



QUARTERLY REPORT

FOR THE QUARTER ENDED 31 MARCH 2017

TerraCom Limited (“**TerraCom**” or the “**Company**”) (**ASX: TER**) is pleased to present its quarterly activities report for the period ended 31 March 2017.

HIGHLIGHTS

TerraCom Corporate

- Continued signs of sustained commodity price recovery in both coking and thermal coal markets. Thermal coal closed the quarter at ~US\$84 per tonne (up 68% from US\$50 in January 2016) and coking coal closed the quarter at ~US\$152 per tonne (up 100% from US\$76 in January 2016).
- Appointment of Jim Soorley as a Non-Executive Director of TerraCom Limited and its wholly owned subsidiary Orion Mining Pty Limited.
- The closing cash and cash equivalents balance at the end of March is not a true reflection of the gross working capital position of TerraCom. The gross working capital at the end of March includes delivered coal which revenue had not been received for and coal inventory on hand.

Mongolian Business Unit

- TerraCom through its wholly owned Mongolian subsidiary commenced export from the BNU Coal Mine to the Kingho Group, one of the largest private coal companies in China, as a part of the executed contract with a 5.5-year offtake for coking coal.
- The following table shows an overview of the production performance and associated ramp up of the BNU coking coal operation for the quarter with commercial production coal mining and export only taking place in the last 7 weeks of the quarter:

	Jan 17	Feb 17	Mar 17	Total
Overburden (bcm)	697,028	688,750	963,434	2,349,212
Coal Production (tonnes)	3,176	42,226	52,468	97,870
Coal Exports (tonnes)	0	32,187	65,108	97,295

- A further ~60kt was produced in April with all tonnes produced being sold under the Kingho contract.
- Monthly Shipments of coal to Kingho were delivered according to the 5.5 year offtake agreement and the ramp up continues.
- Kingho has commenced the use of BNU coking coal in their coking plants in Northern China.
- Final resolution was received from the Chairman of the Mineral Professional Council of Mongolia (MPCM) approving the CHPP feasibility study in February 2017. The Company has continued work to establish the CHPP at the BNU Operation.

Australia

- On February 20th 2017, TerraCom received Indicative Approval for Title Transfer of the Blair Athol Coal Mine.
- Secured the AU\$13.5 million required in TerraCom's opinion to satisfy the conditions associated with the Indicative Approval for the transfer of the Blair Athol mining lease. Funds were raised without diluting shareholders.
- Working with the Queensland Government to have the Indicative Approval conditions signed off and Title Transfer of ML1804 (Blair Athol Coal Mine).
- Targeting mobilisation to site in May 2017, and to commence coal mining and rehabilitation works in June 2017.
- TerraCom and Link Mining have completed the detailed Mobilisation and Integration plans which will ensure a seamless transition from the management of the BACJV to the TerraCom & Link Mining team.

Business Development

- Exploration continued during the quarter, with focus on trenching and drilling at the BNU Coking Coal Mine providing positive results. Planning is underway for the further optimisation and expansion of existing BNU operation in BNU Pit 1 and BNU Pit 2, plus improving geological model definition for the development of BNU Pit 3.
- Continued the evaluation of the acquisition of a hard coking coal mine in Kalimantan, Indonesia.

CORPORATE STRATEGY AND OPERATING ENVIRONMENT

During the quarter there continued to be signs of sustained commodity price recovery in both coking and thermal coal markets.

- Thermal coal closed the quarter at ~US\$84 (up 68% from US\$50 in January 2016).
- Coking coal closed the quarter at ~US\$152 per tonne (up 100% from US\$76 in January 2016).

The Company is confident that sustained prices (including small downward price corrections) during the next couple of quarters will remove a substantial portion of the market volatility still being faced by the industry.

DIRECTOR CHANGES

On 8 March 2017 Mr James (Jim) Soorley was appointed as a Non-Executive Director to the boards of TerraCom Limited and its wholly owned subsidiary Orion Mining Pty Limited.

Jim's wealth of experience will allow him to provide guidance and leadership in stakeholder relations and management to the TerraCom team both within Australia and overseas. Jim is currently the inaugural Chairman of Unitywater and Chairman of CS Energy, a Queensland Government owned electricity generator producing a third of Queensland's electricity.

In addition, to coincide with the Company's focus shift away from a potential listing or dual listing on an Asian Stock Exchange, Hwee Fang Loo has tendered her resignation as a Non-Executive Director.

OPERATIONS - MONGOLIA BNU

OPERATIONS

BNU operations continued safely and productively through the quarter to deliver coal volumes and specifications meeting requirements of the initial months under the 5.5-year offtake agreement with the Kingho Group.

SAFETY

The BNU site maintains its LTI free status, with over 1.92 million man-hours now worked by end Q1 2017 without LTI.

PRODUCTION

Production focused on continued removal of overburden to expose coking coal and extraction of coking coal to meet commitments under the Kingho offtake agreement.

	2016/17 Q1	2016/17 Q2	2016/17 Q3	2016/17 YTD
Raw Coal mined (ROM tonnes)	0	0	97,870	97,870
Overburden Mined (bcm)	0	288,012	2,349,212	2,637,224
Raw Coal Exported (ROM tonnes)	0	0	97,295	97,295
Raw Coal Inventory (ROM tonnes)	40,049	41,007	42,148	42,148



BNU Pit 2



BNU Pit 2 Exposed Coal Seam and Loading Trucks for Kingho Shipment

BNU ON-SITE CHPP

Final approval of this BNU on-site CHPP feasibility study was received by way of resolution from the Chairman of the Mineral Professional Council of Mongolia (MPCM) in February 2017.

Development of a Coal Handling and Processing Plant (CHPP) for the Baruun Noyon Uul (BNU) operations in the South Gobi has continued during Q1 2017, with continuation of detailed engineering and negotiation with EPC contractor. The strategy to commission the CHPP onsite at BNU provides a pivotal asset in controlling the volume and quality of coal supplied from BNU through the Shivee Khuren - Ceke border crossing into China. The onsite CHPP will increase the BNU cash operating margin through a freight cost reduction as clean coal will be transported into China, which adds significant NPV value to the existing and future projects in the basin.

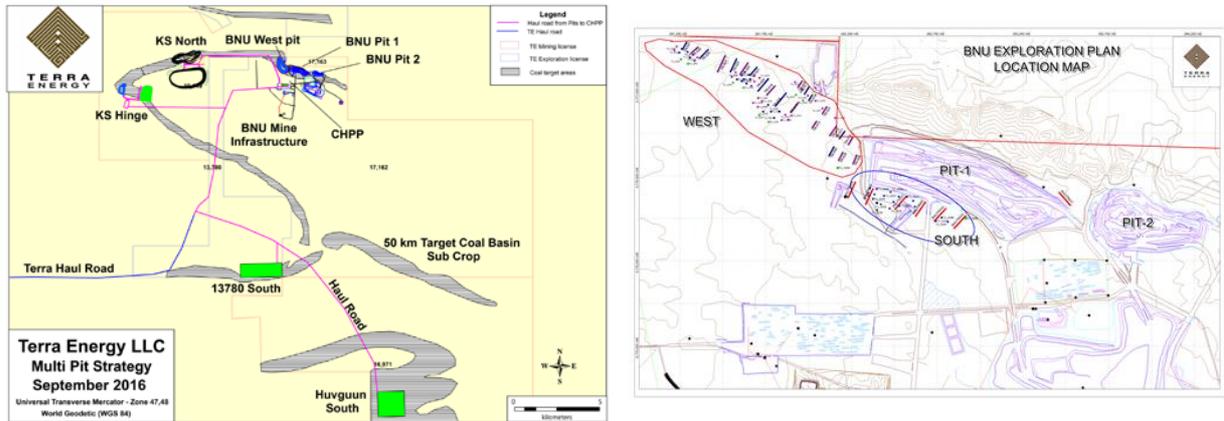
TerraCom have almost finalised long form contracts for execution with Guohua Technology Corporation (GTC), a highly experienced, competent and competitive CHPP provider from Tangshan, China. GTC acquired The Daniels Company of the United States in 2012, and have designed and built over 500 wash plants in China. Detailed engineering is being finalised, ahead of manufacture in China of the modular plant. Commissioning of the plant is expected to be achieved within Q4 2017.

The CHPP will be located in line with our current ROM to customs bonding process, with ready access to water sufficient for the coal processing from the mine operations.

BUSINESS DEVELOPMENT – MONGOLIA

SOUTH GOBI EXPLORATION

In late 1Q 2017, following the advent of warmer weather, the Company undertook additional trenching and definition drilling within the BNU Mining License (MV-17162), in support of developing BNU Pit 3 (BNU West Pit) mining area and the Company's multiple pit operating strategy. This builds on work undertaken prior to the quarter where definition drilling works were completed in areas adjacent to BNU Pit 1 and BNU Pit 2.



BNU Multi Pit Plan and BNU Pit 3 Exploration Plan



BNU Pit 3 Trenching to Defining Boxcut Low Wall

KS EXPLORATION

XV-12600 sits on a basin to the North of Khar Servegen and BNU. No further exploration work was conducted during 1Q 2017. The target area is 16 kilometres of shallow outcropping coal that sits along the basin edge. Exploration previously to the quarter has included extensive mapping followed by trenching and drilling in the north west of the exploration license.

Khar Servegen North mining license is along strike west of current mining operations at BNU. Previous to the quarter, trenching was carried out in a target area to the north of the current KS North JORC Resource on the northern basin adjacent to exploration license XV-12600. Further investigation of the structure and nature of the resource in this area is planned to continue in 2Q 2017 with program including additional trenching and definition drilling set to proceed.

UVS PROJECT

The Uvs project is a strategic project for Terra Energy containing multiple commodity targets in North West Mongolia. The basin is prospective for coal; evaporate salts (potash), uranium, and associated brines and clays (Lithium (Li) and Magnesium (Mg)). No further exploration work was conducted during the quarter.

Early stage exploration was completed prior to the quarter, with detailed 2D in situ mapping, sampling, archaeological and paleontological survey across 22,000 hectares over five licence areas. Detailed mapping was undertaken updating historical mapping across Devonian and Carboniferous outcrops and providing detailed information on formation boundaries, rock types and geological structure.

The extensive mapping determined the licences contained the evaporite gypsum outcropping within the target mid Devonian Tserd Uul (D2cr) formation. The Tserd Uul formation outcrops extensively across the Uvs licences in a synform basin containing predominately ductile and brittle deformation.

This in situ mapping defined the 2D structure, and will be followed up with radio metrics to target marker units such as Potassium (K+). These markers are anticipated to identify sylvite, an evaporite mineral. This stage will further define the 3D structure using electronic survey to determine the existence of brines due to their high conductivity.

OPERATIONS – AUSTRALIA BLAIR ATHOL

TerraCom through its wholly owned subsidiary Orion Mining Pty Ltd, has reached agreement to acquire the Blair Athol Coal Mine (mine) in Queensland, Australia from the Blair Athol Coal Joint Venture (BACJV) subject to certain conditions precedent, with this transaction being granted Indicative Approval by the Queensland Government on February 20th 2017.

The acquisition price is AUD\$1 and the Queensland Government will receive AUD\$79.6m from the BACJV (vendor) to meet Blair Athol Coal Mine's rehabilitation liability as determined by Queensland's Department of Environment Heritage Protection in November 2015. The Financial Assurance will be provided as cash to be held in a bank account approved and controlled by the Queensland Department of Natural Resources and Mines (DNRM).

During the quarter, the Company's wholly owned and operated subsidiary, Orion Mining Pty Limited (Orion), has secured the \$13.5m required in TerraCom's opinion to satisfy the conditions associated with the Indicative Approval for the transfer of the Blair Athol mining lease. This funding will have no dilutive impact on shareholders.

The acquisition includes the mining lease, site infrastructure, related licenses, land, active contracts and all mining plant & equipment, including a dragline, to deliver TerraCom's forecast production schedule and the progressive rehabilitation.

The Blair Athol Coal Mine ceased production under its current management in late 2012 and has been maintained in good condition. TerraCom plans to commence over 50 hectares of site rehabilitation in 2017 while bringing the mine back into production. The operation is planned to deliver 2Mtpa¹ of low sulphur export thermal coal and ongoing progressive rehabilitation, with a target of operations recommencing in the 2nd Quarter 2017.

The recommencement of mining at Blair Athol Coal mine is forecast to deliver TerraCom positive cash flow through a low overhead structure and operational efficiencies. This has been further bolstered by increased prices in the seaborne thermal coal markets which have remained buoyant during Q1 2017.

Blair Athol also provides TerraCom with comprehensive mine facilities and an established mining operation as a regional hub in Queensland to support expansion plans through various acquisition and expansions plans.

1- This information was originally announced to the ASX on 7 November 2016 in the announcement titled, "Blair Athol Mine Life Extension". The announcement is located <http://terra.com/resources.com/investors/asx-announcements/>

TerraCom is not aware of any new information or data that materially affects the information included in the above information in relation to the Production Target and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

APPROVALS

TerraCom has received Indicative Approval from the DNRM on February 20th 2017. This approval required fulfilment of four separate conditions to complete the Title Transfer process, including the provision of a further AUD\$13.5m to DNRM as additional security during the Title Transfer process.

On March 31st 2017, TerraCom announced that its wholly owned and operated subsidiary, Orion Mining Pty Limited (Orion), has secured the \$13.5m required to facilitate the transfer of the mining lease for the Blair Athol Coal Mine in Central Queensland.

This funding, which will have no dilutive impact on shareholders, should enable TerraCom/Orion to satisfy the conditions associated with the Indicative Approval for the transfer of the Blair Athol mining lease and hence enable completion of this title transfer and commencement of mining and rehabilitation activities at Blair Athol Mine.

FUNDING

TerraCom has secured US\$12m in a separate funding agreement to support the commissioning of the Blair Athol Coal Mine; as well as, AU\$11.6 million through the appointed contractor (Link Mining Services Pty Limited). The provision of the funding reduces TerraCom's exposure substantially for recommencement cost activities.

OPERATIONS

TerraCom has executed a 5 year contract (with an option to extend) with Link Mining for a full service mining contract at the Blair Athol coal mine covering all operational aspects at Blair Athol for mining and rehabilitation works. The contract will become effective on mining lease title transfer.

TerraCom and Link Mining have completed detailed Mobilisation and Integration plans which will ensure a seamless transition from the management of the BACJV to the TerraCom & Link Mining team. Key personnel across the TerraCom and Link Mining teams have been appointed, including site SSE and all senior health and safety, technical and financial roles. The recruitment process for all coal mine workers has commenced and will be finalised upon completion of the Title Transfer. This process has reinforced TerraCom's commitment to maintain a predominantly local workforce in the Clermont region.

TerraCom have also executed a Sale and Purchase Agreement with Sedgman Pty Limited (Sedgman), a member of the CIMIC group, to acquire the Coal Preparation Plant currently located on site at the Blair Athol Coal Mine. This will enable TerraCom to fulfill customer requirements in various segments of the thermal coal market to maximize value at the Blair Athol Mine.

BUSINESS DEVELOPMENT – AUSTRALIA

SPRINGSURE PROJECT

The Springsure Project (MDL 3002 and EPC 1674) area covers a total area of 34.2km² and is made up of 11 sub-blocks approximately 8km north of the town of Springsure on the Gregory Highway in the Springsure Region. TerraCom Limited is a 36% shareholder in Springsure Mining Pty Ltd and the Springsure Project Manager.

The Project area occurs on strike with Minerva Coal Pty Ltd's Minerva South and Minerva No.1 mines which are located approximately 3km to the north. The Minerva Open-Cut mine is a multi-seam mine targeting high quality thermal coal resources within the Reids Dome Beds coal measures. The Minerva rail spur line transverses across the south east corner of EPC 1674.

The proposed 2017 exploration plan for MDL 3002 consists of 5 partially cored boreholes and 2 fully cored holes totalling 7 holes. The objective of this plan is to:

1. Delineate local structure complexities in MDL area, including gathering more information on the Minerva Hills Volcanics (Tertiary basalt) in the area which could potential affect underground mining;

2. Establish a better understanding of the intruded coal within the area, at this moment in time its slightly sporadic, closer drilling spacing should assist modelling intrusions;
3. Update Coal Quality model and conduct Large Wash testings to better simulate the wash process, further understand coal product; and
4. To update the geological model and coal resource.

FERNLEE PROJECT (ADJOINING SPRINGSURE PROJECT)

TerraCom, through its wholly owned subsidiary Sierra Coal Pty Limited, has executed an Asset Sale Agreement for EPC1103 - Fernlee Project from the Liquidators of Fernlee Coal Pty Limited (In Liquidation) and have applied for DNRM indicative approval for transfer of the tenement to TerraCom who will wholly own the tenement.

EPC1103 - Fernlee Project adjoins the EPC1674/MDL3002 - Springsure Project and is seen as a key strategic transaction for TerraCom providing the potential to expand the Springsure Project MDL area to the East and North East.

BUSINESS DEVELOPMENT – OTHER

INDONESIA

The Company continued due diligence during the quarter on a hard coking coal mining operation in Indonesia. The asset under review 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 and has considerable expansion opportunities within the lease and through consolidation of surrounding projects.

MINING TENEMENTS HELD AT THE END OF THE QUARTER

Tenement	Interest at beginning of quarter	Interest at end of quarter	Location	Commodity
MV-17162	100%	100%	Mongolia	Coal
XV-018142, XV-018797, XV-018802, XV-20281, XV-20539	100%	100%	Mongolia	Coal
XV-020139, XV-020329	100%	100%	Mongolia	Coal
XV-015466, XV-12929	100%	100%	Mongolia	Coal
XV-018111, XV-018513, XV-020268	100%	100%	Mongolia	Coal
EPC 1300, EPC 1394, EPC 1477, EPC 1478, EPC 1479, EPC 1480, EPC 1574, EPC 2047, EPC 2049, EPC 2105	100%	100%	Australia	Coal
EPC 1890, EPC 1892, EPC 1893, EPC 1962, EPC 1963, EPC 1964	100%	100%	Australia	Coal
EPC 2503, EPC 2504	100%	100%	Australia	Coal
EPC 1250, EPC 1260	64.4%	64.4%	Australia	Coal
EPC 1674, MDL 3002	35.78%	35.78%	Australia	Coal
EPC 1822	100%	100%	Australia	Coal
EPC 1872	100%	100%	Australia	Coal

ABOUT TERRACOM – 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. The approval for transfer of the BA mining lease is progressing through the final steps of the Government of Queensland process.

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

TerraCom Limited

ABN

35 143 533 537

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,915	5,966
1.2 Payments for		
(a) exploration & evaluation	(217)	(449)
(b) development	(1,149)	(1,606)
(c) production	(2,976)	(7,616)
(d) staff costs	(845)	(2,300)
(e) administration and corporate costs	(707)	(2,979)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	(99)	(927)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	(7)
1.9 Net cash from / (used in) operating activities	(77)	(9,914)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(36)	(581)
(b) tenements (see item 10)	-	(10)
(c) investments	-	-
(d) other non-current assets	-	(706)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(36)	(1,297)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	7,441
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(201)
3.5	Proceeds from borrowings	-	3,949
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	11,189

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,213	1,148
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(77)	(9,914)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(36)	(1,297)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	11,189
4.5	Effect of movement in exchange rates on cash held	(17)	(43)
4.6	Cash and cash equivalents at end of period	1,083	1,083

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,083	1,213
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,083	1,213

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	411
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Cameron's engagement as Executive Chairman is through consultancy firm Tarva Investments and Advisory LLC (Tarva) to which he is the appointed Executive Director. The payments to Tarva for Cameron's services have been disclosed within payments to directors above.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

NIL

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (provide details if material)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
202,773	202,773
-	-
-	-

Super Senior Note A

The Super Senior Note A secured facility is fully drawn down for the amount of US\$12.0 million. The facility bears an interest rate of 15% with principal and interest payable on the repayment date.

Super Senior Note B

The Super Senior Note B secured facility is fully drawn down for the amount of US\$5.0 million. The facility bears an interest rate of 15% with interest repayable on the repayment date, and principal amount can be converted to the Listed (Euroclear) bonds at TerraCom Limited's discretion.

Listed (Euroclear) Bond

The Listed (Euroclear) Bond secured facility is fully drawn down for the purchase value of the bonds to the amount of US\$97.0 million (redemption value of the bonds is US\$124.0 million). The facility bears a cash interest rate of 12% per annum; as well as having a value uplift applied between the redemption value and purchase price, along with the interest, implies an annual cumulative interest rate of 21.09%. At each interest repayment date, 50% of the interest charge can be capitalised into the principal amount of the loan. This facility also includes a special interest component.

Fuel Exclusivity Agreement

On 14 November 2013, the Company entered into a Fuel Exclusivity agreement with Noble Resources International Pte Limited (Noble) for US\$8.0 million. The facility has an implied interest rate of 9.7%. The US\$8.7 million carrying value of the facility represents the principal and interest which remains due.

Non-Interest Bearing Loan

This amount relates to US\$3,000,000 due by the Group to Noble and is payable by the recently acquired Enkhtunkh Orchlon LLC. This amount is due for repayment on 1 October 2020. The Share Sale Agreement also included up to US\$4,000,000 to be advanced by Noble to the Group for furtherance of the business.

Working Capital Loan

The Working Capital Loan secured facility is fully drawn for the amount of US\$3.0 million. The facility bears an interest rate of 9% per annum. The facility has multiple principal repayment dates.

Refer to the Half Year Financial Statements for 6 Months Ended 31 December 2016 for additional information on the facilities.

The Company has further funding of US\$9.0 million, AU\$13.5 million and AU\$11.6 million in separate funding agreements to provide the necessary working capital and support the commissioning of Blair Athol Mine.

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	897
9.2	Development	4,046
9.3	Production	19,313
9.4	Staff costs	1,409
9.5	Administration and corporate costs	2,335
9.6	Other (asset acquisition, finance interest and principal)	7,800
9.7	Total estimated cash outflows	35,800

The Company's estimated cash inflows for the 3 months ended 30 June 2017 exceeds the estimated cash outflows above. The estimated cash inflows includes revenue from coal sales which occurred in March 2017 quarter, revenue from coal sales to occur in June 2017 quarter, and receipt of funding facilities as previously announced on the ASX.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
 (Director)

Date: 28 April 2017

Print name: Cameron McRae

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.