



TerraCom Limited
34 Hewitts Avenue
Thirroul, New South Wales, 2515
Australia
+61 2 4268 6258
ABN: 35 143 533 537
www.terracomresources.com

12th October 2016

ASX Announcement

Blair Athol – 60Mw Solar Power Station Plans

TerraCom Limited (**TerraCom or the Company**) (**ASX: TER**) is pleased to announce plans to investigate the construction of a 60Mw Solar Power Station on rehabilitated land at the Blair Athol Coal Mine.

Blair Athol Coal Mine has historically produced a high quality thermal coal for over 100 years and this coal was initially widely used in Queensland's power stations. A strong market for the coal has recently developed in Asia due to the coals high energy and very clean burning qualities.

The potential construction of a 60Mw Solar Power Station is planned to be on rehabilitated land at the Blair Athol Mine, facilitated once mining and rehabilitation activities re-commence. This construction and subsequent land use will increase the economic value of the property and allow Blair Athol to become an important part of Queensland achieving its renewable energy targets.

TerraCom Chairman – Mr Cameron McRae said the **Quantum Group from Singapore** will work with **GHD in Queensland** to initially plan the solar power system.

"TerraCom is keen to play a role in helping the Government deliver on its renewable energy targets. Blair Athol is well placed to achieve this due it's to close proximity to the electricity grid".

"The Quantum Group are industry leaders in alternative energy generation and we are very pleased to announce that Queensland energy expert Mr. John O'Brien shall lead the planning from GHD".

Mr McRae said that TerraCom was awaiting Queensland Government approvals for the Blair Athol lease to be transferred from the current owners and that as soon as permission is granted, TerraCom will move quickly to commence rehabilitation and mining operations.

"The introduction of a Solar Power Station constructed on rehabilitated mine land will provide a long term future for Blair Athol as a solar hub which will mean Blair Athol will be again helping to power Queensland's growth".

Background on Blair Athol Coal Mine Acquisition

TerraCom recently announced that its wholly owned subsidiary Orion Mining Pty Ltd, has executed a binding Sale and Purchase Agreement to acquire the Blair Athol Coal Mine in Queensland, Australia from the Blair Athol Coal Joint Venture (BACJV) under the terms as previously disclosed and subject to Queensland Government approval and certain other conditions precedent.

TerraCom plans initially to commence over 50 hectares of site rehabilitation while bringing the mine back into production. Production is being scheduled around a rate of 2Mtpa of coal with a target of recommencing operations in the 4th Quarter 2016 and achieving first coal sales by the end of 2016.

The acquisition of the Blair Athol Coal Mine is a significant milestone for TerraCom, bringing the following benefits:

- Progressive rehabilitation of one of Queensland's oldest coal mines
- The resumption of coal mining and export sales from the Blair Athol Coal mine providing the local, state and federal economies with increased economic activity, employment, royalties and taxation
- Forecast positive cash flow through a low overhead structure and operational efficiencies

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 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@terracomresources.com for further information.



Cameron McRae
Executive Chairman