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## **ASX Announcement**

### **Resumption of Mining Operations in Mongolia**

TerraCom Limited (**TerraCom or the Company**) (**ASX: TER**) is pleased to announce the resumption of mining operations at its **BNU Coal Mine** in the South Gobi in Mongolia.

This follows from the announcement last week that a binding long form definitive offtake agreement had been executed with a wholly owned subsidiary of the **Kingho Group**, one of the largest private coal companies in China, for a **5.5 year** offtake of hard coking coal (HCC) produced from the **BNU Coal Mine** which provides for an estimated **7.5Mt** of coal sales.

TerraCom has been implementing an **alternative supply chain** for its BNU Coal Mine in 2016. The Kingho Offtake Agreement was the final piece on the implementation of this initiative and the Company is excited about resuming mining operations to capitalise on the **strong coking coal market**.

#### **ABOUT TERRACOM – [www.terracomresources.com](http://www.terracomresources.com)**

TerraCom has fully commissioned the Baruun Noyon Uul (BNU) coking coal mine in the South Gobi Mongolia. 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 is also focused on developing two priority projects in Queensland, Australia: the large thermal coal Northern Galilee Project and the high energy prime thermal coal Springsure Project.

In order to support further growth and expansion, TerraCom continues to evaluate cash generative assets for potential acquisition. In this regard, the Company has announced that it has reached agreement to acquire the Blair Athol Coal Mine (BA) in Queensland, Australia from the Blair Athol Joint Venture, with production scheduled to recommence in late 2016. The approval for transfer of the BA mining lease is progressing through the Government of Queensland process.

The combination of BNU HCC Mine and the Blair Athol Thermal Coal Mine positions TerraCom well to capitalise on the strong coal coking and thermal coal markets through resumption of operations at both BNU Mine and BA Mine by the end of 2016.

The Company is also evaluating the acquisition of a hard coking coal mine in Kalimantan, Indonesia, a 500,000 tpa operation located in close proximity to road, barge and port infrastructure connecting it to the seaborne coal market.

***Please contact Nathan Boom, on +61 2 4268 6258 or at [info@terracomresources.com](mailto:info@terracomresources.com) for further information.***

A handwritten signature in black ink, appearing to read 'C. McRae', written in a cursive style.

**Cameron McRae**  
Executive Chairman