



## ASX ANNOUNCEMENT

10 June 2022

### COMPANY UPDATE

TerraCom Limited (ASX: TER) (**TerraCom** or **Company**) is pleased to provide shareholders with the following Company updates.

#### June 2022 Quarter Forecast

Based on current forecasts the Company is on track to deliver 640,000 tonnes<sup>1</sup> from the Blair Athol (**BA**) coal mine in Queensland for the June 2022 quarter (**June Quarter**). As previously announced, BA is set to achieve coal sales of 2.3 million tonnes in FY2022.

Per current coal pricing, the forecast Operating EBITDA<sup>2</sup> for BA for the June Quarter is approximately A\$180 million.

Despite the ongoing Transnet logistics constraints, as previously communicated, South Africa continues to deliver solid results and is forecast to achieve Operating EBITDA<sup>3</sup> for the June Quarter of approximately A\$44 million.

Operating EBITDA <sup>2</sup>	Actual 9 months July to March 2022 <sup>4</sup> A\$'million	Forecast 3 Months April to June 2022 A\$'million	Combined 12 months FY2022 A\$'million
Australia	180	180	360
South Africa <sup>3</sup>	84	44	128
<b>Total</b>	<b>264</b>	<b>224</b>	<b>488</b>

The full year Operating EBITDA<sup>2</sup> attributable to TerraCom is forecast to be approximately A\$423 million.

#### OCP conversion of Convertible Note

As approved by shareholders at the 2019 AGM, the Company issued a convertible bond to Madison Pacific Trust Limited (with the initial noteholder being OCP Asia (Singapore) Pte. Limited (**OCP Asia**)) in the amount of US\$20,000,000. The conversion price was AU\$0.696 with an expiry of 24 December 2022.

OCP Asia has given notice to the Company to convert the full amount of the bond into TerraCom fully paid ordinary shares. On conversion, the Company will issue

<sup>1</sup> Subject to shipping nomination tonnage.

<sup>2</sup> Non IFRS measure. Based on management accounts. Forecast based on market indices as at 1 June 2022. The data presented does not include TerraCom corporate costs.

<sup>3</sup> Non IFRS measure. Based on management accounts. 100% of the result from the South African Business Unit and therefore includes other equity holders, noting TerraCom's equity interest in the operating mines ranges from 48.9% to 49.0%.

<sup>4</sup> Per March 2022 Quarterly Report announced on 26 April 2022.



39,910,638 fully paid ordinary shares to OCP Asia, representing approximately 5% of total shares on issue. For clarity, the Company will now not be required to pay any funds to OCP Asia to settle the convertible bond which will result in approximately AU\$27 million in additional cashflow. An Appendix 3B will be submitted to the ASX with respect to the issue of these shares today.

Following the issue, the Company will have issued capital of 794,518,268 fully paid ordinary shares.

Commenting, Executive Chairman, Craig Ransley said:

*"The Company's balance sheet has significantly improved following the repayment of the US\$167 million Euroclear Bond.*

*The Board looks forward to being able to recommence dividends to shareholders following strong financial performance continuing to be achieved.*

*Based on forecast, the first dividend to be returned to shareholders is expected to be declared for the period ending 30 June 2022 and estimated to be paid during September 2022. The dividend is forecast to be an initial unfranked dividend of 10 cents per share<sup>5</sup>."*

This announcement has been approved by the Board for release.

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Executive Chairman  
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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 [terraresources.com](http://terraresources.com).*

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<sup>5</sup> Based on current forecasts and subject to Board approval. In line with normal practice, the dividend is expected to be declared by the Board in August 2022 and paid in September 2022.