

## ASX ANNOUNCEMENT

24 February 2020



### **Australian Financial Review Article**

Today, the Australian Financial Review (**AFR**) has published an article on-line stating that a former commercial general manager at TerraCom Limited (**ASX: TER**) (**TerraCom**) has alleged in court proceedings that TerraCom was involved in a scheme relating to the "fake analysis of coal samples".

TerraCom categorically denies these allegations made by Justin Williams. TerraCom (if joined as a party) and the six directors who have been named as individual respondents will vigorously defend the proceedings that have been commenced in the Federal Circuit Court. Each of the six directors are seeking for the proceedings to be summarily dismissed on the basis that none of them had any knowledge or involvement in Mr Williams' termination.

Mr Williams was made redundant in August 2019. This was the month after he started employment with the company and whilst he was still in his probationary period.

It was subsequent to his redundancy that Mr Williams falsely alleged that TerraCom altered reports about the quality of its coal exports.

TerraCom took Mr Williams' allegations extremely seriously and had the conduct of its employees independently investigated.

TerraCom notes that the AFR has reported that the Australian Federal Police had confirmed having examined allegations listed in Mr Williams' court material but said *"based on the material provided, there was insufficient evidence to support the allegations"*.

Coal exported from TerraCom's Blair Athol mine in Central Queensland is subject to three stages of independent testing. The first when the coal arrives at the Dalrymple Bay Coal Export Terminal, the second when it is on board the vessel and the third by Japanese and South Korean customers when it is landed on the dock.

Apart from believing that the allegations by Mr Williams are totally unfounded, TerraCom and each of the directors reserve their rights to take legal action against any party that publishes false or misleading information.

TerraCom recently upgraded the marketable reserves at Blair Athol to expand the life of the operation.

TerraCom's marketable reserves now stand at 23.5 million tonnes with total reserves having increased by 59 per cent since February 2018 to 28.7 million tonnes in keeping with JORC Code standards.

This announcement has been approved by the Company's Disclosure Committee for release.

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***About TerraCom Limited***

*TerraCom Limited (**ASX: TER**) is an emerging company originating as a resource explorer with a large portfolio of operating assets in Mongolia and Queensland, Australia. We are currently enacting a growth strategy towards delivering a Mid-Tier diversified operating and trading business and have a global focus on the development of a high yielding diversified asset portfolio for its investors. To learn more, please visit [www.terracomresources.com](http://www.terracomresources.com).*