



TerraCom Limited
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8th October 2018

ASX Announcement

1 Million Tonnes from BA TLO

The Board of TerraCom Limited (TerraCom or the Company) (ASX: TER) is pleased to provide the following updates for the Blair Athol Mine (BA) in Australia.

Following from the previous BA sales announcement on securing a 3 year offtake agreement with a major Japanese Customer for up to 1,056,000 tonnes per annum it is with great pleasure to also advise that following successful trial shipments of BA Thermal Coal with a major Korean Customer that a 1 year offtake agreement has been reached for the sale of 320,000 tonnes at a fixed price for calendar 2019. The combined committed sales under these Korean and Japanese agreements represent up to 55% of forecast annual sales from BA for calendar 2019.

The Company is pleased to advise that as of 4th October 2018 TerraCom has successfully loaded 1 million tonnes of Blair Athol Coal onto trains via its Train Load Out Facility at Blair Athol Coal Mine (BA) which was commissioned in April 2018.



Image: Train being loaded with 1 millionth tonne at BA TLO

ABOUT TERRACOM – terracomresources.com

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