



ASX ANNOUNCEMENT

13 August 2021

MOU SIGNED FOR GUINEA IRON ORE PROJECT

TerraCom Limited (ASX: TER) (**TerraCom** or **Company**) is pleased to announce that its wholly owned subsidiary has executed an exclusive Non-Binding Memorandum of Understanding (**MOU**) for the acquisition of the Kalia Mine Project in the Republic of Guinea¹ (**Kalia** or **Project**).

The MOU is subject to customary conditions precedents, including but not limited to due diligence to the satisfaction of the Company and regulatory approvals.

About Kalia

Kalia is located in the Faranah Prefecture, Republic of Guinea, one of the world's leading countries in terms of undeveloped iron ore and bauxite resources.

The Project comprises an ore body targeting²:

- 4.7 billion tonnes of magnetite banded iron formation;
- 900 million tonnes oxide and supergene banded iron formation targeting ferronickel; and
- a 20 kilometre long magnetite strike, demonstrating the development resource potential of up to 8 billion tonnes of magnetite banded iron formation.

Being approximately 300 kilometres from the Konta Port, Kalia is located in a unique position. This proximity to the port provides the Project with the flexibility to consider both road and rail options as part of its supply chain route to the export market.

Whilst the Company's focus initially will be to recommence production as expediently as possible, targeting domestic users of iron ore (local rebar producers), it will also, in parallel, assess the most economic means to increase production to meet the growing global demand.

Timely recommencement of production activities will provide all stakeholders, particularly the local employees and communities, with an immediate economic contribution.

¹ Kalia is wholly owned by Bellzone Holding SA, with the ultimate parent company being Bellzone Mining plc, a public listed company under liquidation in the United Kingdom.

² The Company is currently progressing due diligence on the Project and therefore at this stage is classing the resource tonnage as an exploration target. The potential quantity and grade of an exploration target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised. Further evaluation work and appropriate studies are required to establish sufficient confidence that the target will be met.

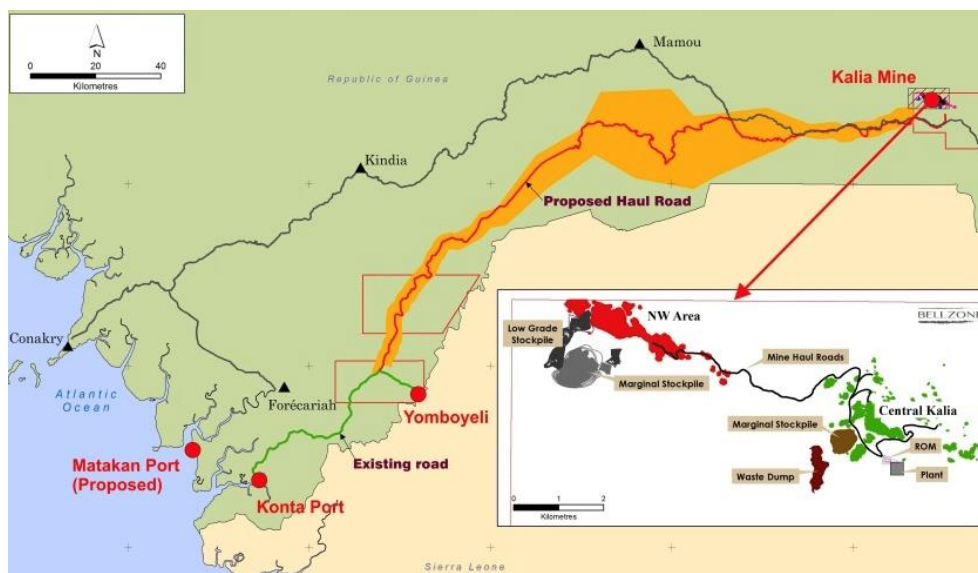


Image – Map of Kalia and Republic of Guinea

TerraCom Executive Chairman Craig Ransley commented:

"Whilst we are in the early days of the due diligence process, the Company is excited to be working towards an acquisition within one of the world's leading countries, in terms of iron ore and bauxite resources available for exploitation."

The Company looks forward to working with all stakeholders on accelerating the satisfaction of the conditions precedent under the MOU, and then working to recommence operations as soon as possible.

This opportunity further cements the Company's business diversification strategy to become a global bulk commodities producer."

This announcement has been approved by the Board for release.

For further information please contact:

Craig Ransley
Executive Chairman
P +61 7 4983 2038

Danny McCarthy
Managing Director
P +61 7 4983 2038

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.