



ASX ANNOUNCEMENT

23 August 2021

TERRACOM BLAIR ATHOL MINE LIFE EXTENDED TO 10 YEARS

- Life of mine extended to approximately 10 years¹, providing 14 years operation under TerraCom.
- Total JORC Marketable Reserves available total 19.5Mt.
- The operating EBITDA² for the month of July 2021 at Blair Athol was A\$13.6 million.
- July 2021 results represent an operating cash margin of A\$58 per tonne.

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 advise **the life of the Blair Athol Mine (BA) has been extended to approximately 10 years** following an update to the BA Coal Reserve.

The Company engaged independent experts, Deswik Mining Consultants (Australia) Pty Ltd (**Deswik**), to complete a revised JORC assessment of the Company's BA operation in Clermont, Queensland. The coal reserves have been reported in accordance with the standards outlined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**).

At 30 June 2021, the BA JORC Marketable Reserves totalled **19.5Mt**. Based on a 2 million tonne sales profile, the life of mine for the BA operation is approximately a further 10 years.

On 10 August 2021 the Company advised July 2021 operating EBITDA results of \$13.6 million for BA, representing a cash margin of A\$58 per tonne.

Commenting, Executive Chairman Craig Ransley said:

"This latest JORC Reserve result means that the Blair Athol operation will effectively be able to operate for 14 years under TerraCom ownership (since acquisition in May 2017).

Blair Athol has already contributed significantly to the TerraCom group and we look forward to a further 10 years contribution from the operation."

¹ Based on 2Mt per annum sales profile.

² Non IFRS measure. Based on management accounts.

TOTAL RESERVES

Coal reserves have been reported in accordance with the JORC Code. The estimate is based on information compiled by Ian Neilsen, a member a member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Deswik.

Recoverable Reserves

Total open cut coal reserves for BA are outlined below.

Coal Reserve (Mt ROM)	Seam 4R	Seam 4U	Seam 4L	TOTAL (rounded)
Proved	0.0	6.1	2.7	8.7
Probable	0.0	10.9	5.2	16.1
Total Coal Reserve	0.0	16.9³	7.9	24.8

Marketable Coal Reserves

The marketable coal for BA is thermal product only. Estimates have been made for the most likely split of the ROM coal to bypass or to process in the Coal Preparation Plant (CPP) to blend together to produce an export quality thermal coal at 12.5% ash on an air-dried basis (adb). Marketable Coal Reserves are a sub-set of Recoverable Coal Reserves.

Marketable Coal Reserve (Mt Product)	Seam 4R	Seam 4U	Seam 4L	TOTAL (rounded)
Proved	0.0	5.2	1.9	7.1
Probable	0.0	9.5	3.0	12.5
Total Coal Reserve	0.0	14.7	4.9	19.5³

The following information is available to support the BA JORC Reserves outlined above:

- **Appendix A – Maps for Seam 4R, 4U and 4L.**
- **Appendix B – Table 1 from Section 4 of the JORC Code 2012 as applicable for Blair Athol Mine.**

³ due to rounding of reported figures not all totals may reconcile to the sum of reported components.

COMPETENT PERSONS STATEMENT – RESERVES

The information in this announcement relating to Coal Reserves is based on information compiled by Ian Neilsen who is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of Deswik Mining Consultants Pty Ltd.

Ian Neilsen is a qualified Mining Engineer and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.”

Ian Neilsen consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

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.

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.

Any references to Operating EBITDA results, unless stated, represent 100% of the result from the South Africa Business Unit and therefore includes other equity holders. TerraCom's equity interest in the mines ranges from 48.9% to 70.5%. Operating EBITDA data does not include the TerraCom corporate costs.

No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information contained in this document (or any associated presentation, information or matters). To the maximum extent permitted by law,

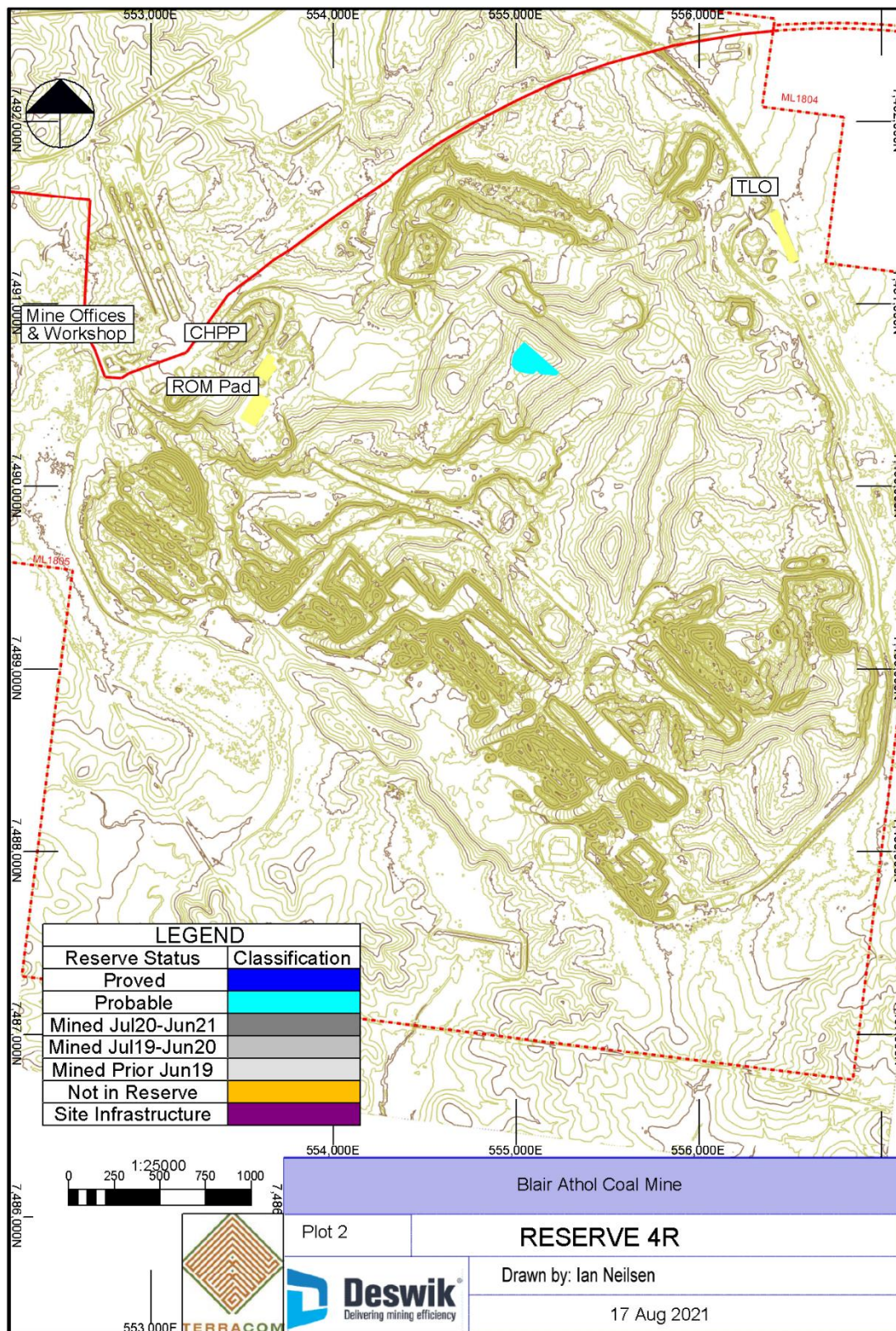
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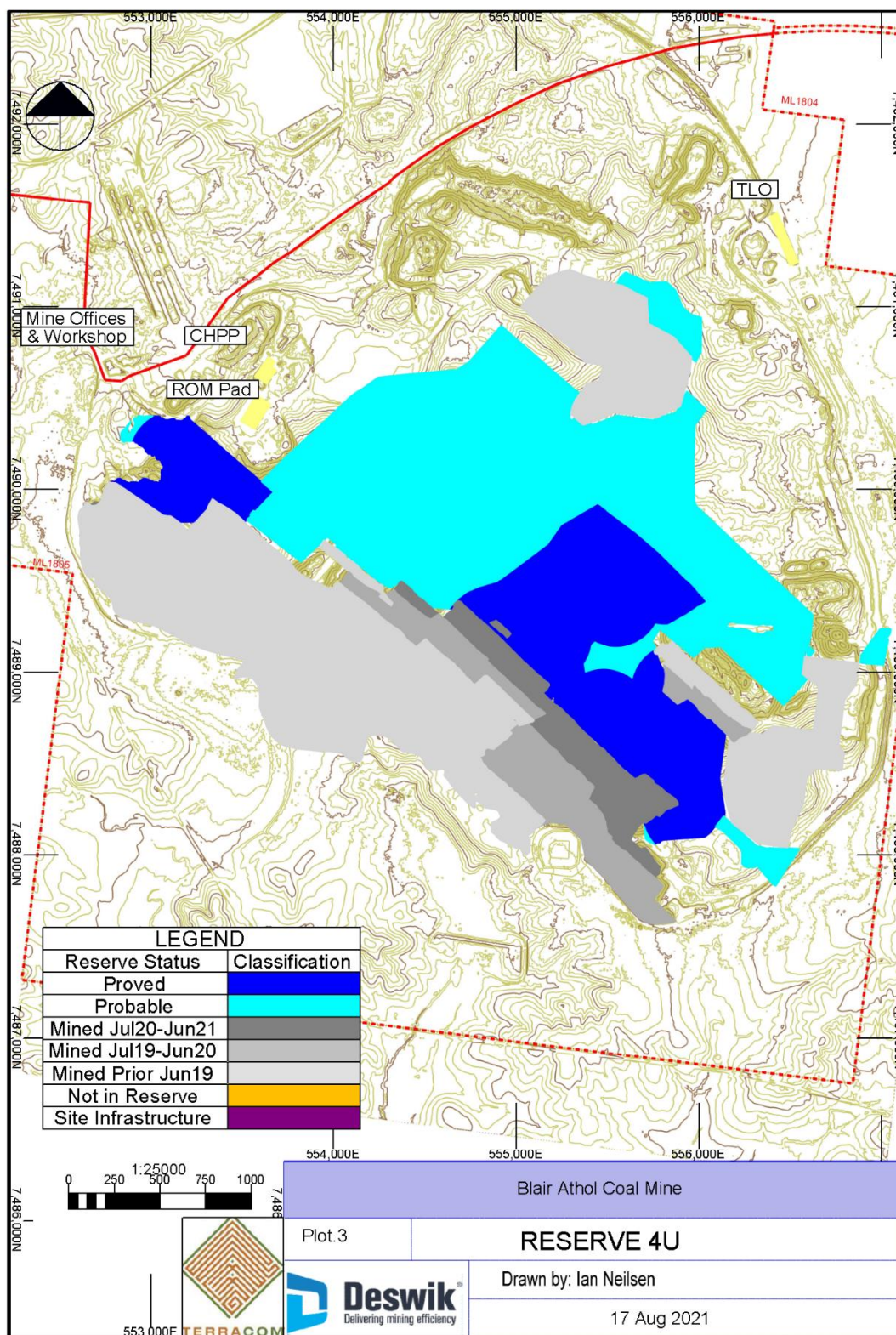
Certain statements in or in connection with this document contain or comprise forward looking statements. Such statements may include, but are not limited to, statements with regard to capital cost, capacity, future production and grades, sales projections and financial performance and may be (but are not necessarily) identified by the use of phrases such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will". By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside TerraCom's control. Accordingly, results, events or outcomes could differ materially from the results, events or outcomes expressed in or implied by the forward- looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in product prices and exchange rates and business and operational risk management. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, TerraCom undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

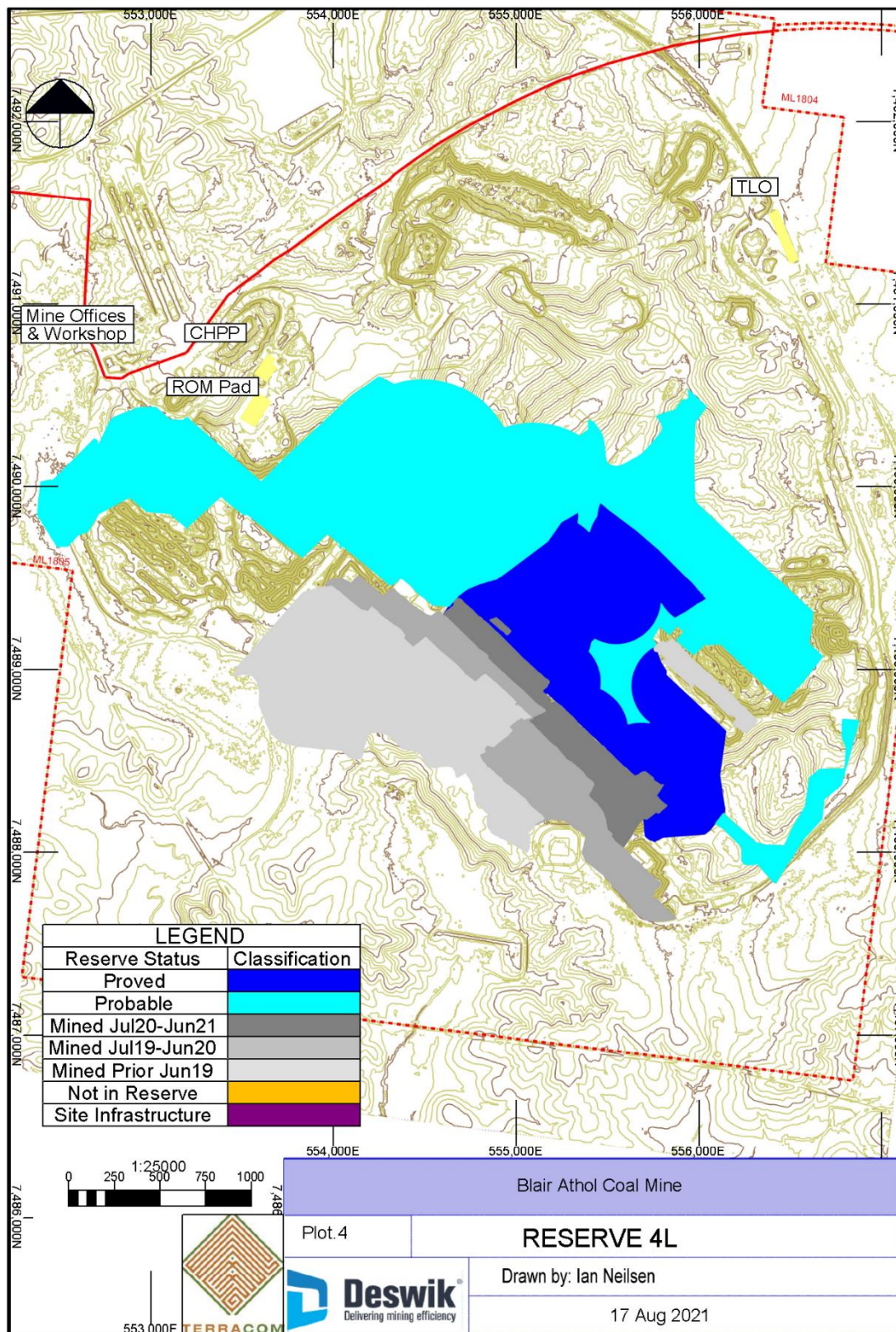
Nothing in this document constitutes investment, legal or other advice. You must not act on the basis of any matter contained in this document but must make your own independent investigation and assessment of TerraCom and obtain any professional advice you require before making any investment decision based on your investment objectives and financial circumstances. An investment in TerraCom shares is subject to known and unknown risks, some of which are beyond the control of TerraCom. Investors should have careful regard to the risk factors outlined in this document.

This document does not constitute an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any security in any jurisdiction.

APPENDIX A







APPENDIX B

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	- Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. - Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	The Coal Resource statement "Coal Resources at Blair Athol" as approved by Greg Jones of JB Mining Services Pty Ltd has been used as the basis of Reserve estimates contained in this report, titled "BlairAthol_coal_resources_dec18". Refer to Table 1 Sect 1-3 publicly released on 8th December 2018 for further details. Data was originally provided by TerraCom Technical Services Superintendent, Nick Bailieu. The Mineral Resource quantity is inclusive of the Ore Reserve quantity
Site visits	- Comment on any site visits undertaken by the Competent Person and the outcome of those visits. - If no site visits have been undertaken indicate why this is the case.	The competent person, Ian Neilsen, visited the site during the period 12-13th December 2018, monthly site visits from April 2019 to March 2020 and weekly site visits during March-April 2021, during which various parts of the operating site were inspected. The dragline operations and active mining pit were examined, as well as the coal handling and stockpile areas. Recent rehabilitation areas completed by TerraCom were also inspected.
Study status	- The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. - The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	The site is currently operating and has an existing Life Of Mine plan that this reserve estimate is based on. The mine plan area has been modified from the 2019 Life of Mine plan, with an adjusted strip layout and additional strips designed in the western portion of the mining lease, due to pit dewatering plans being developed.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	The pit footprint is largely constrained by margin ranking estimation to define areas of low economic return, as well as an exclusion of potential economic reserves under the mine infrastructure. This cut-off is estimated at 8% return on cost. A minimum mining thickness of 0.3m has been used, with 0.35m minimum separable parting to calculate coal working sections per block.
Mining factors or assumptions	- The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). - The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. - The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling. - The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). - The mining dilution factors used. - The mining recovery factors used. - Any minimum mining widths used. - The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. - The infrastructure requirements of the selected mining methods.	Mining loss and dilution has been estimated as a thickness and applied to coal block area for volumetric calculations. Roof Loss for No.4 Seam plies has been applied at 0.15m and Floor Loss is applied consistently to all plies as 0.1m. Dilution has been applied to both Roof and Floor as 0.05m and 0.05m. Loss and dilution estimates have only been applied between coal and waste horizons. These assumptions result in: 4U Seam 8% Coal Loss Volume, 3% Dilution volume added 4L Seam 18% Coal Loss Volume, 7% Dilution volume added 4R Seam 56% Coal Loss Volume, 29% Dilution volume added These results have increased from previous estimates due to higher proportion of parting in the western portion of the mining area. Moisture adjustments were conducted using Preston-Sanders conversion formulae for density and tonnage where appropriate using the following factors: - ROM Moisture = 17% - Product Wash Moisture = 16% - Product Bypass Moisture = 17%

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	<i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> <i>Any assumptions or allowances made for deleterious elements.</i> <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i>	The coal reserve is a low rank, medium-high volatile sub-bituminous to bituminous thermal coal. Regression formulae have been estimated by M Resources using a F1.60 cutpoint, targeting a blended 12.5% air-dried ash (including bypass coal). The 4U wash samples indicated a product ash of 10.6% (ad) and 4L a product ash of 12.3% (ad). It has been assumed that coal to be washed is comprised of 4U Scalping passes, 4R and 4L seam. The main pass of the 4U seam under 15.5% ash (ad) bypasses the wash circuit. Yields have been established using ROM Ash regression calculations provided. Calculated yields have reconciled within 4% of actual yields using CHPP data from FY20-FY21.
Environmental	<i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i>	The environmental regulations of the mining activities associated with this reserve report are permitted under the existing environmental authority EPML00876713. The QLD government statutory required Plan of Operations will be regularly updated to reflect the mining activities, disturbance and adjustment to the financial assurance. Surface and Groundwater are managed under the Blair Athol Water Management Plan. The water management system was originally designed and operated for the integrated project across both ML1804 and ML1881. With the sale of ML1881 to Clermont Coal Joint Venture several cooperative arrangements now exist. In relation to the Water Management System, these arrangements address diversion maintenance and monitoring, mine affected and fresh water storage, portable water supply and sewerage treatment. A Water Deed was established between both parties detailing the commercial details and expectations to enable both mines to operate effectively and efficiently.

Criteria	JORC Code explanation	Commentary
Infrastructure	<i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i>	The Coal Handling and Preparation Plant (CHPP) is a 300 tonne per hour module plant that is owned by TerraCom. TerraCom use existing fixed infrastructure. This includes site security features, fencing, access roads, car parks, administration offices, workshops and tyre bay, first aid facilities, warehouse, laydown areas and associated facilities for the operation of the mine. In order to access the western portion of the mine plan, the current site water storage is required to be relocated. The Life of Mine plan accelerates the eastern extent of the pit in order to serve as a water storage to facilitate the transfer and storage of water for the Life of Mine. The reestablishment of a portion of the rail line that passes through ML1804 was negotiated with Aurizon in April 2018. Special use of this siding will enable coal to be transported directly by train wagons to the Port facilities. The Train Loadout Facility comprises ROM, bypass and product stockpiles, a mobile sizing plant, personnel facilities and water management infrastructure. Clermont, a nearby township, has a camp facility and permanent housing owned by TerraCom as accommodation options for mining personnel.
Costs	<i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> <i>The methodology used to estimate operating costs.</i> <i>Allowances made for the content of deleterious elements.</i> <i>The source of exchange rates used in the study.</i> <i>Derivation of transportation charges.</i> <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i> <i>The allowances made for royalties payable, both Government</i>	Capital costs and Operating unit costs have been estimated from operational mine planning at a Run Of Mine (ROM) production rate of 2.3mtpa. For margin ranking purposes, equipment allocations have been estimated using dragline as the main uncover equipment, assisted where appropriate by excavator. Once material allocation decisions have been established, quantities are calculated, and unit costs applied. The margin ranking costs have been confirmed to be within 1% of the sites FY22 Budget estimate.

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	<i>and private.</i>	Royalties have been calculated using the Queensland Govt rate varied by coal price. As the estimated revenue is less than AU\$100/product tonne, the royalty rate is 7% of the revenue, with an additional ACARP levy of AU\$0.05. The US Exchange rate used is US\$0.785:AU\$1.
Revenue factors	<i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i> <i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i>	Long-term estimates for the Benchmark Australian Steaming Coal (Spot Price) is US\$75.10/t, being sourced from Consensus Economics. Blair Athol coal has been assumed to be priced at a 15% discount, using ash and energy adjustments, equating to US\$63.84/t. The exchange rate assumed is US\$0.785:AU\$1 resulting in AU\$81.25/t
Market assessment	<i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i> <i>A customer and competitor analysis along with the identification of likely market windows for the product.</i> <i>Price and volume forecasts and the basis for these forecasts.</i> <i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i>	Blair Athol thermal coal is regarded as a low ash, low sulphur coal with energy levels ranging in order of 5000-5500kcal/kg NAR, placing it at an estimated 85% of the Benchmark Australian Steaming Coal. Consensus Economics has supplied the Price forecast for Australian Steaming Coal (Spot Price).
Economic	<i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i> <i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i>	Operating Costs have been estimated from operational estimates and planning initiatives developed by TerraCom, as well as actual costs incurred since transitioning to owner operator in July 2020. The Project has sufficient surface accessible coal measures to provide 2.3 ROM Mt/year for a mine life of 11 years. The Project, with all related infrastructure requirements included, is technically and economically feasible. Sensitivities to the Project design assumptions indicate that the Project economics are robust with similar mining limits estimated for a 10% reduction in Coal Price or 10% increase in total costs.

Criteria	JORC Code explanation	Commentary
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	Land purchases and agreements have been completed to allow the mine plan to proceed as planned.
Other	- To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: - Any identified material naturally occurring risks. - The status of material legal agreements and marketing arrangements. - The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	The site is in operation as at August 2021 and has all relevant agreements for operation. The location of the Blair Athol cemetery has been excluded from reserves.
Classification	- The basis for the classification of the Ore Reserves into varying confidence categories. - Whether the result appropriately reflects the Competent Person's view of the deposit. - The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	Reserves have been assessed as Proved only in areas where Measured Resources have been established and supported by robust mine planning design, economic evaluation and site accessibility. Measured resources in areas with less certainty have been assessed as Probable Reserves, due to lower confidence of pit design. 71% of Probable Reserves is Measured Resource with the remainder Indicated Resources. No Inferred Resources have been included in the final economic evaluation.
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	A Site Risk Assessment has been conducted annually by MARSH Risk Consultants since 2019. The recommended improvements are in development as at August 2021.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated	Mining operations recommenced in August 2017 and successfully implemented several infrastructure projects. The deposit has the following positive indicators: Multiple seam contacts in historical opencut exposures

Criteria	JORC Code explanation	Commentary
	confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• No indication of intrusion or heat affected coal • Close proximity to Rail and open cut mining support infrastructure The challenges that exist for mining operations include: • Mining through previous mining areas • Transfer of stored water to allow western reserves to be mined • Eastern Diversion is assumed to be moved as part of remediation works to improve the Diversion's sustainability • Management of spontaneous combustion of remnant coal • Historical dragline lowwall stability issues demonstrate need for rigorous design and monitoring practices • Single major piece of coal uncover equipment, dragline performance is critical to the mine plan