

31 January 2025

For the quarter ended  
31 December 2024

## QUARTERLY RESULTS

## SNAPSHOT

- Total coal sales<sup>1</sup> of 1.6Mt.
- Total Equity coal sales<sup>2</sup> of 934kt.

## CORPORATE

- A fully franked dividend of \$0.01 per ordinary share for the September 2024 Quarter was paid.
- An update on the Cooperation Agreement in relation to the Moorlands Thermal Coal Project.
- Closing cash at bank<sup>3</sup> of \$15.4 million, with restricted cash of \$61.3 million.
- Initiatives are being explored to enhance free cashflow generation via release of security deposits held with third parties.

## OPERATIONS

## Blair Athol

- ROM production of 558kt, saleable coal of 402kt and coal sales of 314kt.
- Equivalent saleable coal stocks at the end of the reporting period were 121kt.
- Average coal price achieved of A\$162.4/t, up from \$149.5/t from the previous quarter.
- FOB cash costs, excluding royalties, of \$113 per tonne, reduction of 5% from the previous quarter.
- Forecast sales volumes and cost containment initiatives are aligned to achieve annual FOB range of \$105 - \$110/t.

## COMMENT FROM MANAGING DIRECTOR, Danny McCarthy

***"The Company is committed to delivering consistent volumes whilst proactively pursuing initiatives to contain our costs. We remain focused on the development of the Moorlands Project and potential divestment of our South Africa business interest.***

*Blair Athol (BA) production was impacted by rainfall throughout the quarter, particularly in the months of November and December. Despite this, our team onsite delivered solid Run of Mine (ROM) and processing volumes attributable to thorough preparation and excellent water management.*

*Coal sales however were adversely affected, resulting in lower than planned sales of 314kt. At the end of the reporting period, equivalent saleable coal stock on hand was 121kt and in the early hours of 1 January 2025, a ship berthed, loaded and sailed with 94kt of our premium thermal coal product. If it weren't for ship berthing due to congestion caused by the late December rain, BA total coal sales for the December Quarter would have reached 408kt, marking a solid performance for the first half.*

*Mining at BA continues to progress as planned and we look forward to the traditional drier months ahead to achieve our full year production target of 1.8Mt for the year ending 30 June 2025.*

*BA coal sales for the December Quarter comprised a mix of index-linked and fixed-price cargoes with an overall achieved price of A\$162.4 per sold tonne, representing a 9% improvement on the September Quarter. Market support for our highly sought-after thermal coal product remains strong, with existing customers securing 100% of our coal sales for the March Quarter.*

*Coal production and sales from our South African operations reflected the seasonal rainfall in the period. Total coal sales from the New Clydesdale Colliery and North Block Complex were 1.3Mt, a 6% decrease from the September Quarter. Coal sales to Eskom were 1.1Mt, representing a 10% decline from the September Quarter due to road embargoes throughout the holiday period."*

## SAFETY

Group safety performance for the December Quarter resulted in a Lost Time Injury Frequency Rate (LTIFR) of 0.5 and a Total Recordable Injury Frequency Rate (TRIFR) of 0.5. On a 12-month rolling basis this is a consistent result Quarter on Quarter (qoq).



## PRODUCTION AND SALES PERFORMANCE

### TOTAL TONNES<sup>1</sup> (CONTINUING OPERATIONS)

	DECEMBER QUARTER			SEPTEMBER QUARTER		
	Export (000's)	Domestic (000's)	Total (000's)	Export (000's)	Domestic (000's)	Total (000's)
Australia	314	-	314	404	-	404
South Africa	187	1,078	1,265	141	1,205	1,346
<b>Total</b>	<b>501</b>	<b>1,078</b>	<b>1,579</b>	<b>545</b>	<b>1,205</b>	<b>1,750</b>

### EQUITY TONNES<sup>2</sup> (CONTINUING OPERATIONS)

	DECEMBER QUARTER			SEPTEMBER QUARTER		
	Export (000's)	Domestic (000's)	Total (000's)	Export (000's)	Domestic (000's)	Total (000's)
Australia	314	-	314	404	-	404
South Africa	92	528	620	68	591	659
<b>Total</b>	<b>406</b>	<b>528</b>	<b>934</b>	<b>472</b>	<b>591</b>	<b>1,063</b>

### YEAR-TO-DATE OPERATIONAL RESULTS

	TOTAL TONNES <sup>1</sup>			EQUITY TONNES <sup>2</sup>		
	Export (000's)	Domestic (000's)	Total (000's)	Export (000's)	Domestic (000's)	Total (000's)
Australia	718	-	718	718	-	718
South Africa	328	2,283	2,611	160	1,119	1,279
<b>Total</b>	<b>1,046</b>	<b>2,283</b>	<b>3,329</b>	<b>878</b>	<b>1,119</b>	<b>1,997</b>



## OPERATIONS

### AUSTRALIA BUSINESS UNIT

#### Blair Athol– 100% EQUITY INTEREST

Thousands of tonnes (kt)	DEC 2024 QTR	DEC 2023 QTR	Change %	DEC 2024 QTR	SEP 2024 QTR	Change %
<b>ROM Coal Production</b>	558	546	2%	558	535	4%
<b>Saleable Coal</b>	402	385	4%	402	386	4%
<b>Coal Sales</b>	314	418	(25%)	314	404	(22%)
<b>Inventory (ROM)</b>	14	26	(47%)	14	5	>100%
<b>Inventory (Saleable)</b>	111	38	>100%	111	27	>100%

Blair Athol sold 314 kt for the December Quarter, resulting in 718 kt sales for the 6 months to 31 December 2024. While rain has negatively impacted our results to date, mining at BA continues to progress in accordance with plan and we remain committed to achieving our target coal sales profile of 1.8Mt for the year ending 30 June 2025.

Coal sales during the December Quarter were a combination of index-linked and fixed-price sales to long-term trading partners. Market support for our highly sought-after thermal coal product remains strong, with ongoing demand from existing customers resulting in 100% of coal sales for the March Quarter being secured in 2025.

BA mine pictures at end of December 2024



Blair Athol Crushing and Train Load Out



Blair Athol Coal Mining



Blair Athol Coal Handling and Preparation Plant



Blair Athol Dragline



## SOUTH AFRICA BUSINESS UNIT

Thousands of tonnes (kt)	DEC 2024 QTR	DEC 2023 QTR	Change %	DEC 2024 QTR	SEP 2024 QTR	Change %
<b>ROM Coal Production</b>	2,040	1,776	15%	2,040	1,957	4%
<b>Saleable Coal</b>	1,083	1,240	(13%)	1,083	1,397	(22%)
<b>Coal Sales</b>	1,265	1,117	13%	1,265	1,346	(6%)
<b>Inventory (ROM)</b>	285	324	(12%)	285	156	83%
<b>Inventory (Saleable)</b>	101	254	(60%)	101	79	28%

The SA operations achieved combined coal sales of 1.3Mt with the North Block Complex being a major contributor to the result.

## New Clydesdale Colliery (NCC) – 49% EQUITY INTEREST

Thousands of tonnes (kt)	DEC 2024 QTR	DEC 2023 QTR	Change %	DEC 2024 QTR	SEP 2024 QTR	Change %
<b>ROM Coal Production</b>	794	892	(11%)	794	805	(1%)
<b>Saleable Coal</b>	433	535	(19%)	433	579	(25%)
<b>Coal Sales</b>	464	449	3%	464	558	(17%)
<b>Inventory (ROM)</b>	204	176	16%	204	103	99%
<b>Inventory (Saleable)</b>	62	225	(73%)	62	45	37%

NCC achieved total coal sales of 464kt for the December Quarter, down 17% on the September Quarter. Sales to Eskom accounted for 343kt of this result and export coal sales were 121kt. Export sales were up 16% from the previous quarter predominately due to additional train allocations.

## North Block Complex (NBC) – 49% EQUITY INTEREST

Thousands of tonnes (kt)	DEC 2024 QTR	DEC 2023 QTR	Change %	DEC 2024 QTR	SEP 2024 QTR	Change %
<b>ROM Coal Production</b>	1,246	884	41%	1,246	1,152	8%
<b>Saleable Coal</b>	650	705	(8%)	650	818	(21%)
<b>Coal Sales</b>	801	668	20%	801	788	2%
<b>Inventory (ROM)</b>	81	148	(45%)	81	53	54%
<b>Inventory (Saleable)</b>	39	29	36%	39	34	17%

ROM coal production for NBC was 1.25Mt for the December Quarter, an 8% increase on the September Quarter.

Export sales at NBC were 66kt for the December Quarter, an improvement from total export coal sales of 37kt achieved in the September Quarter. Deliveries to Eskom were 735kt, maintaining a consistent result for the colliery.



## THERMAL COAL MARKET INFORMATION AND OUTLOOK

Seaborne thermal coal markets saw prices trade within a relatively tight range during 2024 despite the NEWC6000 softening to a close of US\$126.63 in December.

Prices during the December Quarter remained relatively stable with the NEWC6000 achieving an average price of US\$137.72 for the period.

The place of coal in the energy mix remains robust in the short term and we continue to see steady demand from our long-term customers from Japan, South Korea and India, evidenced by 100% of our scheduled sales for Blair Athol being committed through until March 2025.

## FINANCIAL INFORMATION

### Production costs

Free on Board (**FOB**) operating costs, excluding royalty, for BA were \$113 per tonne for the December Quarter. The annual FOB cost is expected to be within the range of \$105 - \$110 per tonne based on forecast coal sales guidance of 1.8Mt per annum, noting that costs are significantly impacted by revenue linked costs (including government royalties) and other inflationary pressures. We consistently review costs to ensure we sustain the lowest possible expenses in order to maximise free cashflow.

### Foreign exchange

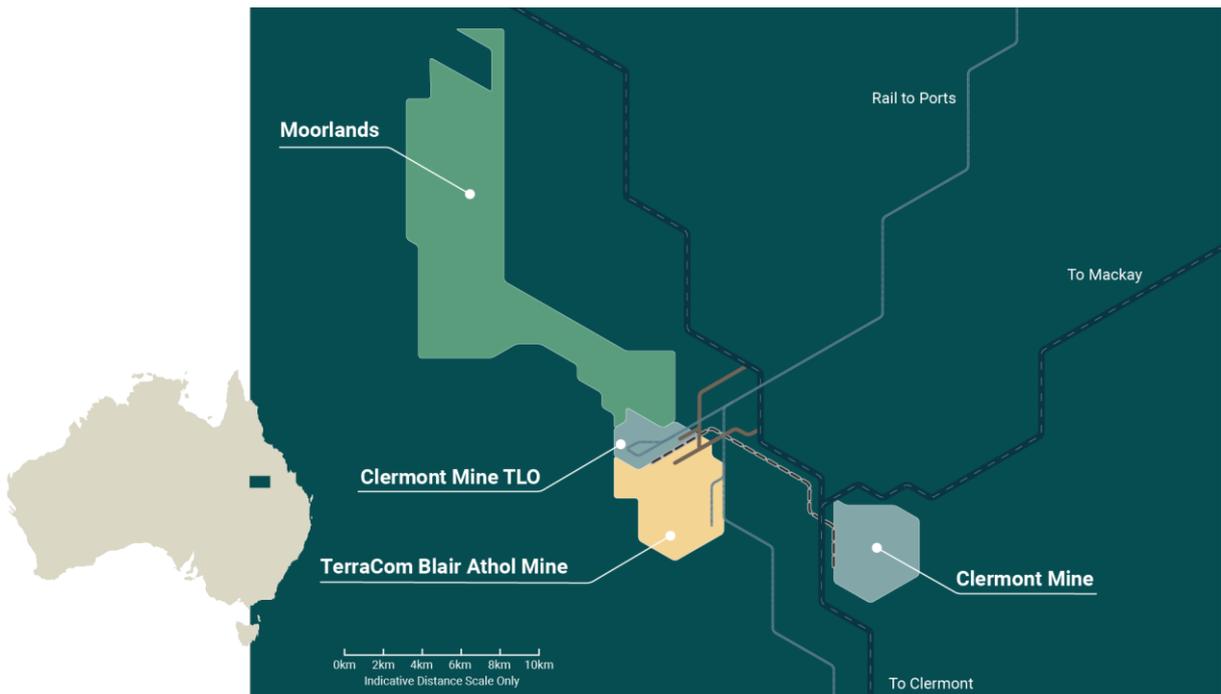
As at 31 December 2024, there were no foreign exchange hedges in place for USD sales.

## COOPERATION AGREEMENT WITH WINTIME ENERGY GROUP CO., LTD

As announced on 12 August 2024, TerraCom entered into a Cooperation Agreement with Wintime Energy Group Co. Ltd (**Wintime**), a Shanghai Stock Exchange-listed company, to jointly develop and operate the Moorlands Thermal Coal Project in Queensland and pursue other strategic opportunities.

During the December Quarter, TerraCom and Wintime progressed the negotiation of definitive project documents for the development and operations phases of the Moorlands Project, forming a joint steering committee to oversee the progression of the Project, and expedite production.

A dedicated Project Development Manager has been appointed for the Moorlands Project in order to progress approvals and planning to achieve expected production by June 2026.





## REFERENCES

1. **Total Tonnes** – 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%.
2. **Equity Tonnes** – The data represents equity tonnes, being the attributable tonnes to the TerraCom’s equity ownership.
3. **Cash at Bank** – amount includes \$10.9 million cash held by TerraCom Limited, as parent entity, cash held by all Australian subsidiaries and cash held by Universal Coal Holdings South Africa (Pty) Ltd (wholly-owned subsidiary of TerraCom), plus \$4.5 million cash attributable to TerraCom from other South African subsidiaries based on the equity interest held by TerraCom. This number does not represent the cash amount to be reported in accordance with International Financial Reporting Standards (**IFRS**) from a consolidation point of view. The movement in cash from the September Quarter is receipts of revenue less costs of sales, other expenses and other regulatory payments including tax.



## MINING TENEMENTS HELD AT THE END OF DECEMBER 2024 QUARTER

Operation /Project	Tenement	Interest at the start of qtr	Interest at the end of qtr	Location	Commodity
Blair Athol	ML1804	100%	100%	Australia	Coal
New Clydesdale Colliery (NCC)	MP30/5/1/2/2/429MR	49.0%	49.0%	South Africa	Coal
North Block Complex (NBC)	MP30/5/1/2/1/326MR MP30/5/1/1/2/19MR (10068MR) MP30/5/1/2/2/10090MR	49.0%	49.0%	South Africa	Coal
Ubuntu	MP30/5/1/2/2/10027MR	48.9%	48.9%	South Africa	Coal
Eloff	MP30/5/1/2/2/10169MR	49.0%	49.0%	South Africa	Coal
Kangala	MP30/5/1/2/2/429MR MP30/5/1/1/2/641PR Mining Right application MP30/5/1/1/2/10179MR	70.5%	70.5%	South Africa	Coal
Berenice	Prospecting Right (PR) LP30/5/1/1/2/376PR Mining Right: LP30/5/1/1/2/10131MR – underapplication	50%	50%	South Africa	Coal
Cygnus	LP30/5/1/1/2/1276PR Mining Right application LP30/5/1/1/2/10169MR	50%	50%	South Africa	Coal
Northern Galilee (Hughenden)	EPC1300, EPC1394, EPC1477, EPC1478, , EPC2049	100%	100%	Australia	Coal
Northern Galilee (Pentland)	EPC1890, EPC1892, EPC1893,, EPC1964	100%	100%	Australia	Coal
Northern Galilee (Clyde Park)	EPC1260	64.4%	64.4%	Australia	Coal
Springsure (Springsure)	EPC1674, MDL3002	90%	90%	Australia	Coal
Springsure (Fernlee)	EPC1103	100%	100%	Australia	Coal

This announcement has been approved by the board for release.

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## About TerraCom Limited

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*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 [terracomresources.com](http://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.

All numbers presented with a \$ or A\$ represent the Company's presentation currency, being Australian dollars.

If reported, 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 operating mines ranges from 48.9% to 49.0%. Operating EBITDA data does not include the TerraCom corporate costs.

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