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ASX Announcement | **7 May 2024**

EXERCISE OF OPTION TO EXPAND DANTE PROJECT

Terra Metals Limited (ASX:TM1) ("Terra" or "Company) is pleased to announce that it has exercised its option to acquire 100% of HRM Exploration Pty Ltd ("HRM") ("Acquisition").

HRM holds four (4) exploration licenses covering 618km^2 that are contiguous with Company's flagship Dante polymetallic project ("Dante Project") in Western Australia.

The all-scrip Acquisition will almost double the Company's tenement position in the West Musgrave region and consolidate its foothold in the highly prospective Jameson Layered Intrusion, which is analogous to the Bushveld Province of South Africa.

Recent ground activities on the tenements held by HRM have confirmed extensions of target mineralisation style, supporting the substantial exploration potential of the district-scale project.

The Company is currently progressing metallurgical optimisation testwork and a maiden Mineral Resource Estimate at the Dante Reefs discovery.

Settlement of the Acquisition is expected to occur shortly.

Managing Director and CEO, Mr Thomas Line, commented: *"We are excited to secure a dominant landholding in the emerging major metal province. Last year we made two large copper-titanium-gold-platinum-vanadium discoveries at Reef 1 North and Reef 2. Recent metallurgical testwork has confirmed the mineralisation can produce 3 high-grade concentrates with high recoveries, using simple and low-cost processing tools. We look forward to providing further updates on the expanded Dante Project in due course".*

For further information, please contact:

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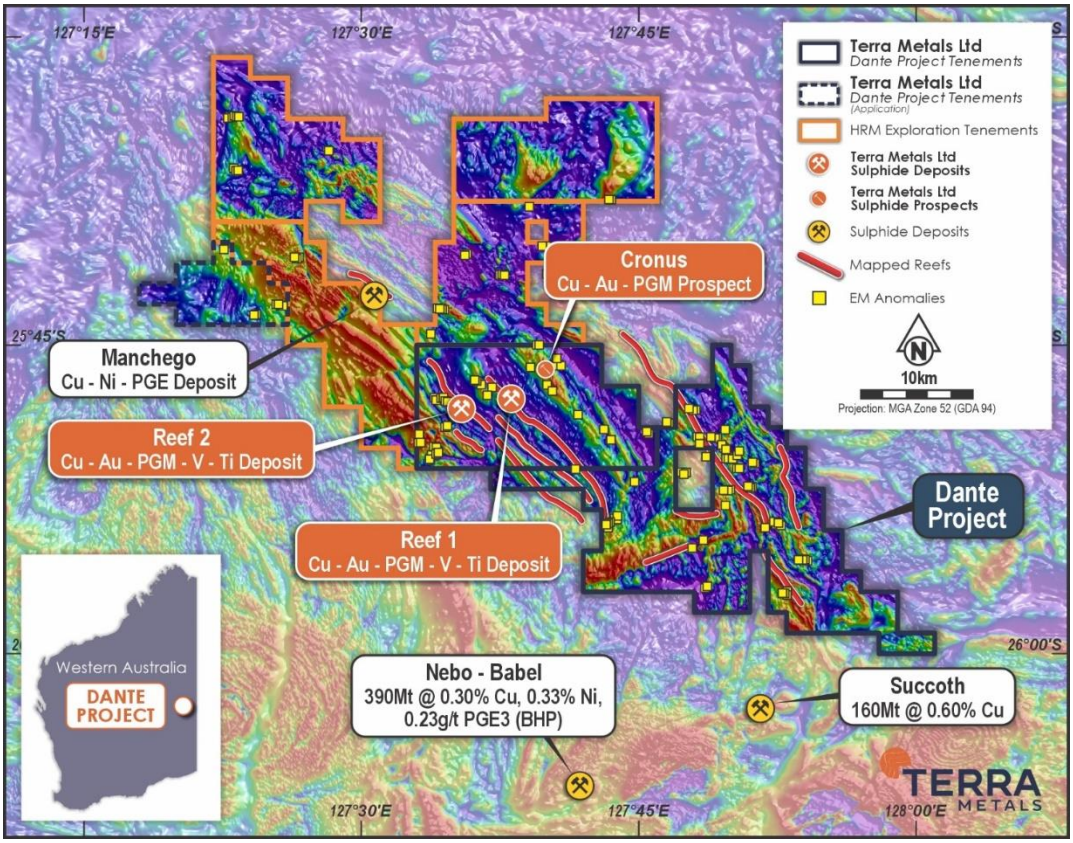


Figure 1. *Reprocessed regional geophysics image of the West Musgrave Region, showing the highly prospective Jameson Layered Intrusion, existing deposits, Dante tenements, and the HRM tenements*

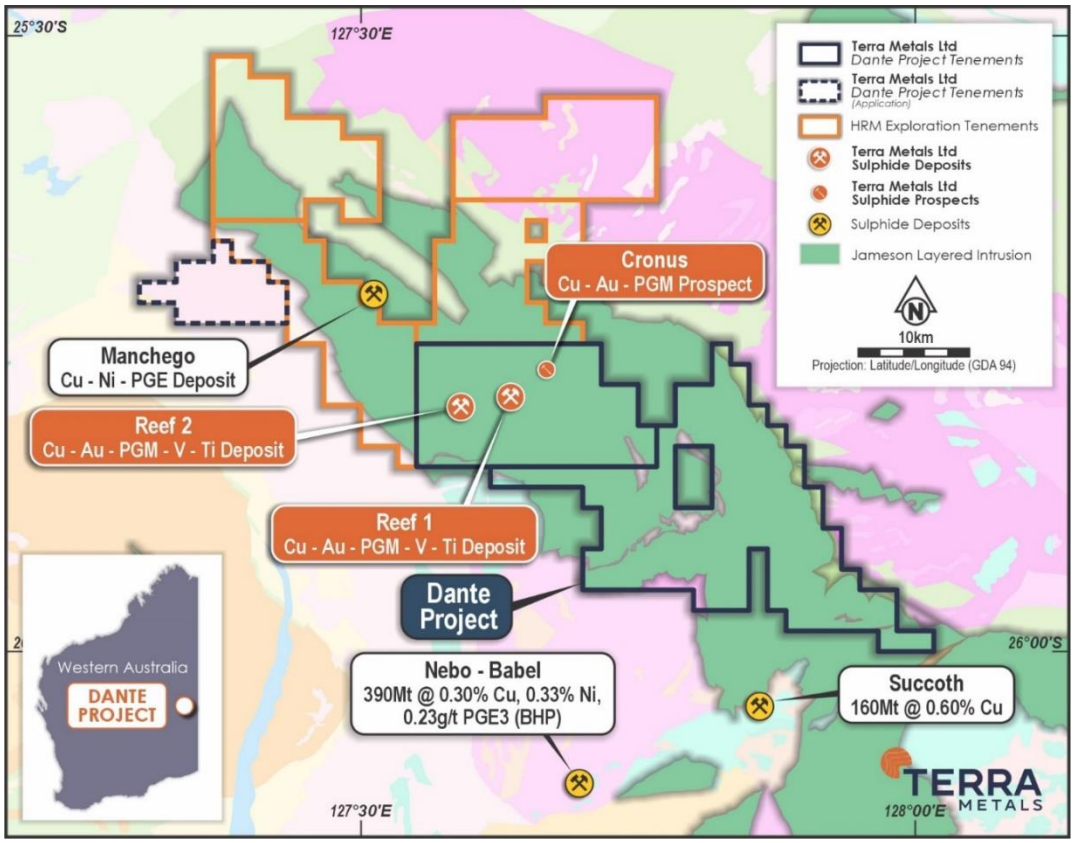


Figure 2*. Geology map of the West Musgrave Region, showing the highly prospective Jameson Layered Intrusion, existing deposits, Dante tenements, and the HRM tenements.*

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Commercial Terms

The Company, HRM and HRM's sole shareholder, Hardrock Minerals Limited, previously executed a binding term sheet ("**Agreement**") that provided a 12-month exclusive option ("**Option**") for the Company to acquire 100% of the issued capital of HRM ("**Acquisition**").

The Company has now exercised its Option. At settlement, consideration for the Acquisition shall comprise the following:

(a) 7,500,000 fully paid ordinary shares in the Company ("**Upfront Shares**") at settlement, with 3,750,000 shares subject to a 6-month escrow period and 3,750,000 shares subject to a 12-month escrow period from settlement; and

(b) Up to 11,250,000 fully paid ordinary shares in the Company ("**Deferred Shares**"), subject to performance conditions as follows:

(i) 3,750,000 fully paid ordinary shares in the Company after the latest to occur of:
   A. the announcement by the Company to ASX of cumulative drill intercepts from new drilling to be completed by the Company post settlement (i.e. not from historical drilling results) on the HRM Tenements totalling not less than 10-% metres of Cu equivalent (including any combination of Ni, Cu, Co, Au, Pt, Pd, Rh) at a cut-off grade of not less than 0.5% of Cu equivalent; and
   B. the Company achieving a VWAP of the Company's shares trading on the ASX in the ordinary course of trade of at least $0.10 over 20 consecutive trading days on which the Company's shares have actually traded,

   on or before 28 August 2027 ("**Milestone 1**");

(ii) 3,750,000 fully paid ordinary shares in the Company after the latest to occur of:
   A. the announcement by the Company to ASX of cumulative drill intercepts from new drilling to be completed by the Company post settlement (i.e. not from historical drilling results) on the HRM Tenements totalling not less than 20-% metres of Cu equivalent (including any combination of Ni, Cu, Co, Au, Pt, Pd, Rh) at a cut-off grade of not less than 0.5% of Cu equivalent; and
   B. the Company achieving a VWAP of the Company's shares trading on the ASX in the ordinary course of trade of at least $0.15 over 20 consecutive trading days on which the Company's shares have actually traded,

   on or before 28 August 2027 ("**Milestone 2**"); and

(iii) 3,750,000 fully paid ordinary shares in the Company after the announcement by the Company of an independently assessed JORC Code Mineral Resource from the HRM Tenements of not less than 150,000 tonnes of Cu equivalent (including any combination of Ni, Cu, Co, Au, Pt, Pd, Rh) a cut-off grade of not less than 0.5% Cu equivalent, on or before 28 August 2028 (the "**Milestone 3**").

Settlement of the Acquisition is expected to occur shortly, subject to the warranties provided by HRM being true and correct in all material respects and HRM not being in breach of its obligations under the Agreement.

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About the 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.

There are several other mapped (outcropping and sub-cropping) and interpreted reefs throughout the Dante Project, which are yet to be drill tested. These reefs are considered priority drill targets and may represent additional exploration upside potential.

It is common for different mineralised layers (reefs) within a large, layered intrusion to contain different economic metal assemblages. Accordingly, the Dante Project, which contains multiple mapped and interpreted mineralised layers in different stratigraphic positions, most of which remain untested, is considered prospective for a range of different Bushveld-like mineralisation styles or deposits depending on which reef layer is drilled.

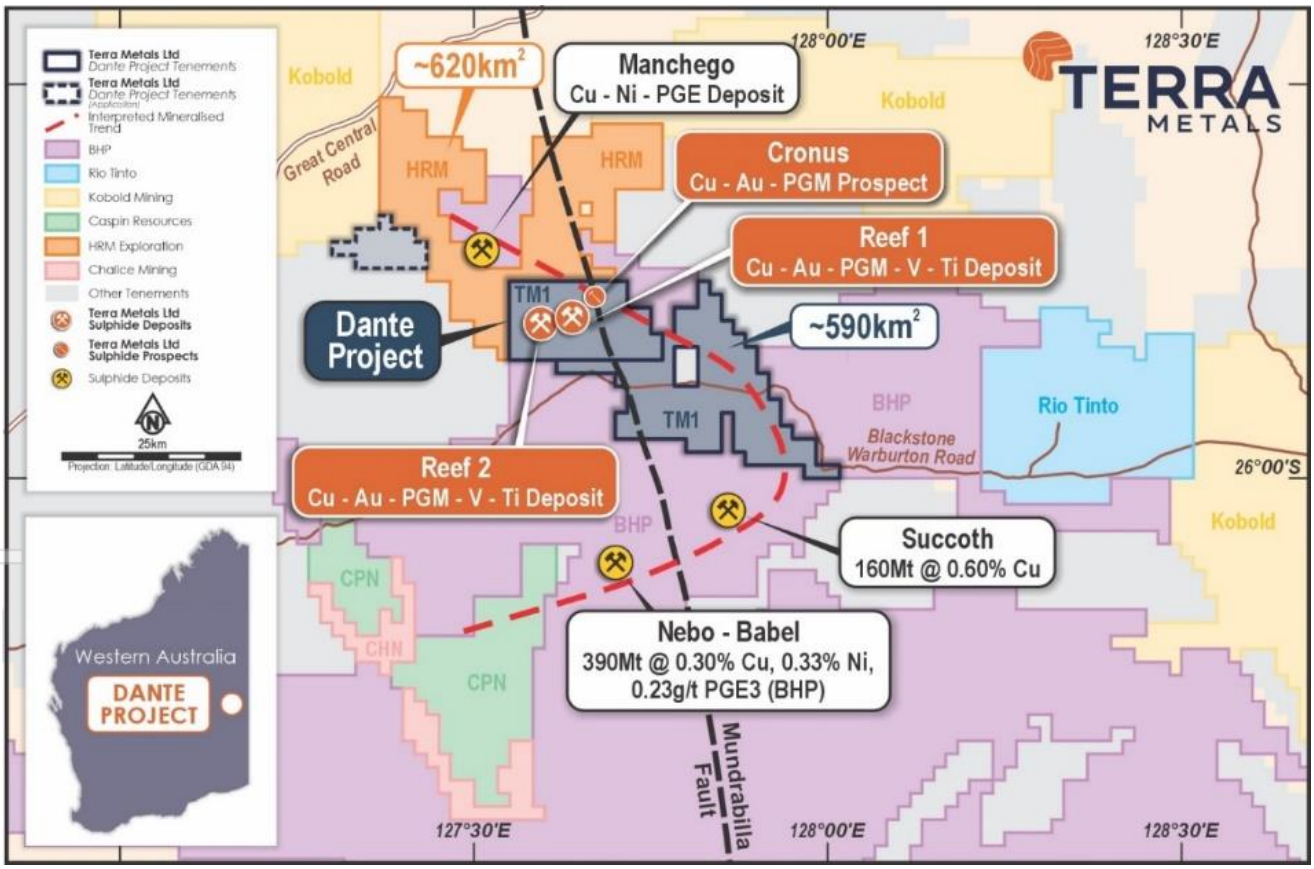


Figure 3. *Dante Project location map displaying surrounding companies' tenure and major deposits.*

Competent Person's Statement

The information in this report that relates to Exploration Results for the Dante Project is extracted from the Company's ASX announcements dated 2 April 2025, 24 March 2025, 4 March 2025, 19 February 2025, 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 ("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 and Important Notice

Statements regarding plans with respect to the Company'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 CEO and Managing Director.

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