



TerraCom Limited

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ASX ANNOUNCEMENT

FINALISATION OF PLACEMENT

TerraCom Limited (**TerraCom or the Company**) (**ASX: TER**) is pleased to announce that following successful investor roadshows in Australia and Asia it has finalised a placement of A\$4.0 million to new and existing Institutional and Sophisticated investors. The issue price per share is \$0.03 which has resulted in 133,333,333 fully paid ordinary shares to be issued (**Placement**). The Placement is undertaken pursuant to the Company's 15% capacity under ASX listing rule 7.1.

Foster Stockbroking Pty Ltd (FSB) acted as Lead Manager to the Placement and focused on introducing new institutional investors to TerraCom's share register who recognise TerraCom's potential as a major coal producer listed on the ASX.

As announced on 18 November 2016, TerraCom have recommenced operations at its Baruun Noyon Uul coking coal mine in Mongolia, having recently completed a binding 5.5 year, 7.5 million tonne sales contract with Inner Mongolia Kingho Co, a wholly owned subsidiary of the Kingho Group.

The Company is positioned to capitalise on a strong global coal market and pricing with the the restart in Mongolia now underway and remains excited at the near term prospect of operations restarting in Queensland at the Blair Athol mine.

TerraCom is awaiting a final decision from the Queensland Department of Natural Resources and Mines on the Indicative Approval for transfer of the Blair Athol mining lease to TerraCom. The application was submitted in September and the eventual title transfer will trigger over A\$20m in already committed working capital funding. The contract with the mining contractor, Link Mining Services Pty Limited (Link), is complete and some employment positions have already been filled in both TerraCom and Link.

ABOUT TERRACOM – www.terracomresources.com

TerraCom has fully commissioned the Baruun Noyon Uul (BNU) coking coal mine in the South Gobi Mongolia. The Company's goal is to become one of the largest and highest quality coking coal producers in Mongolia, providing exceptional value for its steel-producing customers.

TerraCom is also focused on developing two priority projects in Queensland, Australia: the large thermal coal Northern Galilee Project and the high energy prime thermal coal Springsure Project.

In order to support further growth and expansion, TerraCom continues to evaluate cash generative assets for potential acquisition. In this regard, the Company has announced that it has reached agreement to acquire the Blair Athol Coal Mine (BA) in Queensland, Australia from the Blair Athol Joint Venture, with production scheduled to recommence in early 2017. The approval for transfer of the BA mining lease is progressing through the Government of Queensland process.

The combination of BNU HCC Mine and the Blair Athol Thermal Coal Mine positions TerraCom well to capitalise on the strong coal coking and thermal coal markets through recommencement of operations at both BNU Mine and BA Mine by the end of 2016.

The Company is also evaluating the acquisition of a hard coking coal mine in Kalimantan, Indonesia, a 500,000 tpa operation located in close proximity to road, barge and port infrastructure connecting it to the seaborne coal market.

Please contact Nathan Boom, on +61 2 4268 6258 or at info@terracomresources.com for further information.

A handwritten signature in black ink, appearing to read 'C. McRae', written in a cursive style.

Cameron McRae
Executive Chairman