



TerraCom Limited
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terraresources.com

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ASX Announcement

Company Update

The Board of TerraCom Limited (TerraCom or the Company) (ASX: TER) is pleased to provide an update on the following matters and take this opportunity to wish all our stakeholders compliments of the season and a prosperous New Year in 2018.

Name Plate Production at Both Mines

The Company advises that its two (2) operating mines in Australia (Blair Athol Thermal Coal Mine) and Mongolia (BNU Coking Coal Mine) are now producing at name plate production levels. To date short and long term contracts have underpinned the coal produced.

As per previous guidance the Company is forecasted to achieve the annualised production rates in 2018 delivering a combined output of 3.5 million tonnes per annum consisting of 1.5Mtpa² from the BNU Coking Coal Mine and 2Mtpa¹ from the Blair Athol Thermal Coal Mine.

The market remains strong in both sectors with coking coal prices and thermal coal prices in respective markets looking to remain strong for 2018.

Blair Athol Mine Rehabilitation

The first 58 hectares of rehabilitation at Blair Athol Mine has been successfully completed as per forecast.





Blair Athol's dedicated private train loading facility re-commissioning is on track with construction completion in February 2018. The rail line runs across BA site and connects into the main Goonyella Rail Line which runs to DBCT.

The Board and TerraCom would like to thank its shareholders for their support and wish them and their family a Merry Christmas and a safe and prosperous New Year.

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TerraCom has fully commissioned the Baruun Noyon Uul (BNU) coking coal mine in the South Gobi of Mongolia. Export shipments under a 5.5 year offtake agreement have commenced on schedule. 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 completed the acquisition of the Blair Athol Coal Mine in May 2017. The acquisition included the mining lease, related licenses, land, site infrastructure, active contracts and all mining plant & equipment, including a dragline, to deliver TerraCom's forecast production schedule and the progressive rehabilitation.

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; and
- Forecast positive cash flow through a low overhead structure and operational efficiencies.

TerraCom has completed over 50 hectares of site rehabilitation while bringing the mine back into production. The operation, under TerraCom management, is planned to deliver approx. 2Mtpa over 8 years¹ and ongoing progressive rehabilitation.

Additionally, TerraCom has long term exploration plans with the intent on developing two projects in Queensland, Australia: the large thermal coal Northern Galilee Project and the high energy prime thermal coal Springsure Project.

1- Refer to ASX Announcement on 5th September 2017 for further information and clarification on the Blair Athol production forecast. The material assumptions underpinning the Blair Athol production target in this ASX Announcement continues to apply and has not materially changed.

2- Refer 21 November 2016 ASX Announcement for further information and clarification on the BNU Mine production forecast. The material assumptions underpinning the BNU Mine production target in the 21 November 2016 ASX Announcement continues to apply and has not materially changed

Please contact Nathan Boom, on +61 7 4983 2038 or at info@terracomresources.com for further information.



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