



TERRACOM

TerraCom Limited
PO Box 131
Clermont QLD 4721
info@terracomresources.com
+61 7 4983 2038

31 July 2018

Belinda Chiu
Senior Advisor, Listings Compliance (Sydney)
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Email: Belinda.Chiu@asx.com.au

Dear Belinda,

TerraCom Limited - Appendix 3Y (James Soorley) Query Letter

We refer to our Appendix 3Y lodged on 24 July 2018 and to your query letter dated 26 July 2018.

For clarification of the information and to keep the market properly informed we detail below our responses to queries raised by ASX.

1. Please explain the basis for the Company's board to grant approval to Mr Soorley to acquire securities on-market during a closed period (within 15 business days before the due date of the quarterly reports), notwithstanding Mr Soorley was considered not in possession of price sensitive information at the time of receiving written clearance, and not in severe financial hardship or in another exceptional circumstance to warrant the on-market transaction.

- Mr Soorley, nor the Board of Directors, were not in possession of any material price sensitive information at the time of requesting clearance and acquiring shares, the Chairman, after making reasonable enquiries, provided written clearance.
- The Company considers compliance with its trading policy to be a serious matter. Having regard to the fact that clearance was obtained by Mr Soorley and a cleansing notice was issued by the Company prior to the acquisition in question, the Company does not consider it appropriate to take disciplinary or remedial action in the circumstances.



TERRACOM

TerraCom Limited
PO Box 131
Clermont QLD 4721
info@terraresources.com
+61 7 4983 2038

- However, the Company will amend its trading policy to specifically permit the acquisition of shares during a closed period with the prior written clearance of the Chairman to avoid uncertainty in the future. The Company proposes to update its trading policy by 31 August 2018 to include all encompassing discretionary power for the Chairman to grant approval to a person covered by the policy to trade during a prohibited period in certain circumstances.

2. What remedial action has the board of the Company taken, or is it proposing to take, in relation to Mr Soorley's breach of the Company's Securities Trading Policy?

- A copy of the existing Share Trading Policy has been circulated to all directors, officers and staff covered by the policy and the Company has requested that each of those persons read the policy and confirm that they will comply with its terms.
- When the existing security trading policy is updated, it will again be circulated to all directors, officers and staff covered by the policy and the Company will again request that each of those persons read the updated policy and confirm that they will comply with its terms.

3. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

- The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

4. Please confirm that the Company's responses to the questions above have been authorised and approved by its board or an officer of the Company with delegated authority from the board to respond to ASX on these matters.

- We confirm that the Chairman has been delegated appropriate authority to provide these responses.

The Company believes it has adequately closed out the issues raised, but if you require further information please contact the Company.

Kind regards

Wal King AO
Chairman, TerraCom Limited



26 July 2018

Nathan Boom
Company Secretary
Terracom Limited

By email: nboom@terraresources.com

Dear Nathan,

Terracom Limited ('Company') - Appendix 3Y (James Soorley) Query Letter

Questions and requests for information

ASX Limited ('ASX') refers to the following:

1. Appendix 3Y lodged by the Company with ASX Market Announcements released at 2:51PM on 24 July 2018. The Appendix 3Y discloses that Mr James Gerard Soorley and Mrs Jacinta Mary Philip ATF Soorley & Philip Superannuation Fund purchased on-market 100,000 ordinary shares in the Company ('Appendix 3Y') during a closed period and prior written clearance was provided on 19 July 2018.
2. The Company's Securities Trading Policy lodged with ASX Market Announcements released at 9:35AM on 25 December 2010, which states:

... "Key management personnel are prohibited from trading in the company's securities and in financial products issued or created over the company's securities during closed periods and prohibited periods".

The Company's closed periods means:

from fifteen (15) business days before the due date until two (2) business days after the release of half-year and annual results and the quarterly report."...

... "The Chairman of the Company may grant to a restricted person, who is not in possession of inside information, prior written clearance to sell or otherwise dispose of the securities of the Company during a prohibited period under the trading policy where the restricted person is in severe financial hardship..."

Having regard to the above, and pursuant to Listing Rule 18.7, ASX asks the Company to respond separately to each of the following questions.

1. Please explain the basis for the Company's board to grant approval to Mr Soorley to acquire securities on-market during a closed period (within 15 business days before the due date of the quarterly reports), notwithstanding Mr Soorley was considered not in possession of price sensitive information at the time of receiving written clearance, and not in severe financial hardship or in another exceptional circumstance to warrant the on-market transaction.
2. What remedial action has the board of the Company taken, or is it proposing to take, in relation to Mr Soorley's breach of the Company's Securities Trading Policy?
3. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

20 Bridge Street
Sydney NSW 2000

PO Box H224
Australia Square NSW 1215

Customer service 13 12 79
asx.com.au

-
4. Please confirm that the Company's responses to the questions above have been authorised and approved by its board or an officer of the Company with delegated authority from the board to respond to ASX on these matters.

If you have any further enquiries in relation to this letter, please do not hesitate to contact me.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (i.e. before 9.30 a.m. AEDT) on Tuesday, 31 July 2018.

Under listing rule 18.7A, a copy of this query and your response may be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Kind regards

Belinda Chiu

Senior Adviser, Listings Compliance (Sydney)

T 02 9227 0469

E belinda.chiu@asx.com.au