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27th June 2016

ASX Announcement

TerraCom Appoints Executive Chairman

TerraCom Limited (**TerraCom or the Company**) (**ASX: TER**) is pleased to announce the appointment of Mr Cameron McRae as Executive Chairman of the Company, effective immediately. Mr McRae will lead TerraCom's transformation into an independent, mid-tier global resource player.

TerraCom has also reviewed the structure of the senior management with the following appointments to TerraCom's executive committee to take effect immediately.

- Mr Michael Avery will move to Vice President Corporate Development and will remain on the Board as an Executive Director.
- Mr David Stone will become Vice President Operations.
- Mr Karl Arnold who is currently Mongolian Business Unit Head will move to Chief Financial Officer.
- Mr Julien Lawrence will become Chief Development Officer.

Mr McRae stated "*TerraCom's group of senior executives is highly experienced. The team collectively have worked through all stages of the mining life cycle, as leaders, advisors, investors and mining contractors.*"

"The average experience of the executive team is 25 years. Several have worked and lived in developing environments as well as first world countries and the team has strong cross-commodity experience."

He went onto say that "*I will play an active and hands-on role and look forward to working with the board and management teams to build a profitable and value-enhancing business for shareholders.*"

Further details on each of the Senior Executive Team can be found in the Attachment to this announcement.

ABOUT TERRACOM – www.terraresources.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 the growth and expansion of the Company and to de-risk from single mine and single country operator TerraCom continues to evaluate cash generative assets for potential acquisition. The Company is currently progressing a strategic opportunity in Queensland Australia to acquire a mature mining operation which is currently on care and maintenance. The Company is also evaluating the acquisition of a hard coking coal mining operation in Indonesia. The mine's production licence has a 12 year remaining life and is located in close proximity to road, barge and port infrastructure which connects into the seaborne coal market. The mine has a capability of delivering 500,000 tonnes per annum of hard coking coal.

Please contact Tony Mooney or Nathan Boom on +61 2 4268 6258 or at info@terraresources.com for further information.



Craig Wallace
Deputy Chairman

ATTACHMENT

Cameron McRae – Executive Chairman BFinA, MBA

Cameron commenced his career at BHP-Billiton and then spent 28 years at Rio Tinto. Cameron was CEO of Oyu Tolgoi LLC's US\$6 billion construction project, Richards Bay Minerals and Murowa Diamonds. Cameron also worked for Rio Tinto Coal Australia, firstly as CFO then as General Manager, Corporate Development and finally as General Manager of the Hail Creek Expansion where he led a two-year project, which saw the coking coal mine double its size. Since leaving Rio Tinto in late 2013, Cameron established Tarva Investment and Advisory LLC where he has advised private and state companies covering aviation and minerals development.

Cameron holds an MBA from Monash-Mount Eliza Business School and a Bachelor of Financial Administration from the University of New England.

Mick Avery – Vice President Corporate Development and Executive Director BEng (Mining), MBA

Michael has been involved in the establishment and management of successful public and private companies in mining, exploration & development, mining consulting services and mining contractor services.

Michael is a 30 year plus mining industry veteran with BE Mining (1st Class Honours) from UNSW and an MBA from Mt Eliza Business School. Michael is a qualified Coal Mine Manager and a member of the Australian Institute of Mining and Metallurgy.

Michael has worked for blue-chip mining companies (mostly Rio Tinto and BHP Billiton) at operations in Australia and internationally. These roles covered the full life cycle of open cut and underground mines from resource exploration and evaluation, through conceptual design, pre-feasibility, feasibility, construction, operation and management. Michael joined Terracom in 2010.

David Stone – Vice President Operations BE (mining), GAICD

David has a Bachelor of Mining Engineering, Diploma in Risk Management and a Diploma from the Australian Institute of Company Directors. He has progressed through the mining industry performing roles across, operations (open pit and underground), technical and management. David has been appointed to numerous government and industry committees and boards. He also holds a Mine Managers, Senior Site Executive and statutory qualifications. David has worked for majors MIM, Anglo American and Xstrata and held COO roles in several organizations. David joined Terracom in May 2015.

Karl Arnold – Chief Financial Officer BBus

Karl has over 20 years of mining industry experience working in Australia, Ghana, Burkina, Mali, Guinea, Chile, Peru, Argentina, Bolivia, Philippines and Kazakhstan.

Prior to joining Terracom in September 2015 Karl was Regional CFO for the Glencore Australian Zinc Division (comprising 5 operating mine sites in Queensland and the Northern Territory).

Karl's extensive experience includes: Financial Planning & Analysis, Strategic Planning & Scenario Modelling, Major Project Valuations, Acquisitions & Mergers and Business Metrics Design & Implementation.

Karl completed a Bachelor of Business (Majoring in Accounting) through the University of Central Queensland.

**Julien Lawrence – Chief Development Officer
BE (Hons)**

Julien is a qualified Mining Engineer graduating with first class honours from the University of Queensland. With more than 15 years of industry experience, Julien has worked throughout Australia and Asia across multiple commodities including coal, iron ore, gold and most base metals. Julien has extensive experience in mining project development throughout Asia which includes developing a number of coal mining projects in Mongolia. He then joined Terra Energy in March 2013 to oversee commissioning of the BNU coal project in the South Gobi. Julien is a Member of the Australian Institute of Mining and Metallurgy and also worked for BHP-Billiton, Xstrata and Leightons.