AUSTRALIAN BASED AND ASX LISTED COMPANY
TERRACOM
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Coal Resources and Competent Persons Statement
Technical Information on Clyde Park & Springsure JORC has been prepared by Kim Maloney who has over 10 years of experience in coal mining and extractive industry throughout Australia. Kim has experience within the Central Queensland coal mines and has held various roles in these mine’s Technical Services, including Exploration Geologist, Mine Geologist and Geology Superintendent. Kim is a Competent Person for coal as defined by the JORC Code (2004). Kim is a Senior Resource Geologist previously with Moultrie Geology. Her principal qualifications are a Bachelor of Science from James Cook University and a Masters of Business Administration (Human Resource Management) from the Central Queensland University. Kim is a Member of the Australasian Institute of Mining & Metallurgy (#229120) and a Member of the Bowen Basin Gealogical Group.
The information in this presentation that relates to Coal Resources for the South Gobi – North project was first reported in compliance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), 2012 Edition in a market release dated 25 June 2014. TER is not aware of any new information or data that materially affects the information included in the 25 June 2014 announcement and that all assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.
Technical information in this report in relation to the exploration targets and JORC Resources for South Gobi, Middle Gobi, and Hughenden Projects has been compiled by Mr. Mark Biggs, previously Principal Geologist of Moultrie Database and Modelling (formerly a subdivision within Moultrie Group). Mr. Biggs now works for ROM Resources Pty Ltd. Mr. Biggs is a member of the Australasian Institute of Mining and Metallurgy (Member #107188) and has over 25 years of experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves (JORC) 2004. The resource information in this report is being released to the Australian Securities Exchange. Mark Biggs consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.
The information in this report relating to the exploration target tonnage range and coal resources of 12600k is based on information reviewed by Mr Troy Turner who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Turner consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.
The estimates of the Coal Resources presented in this Report are considered to be a true reflection of the Coal Resources as at 30th June 2014 and have been carried out in accordance with the principles and guidelines of the Australian Code for Reporting of Coal Resources and Coal Reserves published in September 2004 (JORC Code).

Clyde Park & Springsure
Technical Information in this presentation on Clyde Park and Springsure resources (dated February 2012) and Springsure resources (dated November 2012) has been prepared by Kim Maloney who is a member of the Australasian Institute of Mining & Metallurgy. Kim has experience within the Central Queensland coal mines and has held various roles in these mine’s Technical Services, including Exploration Geologist, Mine Geologist and Geology Superintendent. Kim is a Competent Person for coal as defined by the [JORC Code (2012)]. Kim is a Senior Resource Geologist, previously with Moultrie Geology. Her principal qualifications are a Bachelor of Science from James Cook University and a Masters of Business Administration (Human Resource Management) from the Central Queensland University.
TERRACOM

OVERVIEW

Large resource base
- 304Mt of coking and thermal coal in Mongolia
- 2.1Bt of thermal and PCI coal resource in Australia

Independent coking coal producer in Mongolia

Opportunities during down cycle
- Blair Athol thermal coal mine
- Hard coking coal mine in Kalimantan

Resilient balance sheet

Experienced board and management team
TERRACOM IN MONGOLIA

Large Resource

- 304 Mt coking and thermal coal resource
- Two priority projects in South and Middle Gobi Regions
- 1,000 sq km of mining and exploration leases

Premium Quality and Accessible Market for Coking Coal Mine

- Coal quality is superior to other Mongolian and northern Chinese producers
- A wholly-owned haul road has been completed connecting the mine to the Chinese border
CAMERON MCRAE  
*Executive Chairman*
BFinAdmin, MBA  
28+ year career at Rio Tinto, global CEO roles in Zimbabwe, South Africa, Mongolia, Business development and construction roles in Qld and NSW Coal.

MICHAEL AVERY  
*Vice President – Corporate Development*
BEng (Mining), MBA  
30+ years in the mining industry, qualified Coal Mine Manager, previous roles at Rio Tinto and BHP Billiton

DAVID STONE  
*Vice President – Operations*
BEng (Mining), GAICD  
25+ years in the mining industry, qualified Coal Mine Manager, Senior Site Executive and Statutory qualifications. Previous roles at Xstrata Coal, BHP and Anglo American. Seasoned COO with multi continent experience.

JULIEN LAWRENCE  
*Chief Development Officer*
BEng (Mining)  
15+ years mining experience in Australia and Asia. Worked across multiple commodities including coal, iron ore and gold with BHP Billiton, Xstrata and Leightons.

KARL ARNOLD  
*Chief Financial Officer*
BBus  
20+ years experience in Australia, Africa, South America South East Asia, and Northern Asia. Most recently General Manager Commercial for Glencore’s Zinc Division

MARK REYNOLDS  
*GM Corporate Development*
BBus  
20+ years in the mining industry, has worked for Rio Tinto and Xstrata and is experienced across multiple commodities. Holds CPA qualifications.

NATHAN BOOM  
*Financial Controller*
BComm  
A qualified Chartered Accountant with resources sector background. Experience gained with Xstrata Coal and Tenova.

TONY MOONEY AM  
*General Manager – Stakeholder Relations*
Former Townsville Mayor for 19 years, Has held board positions at Port of Townsville, Ergon Energy and Sunwater.
CAMERON MCRAE
Executive Chairman

Deep experience as a CEO, company director and Joint Venture representative on many large mining ventures across 3 continents.

HONOURABLE CRAIG WALLACE
Deputy Chairman

Served as the State Minister for Main Roads, Fisheries and Marine Infrastructure from 2009 to 2012. Member of Executive Council of Australia. Patron of Committee for Infrastructure and Logistics Australia.

MICHAEL AVERY
Executive Director

Involved in the establishment and management of a number of successful public and private companies in mining, exploration & development, mining consulting services and mining contractor services.

TSOGT TOGOO
Non-Executive Director

20+ years in Mongolian Public Sector. Worked for the Mongolian National Oil Company.

LOO HWEE FANG
Non-Executive Director

An experienced legal practitioner, Ms Loo graduated from the University of Sheffield, England, with an LLB (Hons) Degree in 1996 and is also a qualified Barrister-at-law.

PHILIP FORREST
Non-Executive Director

30+ years contributing to commercial relationship between Australia and Asia. Previous management roles at three international banks (Westpac, NatWest and ANZ). Director Australian Chamber of Commerce. (Singapore)
BLAIR ATHOL ACQUISITION
WHAT IS INVOLVED?

BAJV partners selling 100% interest to Terracom

- Mining lease, licences, land, contracts and all mining plant & equipment
- Mine site infrastructure, offices, workshops & stores
- Dragline delivers production schedule and progressive rehabilitation

Remaining steps for approval and finalisation

- Minister for Natural Resources & Mines to consider title transfer
- Government requirements to be satisfied
  - Financial capability
  - Operational and managerial capability
- Transfer of $80m to GoQ controlled bank account for financial assurance for rehabilitation liability
THE REOPENING OF BLAIR ATHOL COAL MINE WILL CREATE 100+ JOBS
RESTART MODEL

AN IMPORTANT REGIONAL BOOST

Maximising Local Inputs

- Corporate Office in Clermont
- A TerraCom Local Community Liaison Person
- No plans to use fly-in fly-out
- Employ local skilled people where possible
- Purchase locally where possible

Will Deliver

- 100+ direct jobs
- Significant economic uplift
  - Rates and charges, sales’ royalties & state and federal tax revenues
OPERATING APPROACH
LEVERAGE SYNERGIES & EARLY REHABILITATION

BA Coal

- Existing supply chain infrastructure being utilised
- Well known and respected in the international market

Plan to restart mining operations in Quarter 4, 2016

- An experienced mining contractor will be appointed operator
- Dual focus on production and rehabilitation
- Expert mining and environmental consultants utilised
- Rehabilitation will resume with production ramp-up
- Target 53 hectares completed in first quarter of production
ENVIRONMENTAL RESPONSIBILITY

IMPORTANT LEGAL ISSUES

Financial Assurance

- $80M to cover the Government’s determined cost of rehabilitation

Environment Bond

- Cash in a bank account nominated and controlled by GoQ

Final Land Form and Use

- Agreed plan to be approved by Government
- Land will be rehabilitated to required standards
- Community consultation an important input
Community Consultative Committee

Close engagement with Council elected leadership and senior management

Community Support Initiatives a strong feature

Landowners and neighbours will be regularly consulted

Local indigenous groups involved with a Cultural & Heritage Management Plan
TERRACOM COMMUNITY CONSULTATIVE COMMITTEE

Community Consultative Committee Overview

- Key tool to liaise with Council and local community stakeholders
- Consultation on important issues to build support and understanding
- Best practice guidelines will be followed for operating a CCC
- Independent Chairperson: The Honourable Tony McGrady
- Mayor to be invited
- 11 key community representatives to reflect the Clermont and Isaac Region profile
- Composition to be finalised after local consultation
- First meeting planned for August
THANK YOU