



ASX Announcement | 31 January 2025

DECEMBER 2024 QUARTERLY REPORT

Terra Metals Limited (ASX:TM1) ("Terra" or "Company") is pleased to present its quarterly report for the quarter ending 31 December 2024.

Highlights

Highlights during and since the quarter include:

- Completed an 18-hole diamond drill program (3,208m) and a 66-hole reverse circulation ("RC") drill program (4,875m) at the Dante polymetallic project ("Dante Project") in Western Australia, aimed at expanding existing discoveries.
- New drill results continue to deliver high-grade titanium from or near surface in addition to copper, platinum group metals ("PGMs") and vanadium over 2.5km of strike.

Intercept	TiO ₂	PGE3	Cu	V ₂ O ₅	From depth	Hole ID
7m	22.70%	0.78g/t	0.18%	0.88%	Surface	URC021
5.8m	22.20%	0.85g/t	0.34%	0.79%	24m	UDH008
4m	21.30%	0.82g/t	0.14%	0.93%	5m	URC045
6m	19.20%	0.80g/t	0.07%	0.92%	5m	URC014
5m	19.20%	0.86g/t	0.26%	0.78%	12m	URC022
5m	19.00%	0.72g/t	0.25%	0.77%	19m	URC038
6m	18.90%	0.26g/t	0.14%	0.64%	Surface	URC029
9m	18.60%	0.58g/t	0.16%	0.70%	Surface	URC037
5m	18.50%	0.84g/t	0.13%	0.90%	20m	URC039
7m	18.40%	0.62g/t	0.22%	0.72%	4m	URC030
7m	18.30%	0.48g/t	0.19%	0.67%	3m	URC046
10m	18.00%	0.52g/t	0.13%	0.65%	Surface	URC044
5m	18.00%	0.59g/t	0.26%	0.74%	21m	URC031

- Assays are pending from a further 33 drillholes targeting further shallow high-grade mineralisation.
- Acquired option over a contiguous tenement package covering 618km² located adjacent to the Dante Project.

For further information, please contact:

Thomas Line

CEO & Managing Director

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Dante Project

The Dante Project, located in the West Musgrave region of Western Australia, contains large-scale magmatic copper (“Cu”), gold (“Au”), platinum group metal (“PGM”), titanium (“Ti”) and vanadium (“V”) discoveries in the same geological complex and in close proximity to one of the world’s largest mining development projects, BHP’s Nebo-Babel deposit.

During 2024, the Company made two large Bushveld-style Cu-Au-PGM-V-Ti reef discoveries (the “Dante Reefs”) extending for at least 20km of strike. The Dante Reefs are large mineralised stratiform reefs hosted within the Jameson Layered Intrusion, part of the Giles Complex.

The Giles Complex is hosted within the broader Musgrave block (140,000km²) in central Australia which 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.

There are several other mapped (outcropping and sub-cropping) and interpreted reefs throughout the Dante Project, which are yet to be drill tested.

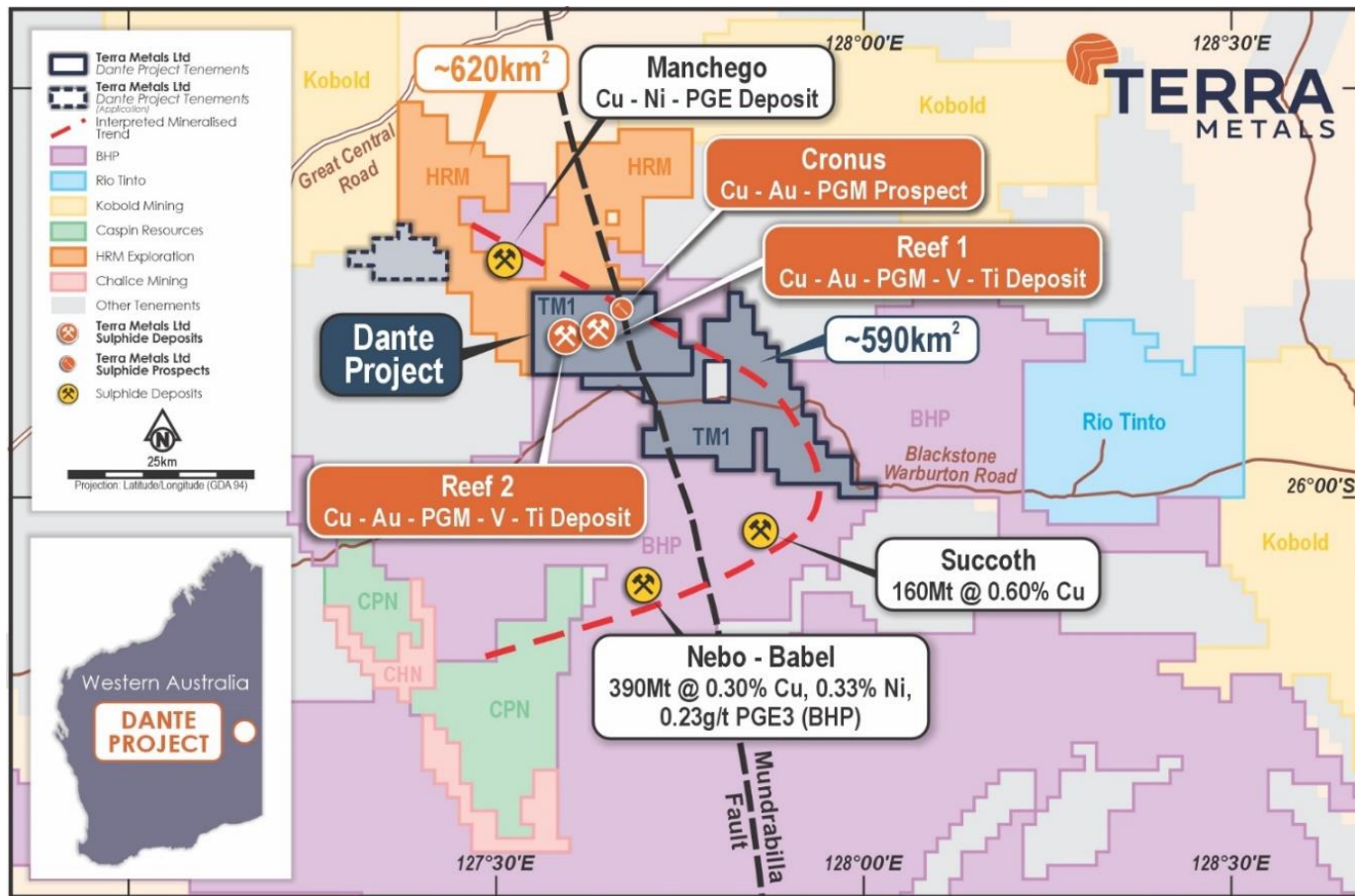


Figure 1. Dante Project location map displaying surrounding companies' tenure and major deposits

Phase 2 RC & Phase 1 Diamond Drilling Programs

During the quarter, the Company completed its Phase 2 RC drill program, comprising 66 holes for a total of 4,875m, and its Phase 1 diamond drill program, comprising 18 holes for a total of 3,208m, at its Dante Project.

Assay results from the Phase 2 RC and Phase 1 diamond drill programs continue to confirm extensive shallow high-grade mineralisation over 2.5km of strike at Reef 1 North, including high-grade titanium ("TiO₂") complemented with copper ("Cu"), gold ("Au"), platinum group metals ("PGMs") and vanadium ("V₂O₅") in the same mineralised layer.

Assay results received to-date from 32 of 33 RC drillholes at Reef 1 North have returned significant intercepts, highlighting the scale, continuity, and consistency of the system from surface. Assays are pending from a further 33 drillholes aimed at expanding the discovery further and defining additional high-grade zones.

The latest results reinforce the Dante Reefs as a significant multi-commodity discovery, with high-grade titanium complemented by substantial copper, gold, PGMs, and vanadium. The unique metal assemblage presents strong economic potential, positioning Dante Reefs as a strategic asset within Australia's critical minerals sector. While titanium has seen increasing market interest, these results highlight the broader value of the project, with multiple metals providing potential revenue streams and increasing its commercial appeal.

With further assays pending, the Company expects to update its Exploration Targets as drilling continues to expand the scale of the discovery. These latest results continue to support the potential that the Dante Reefs host a significant deposit, and ongoing exploration is expected to further strengthen its potential as a major multi-commodity project.

Drill Highlights

Hole ID	Intercept	TiO ₂	PGE3*	Cu	V ₂ O ₅	Depth
URC037	9m	18.6%	0.58g/t	0.16%	0.70%	Surface
URC044	10m	18.0%	0.52g/t	0.13%	0.65%	Surface
URC029	6m	18.9%	0.26g/t	0.14%	0.64%	Surface
URC040	9m	15.8%	0.59g/t	0.12%	0.65%	Surface
URC014	6m	19.2%	0.80g/t	0.07%	0.92%	5m
<i>including</i>	2m	19.8%	1.62g/t	0.04%	1.11%	6m
URC046	7m	18.3%	0.48g/t	0.19%	0.67%	3m
<i>including</i>	3m	22.7%	0.62g/t	0.28%	0.75%	5m
URC030	7m	18.4%	0.62g/t	0.22%	0.72%	4m
<i>including</i>	3m	23.1%	1.10g/t	0.25%	1.02%	7m
URC045	4m	21.3%	0.82g/t	0.14%	0.93%	5m
URC039	5m	18.5%	0.84g/t	0.13%	0.90%	20m
URC031	5m	18.0%	0.59g/t	0.26%	0.74%	21m
URC038	5m	19.0%	0.72g/t	0.25%	0.77%	19m
URC015	4m	17.2%	1.00g/t	0.20%	0.69%	24m
URC016	4m	18.6%	0.63g/t	0.36%	0.63%	46m
<i>including</i>	2m	22.6%	1.00g/t	0.44%	0.80%	48m
URC033	6m	16.8%	0.56g/t	0.22%	0.66%	46m

including	2m	23.6%	1.12g/t	0.35%	0.97%	48m
URC017	5m	17.3%	0.77g/t	0.27%	0.65%	79m
including	3m	22.1%	1.07g/t	0.36%	0.83%	81m

*PGE3 is the sum of platinum (Pt), palladium (Pd), and gold (Au)

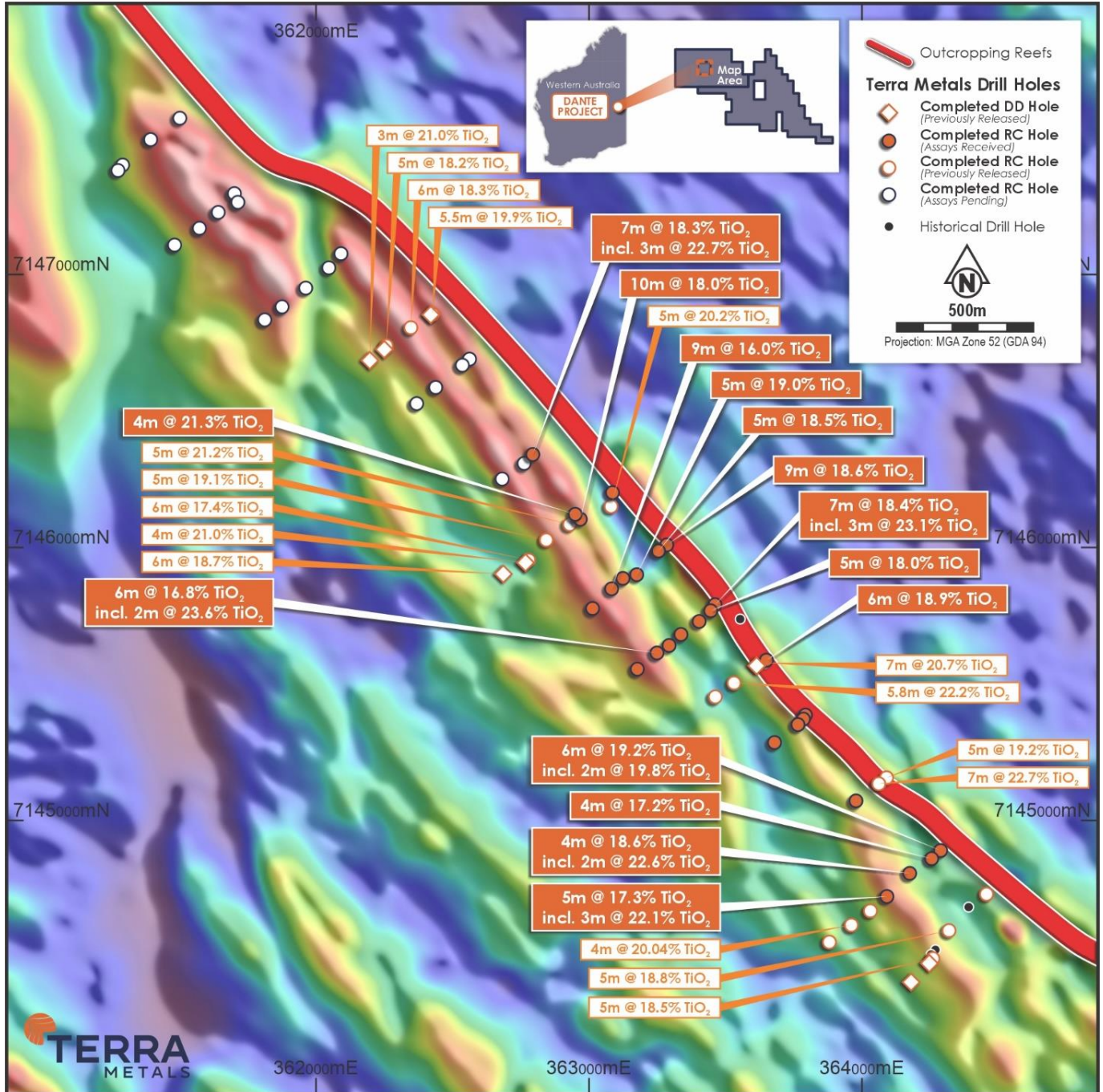


Figure 2. Dante Reef 1 discovery with new and previously reported titanium drill results, over total magnetic intensity ("TMI") image

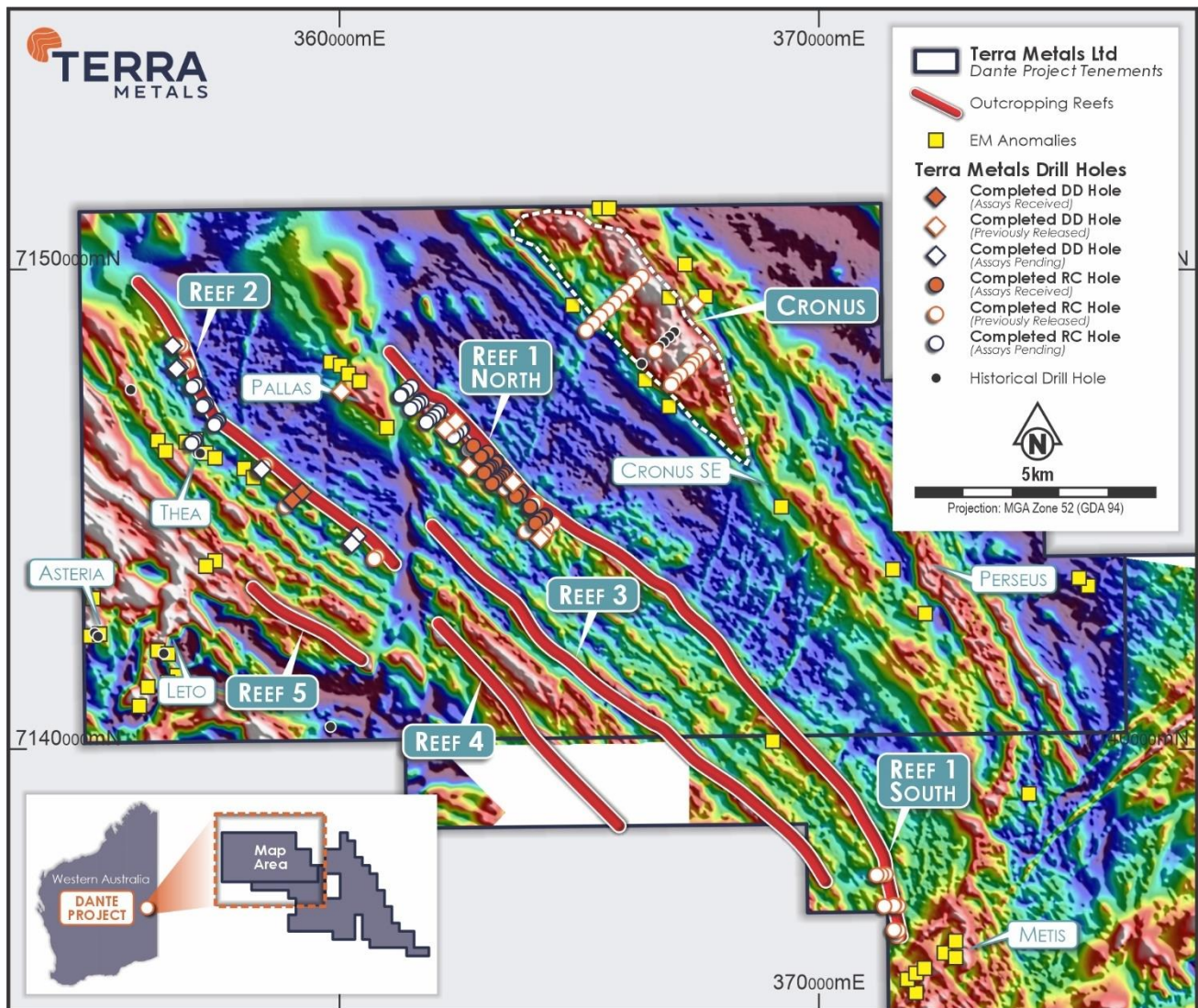


Figure 3. TMI image showing prospects in the western portion of Dante Project Reef 1 and Reef 2 discoveries with new, previously reported, and pending results.

Option to Expand Dante Project

Subsequent to the end of the quarter, the Company entered into an option to acquire 100% of HRM Exploration Pty Ltd ("HRM") ("Acquisition"). HRM holds four (4) exploration licenses covering 618km² that are contiguous with Company's Dante Project.

The Acquisition will strengthen Terra's already substantial position in the highly prospective Jameson Layered Intrusion, which is analogous to the Bushveld Province of South Africa.

In consideration for a 12-month exclusive option ("Option"), the Company has paid a non-refundable option fee comprising 8,333,333 fully paid ordinary shares in the capital of the Company. The Company can exercise the Option at any time during the 12-month option period. Upon exercise of the Option by the Company, the consideration for the Acquisition shall comprise 7,500,000 fully paid ordinary shares in the Company ("Upfront Shares") at settlement and up to 11,250,000 fully paid ordinary shares in the Company ("Deferred Shares"), subject to various performance conditions.

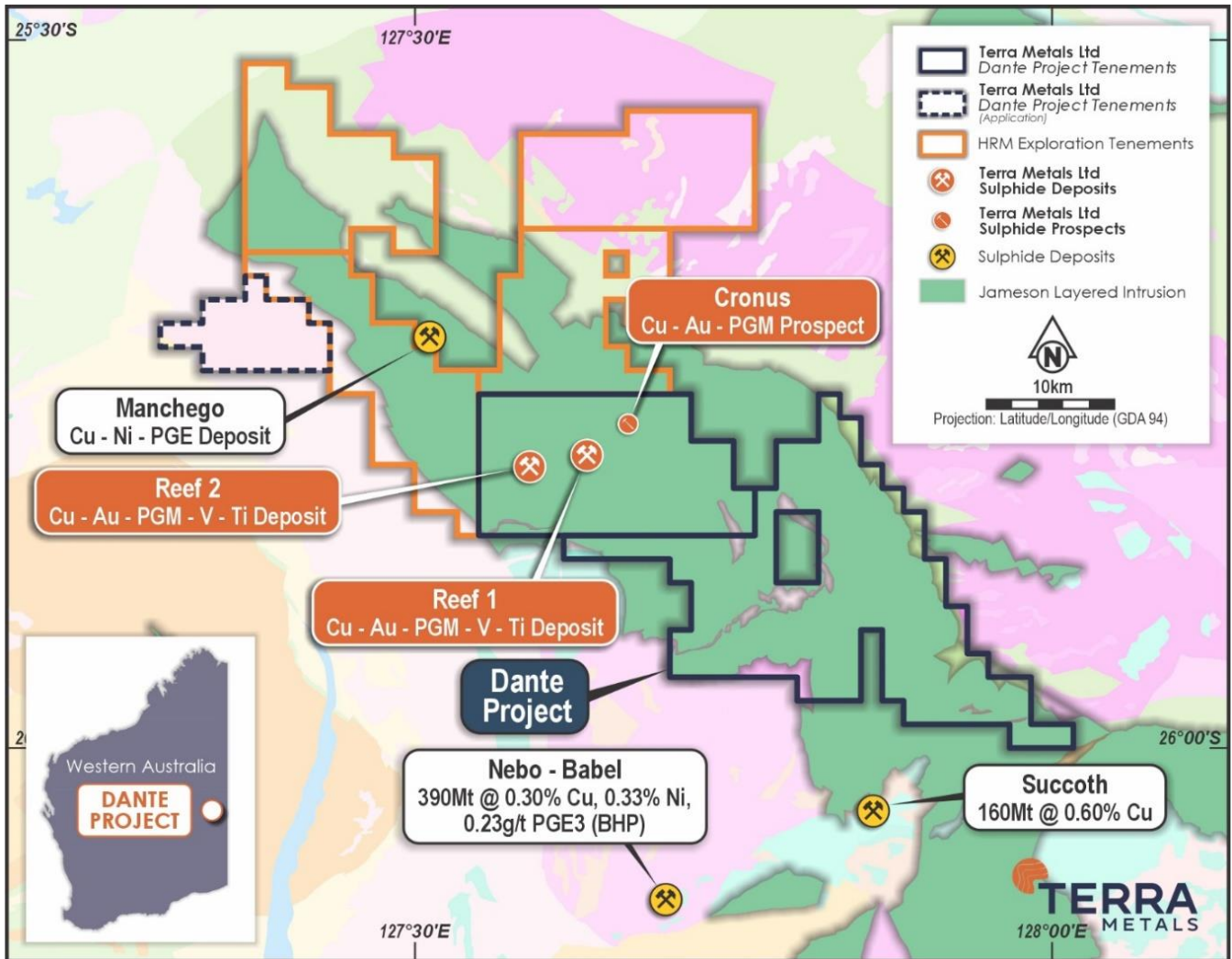


Figure 4. Geology map of the West Musgrave Region, showing the highly prospective Jameson Layered Intrusion, the existing significant deposits, Dante Project tenure, and the proposed HRM acquisition tenure.

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 by ~2km lithium anomaly >100ppm lithium oxide ("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 Southern Cross Project, including two resources of significance: the Mt Holland project (186Mt at 1.53% Li₂O); and the Split Rocks project (11.9Mt at 0.72% Li₂O) both within in the southern cross domain.

Onslow Project

During the June 2024 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% tungsten trioxide ("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.

ASX Additional Information

Mining exploration tenements

As at 31 December 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
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
	E08/3197	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 drill preparation	(564)
Geological and other consultants	(105)
Sample analysis	(13)

Mapping	(5)
Tenement rents, rates and management	(24)
Native title	(4)
Field supplies, vehicles, travel and other	(168)
Total	883

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

Related party payments

During the quarter, the Company made payments of approximately \$70,000 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 28 January 2025, 19 December 2024, 12 November 2024, 22 October 2024, 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")

31 December 2024

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	(883)	(2,632)
(b) development	-	-
(c) production	-	-
(d) staff costs	(328)	(659)
(e) administration and corporate costs	(112)	(335)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	29	64
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other		
(a) business development costs	(41)	(125)
(b) GST inflow/(outflow)	177	73
1.9 Net cash from / (used in) operating activities	(1,158)	(3,614)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment:	-	(7)
(d) exploration & evaluation	-	-
(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	-	(7)
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,845
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	-	(396)
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	-	5,449
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	3,634	648
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,158)	(3,614)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(7)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,449

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	2,476	2,476

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	2,476	3,634
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)	2,476	3,634

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
(70)
-

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.

	Total facility amount at quarter end A\$000	Amount drawn at quarter end A\$000
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-
7.5		-

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)	(1,158)
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)	(1,158)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,476
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,476
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.1
<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?

Not applicable.

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?

Not applicable.

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?

Not applicable.

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 2025

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.