

This offering document constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. This offering document is not, and under no circumstances is to be construed as a prospectus or advertisement or a public offering of these securities.

These securities have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any of the securities laws of any state of the United States, and may not be offered or sold within the United States or for the account or benefit of U.S. persons or persons in the United States. This offering document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act. No sales of securities will be made into the United States pursuant to this offering document.

April 16, 2025

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION



Terra Balcanica Resources Corp. (the “Company” or “Terra Balcanica”)

PART 1 SUMMARY OF OFFERING

What are we offering?

| | |
|----------------------------|--|
| Offering: | Units (“Units”) of the Company, with each Unit being comprised of one common share of the Company (a “Share”) and one-half of one transferable common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will be exercisable to acquire an additional Share at an exercise price of \$0.20 per Share for a period of 24 months from the date of issuance of the Warrant. |
| Offering Price: | \$0.10 per Unit |
| Offering Amount: | A minimum of 7,500,000 Units for gross proceeds of \$750,000, and a maximum of 11,174,950 Units for gross proceeds of \$1,117,495 (the “Offering”). |
| Closing Date: | The closing of the Offering is anticipated to occur on or about April 28, 2025. The Offering may close in one or more tranches, as determined by the Company. |
| Exchange: | The Company’s common shares are listed on the Canadian Securities Exchange (the “CSE”) under the trading symbol “TERA”. |
| Last Closing Price: | The last closing price of the Company’s common shares on the CSE on April 15, 2025 was \$0.105. |

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you, and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

Terra Balcanica is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 Prospectus Exemptions. In connection with this offering, the issuer represents the following is true:

- **The issuer has active operations, and its principal asset is not cash, cash equivalents or its exchange listing.**
- **The issuer has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$5,000,000.**
- **The issuer will not close this offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **The issuer will not allocate the available funds from this offering to an acquisition, that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.**

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This offering document contains “forward-looking information” within the meaning of applicable Canadian and United States securities laws, which is based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. The forward-looking information included in this offering document is made only as of the date of this offering document. Such forward-looking statements and forward-looking information include, but are not limited to, statements concerning future exploration plans at the Company’s mineral properties, including exploration timelines, and anticipated costs; the Company’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering; raising the maximum proceeds of the Offering; and completion of the Offering and the date of such completion. Forward-looking statements or forward-looking information relate to future events and future performance and include statements regarding the expectations and beliefs of management based on information currently available to the Company. Such forward-looking statements and forward-looking information often, but not always, can be identified by the use of words such as “plans”, “expects”, “potential”, “is expected”, “anticipated”, “is targeted”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements or forward-looking information are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements or forward-looking information, including, without limitation, risks and uncertainties relating to: general business and economic conditions; regulatory approval for the Offering; completion of the Offering; changes in commodity prices; the supply and demand for, deliveries of, and the level and volatility of the price of metals; political instability, social unrest and government regulations relating to foreign investment, corporate activity and the mining business in Bosnia and Herzegovina and/or Canada that may affect the Company’s exploration and development activities and obtaining and renewing necessary licenses, permits and concessions; changes in project parameters as exploration plans continue to be refined; costs of exploration including labour and equipment costs; risks and uncertainties related to the ability to obtain or maintain necessary licenses, permits or surface rights; changes in credit market conditions and conditions in financial markets generally; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the availability of qualified employees and contractors and the reliance on the performance of its directors and officers; the impact of value of Canadian dollar, U.S. dollar and the Bosnia-Herzegovina convertible mark, foreign exchange rates on costs and financial results; market competition; exploration results not being consistent with the Company’s expectations; changes in taxation rates; the ability to obtain or maintain necessary licenses, permits, or water rights; technical difficulties in connection with mining activities; changes in environmental regulation; environmental compliance issues; other risks of the mining industry. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or forward-looking information. Although the Company has attempted

to identify important factors that could cause actual results to differ materially, there may be other factors that could cause results not to be as anticipated, estimated or intended. For more information on the Company and the risks and challenges of its business, investors should review the Company's annual filings that are available at www.sedarplus.ca under the profile of the Company.

The Company provides no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

PART 2 SUMMARY DESCRIPTION OF BUSINESS

What is our business?

Terra Balcanica is a polymetallic and energy metals exploration company targeting large-scale mineral systems in the Balkans of southeastern Europe and northern Saskatchewan, Canada. The Company has a 90% interest in the Viogor-Zanik Project in eastern Bosnia and Herzegovina. The Company's Canadian assets comprise a 100% optioned portfolio of uranium-prospective licences at the outskirts of the Athabasca basin: Charlot-Neely Lake, Fontaine Lake, Snowbird, and South Pendleton.

Recent developments

On January 17, 2024, the Company completed a non-brokered private placement of 5,305,000 shares at a purchase price of \$0.04 per share, for gross proceeds to the Company of \$212,200. The Company also announced additional assay results from its 2023 Phase II drilling campaign confirming the continuation of Cumavici Ridge polymetallic mineralization at the Viogor-Zanik project in Bosnia and Herzegovina.

On January 30, 2024, the Company announced the final geochemical assay results from the 2023 Phase II drill campaign at Cumavici Ridge at the Viogor-Zanik project.

On April 11, 2024, the Company provided an update on Phase I and II exploration drilling within its Viogor-Zanik project.

On May 17, 2024, the Company completed the consolidation of the outstanding common shares of the Company on the basis of one post-consolidation common share for every three pre-consolidation common shares.

On July 24, 2024, the Company closed the option agreement dated July 2, 2024 between the Company, Fulcrum Metals Plc. ("**Fulcrum**") and Fulcrum Metals (Canada) Ltd., a wholly-owned subsidiary of Fulcrum, pursuant to which the Company obtained a four-year option to acquire a 100% interest in Fulcrum's uranium portfolio of exploration licences located in northern Saskatchewan, Canada.

On October 30, 2024, the Company closed a non-brokered private placement financing of 9,868,850 units at a purchase price of \$0.10 per unit, for gross proceeds to the Company of \$986,885.

On January 15, 2025, the Company announced the discovery of an approximately 20-meter-wide zone of polymetallic mineralization intercepted during the Phase II drilling at the Brezani target within its Viogor-Zanik project.

On January 20, 2025, the Company announced assay results from a new discovery at the Brezani target within its Viogor-Zanik project.

On February 26, 2025, the Company announced the closing of a non-brokered private placement of 5,710,000 units at a purchase price of \$0.10 per unit, for gross proceeds to the Company of \$571,000.

On March 12, 2025, the Company announced the appointment of Mathieu Couillard as its Business Development Officer. The Company also announced a shares-for-debt transaction for the settlement of \$15,000 owed by the Company to an arm's length creditor by the Company issuing 166,666 common shares of the Company at a price of \$0.09 per common share.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

What are the business objectives that we expect to accomplish using the available funds?

The Company intends to use a portion of the proceeds from the Offering for exploration drilling on the Viogor-Zanik Project in eastern Bosnia and Herzegovina. Assuming the completion of the minimum amount of the Offering, the Company's priority is to complete a 1,000 m Phase III drill program on the Viogor-Zanik Project in 2025 with an estimated cost of \$268,605. Assuming the completion of the maximum amount of the Offering, the Company alternatively intends to complete a 2,000 m Phase III drill program on the Viogor-Zanik Project in 2025 with an estimated cost of \$465,768.

PART 3 USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

| | | Assuming Minimum Offering | Assuming Maximum Offering |
|---|---|--|--|
| A | Amount to be raised by this Offering | \$750,000 | \$1,117,495 |
| B | Selling commissions and fees | \$52,500 | \$78,225 |
| C | Estimated offering costs (e.g., legal, accounting, audit) | \$10,000 | \$10,000 |
| D | Net proceeds of offering: $D = A - (B+C)$ | \$687,500 | \$1,029,270 |
| E | Working capital as at most recent month end (deficiency) | \$5,000 | \$5,000 |
| F | Additional sources of funding | \$0 | \$0 |
| G | Total available funds: $G = D+E+F$ | \$692,500 | \$1,034,270 |

How will we use the available funds?

| Description of intended use of available funds listed in order of priority | Assuming Minimum Offering | Assuming Maximum Offering |
|---|--------------------------------------|--|
| 1,000 or 2,000 m Phase III drill program in Bosnia | \$268,605 | \$465,768 |
| Digital marketing | \$130,000 | \$200,000 |
| General and administrative expenses | \$293,895 | \$368,502 |
| Total | \$692,500 | \$1,034,270 |

The above noted allocation and anticipated timing represents the Company's current intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from

that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan.

The most recent audited annual financial statements and interim financial report of the Company included a going-concern note. The Company is still in the exploration stage and the Company has not yet generated positive cash flows from its operating activities, which may cast doubt on the Company's ability to continue as a going concern. The Offering is intended to permit the Company to continue to explore its properties and conduct additional drilling and is not expected to affect the decision to include a going-concern note in the next annual financial statements of the Company.

How have we used the other funds we have raised in the past 12 months?

| Closing Date of Financing | Funds Raised | Intended Use of Funds | Variances and Impact of Variances |
|----------------------------------|---|--|---|
| October 30, 2024 | \$986,885 raised in a non-brokered private placement of units | Working capital and to fund exploration across the Company's portfolio of properties in Saskatchewan and the Balkans | Reallocated towards working capital, land holding costs, and digital media marketing campaigns. No impact on the ability to achieve business objectives and milestones. |
| February 26, 2025 | \$571,000 raised in a non-brokered private placement of units | Land holding costs, project payments and general corporate and working capital purposes. | Reallocated for additional digital media marketing campaign payments. No impact on the ability to achieve business objectives and milestones. |

PART 4 FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

The Company may pay finder's fees to eligible finders that locate subscribers to participate in the Offering. Further information on any finder's fees will be provided in a subsequent news release, once available.

PART 5 PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- a) to rescind your purchase of these securities with Terra Balcanica, or
- b) to damages against Terra Balcanica and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

PART 6 ADDITIONAL INFORMATION

Where can you find more information about us?

Security holders can access Terra Balcanica's continuous disclosure filings on SEDAR+ at www.sedarplus.ca under Terra Balcanica's profile.

For further information regarding Terra Balcanica, visit our website at: www.terrabresources.com.

Purchasers should read this offering document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in Terra Balcanica.

PART 7 DATE AND CERTIFICATE

This offering document, together with any document filed under Canadian securities legislation on or after April 16, 2024, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

Dated this 16th day of April, 2025.

By: "Aleksandar Mišković" (signed)
Name: Aleksandar Mišković
Title: President and Chief Executive Officer

By: "Stephen Brohman" (signed)
Name: Stephen Brohman
Title: Chief Financial Officer