



TerraCom Limited
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26th September 2018

ASX Announcement

Blair Athol Coal Sales Update

The Board of TerraCom Limited (TerraCom or the Company) (ASX: TER) is pleased to announce the Company has secured buyers for coal sales from Blair Athol Coal Mine (BA) for the December 2018 quarter totalling 637,000 tonnes which should see the H1 2018/2019 FY sales total 1,250,000 tonnes.

Further it is with great pleasure to announce that following successful trial shipments of BA Thermal Coal with a major Japanese Customer that a 3 year offtake agreement has been reached for up to 1,056,000 tonnes per annum representing 42% of forecast annual sales from BA. Pricing is linked to the GlobalCOAL Newcastle Index as per previous sales to this customer.

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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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Company Secretary