

11 October 2024

Terra Uranium (T92) Signs Definitive Option Agreements with ATHA Energy Corp (TSXV:SASK)

Highlights

- T92 and TSXV-listed ATHA (Market Cap ~A\$200 million) have **signed definitive option agreements** that will give ATHA the option to acquire up to 60% of T92's Pasfield Lake Project and will give T92 the option to acquire up to 70% of ATHA's Spire and Horizon Projects.
- Entry into the Agreements **has increased Terra Uranium's footprint in the highly prospective Athabasca Basin by 60,965 hectares** and to shallower uranium targets.
- ATHA has the option to commence **drilling the Pasfield Project during the 2025 calendar year** in coordination with potential exploration at its Ridge project, situated directly to the south of Pasfield Lake.
- T92 will provide ATHA access to its exploration infrastructure at Pasfield Lake – inclusive of its modern exploration camp and road network.
- T92 will immediately commence operations on the **shallower uranium targets at the Spire and Horizon Projects** this month.
- **Numerous uraniferous boulders and outcrops associated with the NFSZ** have been identified by previous explorers at Spire and Horizon and will be the focus of early exploration.
- T92 has also **engaged leading exploration services company Axiom Exploration Group** to support field operations in Canada. Axiom has vast on ground experience in the Athabasca Basin and greater Canada with highly qualified and experienced field personnel able to execute on a cost effective and timely basis.

Terra Uranium Executive Chairman, Andrew Vigar commented, *"Terra Uranium has now signed the definitive option agreements to work with ATHA Energy Corp. on exploring their highly prospective Spire and Horizon Projects while ATHA has the option to drill our Pasfield Lake Project. We will continue to actively advance our 100% owned HawkRock, Parker Lake, Yurkowski, Engler and Rapid River Projects with field work on Yurkowski and HawkRock planned for later this year. This sees a major transformation of our company and we thank our shareholders for their continued support."*

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Terra Uranium Limited ASX:T92 (“Terra Uranium” or the “Company”) is pleased to announce that it signed two agreements with TSXV-listed ATHA Energy Corp (TSXV: SASK; “ATHA”) for option and joint venture agreements (“Definitive Agreements”) under which:

- ATHA has granted Terra Uranium two options that will, subject to the satisfaction of various conditions, give Terra Uranium the right (but not the obligation) to acquire up to 70% of ATHA’s Spire and Horizon Uranium Exploration Projects (the “Spire and Horizon Projects”); and
- Terra Uranium has granted ATHA a series of options that will, subject to the satisfaction of various conditions, give ATHA the right (but not the obligation) to acquire up to 60% of Terra Uranium’s Pasfield Lake Uranium Exploration Project (the “Pasfield Lake Project”).

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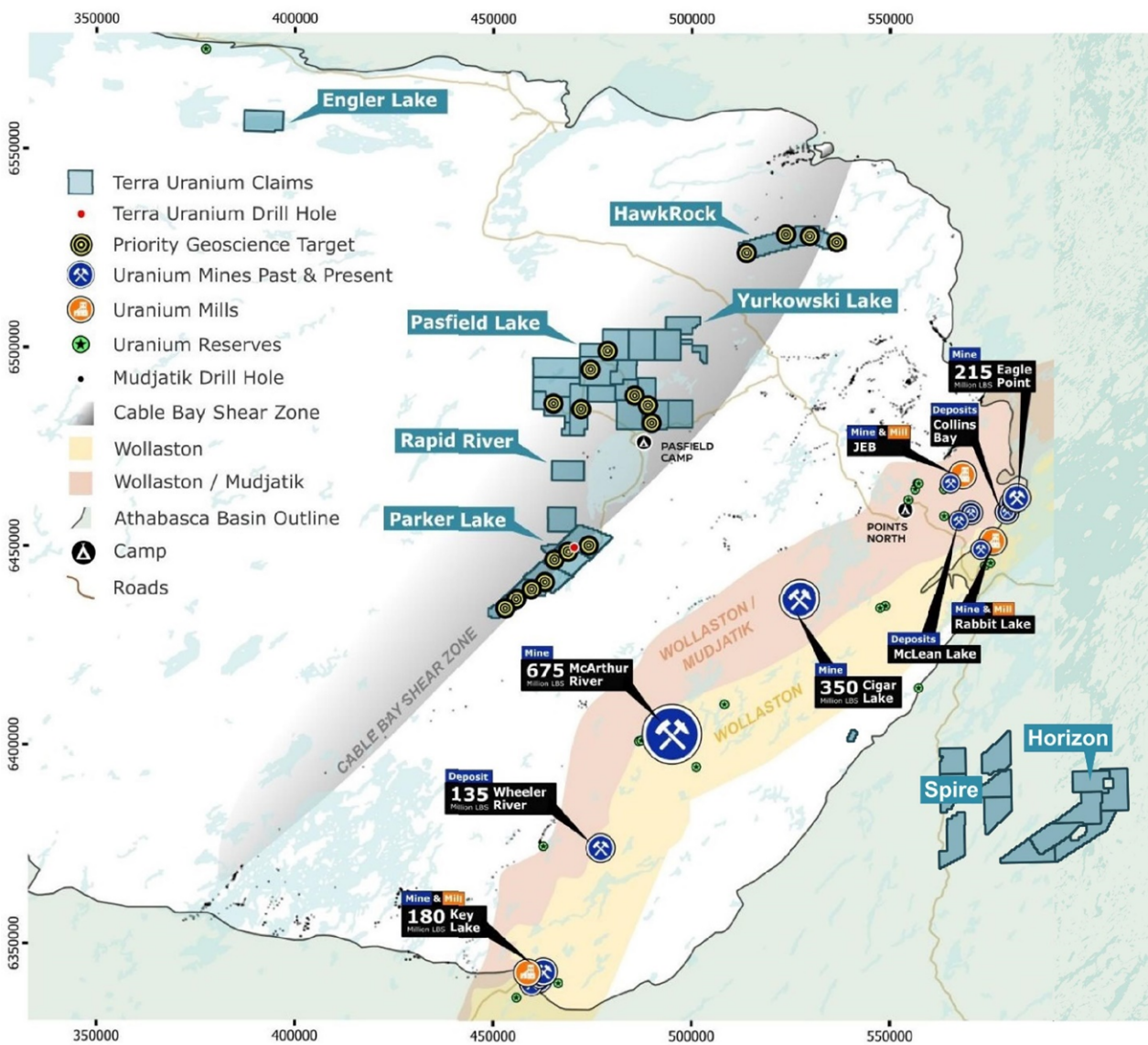


Figure 1: Location of T92 Pasfield Lake and Atha Energy Spire and Horizon Projects subject to Option agreements

Terra Uranium – ATHA Agreements

PASFIELD OPTION

In accordance with the terms of the Pasfield Lake Agreement, T92 has granted Atha the following four exclusive and separate rights and options to acquire undivided legal and beneficial interests in the Pasfield Lake Project (together the “Pasfield Options” and each, a “Pasfield Option”) as follows:

- (i) an undivided 15% interest in the Pasfield Lake Project, which may be exercised by ATHA after either: (a) funding exploration expenditures totalling C\$1,000,000 or (b) successfully completing one deep hole of at least 1,000 m into the geophysical target, in either case on or before December 31, 2025;
- (ii) an additional undivided 15% interest in the Pasfield Lake Project, which may be exercised by ATHA after either: (a) funding exploration expenditures totalling C\$1,000,000 or (b) successfully completing one deep hole of at least 1,000 m into the geophysical target, in either case on or before December 31, 2026;
- (iii) an additional undivided 15% interest in the Pasfield Lake Project, which may be exercised by ATHA after either: (a) funding exploration expenditures totalling C\$1,000,000 or (b) successfully completing one deep hole of at least 1,000 m into the geophysical target, in either case on or before December 31, 2027; and
- (iv) an additional undivided 15% interest in the Pasfield Lake Project (the “Fourth CP Option”), which may be exercised by ATHA after either: (a) funding exploration expenditures totalling C\$1,000,000 or (b) successfully completing one deep hole of at least 1,000 m into the geophysical target, in either case on or before December 31, 2028.

After exercising each Pasfield Option (each of which must be exercised sequentially) and upon written notice by ATHA to T92, each undivided 15% interest in the Pasfield Lake Project can, at ATHA’s election, be converted into a 1% net smelter returns royalty (“NSR”) for an aggregate maximum NSR of 4%. Upon the satisfaction of the Fourth Option and assuming ATHA has not converted its ownership interests in the Pasfield Lake Project into a NSR, the parties will be deemed to form a joint venture on the Pasfield Lake Project (the “Pasfield Joint Venture”) with T92 holding an initial 40% participating interest in the Pasfield Joint Venture and ATHA holding a 60% participation interest.

Note that the final agreement with ATHA has excluded claims MC00016346, MC00015742, MC00015746 and MC00015747 which have now been included in the 100% T92 owned adjacent Yurkowski Project. Work is being planned for this project before the end of 2024.

ATHA will also have the sole and exclusive right to access and use all camp facilities located on the Pasfield Lake Project for a daily fee to be negotiated between ATHA and T92.

SPIRE AND HORIZON OPTION

In accordance with the terms of the Spire and Horizon Agreement, ATHA has granted to T92 an exclusive right and option to acquire up to 70% interest of the Spire and Horizon Projects (the “Spire and Horizon Option”) in consideration for incurring a minimum of C\$4,750,000 in statutory exploration expenditures as set out below:

- (i) on or before December 20, 2024, T92 must incur at least C\$750,000 of statutory¹ exploration expenditure, which must also include the costs associated with the payment for a mineral exploration assessment report (the “First Expenditure”);

¹ Statutory expenditure is as defined by the Regulator. Certain field activities such as geophysics may be grossed up by 50% for purposes of assessing statutory expenditure thresholds. A 15% administration charge may also be included. This can result in hard dollar expenditure for certain activities being approximately 40% less.

- (ii) on or before September 21, 2025, T92 must incur additional statutory exploration expenditures of at least C\$1,000,000 (the “Second Expenditure”);
- (iii) on or before September 21, 2026, T92 must incur additional statutory exploration expenditures of at least C\$1,000,000 (the “Third Expenditure”);
- (iv) on or before September 21, 2027, T92 must incur additional statutory exploration expenditures of at least C\$1,000,000 (the “Fourth Expenditure”); and
- (v) on or before September 21, 2028, T92 must incur additional statutory exploration expenditures of at least C\$1,000,000 (the “Fifth Expenditure”).

ATHA and T92 agree to form a joint venture in relation to the Spire and Horizon Projects upon the satisfaction of the First Expenditure, Second Expenditure, and the Third Expenditure, with the initial interest of T92 being a 50% participating interest and ATHA’s being a 50% carried interest (subject to the 5% carried interest in favour of a third party). In such circumstances, the parties will, as expeditiously as possible, negotiate in good faith and enter into a joint venture agreement governing the joint venture.

Upon the satisfaction of the Fourth Expenditure and the Fifth Expenditure, T92’s 50% interest in the joint venture will increase to a 70% participation interest and ATHA’s interest will adjust to a 30% participation interest. If at any time during the period where ATHA holds a carried interest, T92 prepares and delivers a “preliminary economic assessment” prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ATHA’s carried interest may be converted into a participating interest at the election of ATHA.

Pasfield Lake Project

Grassroots reconnaissance exploration was conducted to identify the existence of mineral potential and initial targets at a regional scale. Exploration framework activities included historical data interrogation and verification, airborne electromagnetics (VTEM, ZTEM), ambient noise tomography (ANT), reverse circulation drilling (RC) for geochemical profiling, and ground TDEM stepwise moving loop transient electromagnetics survey (SWML TDEM) to provide the best targets before undertaking costly cored diamond drilling.

Intense conductivity anomaly synthetically modelled, co-incident with a revolutionary ANT survey low velocity basement and perched undulations. Proximal helium concentrations more than 230 times greater than background, indicating local high-grade uranium emplacement at depth.

Targets and Exploration Program

Pasfield Lake has multiple conductive zones that have been targeted using 3D inverted ZTEM conductivity (graphite reductant for uranium mineralization), 3D inverted VTEM conductivity (sandstone alteration), RC drill hole geochemistry (uranium and pathfinder element halos), clay mineralogy (hydrothermal alteration, and breaks in conductors (fluid traps).

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Spire and Horizon Project²

The Spire and Horizon Projects are comprised of 12 mineral claims totalling 60,965 hectares, located on the eastern rim of the Athabasca Basin, Saskatchewan (Figure 1, Figure 2). The properties are situated within the Needle Fall Shear Zone (“NFSZ”) with associated cross cutting regional scale Tabernor faults known for hosting uranium mineralization.

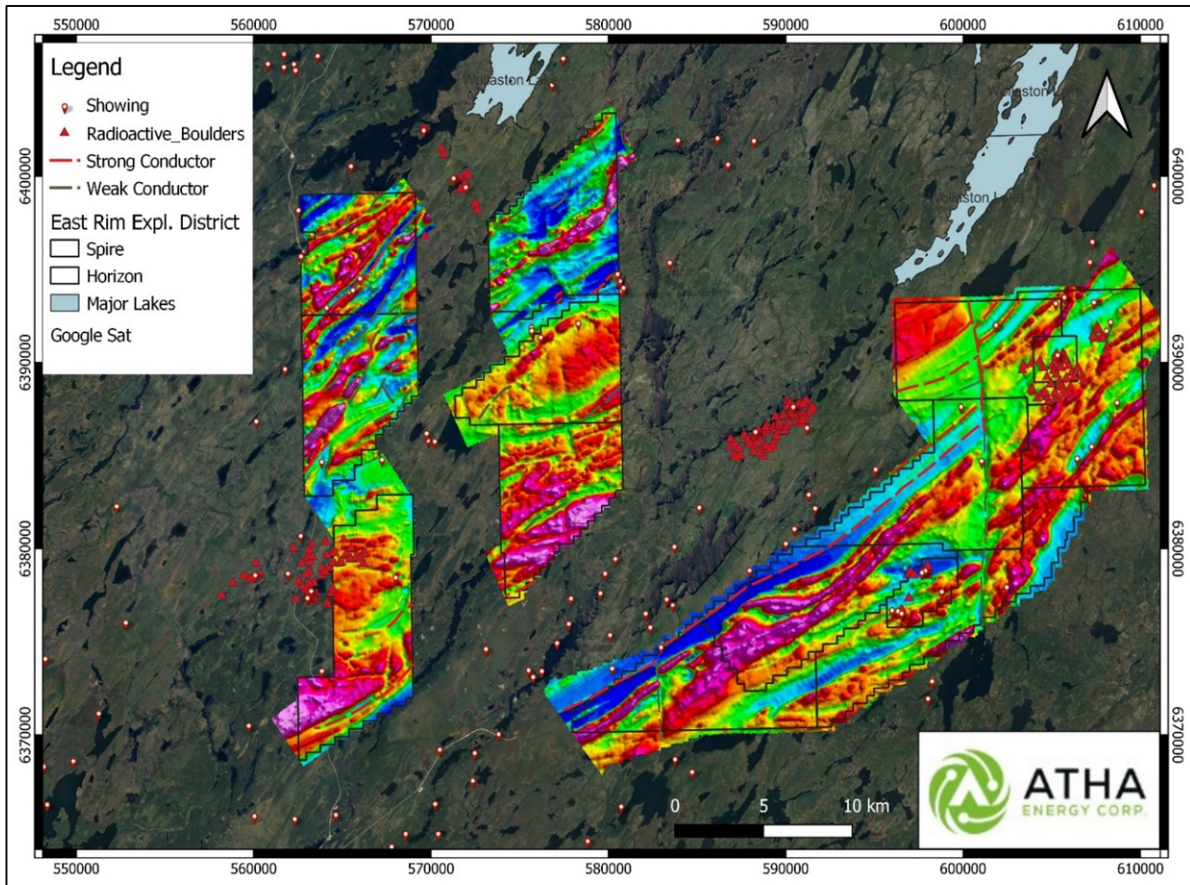


Figure 2: Spire Horizon Project (Atha Energy Corp)

Numerous uraniferous boulders and outcrops associated with NFSZ have been discovered throughout Spire & Horizon will be the focus of early exploration. Recent activities in the immediate area also include ATHA’s Gemini project, which contains the shallow basement-hosted, high-grade uranium GMZ discovery. In addition to the uranium prospectivity numerous copper showing have also been identified. T92 will be following up on these areas in the coming months.

During ATHA’s maiden 2023 Exploration Program, the company completed electromagnetic (“EM”) surveys utilizing Xcite’s MobileMT (MMT) & Mag system, as well as Geotech’s VTEM-max system. Those surveys identified approximately 144 km of cumulative conductors, associated with the NFSZ and regional cross-cutting structures and demonstrate that the Spire and Horizon Projects have a high concentration of shallow prospective exploration targets for discovery of uranium mineralization.

² Atha Energy Corp (TSXV:SASK) release dated 19 August 2024

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

Announcement Ends

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.

ASX Compliance Statement

The information in this announcement that relates to previously reported Exploration Results, Exploration Targets and Mineral Resources Estimates (including Foreign Estimates) is extracted from the Company's ASX announcements that are available to view on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially altered.

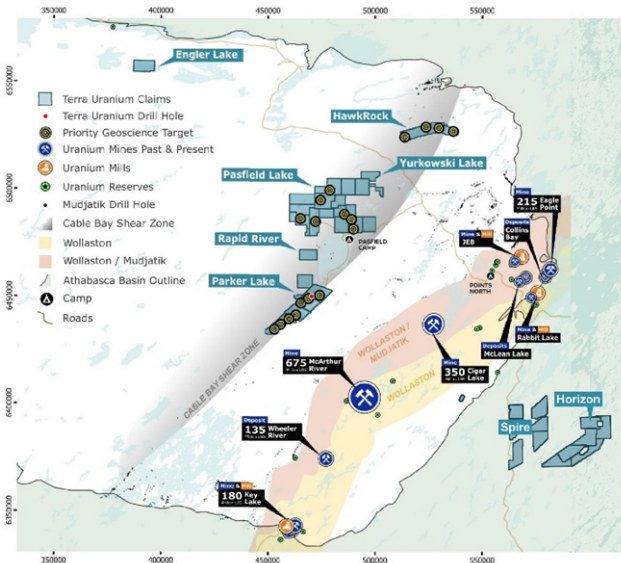
Competent Person's Statement

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 an 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.

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About Terra Uranium

Terra Uranium 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. The Company is led by a Board and Management with considerable experience in Uranium. Our exploration team is based locally in Saskatoon, Canada.



The Company holds a 100% interest in the Engler Lake, HawkRock, Parker Lake, Rapid River, and Yurkowski Lake Projects located in the Cable Bay Shear Zone (CBSZ) on the eastern side of the Athabasca Basin, Saskatchewan, Canada. Atha Energy Corp. have signed option Agreements to earn up to 60% of the Pasfield Project and for T92 to earn up to 70% of the Spire Horizon Projects to the SE of the Athabasca Basin. The Projects are all close 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 activate uranium exploration and production province. A main road passing between the HawkRock and Pasfield Lake Projects and to the immediate west of the Spire Project 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 CBSZ Projects, as well as a high voltage transmission line 30 km away and Uranium Mills to the east.

The Company is in the process of acquiring the Amer Lake Uranium Project (Amer Lake) located in the Baker Lake Region, Nunavut, Canada. Amer Lake is covered by 8 claims totalling approximately 27 sq km and is within 20 km of the operating Amaruq Gold Mine which has all-weather road access to the regional centre of Baker Lake. For further information in relation to Amer Lake, please refer to the Company’s ASX announcements dated 28 March 2024, 2 July 2024 and 29 July 2024.

For more information:

Andrew J. Vigar
Executive Chairman
andrew@t92.com.au

Tony Panther
Joint Company Secretary
admin@t92.com.au

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