



**TerraCom Limited**

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Australia  
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ABN: 35 143 533 537

[www.terracomresources.com](http://www.terracomresources.com)

20<sup>th</sup> January 2016

## **ASX Announcement**

### **708A (12D) Cleansing Notice**

TerraCom Limited (**TerraCom or the Company**) (**ASX: TER**) submits the attached notice under section 708(12D) of the Corporations Act, as modified by ASIC Class Order CO 10/322, in relation to certain adjustments to the terms of the Convertible Notes with a face value of US\$10,000,000 issued by TerraCom Limited (formerly Guildford Coal Limited) (the Company) to OCP Asia on 8 January 2014.

No new Convertible Issues are being offered by the Company. This notice is given for completeness in respect of amendments to Convertible Notes previously issued, as described in the Company's section 708(12D) notice to the ASX dated 7 January 2014

#### **ABOUT TERRACOM – [www.terracomresources.com](http://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.

***Please contact Nathan Boom, +61 2 4268 6258 for further information.***

**Craig Wallace**  
Chairman

# TerraCom Limited Corporations Act Section 708(12D) notice

## TerraCom Limited - section 708(12D) notice

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This is a notice under section 708(12D) of the Corporations Act, as modified by ASIC Class Order CO 10/322, in relation to certain adjustments to the terms of the Convertible Notes with a face value of US\$10,000,000 issued by TerraCom Limited (formerly Guildford Coal Limited) (the **Company**) to OCP Asia on 8 January 2014.

No new Convertible Issues are being offered by the Company. This notice is given for completeness in respect of amendments to Convertible Notes previously issued, as described in the Company's section 708(12D) notice to the ASX dated 7 January 2014.

Other than as set out below, there is no change in the effect of the offer of the Convertible Notes from the Company's section 708(12D) notice to the ASX dated 7 January 2014.

Unless otherwise defined, capitalised terms used in this notice have the same meaning as in the Company's Notice of Extraordinary General Meeting (and ancillary Explanatory Memorandum) dated 28 September 2015.

## 1 Rights and liabilities of convertible notes

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- (a) **Maturity:** 31 January 2016.
- (b) **Coupon:**

On and from the date that the Company discharges all of the deferred payments of fees, interest and principal payable in respect of the Convertible Notes and the Amortising Notes under the Note Trust Deed:

  - (i) 6% per annum payable on each Interest Payment Date in cash; and
  - (ii) 6% per annum, which will be capitalised on each Interest Payment Date by increasing the outstanding principal amount on each Convertible Note.
- (c) **Convertible Note Redemption Amount:** An amount equal to a 15% internal rate of return (including coupons already paid at the point of redemption and disregarding any fees payable in consideration of deferring any payment due on an Interest Payment Date) on the outstanding principal amount of the Convertible Notes up to the date on which the Convertible Notes are redeemed (**CN Redemption Date**), provided that, if the CN Redemption Date falls during the 6 month period immediately following the Issue Date, the Adjusted Convertible Note Redemption Amount will be calculated as if the CN Redemption Date occurred on the date falling 6 months after the Issue Date.
- (d) **Conversion:** Convertible into Shares at the holder's option at any time up to 1 business day before the Adjusted Maturity Date, for the Amended Conversion Price per Share.
- (e) **Number of Shares on conversion:** The number of Shares issued on conversion of each Convertible Note will be calculated by dividing the Outstanding Amount of a Convertible Note by the Amended Conversion Price of the Convertible Note. The

Amended Conversion Price is the lower of A\$0.037 calculated on the USD/AUD spot rate of exchange quoted on Bloomberg at 12:00pm Sydney time on the date the conversion notice is deemed to have been received by the Company (and subject to the Adjustment Events) and the average volume weighted average prices of a Share for thirty (30) consecutive Dealing Days converted into USD at the AUD/USD exchange rate on the date of conversion. Accordingly, the Amended Conversion Price applied at the time of conversion may in fact be lower than the USD equivalent of A\$0.037.

- (f) **Rights attaching to Shares:** The Company and its subsidiaries will not modify the rights attaching to the Shares with respect to voting, dividends or liquidation or issue any other class of share capital provided that the following actions will be permitted:
- (i) any consolidation, reclassification, reorganisation or subdivision of the Shares;
  - (ii) any modification of such rights if not prejudicial to the holders of the Notes; or
  - (iii) any modification of rights attaching to the Shares,

where the Company has determined that there will not need to be an adjustment to the Amended Conversion Price (or the issue or transfer of Shares) or that the action requires an adjustment resulting in a decrease in the Amended Conversion Price (or the issues or transfer of Shares) to the holders of the Convertible Notes and, if so, the new Amended Conversion Price will be used for the purposes of adjustments or, in the case of issue or transfer, the additional number of Shares required to be issued or transferred.

- (g) **Other terms:** All other terms will remain the same as the original CN Conditions.

## 2 Rights and liabilities of ordinary shares of Company

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The rights and liabilities of ordinary shares of the Company (which the Convertible Notes convert into) remain as set out in the Company's section 708(12D) notice to the ASX dated 7 January 2014.

## 3 Further information

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The Company is a disclosing entity for the purposes of the Corporations Act. As a disclosing entity, it is subject to regular reporting and disclosure obligations. Broadly, these obligations require the Company to prepare both yearly and half yearly financial statements, a report on the operations of the Company during the relevant accounting period together with an audit or review report by the Company's auditor.

Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office and on the Company's website at [www.terraresources.com](http://www.terraresources.com).

The Company must ensure that ASX is continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information available to investors on ASX.

The Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning it of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of its quoted securities.

The Company, as a disclosing entity under the Corporations Act, states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC;
- it will provide a copy of each of the following documents, free of charge, to any person on request:
  - the annual financial statements of the Company for the financial year ended 30 June 2015, being the last financial statements for a financial year of the Company lodged with ASIC before this notice;
  - any continuous disclosure documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial statements referred to above until the issue of this notice in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act; and
- the following documents were used to notify ASX of information relating to the Company during the period after lodgement of the annual financial statements of the Company for the period ended 30 June 2015 and before the issue of this Prospectus:

<b>Date</b>	<b>Description of announcement</b>
12/10/2015	BNN Mine Mongolia Production Update October 2015
14/10/2015	Annual Report to shareholders
14/10/2015	Appendix 4G
19/10/2015	Finance Update October 2015
30/10/2015	30 October 2015 EGM Chairman's Script
30/10/2015	Notice of Annual General Meeting/Proxy Form
30/10/2015	Results of EGM 30 October 2015
02/11/2015	September 2015 Quarterly Report and Appendix 5B
16/11/2015	Company Update
18/11/2015	Announcing TerraCom Limited
20/11/15	Addendum to Notice of AGM
30/11/15	Results of AGM
30/11/15	Chairman's Address to Shareholders

10/12/15	Notice of EGM and Independent Expert Report
11/12/15	Company Update December 2015
24/12/15	Company Update
24/12/15	Appendix 3Z for David Stone
4/1/16	Company Update
12/1/16	EGM Results 12 January 2016
12/1/16	Chairman's Address to Shareholders
18/1/16	Company Secretary
20/1/16	Prospectus (Detachable Warrants)

ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX during normal business hours or from [www.asx.com.au](http://www.asx.com.au).

Information about the Company may also be obtained from its website at [www.terracomresources.com.au](http://www.terracomresources.com.au).