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23rd August 2016

ASX Announcement

Placement Agreement

TerraCom Limited (**TerraCom or the Company**) (**ASX: TER**) is pleased to announce the agreement of a AU\$ 1.1 million placement to three large and prominent Eastern European based private investment companies, led by Light Speed Commercial Inc. (Light Speed Commercial). The Company will be utilising its existing capacity under listing rules 7.1 and 7.1A whilst it is available.

Key details of the placement are as follows:

- The issue price is 90% of the 14 trading days volume weighted average price of TerraCom ordinary shares prior to the Placement Completion Date.
- Placement Completion Date is Thursday 25 August 2016.
- The number of fully paid ordinary shares is the placement proceeds of AU\$1.1 million divided by the issue price.

This small placement is potentially the leading edge of interest in Europe for the Company further expanding the investor base from Australia and Asia into Europe.

Company Chairman Mr Cameron McRae stated that “this placement is yet another building block in the Company’s funding strategy which will help deliver the expansion of our Mongolian coking coal mine, acquisition and commissioning of the Queensland thermal coal mine and completion of the potential acquisition of the Indonesian coking coal mine”. He went onto say that “breaking into the European investor base should further support the positioning of TerraCom as a global independent mining company operating in three countries with further potential for expansion within these countries”.

ABOUT TERRACOM – www.terraacomresources.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 recently announced that it has entered into an agreement to acquire the Blair Athol Coal Mine in Queensland, Australia from the Blair Athol Joint Venture, with production scheduled to recommence in 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@terraacomresources.com for further information.



Cameron McRae
Executive Chairman