



ASX ANNOUNCEMENT

21 September 2021

TERRACOM REFINANCE PATHWAY SECURED

- **Refinance risk of the Company removed**
- **Euroclear Bond maturity date extended until 8 October 2021 to allow time for incoming debt funder to finalise position**
- **Alternate refinance package agreed, if required, with existing bondholders**
- **Repayment program will see Euroclear Bond repaid by December 2022, based on forecast financial position¹**

TerraCom Limited (ASX:TER) (**TerraCom** or **Company**), an emerging resources company with a large portfolio of operating assets in Australia and South Africa, advises that it has reached a final agreement with the current bondholders to restructure the existing Euroclear Bond.

The Euroclear Bond maturity date has been further extended until 8 October 2021 to allow the incoming debt funder appropriate time to finalise their position with respect to a new refinance program.

In the event that the new refinance program is not settled by the extended maturity date of 8 October 2021, then the Company and Note Trustee² will enact a restructured finance arrangement of the existing debt (**Alternate Refinance**).

The Alternate Refinance requires principal and interest to be repaid monthly up to the facility's extended maturity date, being 31 December 2022, on commercial terms consistent with the existing bond facility³. The monthly repayment quantum to be made is subject to an agreed cash sweep based on the Company's financial performance.

Based on forecast¹ repayments under the Alternate Refinance, the current Euroclear Bond (principal and interest) is forecast to be repaid by the extended maturity date of 31 December 2022.

Commenting, Executive Chairman, Craig Ransley, said:

"Whilst we will continue to work towards settlement with the incoming debt funder over the next three weeks, the Company is pleased that it has reached agreement with the current bondholders which eliminates the refinance risk to the Company going forward. The current bondholders have been supportive throughout the entire

¹ See Annexure A for forecast assumptions.

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

³ Interest rate of 12.5% per annum, Special interest 0.75% of Blair Athol revenues.



refinance process and we are confident in the agreed repayment program⁴ which is expected to see the Euroclear Bond fully repaid within the next 15 months. This would be a significant transformational shift for TerraCom, which should provide significant value to shareholders."

The trading halt in TerraCom shares will be lifted today as a result of this announcement.

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.

⁴ based on financial performance outlined in Annexure A.

Annexure A

MANAGED COAL SALES⁵

	October to December 2021 '000	January to June 2022 '000	July to December 2022 '000
Australia			
- Export	502	1,190	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.

⁵ 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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