



TerraCom Limited
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terracomresources.com

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ASX Announcement

Close of Retail Entitlement Offer

The Board of TerraCom Limited (TerraCom or the Company) (ASX: TER) is pleased to provide a positive update on the fully underwritten non-renounceable pro-rata accelerated rights issue (**Rights Issue**) as announced to the market on 23 January 2018.

The Retail Entitlement Offer closed on Friday 9 February 2018, with eligible shareholders subscribing for approximately 24.53 million new TerraCom ordinary shares (New Shares) at \$0.215 per share, raising gross proceeds of approximately \$5.24 million.

The Retail Entitlement Offer shortfall is approximately 30.98 million shares. The Company has issued the required shortfall notice to the Underwriter.

New Shares under the Rights Issue will be settled on Thursday 15 February 2018, with those New Shares expected to commence trading on ASX on Friday 16 February 2018. On issue, the New Shares will rank equally in all regards with existing TerraCom ordinary shares.

This means approximately \$8.3 million was raised from institutional and retail shareholders of the Company.

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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.

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



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