

October 2024

TerraCom Limited

Powering growth through global mining excellence

ASX:TER



TerraCom

Disclaimer & Important Notice

IMPORTANT NOTICE

This presentation (**Presentation**) has been prepared to provide prospective investors (**Recipients**) with information about TerraCom Limited ACN 143 533 537 (**TerraCom**) and its business of being a resource explorer with a large portfolio of operating assets in Australia and South Africa (**Business**). This Presentation may not be reproduced, used or given to any other person, in whole or in part.

This Presentation does not constitute investment advice and neither this Presentation nor the information contained in it constitutes an offer, invitation solicitation or recommendation with respect to the purchase or sale of any securities.

This Presentation, its contents, appendices, and all attachments have been prepared by TerraCom and its advisors.

The information contained in this Presentation has been prepared for information purposes only to assist Recipients in understanding TerraCom and the Business; it has not been verified and does not purport to contain all of the information that Recipients may require prior to providing financial accommodation to, or acquiring shares in, or the assets of, a company or group of companies. Although due care, skill and diligence has been taken in the preparation of this Presentation, none of TerraCom, any of its Related Bodies Corporate (as such term is defined in the Corporations Act 2001 (Cth) (**Corporations Act**)) nor any of its or their directors, officers, employees or advisers (**Relevant Persons**) make any representation or warranty as to the accuracy, completeness, timeliness or reliability of the information in this Presentation. None of the Relevant Persons shall have any liability for any information or representations, expressed or implied, contained in, or in any omissions from, this Presentation or any other written or oral information transmitted to the Recipients in the course of the Recipient's evaluation of the Proposed Transaction.

With respect to Operating EBITDA presented throughout this presentation, this number does not represent the Operating EBITDA reported in accordance with IFRS from a consolidation point of view. The data is a non IFRS measure and represents the Australian Business Unit, and 100% of the result from the South Africa Business Unit and therefore includes other equity holders, noting TerraCom's equity interest in the South African operating mines ranges from 48.9% to 49.0%. The data presented does not include the TerraCom corporate costs.

All JORC Resources and JORC Market Reserves disclosed in this Presentation are as per the TerraCom Annual Report announced to the market on 21 October 2024.

This Presentation may contain forward-looking statements, forecasts, estimates, projections, opinions and information about future matters (**Forward Statements**). The Forward Statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. No independent third party has reviewed the reasonableness of any such statements or assumptions. No representation or warranty, express or implied, is given that such Forward Statements will be achieved or will prove to be correct or that any assumptions upon which the Forward Statements are based are reasonable. No audit, review or verification has been undertaken by TerraCom, its Related Bodies Corporate, any Related Persons or an independent third party of the assumptions, data, results, calculations and forecasts presented or referred to in this Presentation. Actual future results and operations could vary materially from the Forward Statements and past performance is not necessarily indicative of future results.

The Relevant Persons expressly disclaim all liability for any and all loss, damage, cost, claim, expense, outgoing, interest, loss of profits or loss of any kind suffered or incurred by any person as a result of or in connection with the provision or use of this Presentation, or any information subsequently provided, or the Recipients or their consultants, agents, representatives or advisers acting on or relying on the information in this Presentation, or any information subsequently provided, whether the loss, damage, cost, claim, expense, outgoing or interest arises in tort, contract, equity, under statute or otherwise.

The Recipients acknowledge that circumstances may change and this Presentation may become outdated as a result. No obligation is imposed upon the Relevant Persons to advise the Recipients of: (i) any additional information which comes to their notice after the date of this Presentation which may affect any matter referred to in this Presentation, or (ii) any changes to or errors in the information contained in this Presentation. Any subsequent information provided by the Relevant Persons to the Recipients will form part of this Presentation and is provided subject to the terms of this Important Notice.

This Presentation is provided for general information purposes only, without taking into account any Recipient's personal objectives, financial situation or needs, and it should not be relied upon by a Recipient in considering the merits of the Proposed Transaction. Nothing in this Presentation constitutes investment, legal, tax, accounting or other advice. This Presentation is not, and should not be construed as, a recommendation or offer by any Relevant Person to provide financial accommodation to, or acquire shares in, or the assets of, a company or group of companies relating to TerraCom and the Business. In all cases, the Recipients must (i) consider their own financial situation, objectives and needs, (ii) make their own independent investigations, analysis and evaluation of the Proposed Transaction and the information (including its relevance, adequacy and completeness) set forth in this Presentation, and (iii) obtain independent professional advice regarding this Presentation, including investment, legal, tax, accounting and such other advice as it considers necessary or appropriate.

Disclaimer & Important Notice

IMPORTANT NOTICE (CONTINUED)

This Presentation should not be relied upon as the sole representation of any matter that a Recipient should consider when evaluating TerraCom or the Business.

Nothing in this document should be construed as authorising the distribution of this Presentation outside of the Commonwealth of Australia. The law in or from certain jurisdictions may restrict the distribution or possession of this Presentation, and the Recipients must inform themselves of, and observe, such restrictions. No Relevant Person accepts any liability to any person in relation to the distribution or possession of this Presentation in, or from, any jurisdiction. The Recipients acknowledge that the contents of this Presentation are not to be regarded as advice relating to legal, taxation or investment matters.

This Presentation is not a prospectus or other form of disclosure document for the purposes of the Corporations Act and does not contain all the information which would be required to be disclosed in a prospectus or other disclosure document. The information presented in this Presentation may differ materially from that presented in any disclosure document prepared in connection with any offer of securities in TerraCom. This Presentation is not and should not be considered an offer or an invitation to acquire any securities or any other financial product and neither this presentation nor any of the information contained herein shall form the basis of any contract or commitment.

The Recipients acknowledge that it does not intend that TerraCom (or any of its Related Bodies Corporate or any Relevant Persons) act or be responsible as a fiduciary to the Recipient, its management, shareholders, creditors or any other person. The Recipients are responsible for making its own independent evaluation and judgments with respect to TerraCom, the Proposed Transaction and any other related matters. All amounts included in this Presentation are expressed in Australian dollars unless the document otherwise specifies a different denomination of currency.

By retaining this Presentation, the Recipients acknowledge that they have read, understood and accepted the terms of this Important Notice. If a Recipient does not accept the terms of this Important Notice, it must return this Presentation (and all copies of it) to TerraCom, or another person nominated by TerraCom, and not use it for any purpose.

This Notice is governed by and is to be construed in accordance with the laws of the state of Queensland, Australia and the Recipients accept the jurisdiction of the courts exercising jurisdiction there.

This document has been authorised for release by the Managing Director.

Date of Document: 30 October 2024

About TerraCom

TerraCom Limited (ASX: TER) is an Australian based mining resources company with a global footprint, comprising a large portfolio of operating assets in Australia and South Africa within the coal sectors.

We are a renowned low-cost producer focused on delivering exceptional outcomes from our high-yielding diversified asset portfolio for its investors.

To learn more about TerraCom visit:

www.terracomresources.com





Contents

- 1 Company Overview
- 2 Investment Highlights
- 3 Operations
- 4 Operational Performance
- 5 Market & Capital Management
- 6 Sustainability
- 7 Outlook
- 8 Contact

Company Overview



Company at a glance...



Portfolio & Geographic Diversification

Portfolio of producing, development, and exploration assets in Australia and South Africa



Three Producing Mining Operations

1 in Australia
2 in South Africa

(+ Ubuntu and Kangala Collieries on care & maintenance)



South Africa

A stable fixed margin business

75% of coal is sold domestically



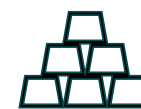
Cash Generating

Capitalising on strong demand for low impurity thermal coal



Blair Athol

Underpins the business as the bedrock of the Group



Markets

Export Sales (45%)

Sold mainly to Japan and Korea (energy markets), and India (Corex, DRI)

Domestic Sales (55%)

All domestic is sold in South Africa

Board and Executive



Mark Lichtenberg
Non-Executive
Chairman

- Over 25 years in the coal industry, with a Law (Hons) degree from Liverpool University, UK.
- Founding MD and Executive Chairman of ASX-listed Cockatoo Coal Limited.
- Former Co-Head of Glencore's global coal division, establishing Xstrata Coal's project portfolio.
- Developed a coal "swaps" market at Bain Refco (Deutsche Bank).
- Currently Chairman of Evolve Power Ltd and Non-Executive Director of Helios Energy (ASX:HE8).



Danny McCarthy
Managing Director

- 26 years in mining, with senior roles at Thiess, Wesfarmers, QCoal, and Mineral Resources (ASX:MIN).
- As COO at Mineral Resources, led the Wodgina lithium mine development.
- Transformed TerraCom's Blair Athol mine to owner-operated, reducing costs.
- Led TerraCom's South African operations to sustainable profitability in 2021.
- Expertise in strategy, mining operations, and delivering shareholder value.



Glen Lewis
Non-Executive
Director

- Qualified Coal Mine Manager with over 40 years in the coal industry, holding various senior management roles.
- Led management teams at United Colliery and Dartbrook Coal, involved in project construction.
- Served as Operations Manager at Oceanic Coal, overseeing multiple underground and opencut mines.
- Promoted to General Manager for Xstrata Coal NSW, managing six operating mines and several construction projects.
- Joined NuCoal Resources (ASX:NCR) in 2010 as Managing Director, now serves as a Non-Executive Director.



Mark Ludski
Non-Executive
Director

- Finance professional with over 30 years' experience in ASX-listed companies and accounting firms.
- Expertise in capital management, governance, audit, taxation, and business advisory services.
- Chartered Accountant and member of the Australian Institute of Company Directors.
- CFO and Company Secretary at Ainsworth Game Technology (ASX:AGI) for 22 years.
- Non-Executive Director of Angel Action Pty Ltd, Trustee for The Ainsworth Foundation since 2013.



David Norris
Non-Executive
Director

- Financial professional with over 20 years' experience in board-level decision-making and investment strategies.
- Former Director at Deloitte, currently CEO at the John Singleton Group.
- Skilled in financial data analysis, providing insights for strategic decision-making and compliance.
- Manages investment opportunities, due diligence, and investment strategies; serves on multiple boards and private equity funds.
- Holds a Bachelor's Degree in Commerce and is a Chartered Accountant and member of the Australian Institute of Company Directors.



Megan Etccl
Chief Financial Officer &
Company Secretary

- Holds a Bachelor of Commerce and is a qualified Chartered Accountant.
- Joined TerraCom in 2019 as Company Secretary and later became Executive GM Corporate Affairs.
- Appointed Interim CFO at TerraCom in 2021, overseeing finance, governance, and stakeholder relations.
- Extensive coal mining industry experience, including roles as CFO and Company Secretary at NuCoal Resources (ASX:NCR).
- Involved in corporate transactions, including capital raisings, acquisitions, and joint ventures.

FY2024 Highlights



Employees & Contractors

~3,600



BA Total Sales Revenue¹

A\$251M



Total² ROM Production

9.6Mt



Total² Coal Sales

7.2Mt



BA Average Coal Price per
sold tonne³

A\$159



Low-Cost Producer
Proven Track
Record

1. Based on FY24 Financial Statement released to the market 30 August 2024.
2. The data represents total tonnes and assumes 100% ownership of the South African operations, noting TerraCom's interest in the operating mines ranges from 48.9% to 49.0%. ROM Production attributable to TerraCom is 5.7Mt. Coal sales attributable to TerraCom is 4.3Mt.
3. 12 months ended 30 June 2024.

Corporate Snapshot



Market Cap (A\$)
156M



Share Price (A\$)
0.195

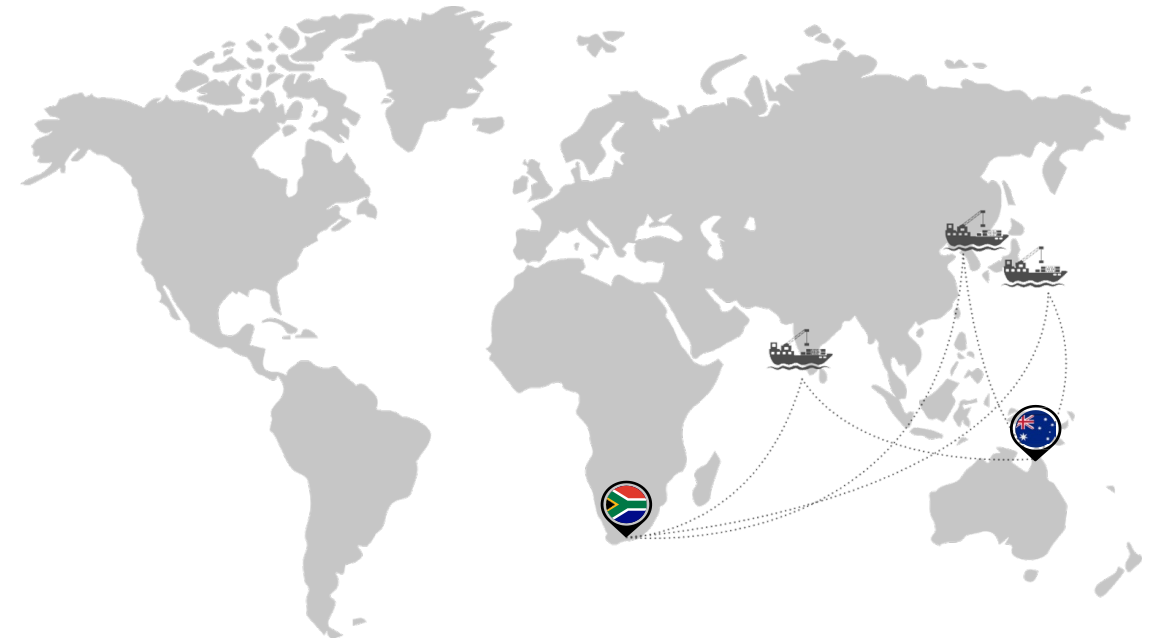


Shares on Issue (million)
801.0

Shareholders	% ISC
Regal	14.3
Bonython	9.8
Thorney	7.2
Fred Bart	5.1
TER Directors and Management	2.7
Others	60.9

Global Shipping to Customers Worldwide

Delivering exception value from a diversified, high-yielding asset portfolio across Australia and South Africa's coal sectors



Operations



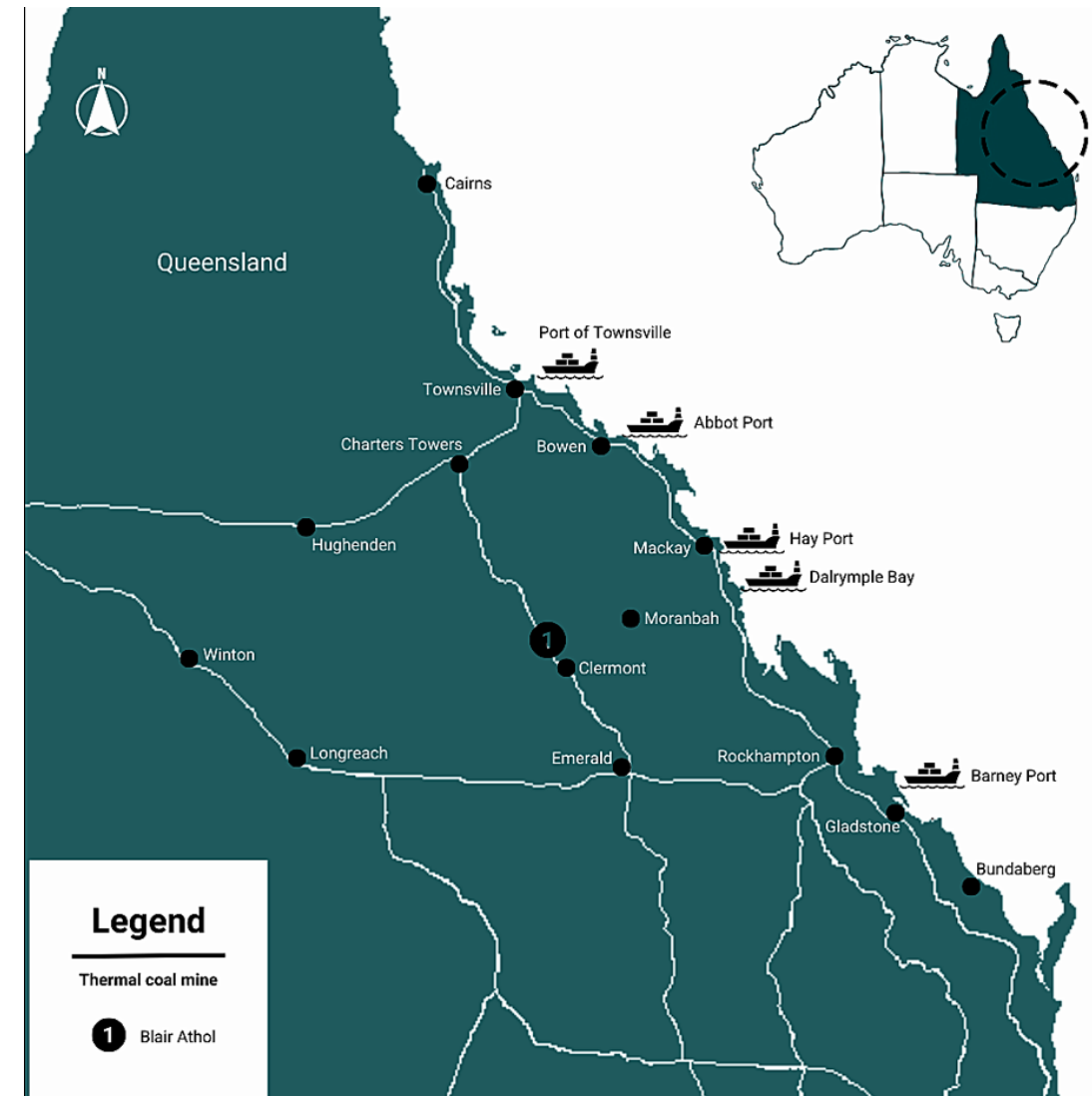
Australia



TerraCom acquired its flagship Blair Athol Coal Mine, located in Clermont Queensland, in 2017.

Since the acquisition, the Company has successfully restarted operations and now exports approximately 1.8 million tonnes per annum of high-quality thermal coal.

Rehabilitation at the site is progressive and forms part of the ongoing mining operations.



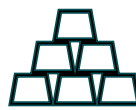


Blair Athol – Bedrock of the Group



Thermal coal

2.25Mtpa ROM



Export

1.8Mt export, primarily to Japan and South Korea for power generation and Indian sponge market iron markets



Ownership

100% ownership,
Owner Operator



Open Pit

Dragline, truck, excavator and dozers for waste removal.
LOM strip ratio ~9:1



Ore Reserves

~ 20Mt



Life of Mine (LOM)

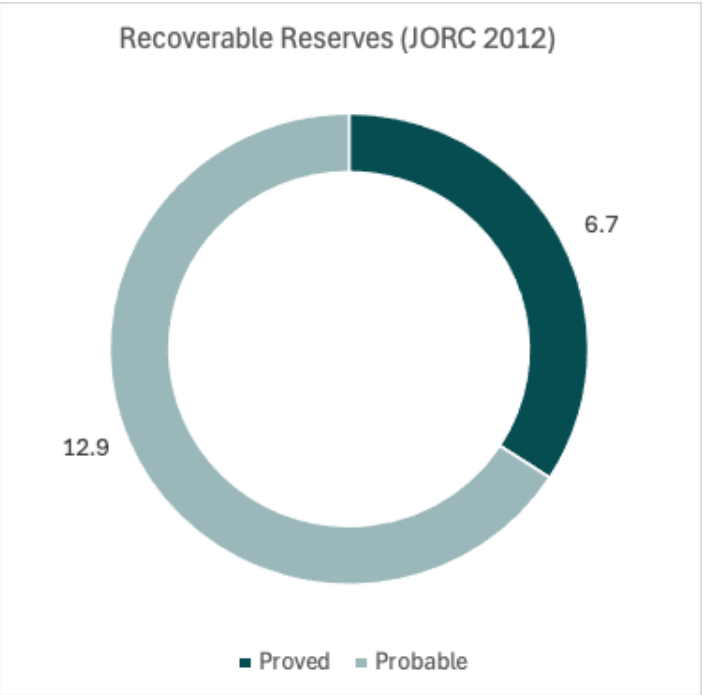
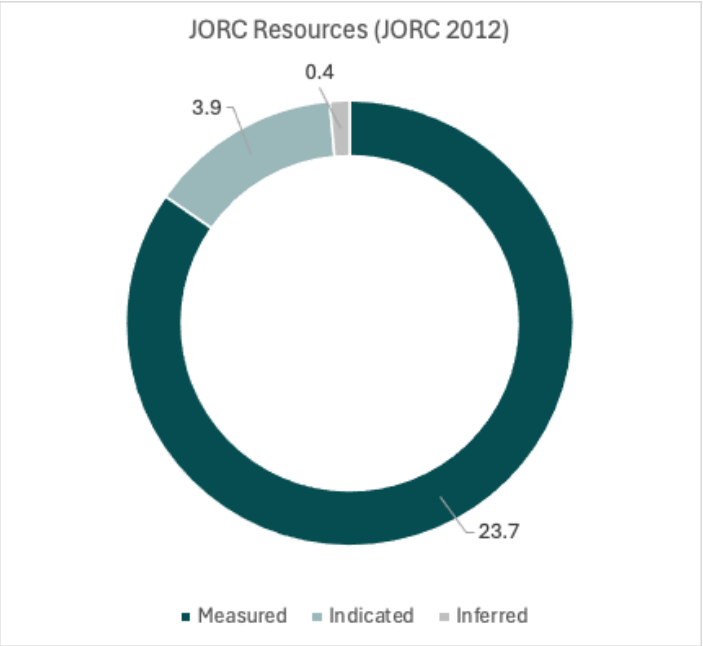
~ 8 years



Blair Athol

The Australian Business Unit comprises one operational mine, the flagship Blair Athol (BA) Coal Mine located in Clermont, Queensland (as well as a large portfolio of exploration and evaluation assets predominantly located in the Northern Galilee coal region).

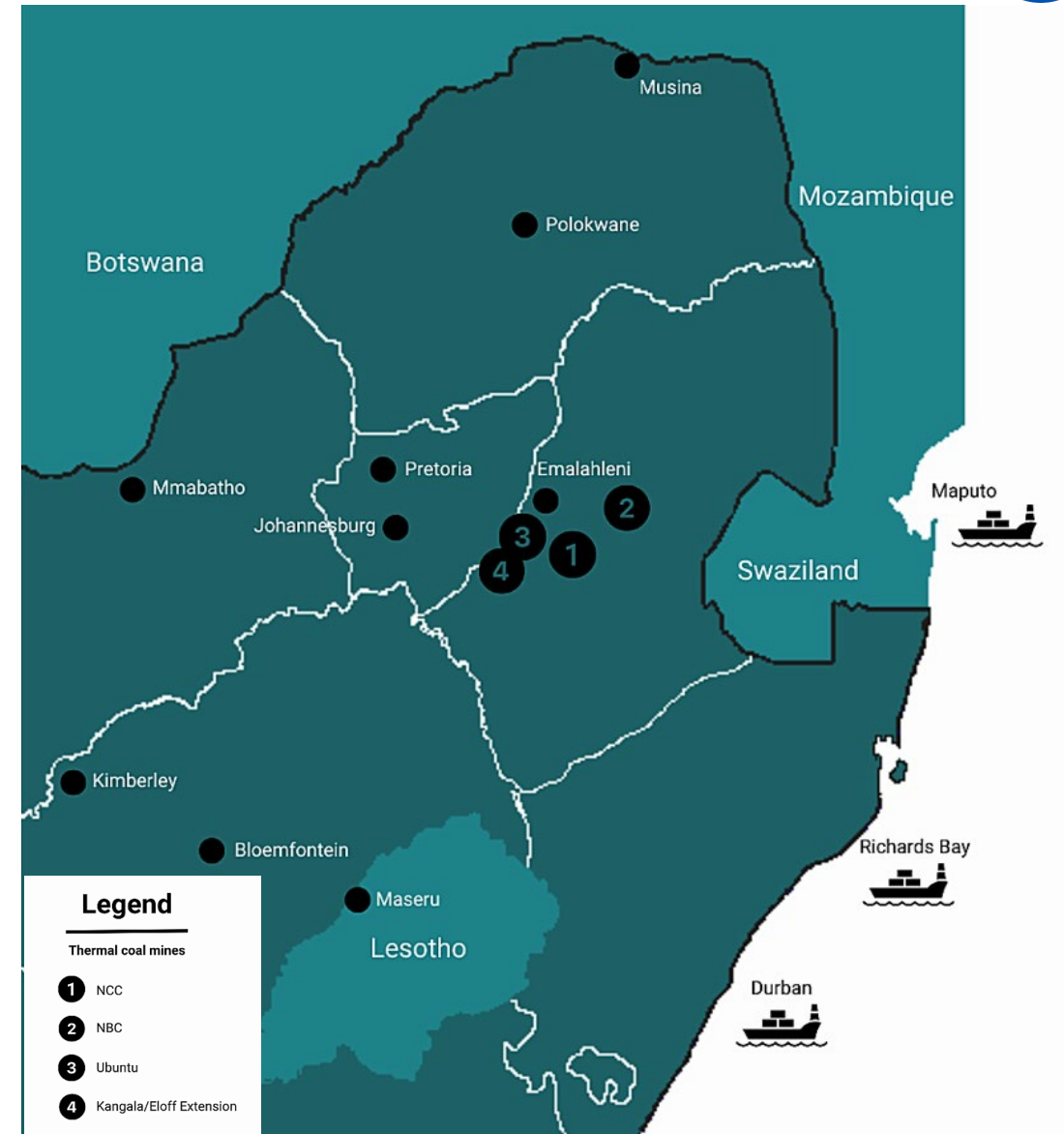
Title	ML1804
Mine Type	Open pit • Dragline and dozers for waste removal • Coal mining by truck and shovel • Life of mine strip ration of ~ 8:1
Coal Type	Thermal Coal
Export	• 1.8 export, primarily to Japan, South Korea and Indian sponge iron markets • Exported through Dalrymple Bay Coal Terminal
Ownership	100% ownership, owner operated
Life of Mine	~ 8 years



South Africa

TerraCom, via its 100% ownership of Universal Coal Plc (Universal), holds an interest in a portfolio of producing, development and exploration assets located across South Africa's major coalfields.

The South African operations provide domestic quality coal to Eskom (South Africa's government owned power utility) and also provide export coal to customers via the Richards Bay and Maputo coal terminals.



South Africa – A Solid Contributor



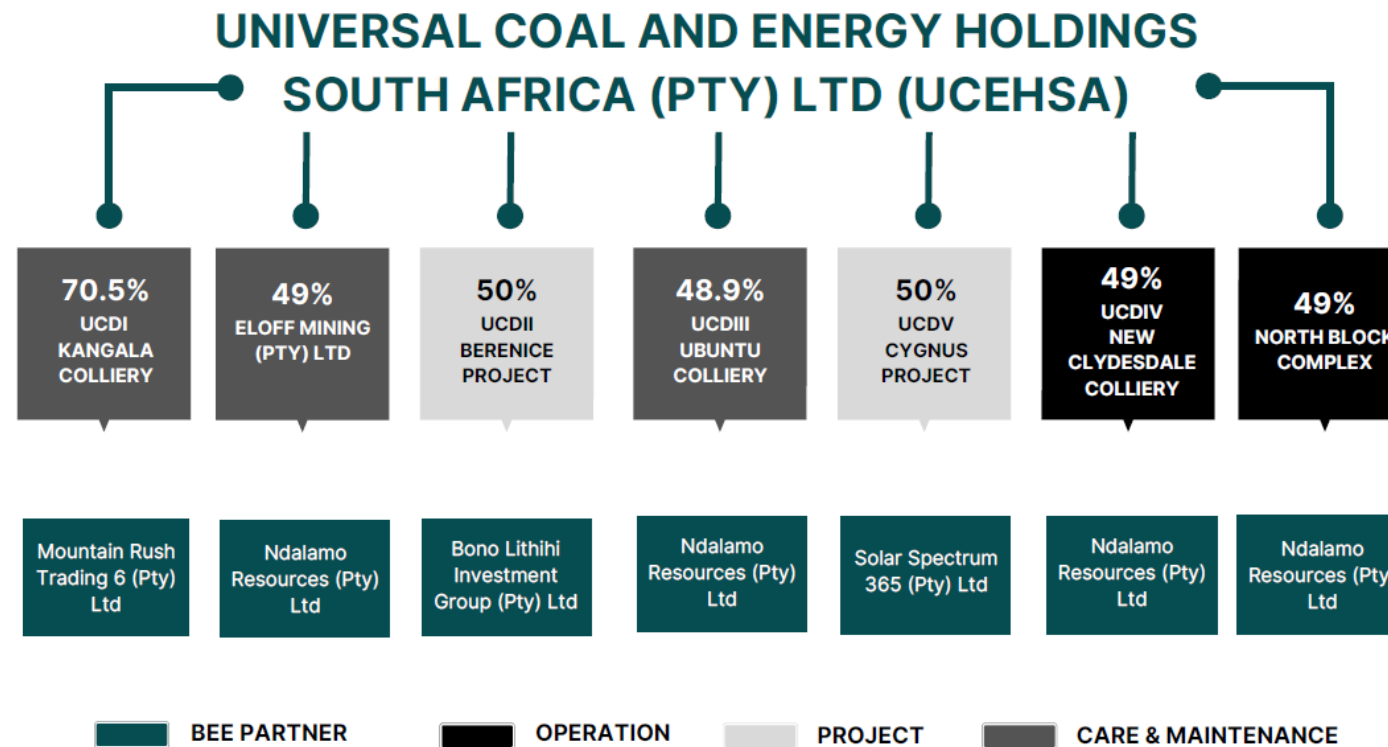
Operational
consistency



Consistent
dividend return



Strong financial
performance



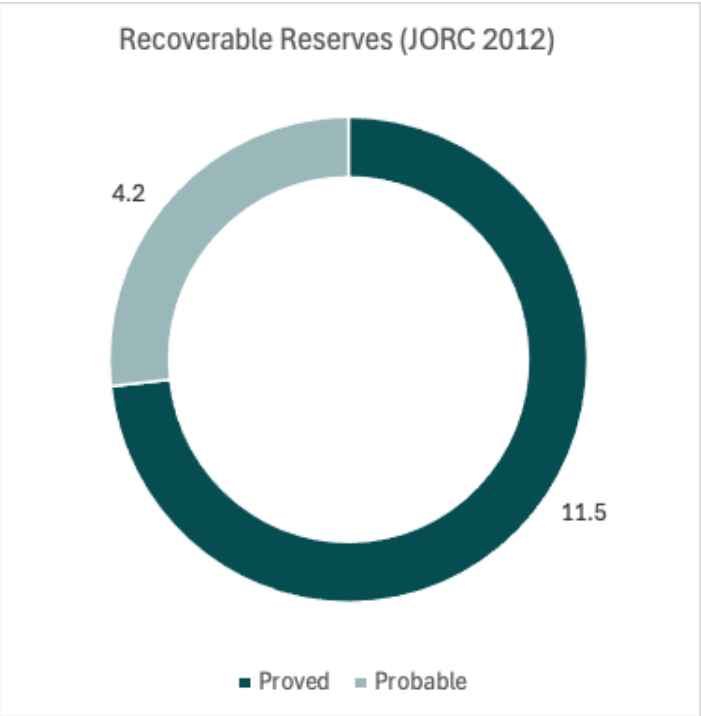
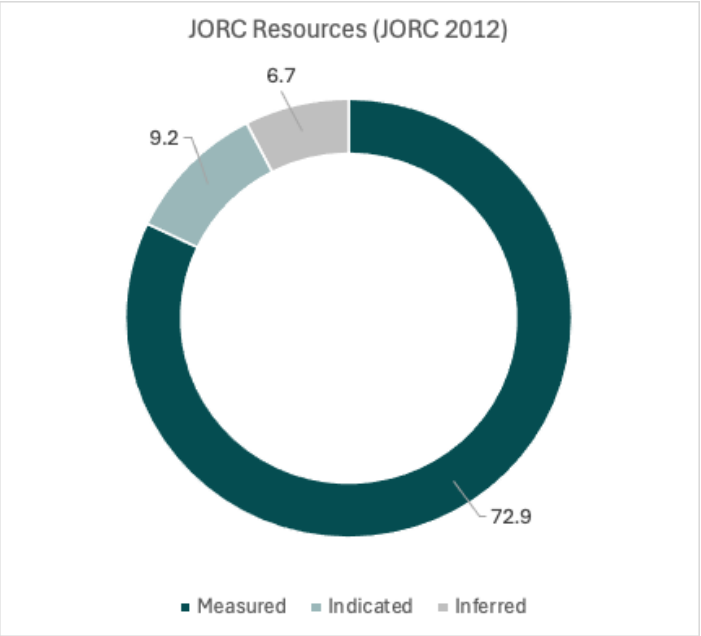


North Block Complex

North Block Complex (NBC) is a multi-product open cast operation that has solidified itself as a reliable supplier of high-quality export thermal coal for the export market and domestic coal for Eskom, South Africa’s power generator. The multiple established export path to market for NBC provides the platform for further growth opportunities for the Company.

Title	MP30/5/1/2/1/326MR MP30/5/1/1/2/19MR (10068MR) MP30/5/1/2/2/10090MR
Mine Type	Open pit, truck and shovel operation
Coal Type	Thermal Coal
Domestic	2.4Mt per annum to 2030, fixed price with annual escalation
Ownership	49% Equity Interest
Life of Mine	8 years *

(*) JORC Reserves only, not considering conversion of JORC Resources to JORC Reserves, subject to Eskom CSA renewal.



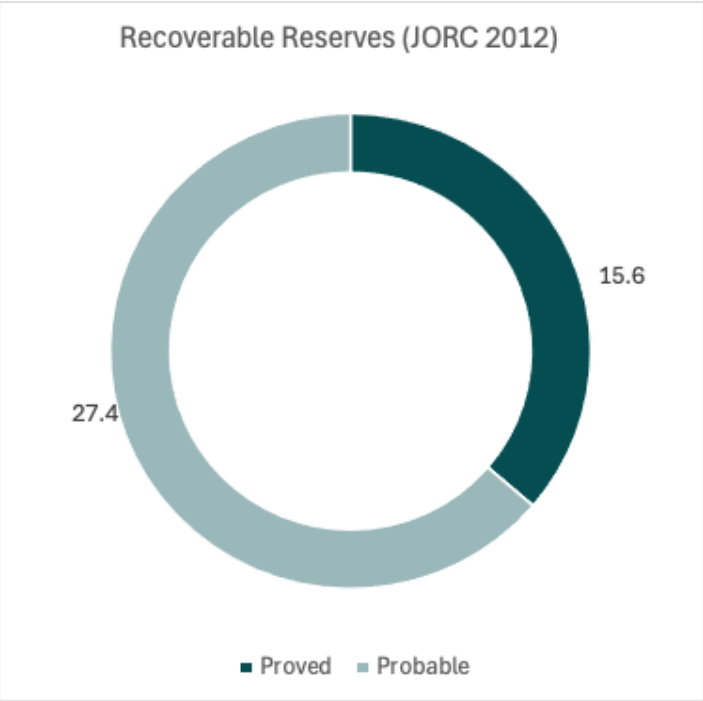
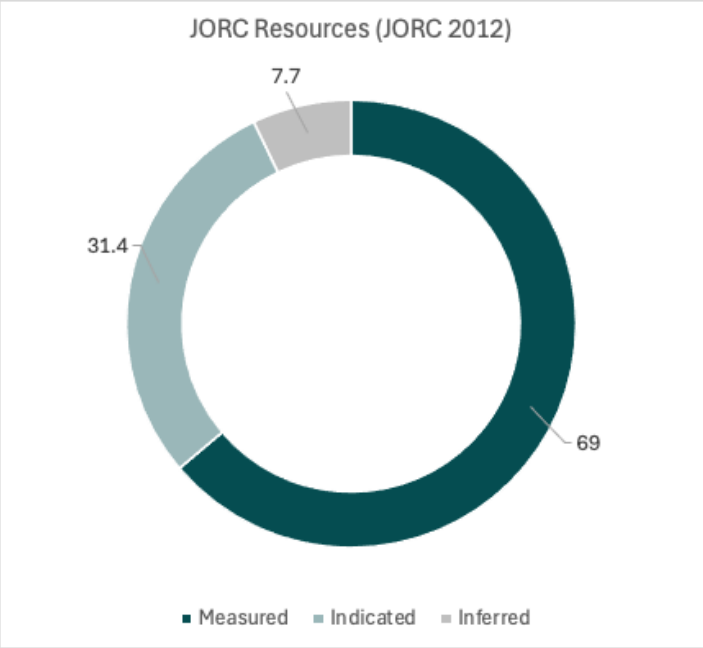


New Clydesdale

New Clydesdale Colliery (NCC) is a multi-product open cast and underground mine with the ability to produce domestic and export quality product. NCC has a 1.6Mt per annum offtake agreement with Eskom, South Africa’s largest power generator, until 2024 and an export offtake for 650Kt per annum with a global trader.

Title	MP30/5/1/1/2/429MR
Mine Type	Underground, board and pillar Open pit, truck and shovel operation
Coal Type	Thermal Coal 3.5Mt per annum (subject to coal sales)
Export	RB1 - AP14 Index
Domestic	Fixed price with annual escalation
Ownership	49% Equity Interest
Life of Mine	11 years *

* JORC Reserves only, not considering conversion of JORC Resources to JORC Reserves, subject to Eskom CSA renewal.



Operational Performance



FY2024 Operational Performance Summary

	Total Tonnes				Equity Tonnes			
	ROM Tonnes (kt)		Coal Sales (kt)		ROM Tonnes (kt)		Coal Sales (kt)	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Australia	1,991	2,473	1,567	1,798	1,991	2,473	1,567	1,798
Blair Athol	1,991	2,473	1,567	1,798	1,991	2,473	1,567	1,798
South Africa	7,583	8,996	5,663	6,234	3,716	4,407	2,775	3,054
NCC ⁽¹⁾	3,460	3,594	2,305	2,437	1,696	1,761	1,129	1,194
NBC ⁽¹⁾	4,123	4,570	3,358	3,192	2,020	2,239	1,646	1,564
Ubuntu ⁽²⁾	-	832	-	605	-	407	-	296
Total	9,574	11,469	7,230	8,032	5,707	6,880	4,342	4,852

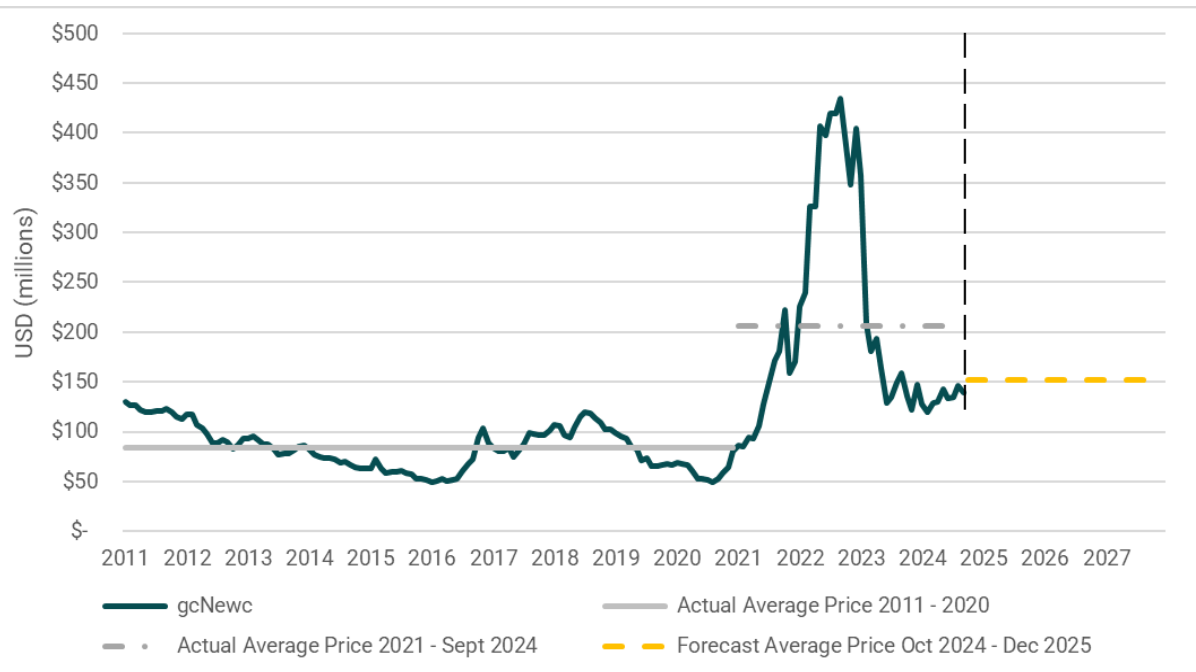
(1) 49.0% equity interest owned by TerraCom Limited

(2) 48.9% equity interest owned by TerraCom Limited

Market and Capital Management



Forecast Thermal Coal Pricing



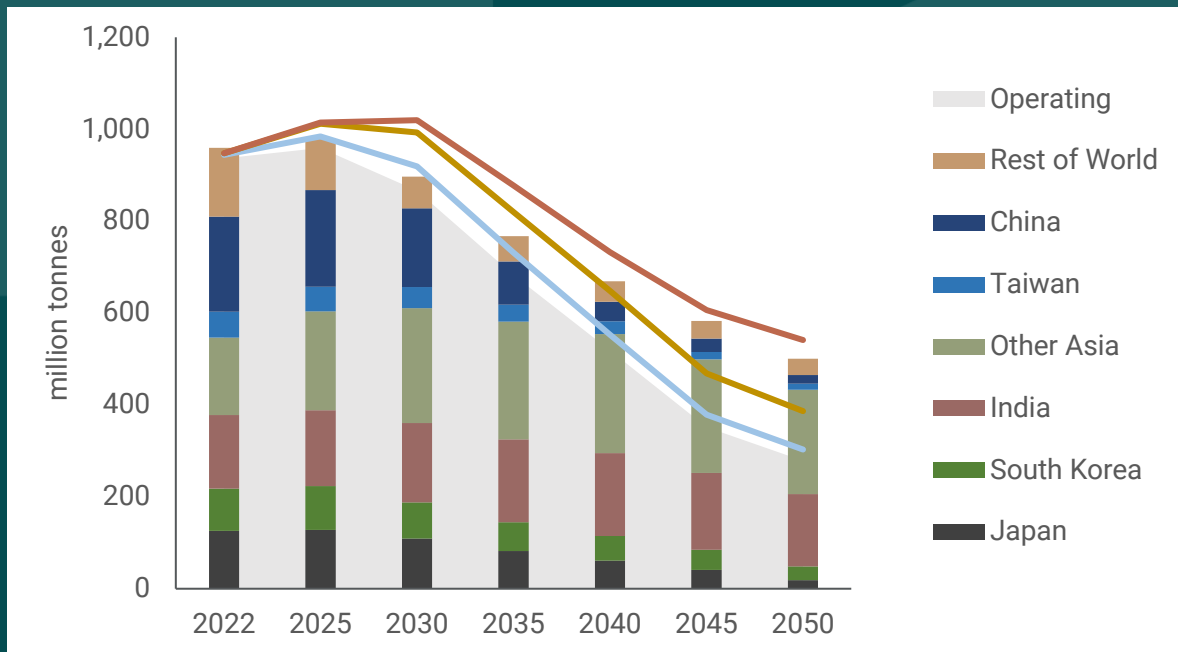
Source: Historical from globalCOAL, Forecast from GFI Group (28 October 2024)

Pricing seems to have stabilised and is supported into the near future.

- The average price for 2011 – 2020 was US\$83 per tonne.
- The average price for 2021 – Sept 2024 was US\$206 per tonne.
- The forecast average price Oct 2024– December 2027 is US\$152 per tonne.

Thermal Coal Demand

Wood Mackenzie forecasts global demand to largely remain flat to 2030. Advanced economies face structural demand decline to 2050, while developing economies see demand growth.



Source: Wood Mackenzie, February 2023.

Short Term

"Energy transition is delayed leading to stronger near-term coal demand.

Energy security and cost are valued with coal-fired generation capacity growing in Asia in the short to mid-term, anchored by China, India, and Southeast Asia. "

Source: Wood Mackenzie, May 2024

- TerraCom primary markets (Japan, Korea and India) have consistent demand to 2030 and beyond.
- Upside risk from La Nina delivering a colder than expected winter in ASIAPAC demand centers and elevated rainfall for suppliers.

Capital Management Framework

Reliable and consistent operations

Capital productivity

Net operating cashflow

Maintain and optimise operations

Working and sustaining capital

Resilient balance sheet

Dividend policy payout ratio of 40–90% NPAT¹

Surplus cashflow

External Growth investments

**Internal Growth
investments**

On market buy back

**Additional shareholder
returns**

(1) Attributable to TerraCom



Sustainability



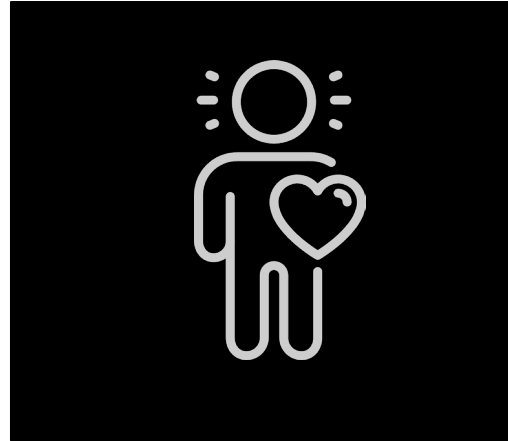
Environmental, Social and Governance (ESG) Policy



Environmental

Responsible coal mining and progressive rehabilitation to minimise the impact from our operations.

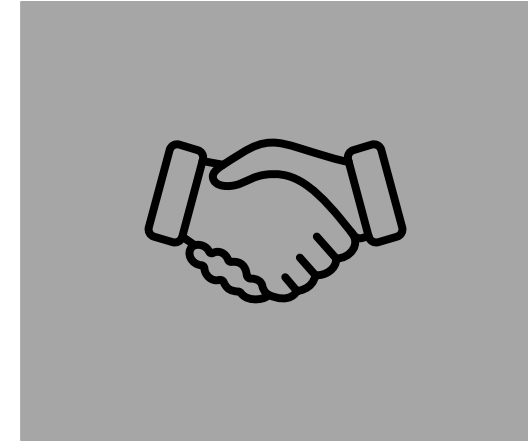
Collaboration with key stakeholders to identify projects aimed at reducing carbon emissions and create future carbon offsets we aim to minimise our impact on the environment and undertake rehabilitation as we go.



Social

Safety is a core value that underpins our culture.

We contribute significantly to the regions and communities in which we operate through taxes, donations, fees and royalties.



Governance

Strong focus on corporate governance principles and management with integrity to provide transparency to stakeholders.

Independent Board Chair and committees.

Safety is a Core Value

The safety and wellbeing of our people is fundamental to our success. Our evolving safety culture is consistent with the Company's core values, and through strong safety leadership, we create and maintain a safe workplace for all our people.

As at 30 June 2024

1.0 TRIFR

As at 30 June 2024

0.5 LTIFR

Safety Matters
Everybody safe every day



Outlook



Powering Growth Through Excellence



Strong diversified portfolio of producing, development and exploration assets in Australia and South Africa



High quality operating performance
– BA on track to meet FY2025F sales guidance of 1.8Mt



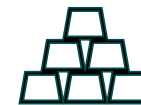
South African assets anticipated to deliver improving export sales performance across FY2025



Focused on maintaining lowest cost structures through ongoing financial discipline and a cost conscious outlook



Blair Athol (BA) provides considerable strength, diversity and sustainability to the Group



Demand expected to remain strong for the foreseeable future and leveraged to any coal price improvement in the coal price

TerraCom

ASX:TER

Contact

Danny McCarthy

Managing Director

P: +61 7 4983 2038

E: investors@terracomresources.com

Jane Morgan

Investor & Media Relations

P: +61 405 555 618

E: jm@janemorganmanagement.com.au

