



TerraCom Limited
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terracomresources.com

9th August 2018

ASX Announcement

Super Senior Repaid

The Board of TerraCom Limited (TerraCom or the Company) (ASX: TER) is pleased to advise that it has paid US\$8.6 million principal and interest to fully repay the US\$12 million Super Senior Note A Facility. This has been repaid through profitable mining operations. Under the terms of the Note Trust Deed this now means that all bond holders are treated equally as the Super Senior facilities are now extinguished.

The repayment of the Super Senior Note A Facility represents a 4% reduction in the Company's debt. This is all whilst re-commissioning the Blair Athol Mine which is now producing at a 2.5mtpa production run rate¹; as well as the Company investing ~AU\$17.5 million on the Blair Athol TLO and Clermont Housing Suite.

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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.



Nathan Boom
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