

Terra Clean Energy Corp. (TCEC)

Winter 2025 Drilling Campaign Announced for South Falcon East

Event

Terra Clean Energy Corp. (formerly known as Tisdale Clean Energy Corp), announced plans for its upcoming winter 2025 work program at its South Falcon East Uranium Project, located by the Athabasca Basin. This winter season, approximately 2,000m of drilling is expected to be undertaken at budget of \$1.5M. Given that targeted drilling remains a key pillar to the development and de-risking of the Fraser Lakes B deposit, we look forward to the start of the campaign. The resulting assay results will be used for an updated NI43-101 compliant resource. That said, our investment thesis for Terra Clean Energy remains intact. We maintain our 12-month valuation objective to C\$0.14 per share. This equates to upside of +70% from the most recent close.

Details

- **Both Infill & Step Out Targets Identified** – The upcoming drill program will expand on the Winter 2024 campaign by extending the mineralized footprint associated with the Fraser Lakes B Uranium deposit and test nearby targets with prospective alteration and structure, as identified from historic drilling. The primary objective of the campaign is to conduct both infill and step-out drilling at the Fraser Lakes B deposit in order to confirm the presence and continuity of existing mineralization and to expand the footprint of the deposit. We note that the mineralization is open both down dip and along strike. The assay results will be used to prepare an updated NI43-101 compliant resource estimate.
- **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, the 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.
- **Discounted In-situ Valuation Versus Peers** – Isolating the dedicated cash payments and share payments are more representative of the earn-in (asset) cost. These pro-rata valuations would equate to C\$1.67/lb (at 51%) or C\$2.08/lb (at 75%). These amounts being considerably lower to some of the more recently seen transaction valuations in the Athabasca Basin.

Conclusion

We believe that at the current microcap valuation, the risk remains on the upside for future drilling success. Given that the deposit remains open in most directions, additional work spend may lead to an increase in both grade and resource size. We maintain a conservative \$4.50/lb in-situ valuation for the Fraser Lakes B Inferred deposit at South Falcon East. Factoring in our maintained NAV multiple of 0.35x, we derive a rounded in-situ based price objective (12-months) of C\$0.14 per share. Our price objective equates to upside of +70% from the most recent close. Shares of Terra Clean Energy currently trade at a 0.21x NAV multiple. 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\$0.08
12-Mth Price Objective (C\$)	C\$0.14
Potential Upside	70%
Mkt Cap, Basic (C\$M)	\$3.0
EV (C\$M)	\$2.8
Shares O/S Basic (M)	39.69
1-Mth Return	-5.9%
3-Mth Return	-20.0%
YTD Return	-51.5%

Measured & Indicated Grade U3O8	Attrib. lbs
South Falcon East	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 property, 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 2026, increasing to 75% by 2028.

2-Year Stock Chart



DISCLAIMER: Any written content contained herein should be viewed strictly as analysis & opinion and not in any way as investment advice. Readers are encouraged to conduct their own due diligence. As a Research Spotlight product, HoldCo Markets has received financial compensation for the written content and analysis from the publicly listed company mentioned above. The views, opinions and recommendations expressed herein are subject to change without notice.

X (Twitter): @HoldCoMarkets
 Website: HoldCoMarkets.com

WINTER 2025 DRILLING CAMPAIGN READY TO GO

Terra Clean Energy Corp. announced plans for its upcoming winter 2025 work program at its South Falcon East Uranium Project, located by the Athabasca Basin. This winter season, approximately 2,000m of drilling is expected to be undertaken at budget of \$1.5M. The upcoming program will expand on the Winter 2024 campaign by extending the mineralized footprint associated with the Fraser Lakes B Uranium deposit and test nearby targets with prospective alteration and structure, as identified from historic drilling. We note that the mineralization is open both down dip and along strike. Given that targeted drilling remains a key pillar to the development and de-risking of the Fraser Lakes B deposit, we look forward to the start of the upcoming drilling campaign. The assay results will be used to prepare an updated NI43-101 compliant resource estimate.

Exhibit 1. Two-Year Share Price Performance

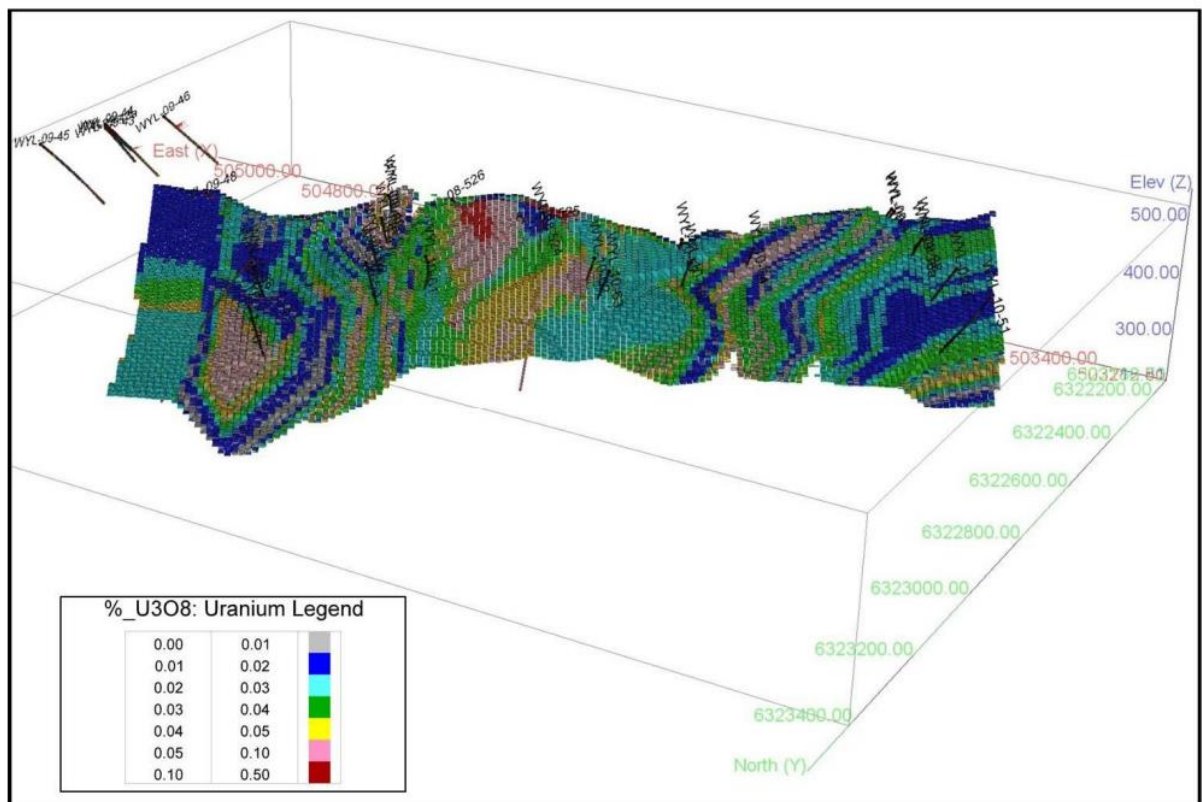


Source: HoldCo Markets

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. Terra's upcoming drill program will encompass approximately 2,000m. As previously defined, the 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 (ThO₂) mineralization. The deposit remains open in almost all directions.

Exhibit 2. Fraser Lakes B Resource Estimate

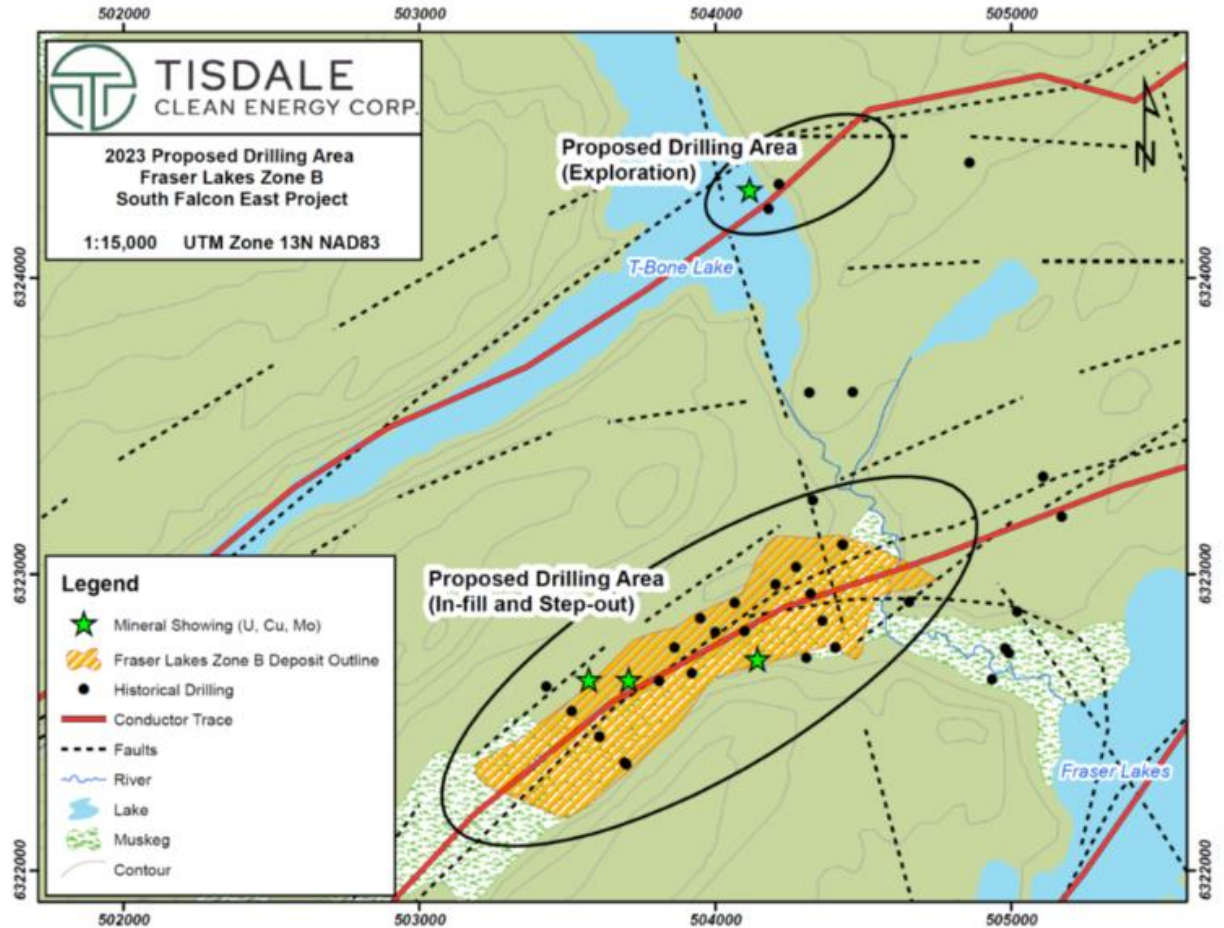
Cut-off % % U3O8	Tonnes (M)	U3O8		ThO2	
		Grade (%)	Lbs (M)	Grade (%)	Lbs (M)
<0.01%	12.94	0.025%	7.106	0.019%	5.503
0.01%	10.35	0.030%	6.960	0.023%	5.339
0.02%	7.25	0.037%	5.948	0.028%	4.549
0.03%	4.25	0.046%	4.275	0.034%	3.164
0.04%	2.21	0.056%	2.744	0.042%	2.047
0.05%	1.03	0.069%	1.576	0.047%	1.058



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

The results from the upcoming campaign will be used to prepare an updated NI43-101 compliant resource estimate. The updated resource will also integrate other results not included in the historical resource estimate, including higher-grade mineralization encountered to date at Fraser Lakes B, intersected in drillhole FP-15-05. This particular drill hole returned 0.165% U3O8 and 0.112% ThO2 over 2.0m at 135.0m depth within a broader interval containing 0.103% U3O8 and 0.062% ThO2 over 6.0m at a depth of 134.5m, and a second high grade intercept of 0.172% U3O8 and 0.113% ThO2 over 2.5m at 146.0m depth.

Recall that mineralization at Fraser Lakes B is accompanied by anomalous pathfinder elements, including Bi, Mo, Pb, and Zn, that are also associated with ultra high-grade basement-hosted unconformity uranium deposits in the Athabasca Basin.

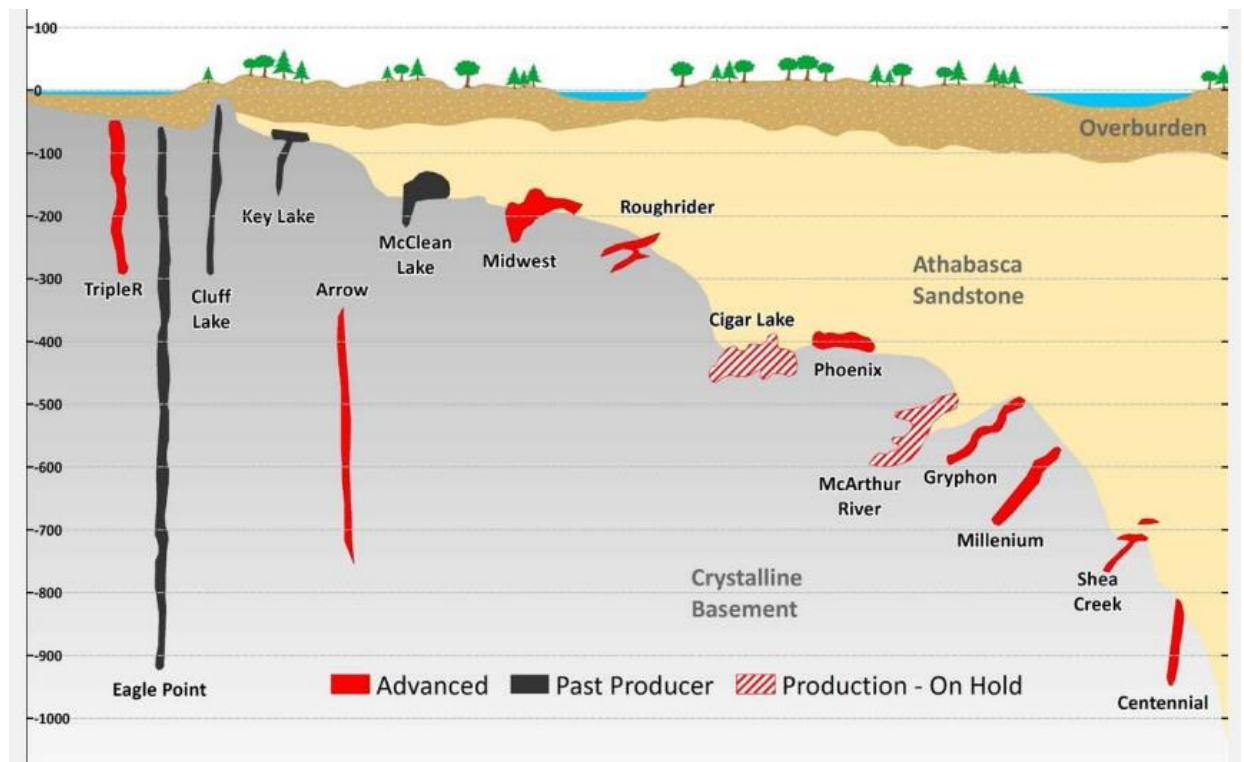
Exhibit 3. Proposed Drilling Area at the South Falcon East Project


Source: Terra Clean Energy Corp.

While the Fraser Lakes B uranium deposit will remain the primary focus of the company with the proposed infill and step-out targets, additional drill-ready targets along the Way Lake conductor at South Falcon East are also in the longer term pipeline. These additional targets include the T-Bone Lake area, just north of Fraser Lakes B, where limited drilling encountered highly prospective clay alteration, anomalous radioactivity, and uranium mineralization (including up to 0.055% U₃O₈ over 0.9m at 39.5m depth in drillhole WYL-10-53) associated with a north-northwest trending fault cross-cutting the northeast-trending Way Lake conductor. The alteration encountered at T-Bone Lake is similar to that encompassing several high-grade basement-hosted uranium deposits in the eastern Athabasca Basin, including the former Eagle Point Mine and the Millenium uranium deposits.

NOT YOUR TYPICAL ATHABASCA BASIN DEPOSIT: LOWER GRADE BUT SHALLOW DEPTH

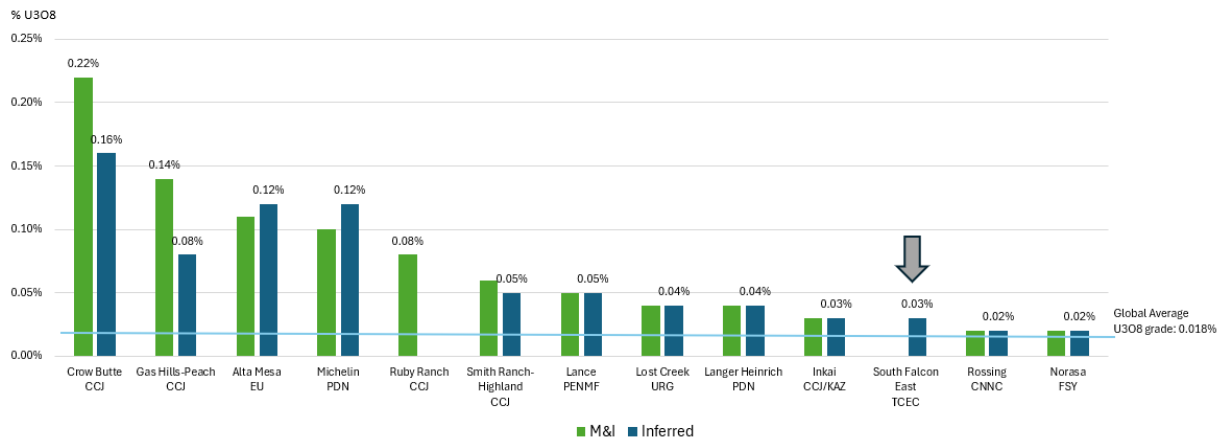
As per the currently defined Inferred resource estimate, the drill holes tested mineralization to a vertical depth up to 175.0m. Of note is that some of the best intercepts from historic drilling (WYL-08-525) returned 0.08% eU₃O₈ over 12.0m from a near surface 77.5m-89.5m depth. The most recent drill holes from Terra's Phase I drilling intersected the highest level of uranium mineralization at depths between ~130.0m-140.0m. The currently defined orebody is situated relatively close to the surface in comparison to many other of the more established Athabasca Basin uranium mines/projects such as Midwest (~200.0m), Cigar Lake (~450.0m in depth), McArthur River (~550.0m) and Gryphon (~550.0m).

Exhibit 4. Athabasca Basin Uranium Deposit Comparison


Source: NexGen Energy Inc.

With regards to grades, given numerous high grade deposits such as Arrow, Triple R and McArthur River (among numerous others), the average grade of any deposit in the Athabasca Basin is ~2.0% U₃O₈. The prevalence of high grades for many of the deposits located in the Basin has led to elevated expectations for any exploration project located in or at the periphery of the Basin. Be reminded however that the average uranium grade globally is considerably lower at an estimated 0.018% U₃O₈. Additionally, the trade-off between lower grade and shallower depth can also lead to a profitable mining operation. If situated near the needed infrastructure (South Falcon East is situated just ~50km from Cameco's Key Lake mill), then the economics can potentially improve even further.

There are numerous much lower grade mining operations currently being developed or currently in production. Some of these larger scale (conventional) operations include Namibia's Langer Heinrich (Paladin Energy) and Rossing (China National Nuclear Company). The average grade of these operations are 0.04% U₃O₈ and 0.02% U₃O₈ respectively. Meanwhile a typical In-Situ Recovery (ISR) operation located in Wyoming (Lost Creek, Ur-Energy and Lance, Peninsula Energy) or Kazakhstan (Inkai, Kazatomprom/Cameco) boast average grades of ~0.03% -0.05% U₃O₈.

Exhibit 5. Uranium Mine Grades & Resources


	Owner	Location	P&P		M&I		Inferred	
			lbs	% U3O8	lbs	% U3O8	lbs	% U3O8
Rabbit Lake	CCJ	Athabasca	-	-	38.6	0.95%	33.7	0.62%
Kintyre	CCJ	Australia	-	-	53.5	0.62%	6.0	0.53%
Crow Butte	CCJ	Nebraska	-	-	13.9	0.22%	1.8	0.16%
Gas Hills-Peach	CCJ	Wyoming	-	-	13.3	0.14%	6.0	0.08%
Alta Mesa	EU	Texas	-	-	3.4	0.11%	16.8	0.12%
Ruby Ranch	CCJ	Wyoming	-	-	4.1	0.08%	0.2	0.14%
Michelin	PDN	Labrador	-	-	105.6	0.09%	22.1	0.09%
Smith Ranch-Highland	CCJ	Wyoming	-	-	24.9	0.06%	7.7	0.05%
Lance	PENMF	Wyoming	-	-	16.2	0.05%	41.7	0.05%
Lost Creek	URG	Wyoming	-	-	12.7	0.04%	6.1	0.04%
Langer Heinrich	PDN	Namibia	83.8	0.04%	119.7	0.04%	0.4	0.04%
Inkai	KAP/CCJ	Kazakistan	261.7	0.04%	89.1	0.03%	23.9	0.03%
South Falcon East	TCEC	Athabasca	-	-	-	-	6.9	0.03%
Rossing	CNNC	Namibia	n/a	0.03%	n/a	0.02%	n/a	0.02%
Norasa	FSY	Namibia	90.7	0.02%	115	0.02%	11.0	0.02%

Source: HoldCo Markets, Company Reports

INVESTMENT THESIS & CONCLUSION

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. Given the required ~C\$10.0M exploration spend required until 2028, the risk remains on the upside for meaningful resource and grade expansion.

Terra currently trades at a market capitalization of C\$2.98M. That would equate to a pro-rata valuation of C\$0.58/lb given the 6.9M lb Inferred resource (or 5.2M lbs at 75%). Since the earn-in is still a few years away from completion, more telling is the remaining spend/lb metric, for both 51% ownership of South Falcon East and at 75% ownership.

Exhibit 6. In-Situ Valuation

	Ownership	
	at 51%	at 75%
TCEC current mcap C\$M	\$2.98	
South Falcon East lbs	6.9M lbs	
Pro-rata lbs	3.5M lbs	5.2M lbs
Valuation/lb	\$0.85	\$0.58
Remaining earn-in spend (ex-work) C\$M *	\$5.75	\$10.75
Remaining earn-in spend (all) C\$M *	\$11.25	\$21.25
\$/lb (ex-work)	\$1.67	\$2.08
\$/lb (all)	\$3.26	\$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\$1.67/lb (at 51%) or C\$2.08/lb (at 75%). These amounts being considerably lower to some of the more recently seen valuations in the Athabasca Basin. See our initiation report dated August 22, 2024 for additional details.

We ascribe a conservative \$4.50/lb in-situ valuation for the Fraser Lakes B Inferred deposit at South Falcon East. Factoring in current corporate adjustments and a NAV multiple of 0.35x, we derive an in-situ based price objective (12-months) of C\$0.14 per share (rounded). Our price objective equates to upside of +70% from the most recent close. Shares of Terra Clean Energy currently trade at a 0.21x NAV multiple.

Exhibit 7. Valuation & NAV Sensitivities

		Value (C\$M)	\$ Per Share	% of NAV			
South Falcon East (75%)	\$4.50/lb	\$23.3	\$0.59	100%			
Total Mining Assets		\$23.3	\$0.59	100%			
Cash & ST Investments	Q3/2024	\$0.5	\$0.01				
Corporate/Prepays/Other	Q3/2024	\$0.9	\$0.02				
Current Debt	Q3/2024	-\$0.4	-\$0.01				
Earn-in Liability (ex-work)	Q3/2024	-\$8.9	-\$0.22				
		-\$7.9	-\$0.20				
Net Asset Value		\$15.4	\$0.39				
P/NAV			0.21x				
	NAV Multiple						
\$0.14	0.20x	0.25x	0.30x	0.35x	0.40x	0.45x	0.50x
\$3.00	\$0.04	\$0.05	\$0.06	\$0.07	\$0.08	\$0.09	\$0.10
\$3.50	\$0.05	\$0.06	\$0.08	\$0.09	\$0.10	\$0.12	\$0.13
\$4.00	\$0.06	\$0.08	\$0.10	\$0.11	\$0.13	\$0.15	\$0.16
\$4.50	\$0.08	\$0.10	\$0.12	\$0.14	\$0.16	\$0.17	\$0.19
\$5.00	\$0.09	\$0.11	\$0.14	\$0.16	\$0.18	\$0.20	\$0.23
\$5.50	\$0.10	\$0.13	\$0.16	\$0.18	\$0.21	\$0.23	\$0.26
\$6.00	\$0.12	\$0.15	\$0.17	\$0.20	\$0.23	\$0.26	\$0.29

Source: HoldCo Markets



CONCLUSION

Ultimately, the rationale for investing in Terra Clean Energy is the tradeoff between 1) investing in an exploreco which owns a property which in future may or may not eventually prove out an established resource, or 2) investing in an earn-in play such as Terra which has a pathway to a 75% ownership stake into an established 6.9M lb shallow resource at a reasonable \$2.08/lb valuation metric (75%). Given that the deposit remains open in most directions, additional work spend may lead to an increase in both grade and resource size. We believe that at the current microcap valuation, the risk remains on the upside for future drilling success. Additionally, we believe that Terra shares will act as a torqued proxy for future uranium pricing strength. As can be seen in the sensitivity table above, from our conservative base \$4.50/lb in-situ valuation for the current Fraser Lakes B deposit, every ~\$0.50/lb increase to the valuation metric translates to a NAV uplift of ~15%.

Disclaimer:

The following Terms and Conditions govern the use by readers, clients, subscribers and any other use of HoldCo Markets Advisory Inc.'s ("HoldCo Markets" or "the firm") products and associated content which is made internally and selectively distributed/accessible via holdcomarkets.com, email and/or via select social media.

Any written content contained herein should be viewed strictly as analysis, observation & opinion and not in any way as investment advice. HoldCo Markets is neither a qualified financial advisor, broker or legal advisor. All information, data and reports should be strictly seen as for informational purposes only and should not be considered in any way as investment advice or a solicitation for any security. HoldCo Markets does not make any recommendations, the firm only offers opinions. All content encompassing reports, writings and opinions are based on what the firm deems as reliable sources such as current news/corporate events, management interviews, SEC/SEDAR or any other regulatory filing and any other source deemed credible by the firm's publishing analysts given their significant industry experience. HoldCo Markets has not been provided with any material non-public information from any company mentioned in the report.

This report contains "forward-looking" statements. Company conclusions may involve forward-looking statements concerning future company or industry performance. Though the forward looking statements are based on fair and reasonable assumptions, actual performance or results may differ. Be reminded that market volatility is inherent with investing. Past performance is no guarantee of future performance. As such, an investment in any company mentioned in the above report should be viewed as speculative, and entered into only by those who can handle potential loss of capital. Recipients of any HoldCo Markets content looking to act on any of our opinions should consider whether any information contained in this report is suitable for their particular investing circumstance. Investing in mining and exploration companies is inherently risky. Commodity, geological, operational, regulatory, or financing risks on projects could result in delays in development or production, impact economics or disrupt shipment schedules.

The views and opinions expressed herein are company specific and subject to change without notice. All material contained on this website and disseminated through email or social media is strictly for informational purposes only. One should not take any financial decisions based solely on what was written from this above report, rather one should consider whether any information contained in this report is suitable for their particular investing circumstance and should seek professional advice. Volatility and the possibility of loss is inherent with any investment decision, HoldCo Markets accepts no liability for any potential direct or indirect loss arising from the use of our research, website or any additional in-house content.

Research Notes: HoldCo Markets did not receive any form of compensation from the company or companies written about in Research Notes. Conclusions and opinions expressed in the reports have been formulated independently and objectively. Research Notes are strictly an expression of our views and opinions. No compensation was received for any Research Notes publication or for its distribution. As a non IIROC registered company, HoldCo Markets Advisory Inc. neither provides investment banking services nor does it make a market in any securities written about in Research Notes.

Spotlight Research: Holdco Markets publishes and distributes Spotlight Research which is a differentiated research product which is specifically issuer or client-paid. Monetary compensation has been received for a specified research coverage period. The purpose of Spotlight Research is to highlight growth companies which have been largely overlooked by the larger broker/dealers, largely due to constraints related to size and liquidity. Spotlight Research is strictly an expression of our views and opinions. HoldCo Markets' publishing analysts retain full control over the conclusions and opinions regarding this issuer or client paid research. As a non IIROC registered company, HoldCo Markets Advisory Inc. neither provides investment banking services nor does it make a market in any securities written about in Spotlight Research.

Holdco Markets, any publishing analyst or any HoldCo Markets Board member may at one point hold a direct or indirect position by way of equity, options, warrants or debt in any or none of the companies mentioned in either Research Notes or Spotlight Research. No person with any affiliation to HoldCo Markets serves in any capacity as an officer or Director in any of the companies mentioned in the above document. The distribution of any HoldCo Markets content has no relation to the distribution of securities nor is it in any way a solicitation to buy or sell any security.

Reprinting any content or information from this report is strictly prohibited without permission. For more information or to receive future reports, please visit [Home \(holdcomarkets.com\)](http://Home(holdcomarkets.com))