



ASX ANNOUNCEMENT

9 July 2021

FY2021 FULL YEAR COAL SALES

TerraCom Limited (**TerraCom** or **Company**) is pleased to provide shareholders with the following operational results for the financial year ending 30 June 2021.

| | 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 | 2,247 | - | 2,247 | 2,247 | - | 2,247 |
| South Africa | 1,520 | 5,413 | 6,933 | 745 | 2,849 | 3,594 |
| Total | 3,767 | 5,413 | 9,180 | 2,992 | 2,849 | 5,841 |

Total coal sales achieved were 9.18 million tonnes; a strong result given the challenges associated with the ongoing global economic uncertainties.

BLAIR ATHOL RESULT

The full year coal sales for Blair Athol (**BA**) have been extremely pleasing. The successful transition to owner operator occurred at the end of July 2020 with initial projections of a reduced coal sales production profile of 2Mtpa. However, the team has implemented numerous operational efficiency gains and consistently delivered above expectation to achieve total coal sales of 2.2Mt for the 2021 financial year.

Significant and sustained cost reductions were implemented at BA following the transition, resulting in BA achieving a 17% reduction to Free on Board (**FOB**) operating costs. The substantial reduced FOB cost base of approximately A\$60 per tonne (since August 2020) enables BA to sustain strong margins at long run coal prices and capitalise on market upturns, which are currently being experienced.

SOUTH AFRICA RESULT

Improved operational performance and coal sales from the South African (**SA**) business, particularly over the past quarter, has resulted in full year managed sales of 6.9Mt.

Despite a generally tough twelve months, mainly due to reduced Eskom demand and reliability of export supply chains, the Company is now starting to see the SA operations deliver at strong sales levels which will yield significant positive results.

¹ The data represents total tonnes and assumes 100% ownership of the South African operations.

² The data represents equity tonnes.

In addition to the return of strong domestic sales volumes, the Company has solidified its plans to increase its SA export sales from both the North Block Complex and New Clydesdale Colliery which, given strong seaborne pricing, will favourably contribute to the overall improved EBITDA position.

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.