



ASX Announcement | 31 July 2024

JUNE 2024 QUARTERLY REPORT

Terra Metals Limited (ASX:TM1) (“Terra” or “Company”) is pleased to present its quarterly report for the quarter ending 30 June 2024.

Highlights

Highlights during and since the quarter include:

- Completed a maiden drill program at the Dante Cu-Au-PGE project (“**Dante Project**”) in the West Musgrave region of Western Australia, comprising 60 drillholes for 10,220m.
- Initial assay results confirmed the discovery of at least two Platreef-style Cu-PGE sulfide reefs (“**Dante Reefs**”) from surface at the Dante Project.
- The Dante Reefs are a series of gentle dipping, laterally extensive, mineralised layers which outcrop from surface and in total run for 42km.
- The Cu-PGE mineralisation includes high-grade vanadium and titanium, critical for renewable batteries and specialty steel.
- Results to-date indicate that the Dante Reefs have the potential to host a large sulphide deposit containing copper, gold, PGEs, vanadium and titanium.
- Defined an initial Exploration Target at the northern portion of Reef 1, part of the “Dante Reefs”. An additional Exploration Target is planned for Reef 2.
- The initial Exploration Target only includes the basal layer, over a strike of 7km (out of ~16km total strike for Reef 1).
- The large, shallow Exploration Target demonstrates the potential for a low-cost, open-cut mining scenario.
- Assay results are pending from 22 drillholes across Reef 1 south (10 holes), and Cronus Prospect (12 holes).
- Commenced Phase 2 drill program at the Dante Reefs, with a focus on expanding existing discoveries and targeting new discoveries.
- Announced a share placement to institutional and sophisticated investors at an issue price of \$0.06 per share to raise gross proceeds of \$6 million (“**Placement**”).

For further information, please contact:

Thomas Line

CEO & Managing Director
Tel: +61 8 9322 6322

Dante Project

The Dante Project contains large-scale magmatic Cu-Au-PGE targets, as well as extensive outcropping Cu-PGE-Au reefs and is situated in the same geological complex and in close proximity to one of the world's largest mining development projects, BHP's Nebo-Babel.

The Musgrave block (140,000km²) in central Australia is located at the junction of three major crustal elements: the West Australian, North Australian, and South Australian cratons. It is a Mesoproterozoic, east-west trending orogenic belt and comprises a variety of high grade (amphibolite to granulite facies) basement lithologies overprinted by several major tectonic episodes.

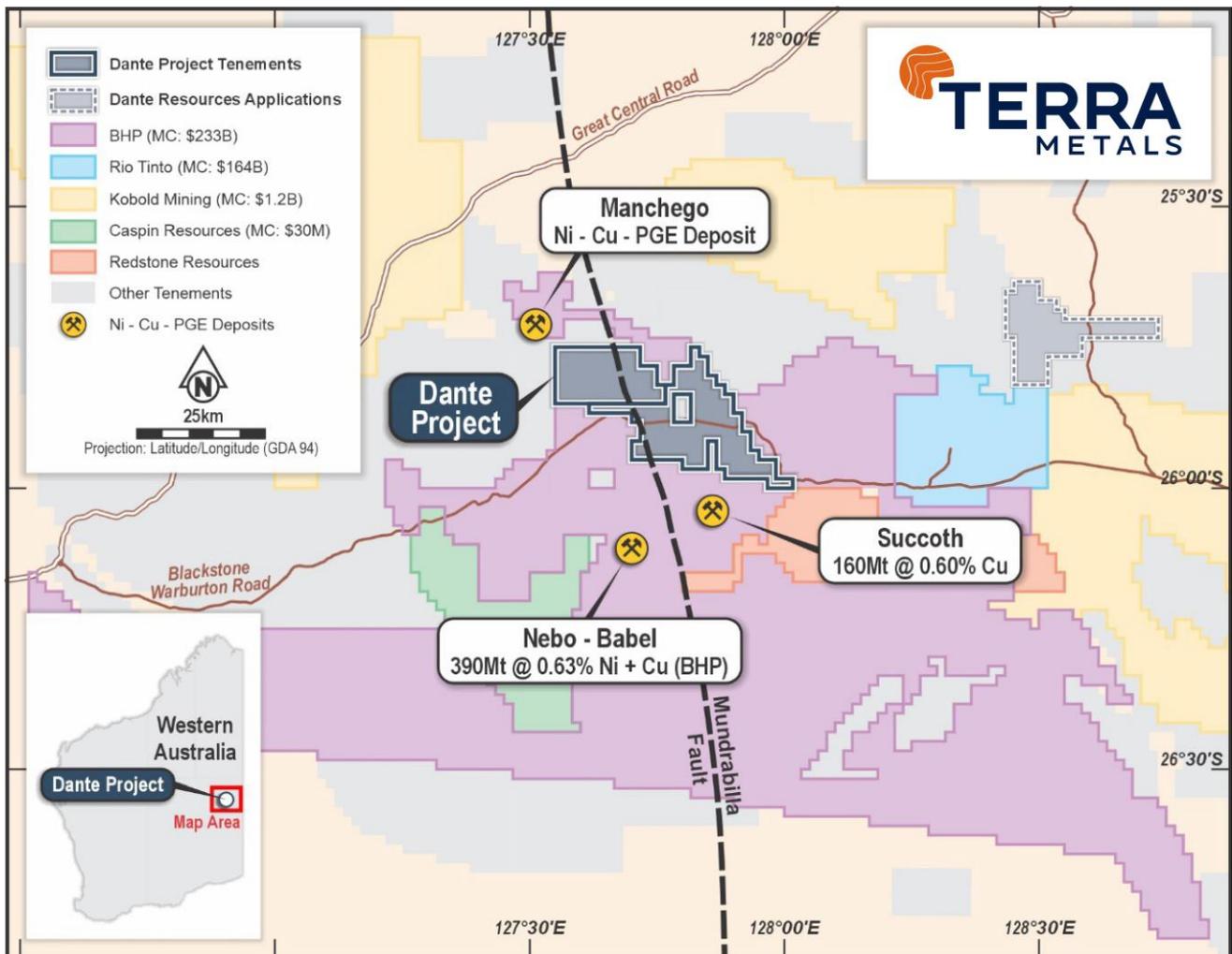


Figure 1. Dante Project location map displaying surrounding companies' tenure and major deposits

Discovery of Sulphide Reefs

During the quarter, the Company completed its maiden 60-hole, 10,220m reverse circulation (“RC”) drill program at the Dante Project in the West Musgrave region to test 4 regional targets.

Initial results from the drilling program confirmed the discovery of two potentially large-scale polymetallic magmatic sulphide systems at Reef 1 (north) and Reef 2.

Mineralisation is hosted within concentrated bands referred to as “reefs” which contain high concentrations of copper, gold, platinum, palladium, vanadium, titanium and iron within the same layer.

Thus far across Reef 1 and Reef 2 the discovery strike now stands at over 9km of magmatic copper-PGE sulphide mineralisation from surface. Mineralisation remains open along strike and downdip

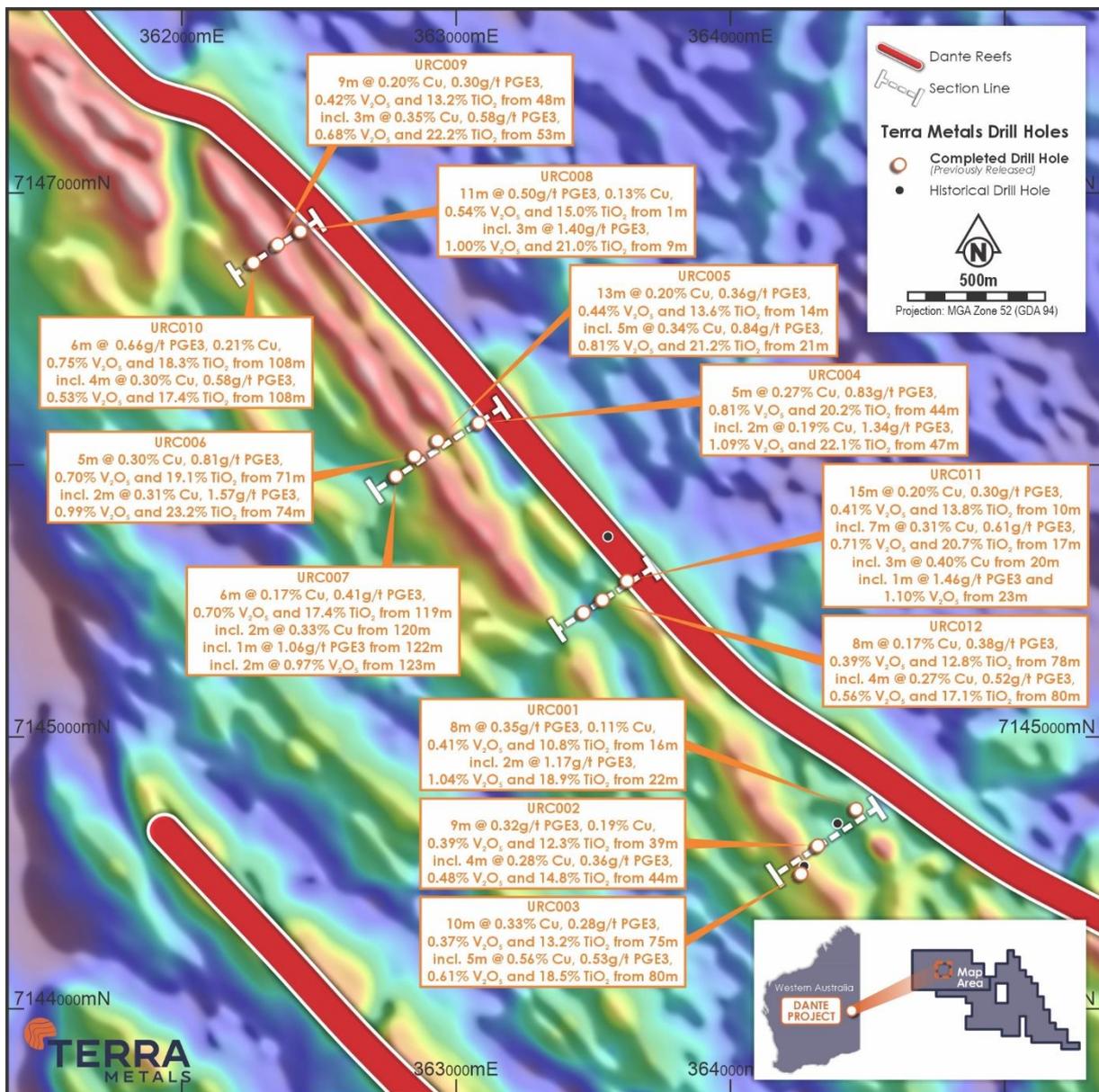


Figure 2: Plan view of initial results and completed drilling Reef 1, over TMI geophysics image.

Selected assay results from **Reef 1** and **Reef 2** include:

- **5m @ 0.56% Cu, 0.53g/t PGE3, 0.61% V₂O₅, and 18.5% TiO₂** from 80m (URC003), including:
 - **2m @ 0.83% Cu, 0.52% V₂O₅, and 16.6% TiO₂** from 80m
- **6m @ 0.40% Cu, 0.79g/t PGE3, 0.66% V₂O₅, & 19.9% TiO₂** from 4m (HRC004), including:
 - **2m @ 0.62% Cu, 0.85g/t PGE3, 0.71% V₂O₅ & 22.3% TiO₂** from 6m
- **5m @ 0.34% Cu, 0.84g/t PGE3, 0.81% V₂O₅, & 21.2% TiO₂** from 21m (URC005), including:
 - **3m @ 0.43% Cu, 0.94g/t PGE3, 0.88% V₂O₅ & 24.1% TiO₂** from 23m
- **15m @ 0.20% Cu, 0.30g/t PGE3, 0.41% V₂O₅, & 13.8% TiO₂** from 10m (URC011), including:
 - **3m @ 0.40% Cu** from 20m and **1m @ 1.46g/t PGE3 & 1.10% V₂O₅** from 23m
- **10m @ 0.82g/t PGE3, 0.11% Cu, 0.44% V₂O₅ & 10.5% TiO₂** from 66m (HRC002), including:
 - **3m @ 2.22g/t PGE3, 0.20% Cu, 1.08% V₂O₅, & 23.5% TiO₂** from 68m
- **5m @ 0.30% Cu, 0.81g/t PGE3, 0.70% V₂O₅, & 19.1% TiO₂** from 71m (URC006), including:
 - **2m @ 1.57g/t PGE3, 0.31% Cu, 0.99% V₂O₅, & 23.2% TiO₂** from 74m
- **10m @ 0.86g/t PGE3, 0.85% V₂O₅, 0.23% Cu, & 19.3% TiO₂** from 84m (HRC009) including:
 - **5m @ 1.02g/t PGE3, 0.91% V₂O₅, 0.38% Cu, & 22.8% TiO₂** from 86m, and
 - **3m @ 1.11g/t PGE3, 1.03% V₂O₅, 0.14% Cu, & 19.6% TiO₂** from 90m
- **5m @ 0.87g/t PGE3, 0.71% V₂O₅, 0.24% Cu, & 19.1% TiO₂** from 58m (HRC019) including:
 - **2m @ 1.48 g/t PGE3, 0.11% Cu, 0.91% V₂O₅ & 19.9% TiO₂**, from 61m
- **5m @ 0.73g/t PGE3, 0.76% V₂O₅, & 16.1% TiO₂** from 88m (HRC016) including:
 - **2m @ 1.41g/t PGE3, 0.11% Cu, 1.15% V₂O₅, & 23.5% TiO₂** from 89m
- **5m @ 0.27% Cu, 0.83g/t PGE3, 0.81% V₂O₅, & 20.2% TiO₂** from 44m (URC004), including:
 - **2m @ 1.34 g/t PGE3, 0.19% Cu 1.09% V₂O₅, & 22.1% TiO₂** from 47m

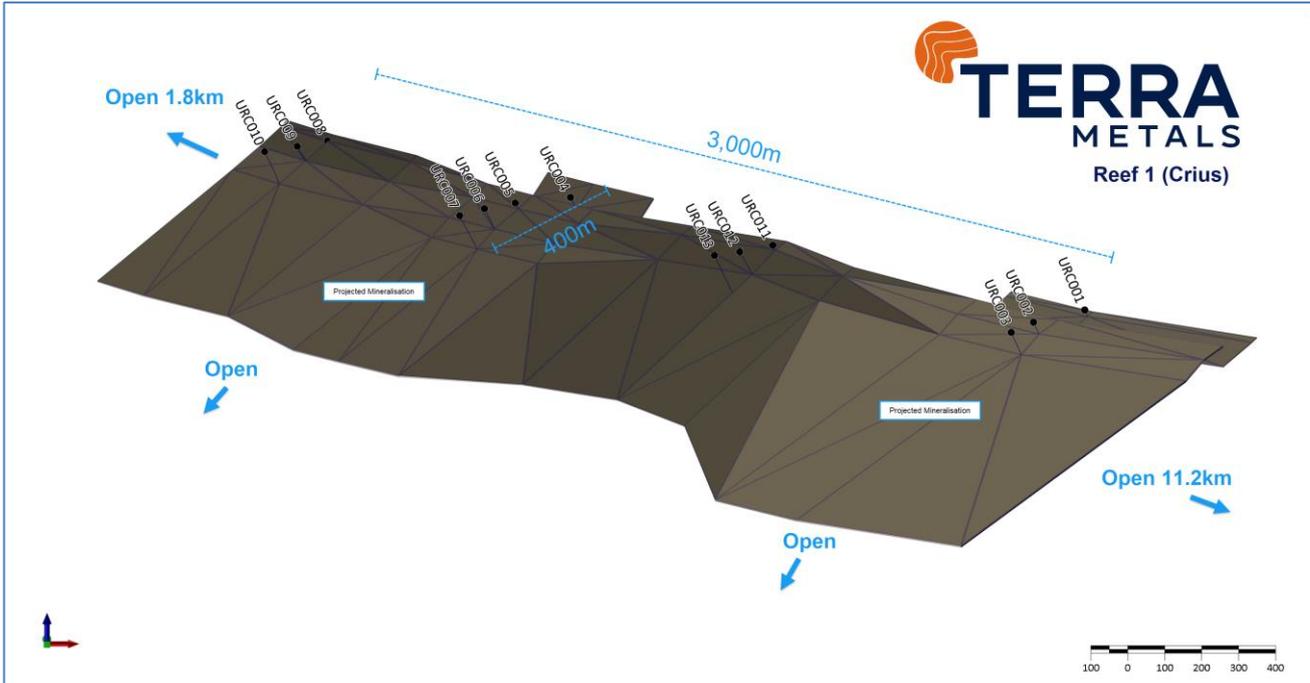


Figure 3. Preliminary wireframe model of Reef 1, including projected downdip shallow target extensions

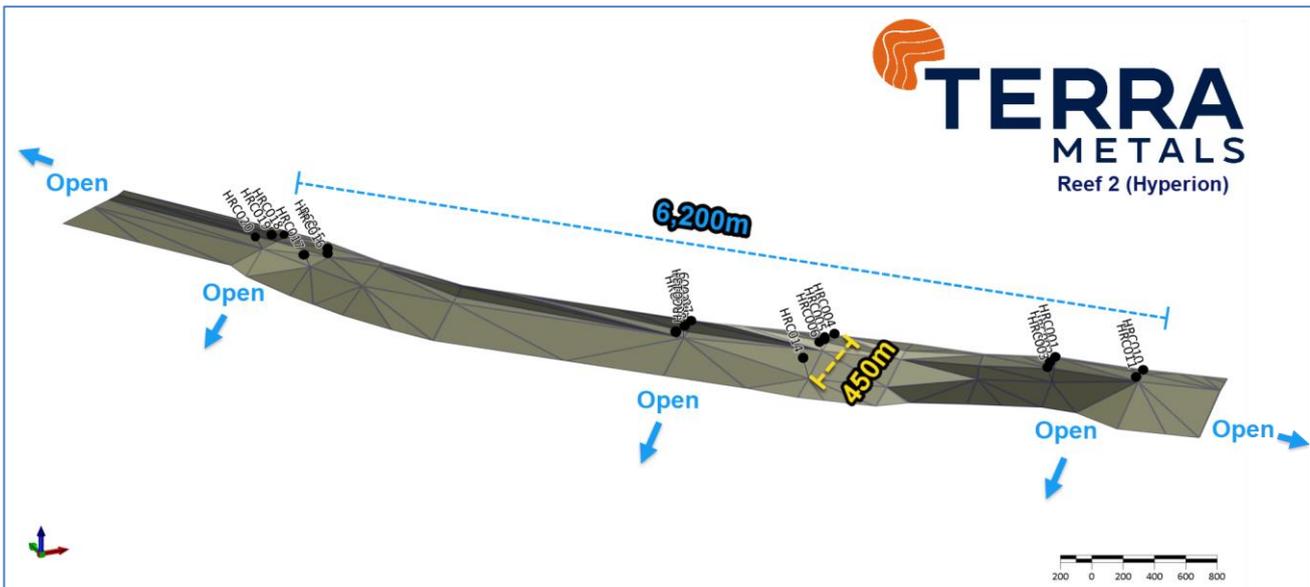


Figure 4. Preliminary wireframe model of Reef 2, including projected downdip shallow target extensions.

Reef 1 Exploration Target

During the quarter, the Company defined an initial Exploration Target for the northern part of Reef 1.

The initial Reef 1 Exploration Target is estimated to be between approximately 60 to 110 million tonnes ("Mt") at a grade between 0.21 to 0.31% Cu, 0.43 to 0.65g/t PGE3, 0.50 to 0.75% V₂O₅, and 13.9 to 20.8% TiO₂, for an estimated contained metal content of between 130 to 340 thousand tonnes ("Kt") Cu, 860 to 2,300 thousand ounces ("Koz") PGE3, 310 to 840Kt V₂O₅, and 8.6 to 23Mt TiO₂.

Cautionary Statement: The potential quantity and grade of the initial Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code.

Table 1. Exploration Target (Reef 1 North, basal layer only)

Range	Tonnage (Mt)	Metal Content			
		Cu (Kt)	PGE3 (Koz)	V ₂ O ₅ (Kt)	TiO ₂ (Mt)
Lower target	60	130	860	310	8.6
Upper target	110	340	2,300	840	23

Note: Totals may not add up due to rounding.

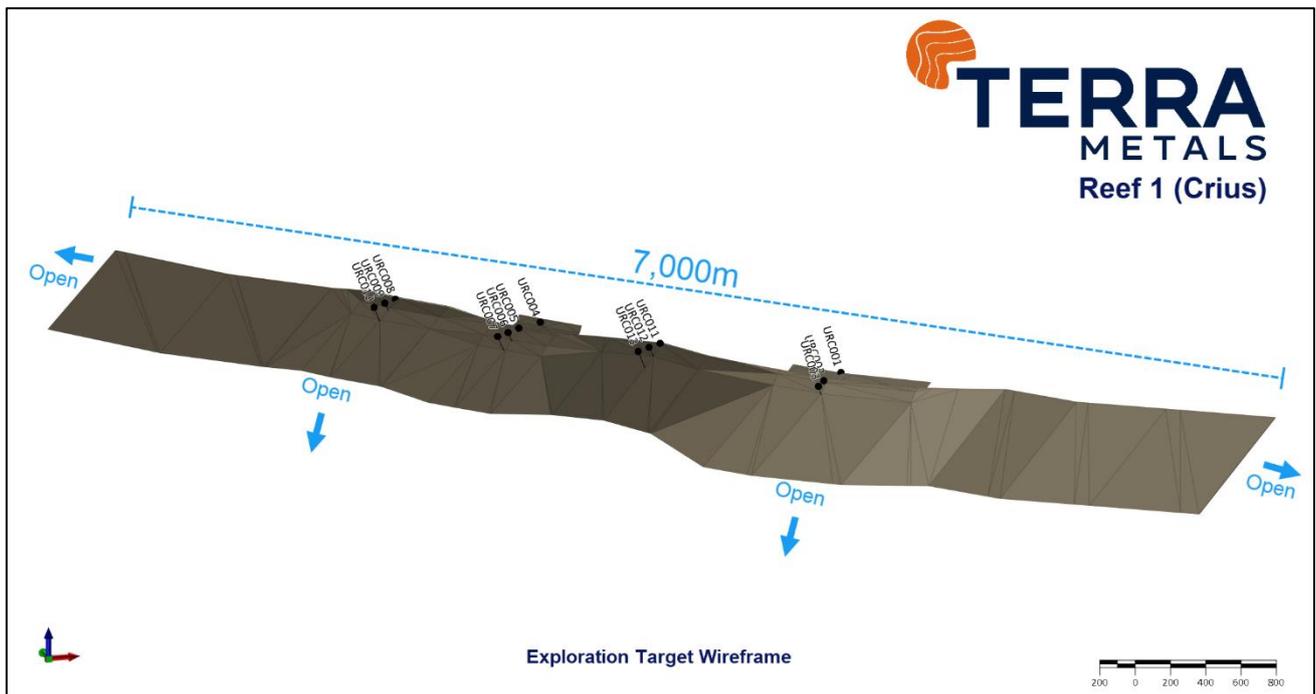


Figure 5. Initial Exploration Target for Reef 1 (north).

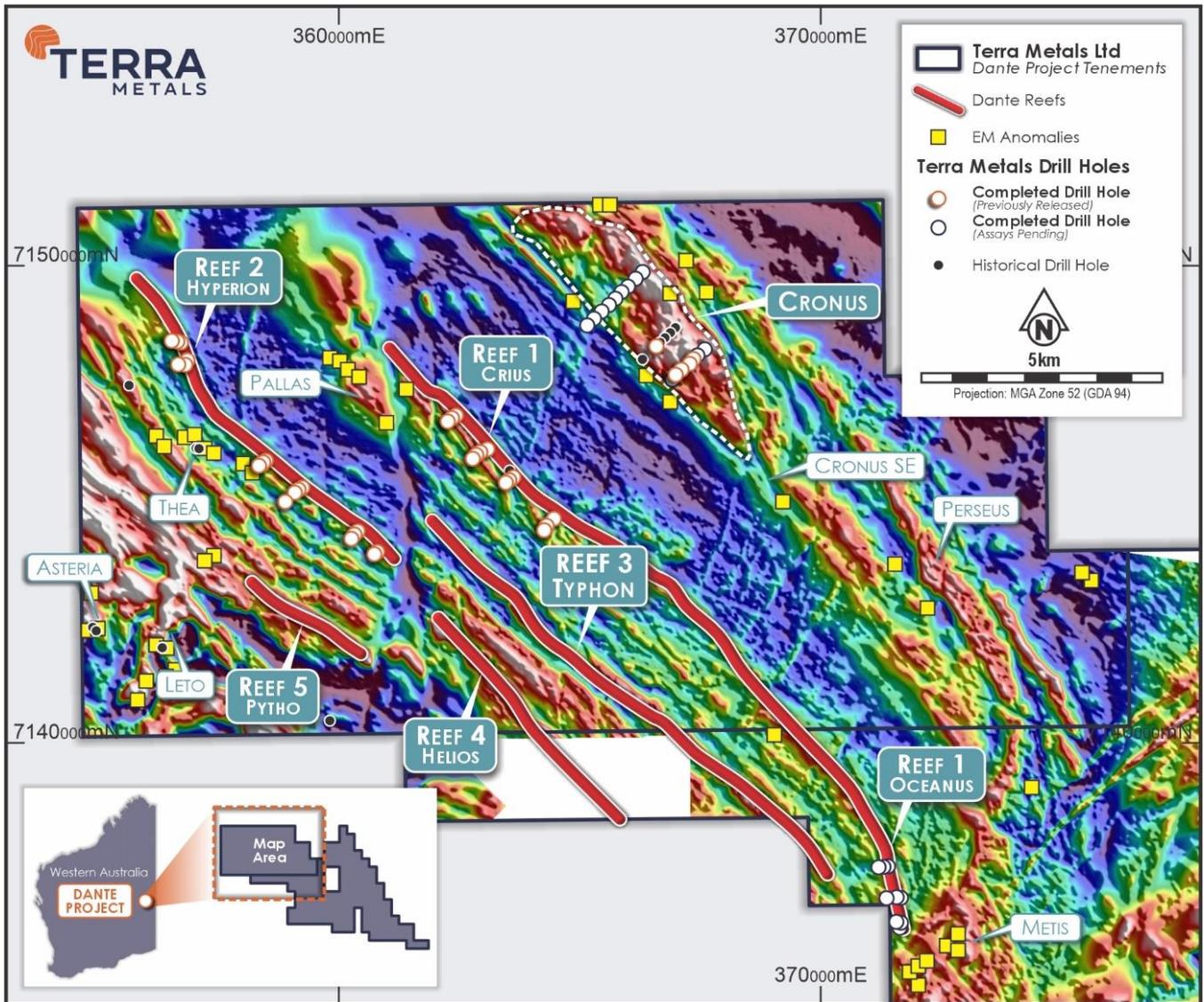


Figure 6. TMI image showing prospects in the western portion of Dante Project.

Southern Cross Project

During the March 2024 quarter, the Company announced assay results from a soil sampling program over the Southern Cross Project which revealed a large continuous ~10km x ~2km lithium anomaly >100ppm Li₂O (with a maximum soil result of 171ppm Li₂O coincident with the mapped northwest trending structural features).

Encouragingly, several occurrences of lithium and tantalum occur along the greenstone belts to the north and south of the SCP, including two resources of significance: the Mt Holland project (186Mt @ 1.53% Li₂O); and the Split Rocks project (11.9Mt @ 0.72% Li₂O) both within in the southern cross domain.

Onslow Project

During the quarter, the Company announced that assay results from partial sampling of the diamond core from the 2023 EIS co-funded diamond drilling program at the Onslow Project had revealed the presence of high-grade silver mineralisation.

Hole OND003 intercepted a geological zone which assayed 6m @ 179g/t Ag from 160m, with a high-grade zone of 1m @ 1,060g/t Ag, 0.23% Cu and 0.99% WO₃.

The mineralised zone was within an interpreted high-sulphidation epithermal alteration zone which extended from approximately 158m – 184m. Epithermal alteration such as this is commonly associated with high-grade silver mineralisation and could potentially be linked to a deeper mineralised porphyry source.

Airborne electromagnetic ("EM") data previously collected by the Company in 2022 highlights a Priority 1 EM anomaly which lies to the southeast of the interpreted high-sulphidation epithermal silver mineralisation identified in hole OND003. The EM anomaly is characterised as being a conductive body of the approximate dimensions: 600m long and 120m thick with a 120m downdip extent. The EM anomaly, along with other geochemical and geophysical datasets, will now be reviewed in light of this newly identified mineralisation.

Further samples were subsequently taken extending from the mineralised zone, for the purpose of geochemical vectoring (assays pending).

Corporate

During the quarter, the Company announced that it had secured commitments from institutional and sophisticated investors to subscribe for 100,000,000 new ordinary shares of the Company at an issue price of \$0.06 per share, to raise gross proceeds of \$6 million ("Placement").

The Company's largest shareholder, Tribeca, committed to subscribe for approximately \$941,000 under the Placement and Directors of the Company committed to subscribe for \$174,000 under the Placement, subject to shareholder approval. In addition, several new resource focused institutions supported the Placement.

The first tranche of the Placement (comprising 68.6 million new shares) was completed on 3 July 2024 and the second tranche of the Placement (comprising 31.4 million new shares) is expected to complete in August 2024 following shareholder approval.

ASX Additional Information

Mining exploration tenements

As at 30 June 2024, the Company holds an interest in the following exploration tenements:

Mining exploration project name	Permit Number	Percentage Interest	Status
Dante Ni-Cu-PGE (Western Australia)	E69/3401	100%	Granted
	E69/3552	100%	Granted
	E69/4193	100%	Application
	E69/4199	100%	Application
Bonaparte Zn-Pb-Ag (Western Australia)	E80/5521	100%	Granted
Tarrawarra Zn-Pb-Ag (Western Australia)	E08/3117	100%	Granted
Higginsville Au-Ni (Western Australia)	P15/6029	100%	Granted
	P15/6723	100%	Granted
	P15/6724	100%	Granted
	P15/6725	100%	Granted
	P15/6726	100%	Granted
Onslow Cu-Au (Western Australia)	E08/3311	100%	Granted
	E08/3529	100%	Application
	E08/3197	80%	Granted
Southern Cross Li-REE (Western Australia)	E77/3009	100%	Granted
	E77/3010	100%	Granted
	E77/3011	100%	Granted
	E77/3012	100%	Granted

Mining exploration expenditures

During the quarter, the Company made the following payments in relation to mining exploration activities:

Mining exploration activity	A\$000
Drilling and sample analysis	733
Geological consultants	105
Other consultants	52
Tenement rents, rates and management	29
Native title	3
Field supplies, vehicles, travel and other	202
Total	1,124

There were no mining or production activities or expenses during the quarter.

Related party payments

During the quarter, the Company made payments of approximately \$138,000 to related parties and their associates, for director's fees, superannuation, company secretarial services and provision of a fully serviced office.

Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets for the Dante Project is extracted from Terra's ASX announcements dated 17 July 2024, 3 July 2024, 20 June 2024, 11 June 2024, 13 May 2024, 24 January 2024, 13 December 2023, 22 November 2023, 28 September 2023, and 28 August 2023 and the information in this report that relates to Exploration Results for the Onslow Project is extracted from the Company's ASX announcements dated 22 June 2023, 20 February 2023, and 27 April 2022, and the information in this report that relates to Exploration Results for the Southern Cross Project is extracted from the Company's ASX announcement dated 30 January 2024 ("Original ASX Announcements").

These announcements are available to view at the Company's website at www.terrametals.com.au. The Company confirms that: a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) all material assumptions included in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcements.

Forward Looking Statements

Statements regarding plans with respect to Terra's projects are forward-looking statements. There can be no assurance that the Company's plans for development of its projects will proceed as currently expected. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

This ASX announcement has been approved in accordance with the Company's published continuous disclosure policy and authorised for release by the Managing Director & CEO.

Appendix 5B

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

Name of entity

Terra Metals Limited

ABN

44 155 933 010

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter A\$000	Year to date (12 months) A\$000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,124)	(2,886)
(b) development	-	-
(c) production	-	-
(d) staff costs	(303)	(477)
(e) administration and corporate costs	(79)	(484)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (business development costs)	(53)	(204)
1.9 Net cash from / (used in) operating activities	(1,548)	(3,974)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(1)	(352)
(c) property, plant and equipment:	(8)	(148)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-

Consolidated statement of cash flows	Current quarter A\$000	Year to date (12 months) A\$000
(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)		
(a) Loan to Dante Resources Pty Ltd	-	(315)
(a) Cash acquired on asset acquisition	-	13
2.6 Net cash from / (used in) investing activities	(9)	(802)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	624	2,225
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	(29)	(134)
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	595	2,121
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,610	3,303
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,548)	(3,974)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(9)	(802)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	595	2,121
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	648	648

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	648	1,610
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)	648	1,610

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
A\$000**

(138)

-

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

7. Financing facilities

Note: the term 'facility' includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify):
- 7.4 **Total financing facilities**

**Total facility
amount at
quarter end
A\$000**

**Amount drawn
at quarter end
A\$000**

-

-

-

-

-

-

-

-

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.

Mining exploration entity and oil and gas exploration entity quarterly report

8. Estimated cash available for future operating activities	A\$000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,548)
8.2 (Payments for exploration & evaluation classified as investment activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,548)
8.4 Cash and cash equivalents at quarter end (item 4.6)	648
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	648
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.4
<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?

Yes.

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?

Yes. On 24 June 2024, the Company announced that it would undertake a placement of 100,000,000 new shares at an issue price of \$0.06 per share, to raise gross proceeds of \$6 million. The first tranche of the placement, which was completed on 3 July 2024, raised gross proceeds of \$4.1 million. The second tranche of the placement, to raise additional gross proceeds of \$1.9 million, is expected to complete in August 2024 following shareholder approval.

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?

Yes. On 24 June 2024, the Company announced that it would undertake a placement of 100,000,000 new shares at an issue price of \$0.06 per share, to raise gross proceeds of \$6 million. The first tranche of the placement, which was completed on 3 July 2024, raised gross proceeds of \$4.1 million. The second tranche of the placement, to raise additional gross proceeds of \$1.9 million, is expected to complete in August 2024 following shareholder approval.

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 July 2024

Authorised by: Company Secretary

(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.