CBSZ is a major reactivated structural zone with known uranium mineralisation but limited exploration as the basin sediment cover is thicker than for the known deposits immediately to east. Methods used to explore include airborne and ground geophysics, including airborne electromagnetics (VTEM, ZTEM), the recently demonstrated ambient noise tomography (ANT) that can penetrate far beyond unconformity depth, and reverse circulation drilling (RC) for geochemical profiling, to provide the best targets before undertaking costly cored diamond drilling right into the target zones at depth.

Drilling contractors for the RC and diamond drilling have been engaged in a very tight exploration market. Final design of the drill programs will follow completion and interpretation of the geophysics programs.

A major milestone for Terra Uranium has been reached with the granting of exploration permits for the next 3 years over all of the Company's 100% owned Athabasca Basin projects. In the 4 months since listing on the ASX on 8 September 2022, the Company has completed airborne geophysics, geochemistry, a highly successful trial of ANT passive seismic to map the basement, data analysis and permitting for ground operations.

The 2023 exploration program has now commenced road and camp construction following the grant of the exploration permits. Planned works including a very active winter RC drilling campaign, ground geophysics, as well as a summer diamond drilling program.

Exploration Framework and January Quarter Planned Activities

The Company has developed an exploration framework to expedite discovery using proximal pathfinders, which includes a mix of geochemistry and geophysics to de-risk core drilling target selection:

- Refine ZTEM for basement conductors.
- Complete collection VTEM for sandstone alteration and fracturing.
- Initiate RC drilling along prospective corridors for uranium pathfinder geochemical halos.
- Plan ground geophysics for drill target definition.

Exploration results and plans are reviewed monthly by the board of directors. It will refine the novel framework under which exploration will be conducted, noting that Terra Uranium is the operator of all 100% owned projects and is unencumbered by joint venture mandates. Diamond drilling of the best responding geophysical and geochemical targets will proceed when technically acceptable.

Capital Structure

On 31 December 2022, the Company had 49,000,000 fully paid ordinary shares and 6,000,000 options over ordinary shares on issue and approximately A\$5.00 million in cash.

Subsequent to the quarter, on 23 January 2023 the Company issued 195,000 fully paid ordinary shares in consideration for the acquisition of Moss Creek as per the announcement released to ASX on 18 January 2023.

Finance and Corporate

Terra Uranium completed the IPO process, paid all fees and charges, paid the first instalment of the Geotech airborne geophysics and ended the quarter in a strong cash position, with A\$5.013 million as at 31 December 2022.

During the quarter, the Company's total operating expenses (excluding depreciation, amortisation, impairment and share based payments) were approximately A\$285,000 for administration and corporate costs, A\$752,000 for exploration, and A\$11,000 for security transactions.

Use of Funds

Terra Uranium provides the following disclosures required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since listing on 8 September 2022 against the 'use of funds' statement in its prospectus dated 27 July 2022. Note that Use of Funds table is for a 2 year period and actual expenditure to 31 December is for the first 6 months of that period only.

Expenditure	Funds allocated under the Prospectus	Actual to 31 December 2022	Variance
Exploration budget at HawkRock Project	\$1,714,578	\$114,618	1,599,960
Exploration budget at Parker Lake Project	\$871,430	\$293,139	\$578,291
Exploration budget at Pasfield Lake Project	\$1,714,085	\$819,484	\$1894,601
Expenses of the Offer	\$775,634	\$743,293	\$32,341
Corporate and administration costs	\$2,151,832	\$647,988	\$1,503,844
Working capital	\$731,881	\$327,561	\$404,320
Total	\$7,959,440	\$2,946,083	\$5,013,357

The Use of Funds table is a statement of current intentions, investors should note that the allocation of funds set out in the table may change depending on a number of factors including the results of exploration, outcome of development activities, regulatory developments and market and general economic conditions.

Board & Management

Non - Executive Director Dr. Darryl Clark has announced his resignation from the Company effective 28 January in order to focus on his other professional commitments. Dr Clark has joined another company active in the Athabasca region, as VP Exploration and remaining on the board of Terra Uranium would pose an obvious risk of creating conflicts of interest. As such, he made the decision to resign from Terra to avoid such a situation from eventuating.

Dr Clark was one of the founders of the company to develop and grow the company from its inception in 2021, and joined the Board on 12 May 2022. The Board extends its thanks to Dr Clark for his service to the Company, and for his steadfast support throughout the successful completion of the Company's IPO in 2022. The Board has decided that Dr Clark will not be replaced at this time.

ASX additional information

- **ASX Listing Rule 5.3.3:** There have been no tenements acquired or disposed of during the quarter other than the Moss Creek tenements previously detailed within this report.
- **ASX Listing Rule 5.3.5:** Appendix 5B, Section 6.1 – description of payments: During the December 2022 quarter, the Company paid directors fees totalling A\$7,605 to non-executive directors and A\$41,100 to the executive chair.

This announcement has been authorised by Andrew Vigar, Chairman, on behalf of the Board of Directors.

Announcement Ends

Competent Person's Statement

Information in this report is based on current and historic Exploration Results compiled by Mr Andrew Vigar who is a Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Vigar is a executive director of Terra Uranium Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Vigar consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Statements in this release regarding the Terra Uranium business or proposed business, which are not historical facts, are forward-looking statements that involve risks and uncertainties. These include Mineral Resource Estimates, commodity prices, capital and operating costs, changes in project parameters as plans continue to be evaluated, the continued availability of capital, general economic, market or business conditions, and statements that describe the future plans, objectives or goals of Terra Uranium, including words to the effect that Terra Uranium or its management expects a stated condition or result to occur. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by Terra Uranium, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements.

Tenement Register – 100% owned by Terra Uranium

Project	Disposition	Effective	Good Standing	Area (ha)
HawkRock	MC00015825	14-Feb-2022	14-May-2024	5,778.08
	MC00015826	14-Feb-2022	14-May-2024	5,604.12
				<u>11,382.20</u>
Parker Lake	MC00015741	08-Dec-2021	07-Mar-2024	5,994.07
	MC00015744	08-Dec-2021	07-Mar-2024	5,063.80
	MC00015748	08-Dec-2021	07-Mar-2024	5,035.51
	MC00015757	13-Dec-2021	12-Mar-2024	5,800.48
	MC00015906	21-Apr-2022	20-Jul-2024	668.36
				<u>22,562.22</u>
Pasfield Lake	MC00015740	08-Dec-2021	07-Mar-2024	4,195.94
	MC00015742	08-Dec-2021	07-Mar-2024	5,022.61
	MC00015743	08-Dec-2021	07-Mar-2024	4,729.88
	MC00015745	08-Dec-2021	07-Mar-2024	4,763.00
	MC00015746	08-Dec-2021	07-Mar-2024	5,022.63
	MC00015747	08-Dec-2021	07-Mar-2024	5,022.65
	MC00015821	07-Feb-2022	07-May-2024	5,910.28
	MC00015822	07-Feb-2022	07-May-2024	5,580.61
	MC00015823	07-Feb-2022	07-May-2024	2,791.96
	MC00015872	22-Mar-2022	20-Jun-2024	526.06
	MC00016345	27-Oct-2022	25-Jan-2025	2,786.95
	MC00016346	27-Oct-2022	25-Jan-2025	5,623.83
	MC00016347	27-Oct-2022	25-Jan-2025	5,742.33
	MC00016076*	04-Aug-2022	02-Nov-2024	4,673.93
	MC00016117*	12-Aug-2022	10-Nov-2024	4,526.13
				<u>66,918.79</u>

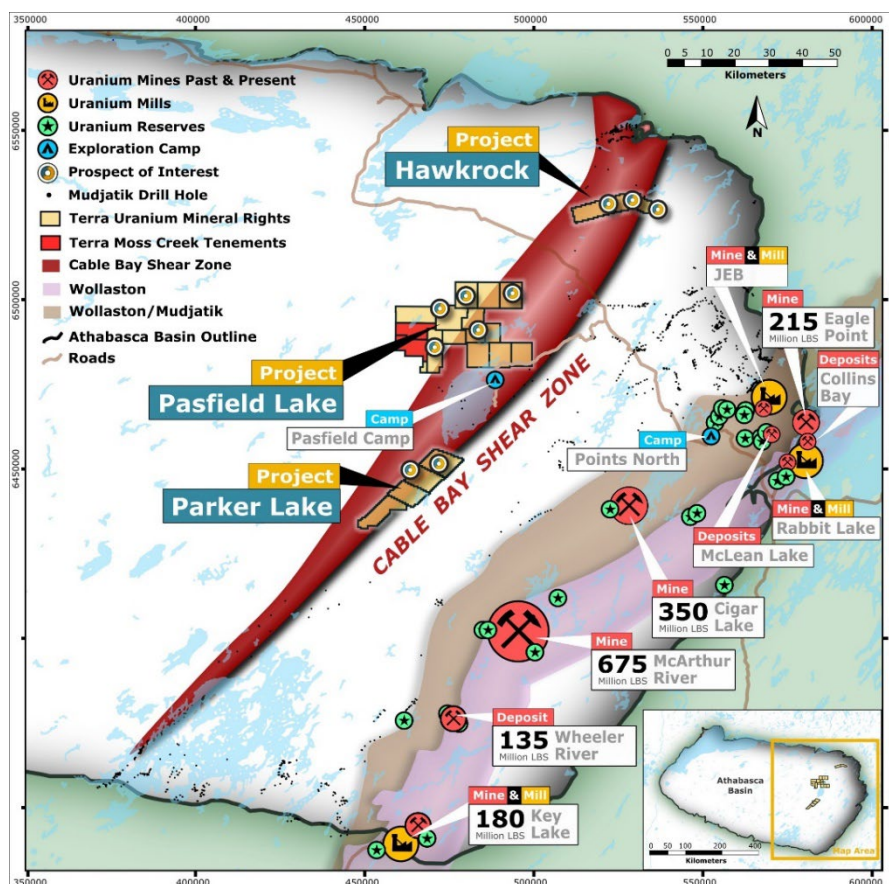
Project	Hectares	Earliest Expiry	\$
HawkRock	11,382.20	May 14, 2024	\$170,733.01
Parker Lake	22,562.22	March 7, 2024	\$338,433.27
Pasfield Lake	<u>66,918.79</u>	March 7, 2024	<u>\$1,003,781.92</u>
	100,863.21		\$1,512,948.20

Note \$ – the Good Standing \$ requirements are for Terra Uranium to retain the entire tenement package from the Earliest Expiry Date in the tables above. This is sufficient time for Terra Uranium to test the prospectivity of each individual claim. Sufficient expenditure has been budgeted to retain all claims, although Terra Uranium may not decide to do this. It should also be noted that certain activities, such as airborne geophysical surveys, receive a 1.5x credit on expenditure.

Note * - Two new claims have been purchased by Terra Uranium to expand the Pasfield Project by an area of 9,200 Hectares.

About Terra Uranium

Terra Uranium Limited is a mineral exploration company strategically positioned in the Athabasca Basin, Canada, a premium uranium province hosting the world's largest and highest-grade uranium deposits. Canada is a politically stable jurisdiction with established access to global markets. Using the very best people available and leveraging our in-depth knowledge of the Basin's structures and deposits we are targeting major discoveries under cover that are close to existing production infrastructure. We have a philosophy of doing as much as possible internally and working closely with the local communities. The Company is led by a Board and Management with considerable experience in Uranium. Our dedicated exploration team is based locally in Saskatoon, Canada.



The Company holds a 100% interest in 22 Claims covering a total of 1,008 sq km forming the HawkRock, Pasfield Lake and Parker Lake Projects (together, the Projects), located in the Cable Bay Shear Zone (CBSZ) on the eastern side of the Athabasca Basin, north-eastern Saskatchewan, Canada. The Projects are approximately 80 km to the west/northwest of multiple operating large uranium mills, mines and known deposits.

The CBSZ is a major reactivated structural zone with known uranium mineralisation but limited exploration as the basin sediment cover is thicker than for the known deposits immediately to the east. Methods used to explore

include airborne and ground geophysics that can penetrate to this depth and outcrop and reverse circulation geochemical profiling to provide the best targets before undertaking costly core drilling.

There is good access and logistics support in this very active uranium exploration and production province. A main road passing between the HawkRock and Pasfield Lake Projects with minor road access to Pasfield Lake and the T92 operational base there. The regional prime logistics base is Points North located about 50km east of the Projects.

For more information:

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Terra Uranium Limited

ABN

48 650 774 253

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(285)	(783)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(285)	(783)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(752)	(1,250)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(752)	(1,250)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		7,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(11)	(563)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(11)	6,937

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,061	109
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(285)	(783)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(752)	(1,250)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11)	6,937

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	5,013	5,013

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	5,013	5,013
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,013	5,013

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	49
6.2 Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(285)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(752)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,037)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,013
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,013
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.