



ASX ANNOUNCEMENT

4 November 2021

OCTOBER 2021 COAL SALES UPDATE

- Forecast coal sales achieved across the Group.
- October 2021 total managed¹ coal sales of 767kt.
- Year to date annualised managed¹ coal sales total 9.7Mt per annum.

TerraCom Limited (**TerraCom** or **Company**) (ASX: TER), an emerging resources company with a large portfolio of operating assets in Australia and South Africa, is pleased to provide shareholders with the following operational results for October 2021.

October 2021 coal sales were consistent with forecast and remain strong across both the Australia and South Africa business units.

	MANAGED TONNES ¹			EQUITY TONNES ²		
	Export (000's)	Domestic (000's)	Total (000's)	Export (000's)	Domestic (000's)	Total (000's)
Australia	157	-	157	157	-	157
South Africa	122	488	610	60	239	299
Total	279	488	767	217	239	456

BLAIR ATHOL RESULT

Two shipments were sold from Blair Athol (**BA**) during October 2021 with coal sales revenue of A\$213 per tonne achieved from these two shipments. BA remains on target to achieve forecast coal sales in the December 2021 quarter of approximately 575,000 tonnes.

Despite the recent reduction in thermal coal markets, forecast revenue for the December 2021 Quarter is still strong at A\$210 per tonne³. Should the forecast revenue be achieved, this will result in a forecast operating cash margin of approximately A\$122 per tonne⁴ based on coal sales of 575,000 tonnes, and will deliver an operating EBITDA of A\$70 million for the December 2021 Quarter⁵.

¹ The data represents total tonnes and assumes 100% ownership of the South African operations, noting TerraCom's interest in the operating mines are 49%.

² The data represents equity tonnes, being the attributable tonnes to TerraCom's equity ownership.

³ Based on forecast market indexes as at 2 November 2021 and an FX of 0.75.

⁴ Blair Athol operating costs increase as a result of the increased revenue linked costs (predominantly royalties) and increase in other commodity price driven input costs (predominantly diesel).

⁵ Non IFRS measure. Based on management accounts. The data presented does not include the results from the South African Business unit or TerraCom corporate costs.

SOUTH AFRICA RESULT

Total coal sales for the South African operations were consistent with the prior month. As a result of ongoing rail logistics constraints, the business implemented a short-term alternate road haulage option which, despite higher costs, resulted in export coal sales improving by 36kt or 41%. Even though export coal sales improved, ongoing logistics constraints continue to hamper the planned export expansion strategy.

Contracted domestic offtake quantities were once again able to be delivered to Eskom from all three (3) South Africa operating mines during October 2021, with all operations delivering their contracted quantities.

YEAR TO DATE OPERATIONAL RESULTS

Year to date managed¹ coal sales represent annualised tonnes of 9.7 million.

	MANAGED TONNES ¹				EQUITY TONNES ²			
	Export (000's)	Domestic (000's)	Total (000's)	Annualised (Millions)	Export (000's)	Domestic (000's)	Total (000's)	Annualised (Millions)
Australia	722	-	722	2.17	722	-	722	2.17
South Africa	360	2,158	2,518	7.55	176	1,057	1,233	3.70
Total	1,082	2,158	3,240	9.72	830	1,057	1,887	5.66

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.