



ASX ANNOUNCEMENT

16 June 2022

BLAIR ATHOL SECURES OFFTAKE AGREEMENT

- Long term demand for Blair Athol coal continues
- Offtake agreement reached for the delivery of up to 1.25 million tonnes to long-term Japanese trading partner over 13 months
- Forecast operating cashflows remain strong

TerraCom Limited (ASX: TER) (**TerraCom** or **Company**) is pleased to advise that an offtake agreement (**Agreement**) has been signed with its long-term Japanese trading partner¹ for the delivery of up to 1.25 million tonnes over thirteen (13) cargoes from the Blair Athol (**BA**) operation during the period August 2022 to August 2023 (**Offtake Term**).

Key terms of the Agreement are as follows:

- One (1) cargo per month during the Offtake Term
- Each cargo to deliver between 67,000 and 88,000 tonnes (+/- 10%), subject to the tonnage as nominated by the offtake partner
- Total tonnes to be delivered between 0.78 and 1.25 million tonnes over the Offtake Term
- Pricing linked to the globalCOAL Newcastle Index

The Blair Athol operation continues to perform well and remains on track to achieve coal sales of 2.3 million tonnes for the financial year ending 30 June 2022.

For the financial year ending 30 June 2023, BA is forecasting coal sales of 2.2 million tonnes and is fully sold until October 2022. Post October 2022, there remains up to 450,000 tonnes unsold for the remaining 8 months up to June 2023, which depending on market conditions, is targeted to be sold in the spot market. As previously advised, all coal sales that are agreed for the upcoming financial year have been sold against applicable indexes.

Commenting, Executive Chairman, Craig Ransley said:

"We are very proud of the BA team who continue to deliver on production to meet ongoing sales commitments. The finalisation of the offtake agreement has cemented the upcoming coal sales profile for the Blair Athol operation and represents up to 50% of the annualised coal sales for the operation."

We look forward to being able to deliver another solid performance at BA with a forecast annual run rate of 2.2 million tonnes per annum for the financial year ending 30 June 2023.

¹ JERA Global Markets



The export thermal coal market remains strong and the full year Operating EBITDA² attributable to TerraCom for the year ending 30 June 2022 is still forecast to be approximately A\$420 million³.

As previously announced³, the board is forecasting to declare a dividend for the period ending 30 June 2022 to be paid during September 2022. The dividend is forecast to be an initial unfranked dividend of 10 cents per share⁴."

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.

² 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.

³ Refer ASX Announcement "Company Update" dated 10 June 2022.

⁴ 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.