



TerraCom Limited
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ASX Announcement

Blair Athol Coal Sales

The Board of TerraCom Limited (TerraCom or the Company) (ASX: TER) is pleased to announce the Company has secured buyers for coal sales for the June 2018 quarter totalling 532,000 tonnes. This means the coal sales forecasted in the June 2018 quarter of 462,000 tonnes are secured; as well as the 70,000 tonnes which has an estimated bill of lading date of 3 July 2018.

The average selling price is forecasted to be US\$78 per tonne which will generate US\$41.5 million in revenue for TerraCom. This average selling price allows the previous forecasted margin of AU\$41 per tonne to be achieved.

As disclosed previously, the coal sales above include trial shipments into the Japan and Korea thermal coal markets. The Company's goal is to place 1.3 to 1.5 million tonnes per annum into Japan and Korea, and the balance placed into the spot market. Following the completion of the trial shipments the Company expects premium prices in the long term compared to the June 2018 quarters forecasted average realised price.



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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 9 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 13th February 2018 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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