

Terra Clean Energy Corp. (TCEC)

Summer Drilling Program Announced for South Falcon East

Event

Yesterday, Terra Clean Energy Corp. announced its plans for the upcoming summer drill program at South Falcon East. The summer program is budgeted at C\$2.0M and will encompass approximately 2,500m. The upcoming summer campaign will build on the success of the recently completed winter program. The summer drilling program is expected to begin in mid-June and will run for approximately 4-5 weeks.

Details

- **Largest Drilling Campaign to date** – At an expected 2,500m, the summer campaign will surpass the nearly 2,000m as was drilled during the recently completed winter campaign. A total of 7-10 drill holes are expected this summer. Building upon the success of the winter program, the summer campaign will target an area approximately 120m-150m north of four winter drill holes. The target area is just a bit further north of the Way Lake Conductor and intersects an inferred NW-SE fault. The stage is set with several key indicators present for higher grade, Athabasca Basin deposits: graphitic metasediments, brittle reactivated basement structures and both clay alteration and hematite alteration.
- **Building Upon the Successful Winter 2025 Campaign** – When compared to the winter 2024 program, the 2025 winter drilling program not only encountered wider intervals of mineralization but more consistent and higher grade spikes (with a notable peak of 0.16% eU3O8 – drill hole SF0065) were also detected.
- **Strategically Located Deposit** – The Fraser Lakes B deposit is situated at the periphery of the Athabasca Basin. The Project itself is located 50km east of Cameco's Key Lake uranium mill and just 7km north of the powerline servicing the Key Lake operations. As previously defined, Fraser Lakes B currently hosts a NI43-101 compliant uranium resource (Inferred) estimated to be 10.35Mt grading 0.03% U3O8 for 6.96M lbs, along with thorium mineralization. The relatively shallow ~150m deposit would be ideally positioned for open pit mining. The deposit is situated near a powerline and ~55km from Cameco's Key Lake deposit and mill.

Conclusion

With nearly 2,000m drilled, the winter campaign was successful in demonstrating that the deposit remains open down dip to the northwest, north and northeast. The ambitious 2,500m summer campaign will draw upon the results from the winter campaign given a defined target area with high potential for the discovery of higher grade unconformity related basement hosted uranium deposit. A resource update incorporating the 2024 and 2025 drilling will be expected sometime in Q4/2025. Ahead of the summer campaign start, we maintain our C\$0.33 per share price objective. Given the recent sector volatility, our price objective equates to 200% upside from the most recent close. We add that given the robust near-term drilling plans, the risk remains on the upside for a material valuation re-rate. The full online note can be found [here](#):

Company Profile

Sector	Mining
Sub-Sector	Uranium
Company	Terra Clean Energy Corp.
Ticker	TCEC
Current Price (C\$)	C\$0.11
12-Mth Price Objective (C\$)	C\$0.33
Potential Upside	+200%
Mkt Cap, Basic (C\$M)	\$4.0
EV (C\$M)	\$3.2
Shares O/S Basic (M)	36.33
1-Mth Return	-39.5%
3-Mth Return	-45.2%
YTD Return	-47.7%

Measured & Indicated	Grade U3O8	Attrib. lbs
South Falcon East	n/a	n/a

Inferred Resources	Grade U3O8	Attrib. lbs
South Falcon East	0.03%	6.9M lbs*

* South Falcon East at 100%

Company Description

Terra Clean Energy Corp. is an exploration company advancing the South Falcon East project, located in the periphery of the Athabasca Basin. Ownership of the South Falcon East property is via earn-in agreement with Skyharbour Resources. Given annual milestone payments, a 51% ownership stake may be achieved in 2027, increasing to 75% by 2029.

2-Year Stock Chart



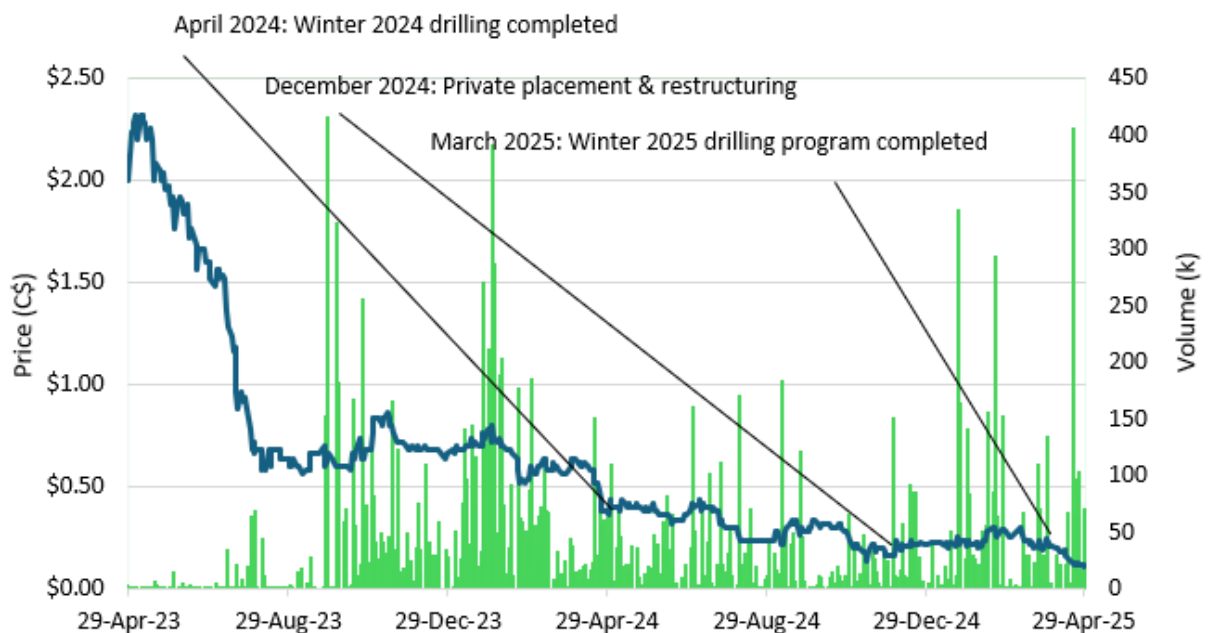
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SUCCESSFUL WINTER 2025 DRILLING DONE; STAGE SET FOR THE SUMMER CAMPAIGN

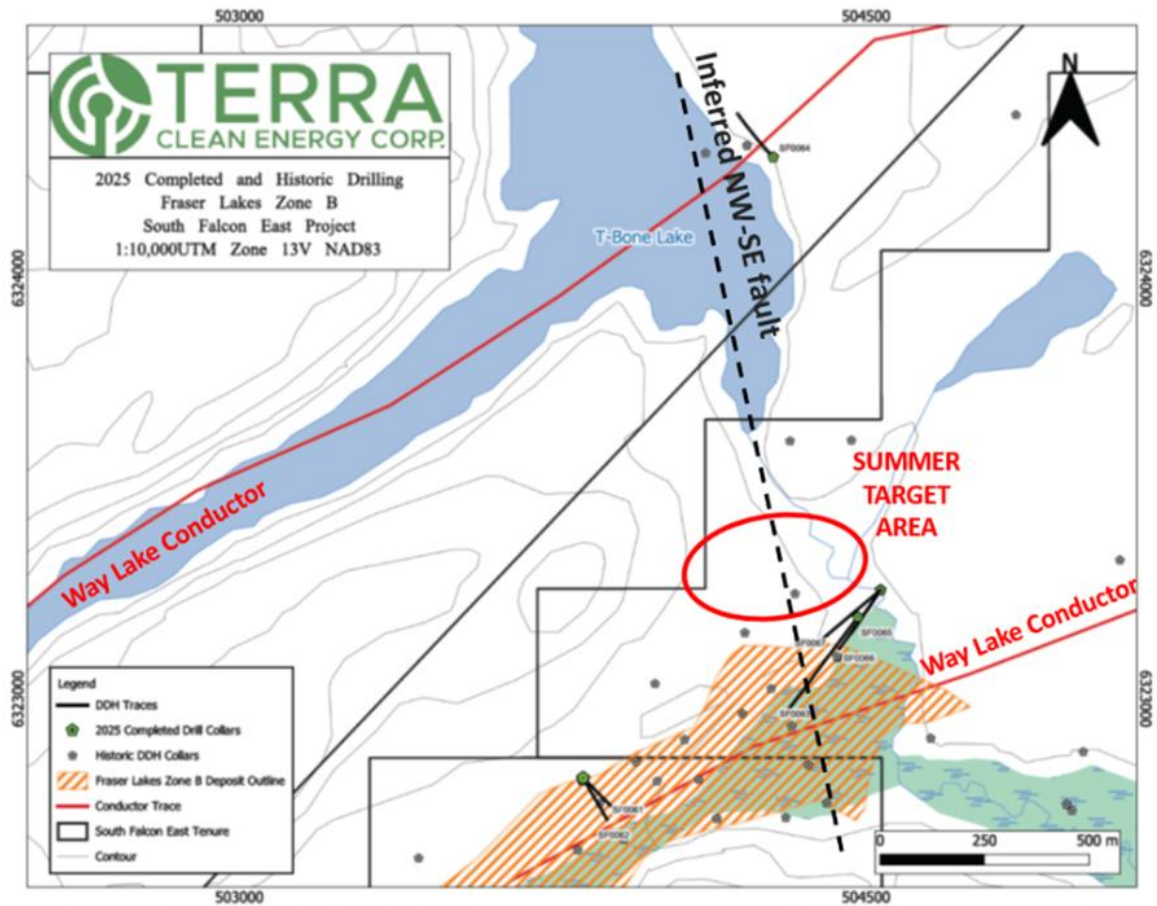
This past March/April, Terra Clean Energy Corp. announced the results from its winter 2025 drilling campaign at the South Falcon East Uranium Project, located at the periphery of the south-eastern edge of the Athabasca Basin. With 6 of 7 drill holes encountering uranium mineralization, the large-scale winter drill campaign was successful on numerous fronts. With a planned 2,500m summer drilling target (spread between 7-10 drill holes), the upcoming summer campaign will be the most ambitious drilling program ever conducted on the property. Drilling is expected to commence in mid-June.

Exhibit 1. Two-Year Share Price Performance



Source: HoldCo Markets

The identified target zone for the summer campaign is located in an area approximately 120m-150m north of winter drill holes SF0063, SF0065, SF0066 and SF0067. Recall that as announced earlier in April, **drill hole SF0067** intersected a 70m interval containing multiple mineralized granitic pegmatites and zones within the altered and graphitic pelitic gneiss package. This interval was noted for the larger number of higher-grade spikes at or above the 0.1% eU3O8 intersected during the program. Down-hole gamma logging returned equivalent grades of 0.03% eU3O8 over 4.0m from 219.8m-223.8m, including 0.13% eU3O8 over 0.2m and 0.01% eU3O8 over 5.5m from 233.7m-239.2m, including 0.06% eU3O8 over 0.2m in the two widest intervals. A zone of strong clay alteration and bleaching was intersected from 66.5m-73.5m. **Drill hole SF0065** was drilled to follow up the results of SF0063, reported earlier in March. It was targeted to intersect the same mineralized pegmatites 60m to the northeast. The hole was completed to a depth of 282m and intersected a 75m wide zone of variably mineralized granitic pegmatites and zones within altered and graphitic pelitic gneiss. The main highlight was an equivalent grade of 0.02% eU3O8 over 17.5m from 204.9m-222.4m, including 0.16% eU3O8 over 0.3m. The full drilling details can be seen in Exhibit 4 below.

Exhibit 2. Summer 2025 Target Area


Source: Terra Clean Energy Corp., HoldCo Markets

As can be seen from Exhibit 2 above, the identified target area is located further north of the Way Lake Conductor and intersects an inferred NW-SE fault (south of T-Bone Lake). The specific purpose of the upcoming drilling campaign is to test an area highlighted in the Winter 2025 program where it is interpreted that a north-northwest trending brittle structure, a north dipping structure with strong clay alteration, and mineralized pegmatites with hydrothermal hematite alteration hosted in graphitic pelitic gneiss all intersect. Numerous indicators have been identified which are characteristic of higher grade mineralization. These identified indicators include:

- Graphitic metasediments
- Brittle reactivated basement structures
- Reducing fluid (indicated by clay alteration)
- Oxidizing fluid (indicated by hematite alteration, transports uranium)

All the above features have now been identified in the Fraser Lakes B deposit area. Where they are projected to intercept is considered a top priority target area for the discovery of a higher-grade unconformity related basement hosted uranium deposit and additional mineralized pegmatites. The upcoming summer program will be a helicopter supported drill program encompassing a total of 7-10 diamond drill holes.

Exhibit 3. Historic & Proposed Drilling Programs at the Fraser Lakes B Deposit

Zone B Historic drilling (JNR Resources)

Drill Program	No. of Holes Drilled	Meters Drilled
2008 (Summer)	3	740
2009 (Winter)	16	2,175
2010 (Winter)	10	1,922
2011 (Winter)	3	858
Total	32	5,695

Zone B drilling (Terra Clean Energy)

Drill Program	No. of Holes Drilled	Meters Drilled
2024 (winter) - completed	2	442
2025 (winter) - completed	7	1,927
2025 (summer) - upcoming	7-10	2,500
Total	16-19	4,869

Source: HoldCo Markets, Terra Clean Energy Corp.

Exhibit 4. Winter 2024 & 2025 South Falcon East Highlight Uranium Mineralization

Hole ID	Grade		Depth of mineralization (m)		Note	Grade		Total Depth (m)
	% eU3O8	Interval (m)	From:	To:		% eU3O8	Interval (m)	
Winter 2024:								
SF-0059	0.03%	4.10	137.65	141.75	Including	0.11%	0.2	221
					Including	0.05%	0.2	
					Including	0.06%	0.2	
	0.02%	5.60	129.65	135.25	Including	0.07%	1.1	
					Including	0.11%	0.2	
SF-0060	0.02%	1.30	142.15	143.45	Including	0.05%	0.1	221
Winter 2025:								
SF-0061	0.02%	2.20	150.25	152.45	Including	0.05%	0.6	209
SF-0062	0.03%	2.40	141.75	144.15	Including	0.05%	0.4	200
SF-0063	0.03%	12.00	173.55	185.55	Including	0.06%	0.7	393
	0.03%	3.00	213.65	216.65	Including	0.07%	0.5	
SF-0064	n/a	-	-	-	-	-	-	239
SF-0065	0.02%	17.50	204.90	222.40	Including	0.16%	0.3	282
SF-0066	0.03%	3.40	214.40	217.80	Including	0.10%	0.1	302
SF-0067	0.03%	4.00	219.80	223.80	Including	0.13%	0.2	302
	0.01%	5.50	233.70	239.20	Including	0.06%	0.2	

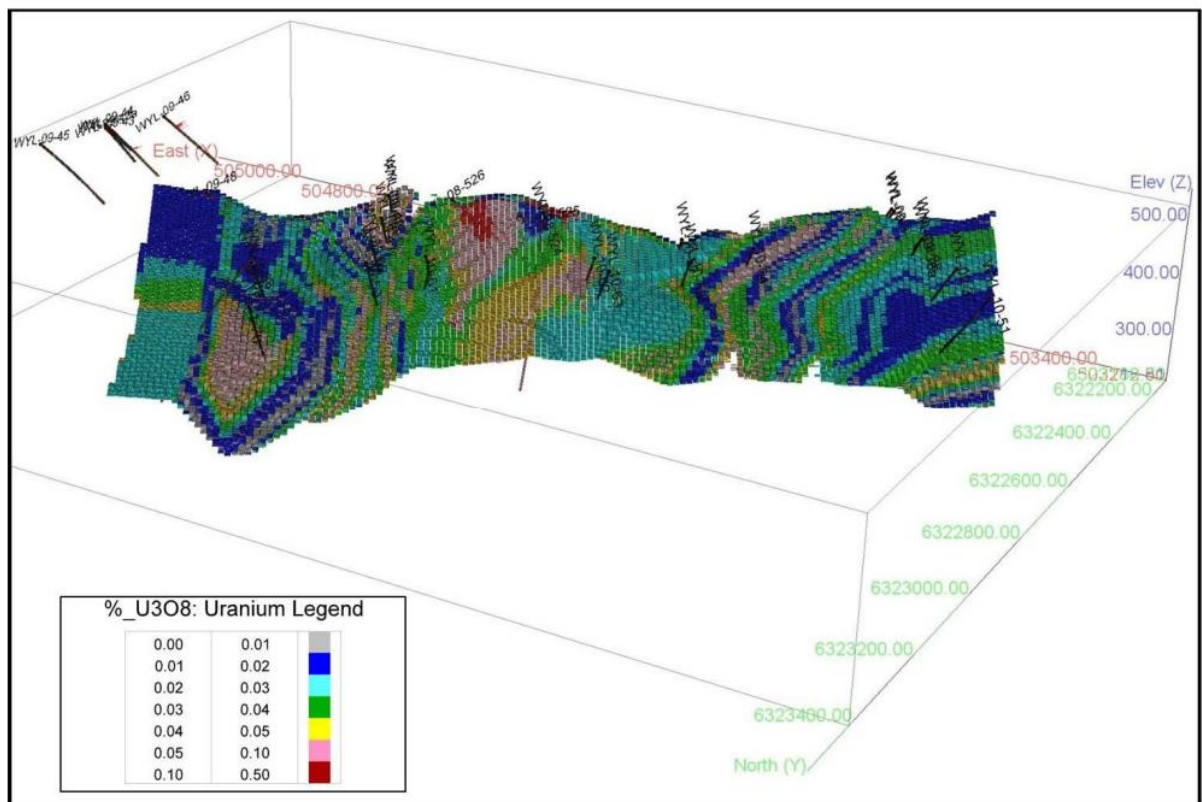
Source: Terra Clean Energy Corp., HoldCo Markets

RECAPPING THE SOUTH FALCON EAST PROJECT

Strategically situated at the periphery of the Athabasca Basin, the South Falcon East Project is located 50km east of Cameco's (CCJ, CCO) Key Lake uranium mill and just 7km north of the powerline servicing the Key Lake operations. As previously defined, the Fraser Lakes B deposit currently hosts a NI43-101 compliant uranium resource (Inferred) estimated to be 10.35Mt grading 0.03% U3O8 for 6.96M lbs, along with thorium (ThO2) mineralization. Mineralization remains open both down dip and along strike.

Exhibit 4. Fraser Lakes B Resource Estimate

Cut-off % % U3O8	Tonnes (M)	U3O8		ThO2	
		Grade (%)	Lbs (M)	Grade (%)	Lbs (M)
<0.01%	12.94	0.025%	7.106	0.019%	5.503
0.01%	10.35	0.030%	6.960	0.023%	5.339
0.02%	7.25	0.037%	5.948	0.028%	4.549
0.03%	4.25	0.046%	4.275	0.034%	3.164
0.04%	2.21	0.056%	2.744	0.042%	2.047
0.05%	1.03	0.069%	1.576	0.047%	1.058



Source: Technical Report on the Falcon Point Project – March 20, 2015 by GeoVector Management Inc.

CONCLUSION & VALUATION

Our investment thesis remains intact: with Terra Clean Energy we see a microcap valuation leading to exposure to a pre-established, 6.9M lb Inferred shallow uranium resource situated near the needed infrastructure required for mining. The large scale summer drilling campaign will provide for additional near term catalysts. Assay results from the winter campaign will be expected in May. Following the summer drilling campaign, an updated resource estimate will be expected in Q4/2025.

Exhibit 5. Pathway to Project Ownership: Spend to In-Situ Valuation

		Ownership	at 51%	at 75%
TCEC current mcap C\$M	\$4.00M			
South Falcon East lbs	6.9M lbs			
Pro-rata lbs			3.5M lbs	5.2M lbs
Valuation/lb			\$1.14	\$0.77
Remaining earn-in spend (ex-work) C\$M			\$6.39	\$11.39
Remaining earn-in spend (all) C\$M			\$11.39	\$21.39
C\$/lb (ex-work)			\$1.85	\$2.20
C\$/lb (all)			\$3.30	\$4.11

Source: HoldCo Markets

Since exploration work and robust drilling campaigns are necessary standards for all exploration companies, we look at both all-in, earn-in cost and the earn-in ex work cost. Once backing out of the work budget, isolating the dedicated cash and share payments are more representative of the earn-in (asset) cost. These pro-rata valuations would equate to C\$1.85/lb (at 51%) or C\$2.20/lb (at 75%). These amounts are considerably lower to some of the more recently seen transaction valuations in the Athabasca Basin. See our August 22, 2024 initiation report for more details. Note as well that the numbers in Exhibit 5 above are for benchmarking purposes to the current 6.9M lb Inferred resource. We will wait until the updated resource estimate for any possible resource expansion.

Exhibit 6. Net Asset Value

		Value (C\$M)	\$ Per Share	% of NAV
South Falcon East (75%)	\$4.75/lb	\$24.6	\$0.68	100%
Total Mining Assets		\$24.6	\$0.68	100%
Cash & ST Investments	Current	\$0.8	\$0.02	
Corporate/Prepays/Other	Q4/2024	\$0.2	\$0.01	
Current Debt	Q4/2024	-\$0.4	-\$0.01	
Earn-in Liability (ex-work)*	As calculated	-\$11.3	-\$0.31	
		-\$10.7	-\$0.29	
Net Asset Value		\$13.9	\$0.38	
P/NAV			0.29x	

*cash component includes 1/2 of possible share component

Source: HoldCo Markets

Following the numerous management and corporate changes as executed late last year, we now see an unencumbered return to the primary objective of the company – drilling, de-risking and updating the Fraser Lakes B uranium deposit. We continue to believe that at the current microcap valuation, the risk remains on the upside, provided future drilling success. Turnaround should be relatively quick with winter 2025 assay results likely to be returned in Q2/2025, followed by a summer 2025 drilling program and finally an updated resource estimate expected by Q4/2025. Seeing that the deposit remains open in numerous directions, additional work spend may lead to an increase in both grade and resource size.

That said, we maintain our adjusted in-situ driven price objective of C\$0.33 per share. Acknowledging the recent market volatility in an otherwise down YTD uranium market, our target equates to +200% upside from the most recent close. We add that given the robust near-term drilling plans, the risk remains on the upside for a material valuation re-rate.

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