



ASX ANNOUNCEMENT

8 October 2021

BONDHOLDERS SUPPORT CONFIRMED

- Refinance program with existing bondholders has been enacted.
- Forecast¹ repayment program will see Euroclear Bond repaid by December 2022.
- Coal prices and demand continue to assist the Company towards an annuity stream for shareholders through sustained dividends.
- On target for a record December quarter in revenue and EBITDA.
- Refinance risk of the Company removed.

TerraCom Limited (ASX:TER) (**TerraCom** or **Company**), an emerging resources company with a large portfolio of operating assets in Australia and South Africa, advises shareholders that the extended maturity date of 8 October 2021 will lapse at the end of today and as a result, the Company and Note Trustee² have formally agreed to enact the restructured finance arrangement of the existing debt, as announced on 21 September 2021.

As the new refinance program has now been formally enacted, all parties have engaged their respective lawyers to complete long form legal documentation to reflect the term sheet already agreed. It is important to highlight that the long form legal documentation is expected to be a streamlined process noting the parties already have a pre-existing set of documents that govern the existing facility. This documentation will be completed no later than 30 November 2021.

Key terms of the new facility are as follows:

	Facility Terms
Maturity	31 December 2022
Interest Rate	12.5% per annum fixed*
Special Interest	0.75% of Blair Athol revenues*
Repayment Schedule	Principal and interest to be repaid monthly via agreed cash sweep based on the Company's financial performance

* consistent with the existing bond facility

¹ See Annexure A for forecast assumptions.

² Acting on the instructions of the ordinary note holders of the Euroclear Bond.

Commenting on the refinance position, Executive Chairman Craig Ransley said:

"The Company has worked tirelessly for a significant period of time to refinance the Euroclear Bond and has navigated a number of challenges along the way, including but not limited to, limitation of financiers providing funding to thermal coal companies, liquidity in debt capital markets, and COVID-19.

Whilst it is unfortunate that the potential new financier was unable to provide the certainty to the Company to finalise the refinance, it is pleasing for all stakeholders to now have a formal agreed position to move forward with our current bondholders.

Deleveraging the Company through the extinguishment of the debt over the next 15 months will increase the value proposition for shareholders as it should enable the Company's balance sheet to pivot and provide an annuity stream for shareholders through sustained dividends.

I would like to personally thank the current bondholders for their continued support of both the Company and management. Their involvement throughout the refinance program has been critical and we are pleased that they have agreed to continue as lenders for the Company."

This announcement has been approved by the Board for release.

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About TerraCom Limited

TerraCom Limited (ASX: TER) is an emerging company originating as a resource explorer with a large portfolio of operating assets in Australia and South Africa. We are currently enacting a growth strategy towards delivering a Mid-Tier diversified operating and trading business and have global focus on the development of a high yielding diversified asset portfolio for its investors. To learn more about TerraCom visit terracomresources.com.

Annexure A

MANAGED COAL SALES³

	October to December 2021 '000	January to June 2022 '000	July to December 2022 '000
Australia			
- Export	575	1,117	1,057
South Africa			
- Domestic	1,428	2,702	2,702
- Export	572	1,155	1,127

MACRO ASSUMPTIONS

	October to December 2021	January to June 2022	July to December 2022
Foreign Exchange			
USD : AUD	0.74	0.74	0.74
USD : ZAR	14.6	14.6	14.6
AUD : ZAR	10.8	10.8	10.8
Export Pricing*			
Newcastle Index (US\$/tonne)	173	147	129
API4 (US\$/tonne)	157	142	118

*Market platform futures pricing as at 9 September 2021

OUTFLOWS

Based on actual and forecast performance.

³ The data represents total tonnes and assumes 100% ownership of the South African operations. The South African operations are owned 49% by TerraCom.

Forward Looking Statement

This document contains summary information about, TerraCom, its subsidiaries, and its activities which are current as at the date of this document. The information in this document is general in nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in TerraCom or that would be required in a prospectus or product disclosure statement prepared in accordance with the Corporations Act 2001 (Cth). Information in this document should therefore be read in conjunction with other announcements made by TerraCom to the ASX.

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