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TERRACOM

ASX ANNOUNCEMENT

11 May 2021

APRIL 2021 COAL SALES UPDATE

TerraCom Limited (**TerraCom** or **Company**) is pleased to provide shareholders with the following operational and financial results for April 2021.

OPERATIONAL RESULTS

Recorded coal sales during April 2021 were strong across both the Australia and South Africa business units.

Blair Athol (**BA**) continues to deliver superior operational results under its owner operator model and its strong focus on production to meet the increasing demand for the Company's higher grade energy coal from BA continues.

In line with the outlook advised within the 31 March 2021 Quarterly Activities Report, demand levels from Eskom have stabilised and the Company is now continuing to achieve pre-covid sales levels from its South African (**SA**) Operations. Domestic tonnes delivered to Eskom during the month of April 2021 (480,000 tonnes) were a 12% improvement on tonnes delivered to Eskom during the March 2021 quarter (monthly average of 429,000 tonnes).

Export tonnes from SA continue to increase following the implementation of the export strategy in March 2021. Tonnes achieved in the month of April 2021 were 181,000 tonnes compared to the March 2021 quarter of 136,000 tonnes per month.

	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[3]	248	-	**248**	248	-	**248**
South Africa	186	480	**666**	91	235	**326**
Total	**434**	**480**	**914**	**339**	**235**	**574**

[1] *The data represents total tonnes and assumes 100% ownership of Universal Coal plc.*

[2] *The data represents equity tonnes.*

[3] *Includes 154,000 tonnes for a ship which commenced loading on 29 April 11:49PM and completed loading at 4:41am on 1 May 2021.*

BLAIR ATHOL EBITDA RESULT

The Operating EBITDA[4] from the Australian Business Unit for the month of April 2021 was A$7.0 million, representing an EBITDA margin of approximately A$28 per tonne. This was underpinned by the sustained reduced cost base of approximately A$60 per tonne. The Company will update the market with financial results for the April month for SA once finalised.

Coal sales at BA remain strong and all sales for the June 2021 quarter (totalling 675,000 tonnes) have been contracted. Sales at this level represent an annualised run rate of 2.7Mpta.

Export thermal coal prices remain strong, and the Company is well placed to continue to take advantage of the improved pricing position, in both Australia and South Africa.

YTD OPERATIONAL RESULTS

Despite the ongoing uncertainty and challenges faced by COVID-19, the forecast total coal sales for the 2021 financial year remains at approximately 9.3 million tonnes.

	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	1,985	-	1,985	**2.38**	1,985	-	1,985	**2.38**
South Africa	1,310	4,467	5,777	**6.93**	642	2,386	3,028	**3.63**
Total	**3,295**	**4,467**	**7,762**	**9.31**	**2,627**	**2,386**	**5,013**	**6.01**

This announcement has been approved by the Board for release.

Craig Ransley
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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] *Non IFRS measure. Based on management accounts including the shipment which completed loading on 1 May 2021. The data presented represents Blair Athol only, and therefore excludes results from the South Africa Business Unit and TerraCom corporate costs.*