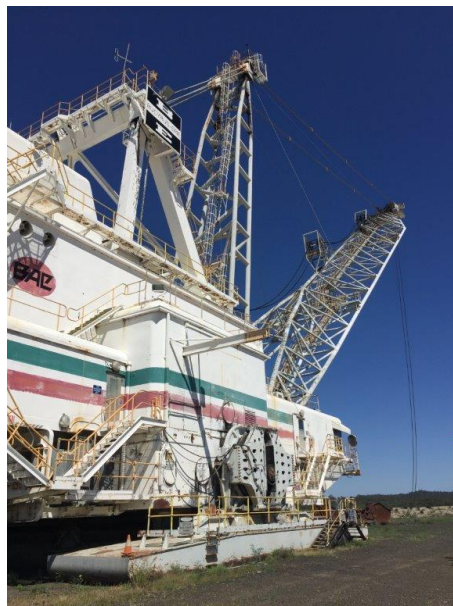




**TERRACOM**

# **Investor Presentation**

**October 2018**



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# AGENDA

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- 1 **Overview** – Wal King, Chairman
- 2 **Strategy**
- 3 **Project Updates**
- 4 **Appendix**





# OVERVIEW

# OVERVIEW



## 2 Regions

ASX listed coal producer with operations in Australia and Mongolia



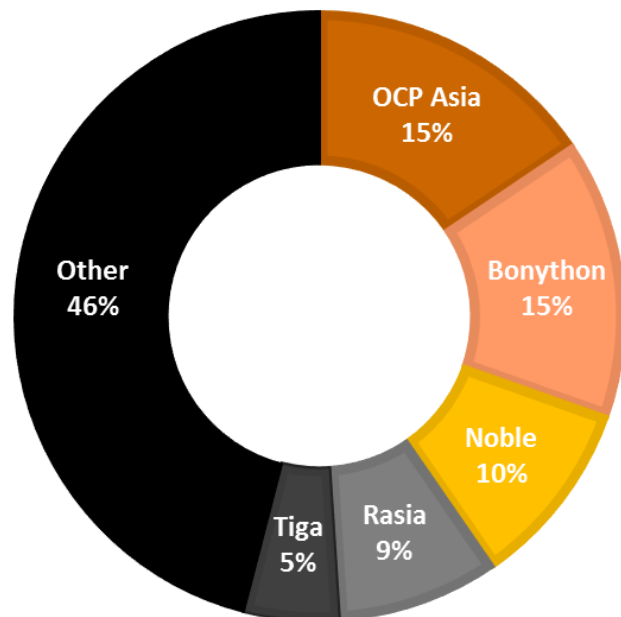
## Cash Generating

Capitalising on strong coal market targeting 5.5Mtpa generating strong cash flows (2.5Mt BA (Qld) & 3.0Mt BNU (Mongolia))



## Organic Growth

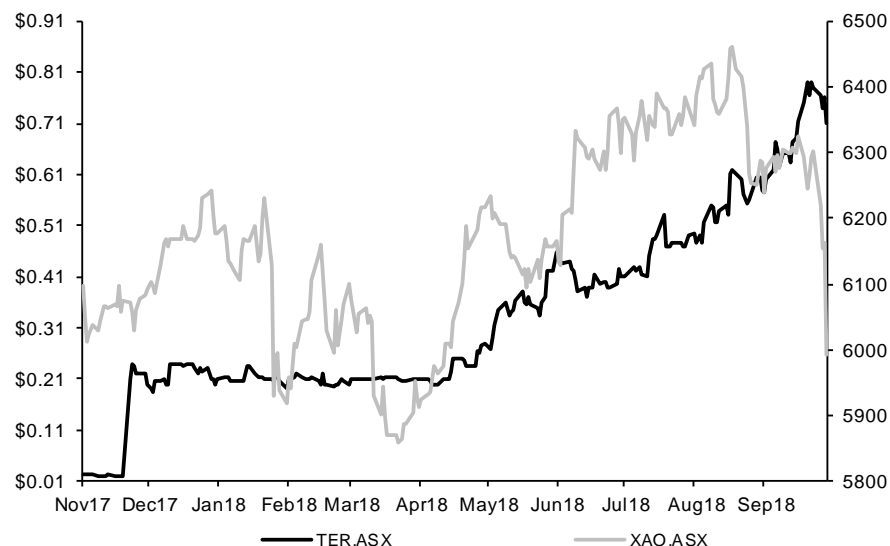
Near term Brownfield and greenfield expansion opportunities with a JORC Resource in excess of 2.1Bt in Queensland and 304 Mt in Mongolia.



## Capital Structure

Shares on Issue (m)	380
Share Price 10/10/18 (ASX: TER)	0.74
Market Cap (m)	A\$281
Options (m)	14
Cash (m) as at 30 June 2018	A\$12
Debt (m)	A\$195
Enterprise Value (m)	A\$464
Top 20 Shareholders	80.3%

## TER – performance over one year





# BOARD OF DIRECTORS

## Wal King Chairman

- Wal holds a Bachelor and Masters in Engineering and Engineering Science and an Honorary Doctorate of Science from the UNSW.
- Wal worked in the construction industry for over 40 years and was CEO of Leighton Holdings Limited from 1987 until December 2010.
- He is and a Director of Kimberley Foundation Australia Limited, was previously Deputy Chairman of the UNSW Foundation, and was one of the longest serving Directors of Coca-Cola Amatil Limited.

## Hon. Craig Wallace Deputy Chairman

- Hon. Craig Wallace served as the State Minister for Main Roads, Fisheries and Marine Infrastructure from 2009 to 2012.
- He was a member of the Executive Council of Queensland, a member of Roads Australia and a Patron of the Committee for Infrastructure and Logistics Australia.
- In 2012 he formed Shanghai Commonwealth Investment and Consulting (which is operating mainly in China).

## Michael Avery Executive Director

- Michael has extensive experience in the mining sector working in senior management and technical roles for a number of blue-chip mining companies.
- He is a 30 year plus mining industry veteran with BE Mining (1st Class Honours) from UNSW and an MBA from Mt Eliza Business School.
- Michael is also a qualified Coal Mine Manager and a member of the Australian Institute of Mining and Metallurgy.

## Tsogt Togoo Non-Executive Director

- Tsogt has two decades of experience in the Mongolian public sector.
- He has previously worked in the senior management of the Mongolian National Oil company and as the head of the Privatisation Division of the State Property Committee playing an extensive role in the privatisation of Mongolia's most valuable state-owned companies.

## Philip Forrest Independent Non-Executive Director

- Philip has been in South East Asia for over 30 years and contributed to the commercial relationship between Australia and Asia.
- Since 1991, Philip has headed 3 international banks (Westpac, NatWest and ANZ), with wide-ranging regional responsibilities.
- Recently, he was Asia Head for ANZ Bank, with responsibility for all of the Bank's activities in eleven countries ranging from Japan to Indonesia.
- Currently a Director of The Australian Chamber of Commerce, Singapore and a Member of the Governing Council of the Singapore Institute of Directors

## Jim Soorley Independent Non-Executive Director

- Jim served as the Lord Mayor of Brisbane from 1991-2003, presiding over an annual budget of \$1.6b and a workforce of 7,000.
- Jim lists his greatest achievement as Lord Mayor as transforming Brisbane from a city with a 'country town' mentality into a vibrant urban metropolis, without compromising its liveability.
- Jim also worked as a consultant for government and business across a range of issues relating to sustainable development, partnerships between government and corporations, and environmental initiatives.

## Matthew Hunter Non-Executive Director

- Matthew has more than 20 years' experience in the finance industry, most recently with over 10 years' experience in private equity investment.
- He founded Rivendell Capital in early 2016 to provide capital and advisory services to small and medium sized enterprises and specialised projects.
- Prior to founding Rivendell Capital, Mr Hunter was a Managing Director of The Carlyle Group.
- Mr Hunter is OCP Asia's nominee director. He is presently Non-Executive Director of Silver Heritage Group Limited, Chairman of Measure Australia, a Non-Executive Director of Medirent, Advisory Board Member of AtlasTrend and Consultant engaged by OCP Asia.

## Paul Anderson Non-Executive Director

- Paul has over 30 years' experience in senior executive management roles in both the public and private sector.
- Mr Anderson holds formal qualifications in Building Surveying, Engineering, Planning and Management is a member of the Australian Institute of Company Directors.
- Paul is Bonython Coal No 1 Pty Limited's (Bonython) nominee director and Bonython is a substantial shareholder of the Company and was the sole sub-underwriter of the rights issue from earlier this calendar year.



# HIGHLIGHTS

## FOCUS ON CASHFLOW AND GROWTH IN STRONG MARKET

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### ✓ 2019 Financial Year – Financial Highlights

- **EBITDA Forecast between \$130 million and \$150 million**
- Production from 2 mines producing high value product in 2 strong coal regions – 2.5Mt<sup>(1)</sup> from Blair Athol (BA) and 3.0Mt<sup>(2)</sup> from Baruun Noyon Uul (BNU).

### ✓ 2018 Financial Year – Financial Highlights

- **\$34.3 million** net operating cashflow
- **\$28.6 million** EBITDA
- Auditors removed emphasis of matter regarding material uncertainty related to going concern from audit report

### ✓ Large JORC Resource Base<sup>(4)</sup>

- 304 Mt JORC of coking and thermal coal in Mongolia
- 2.1 Bt JORC of thermal and PCI coal in Australia

### ✓ Strong development pipeline

- Organic /Brownfields expansion from the 2 regional hubs through development of large surrounding resources

### ✓ Strong Board and management team

- Proven track record in building and operating mines in multiple jurisdictions



# COAL QUALITY AND SALES

## STRONG COAL BRANDS SOLD INTO ESTABLISHED MARKETS

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### ✓ **Australia - Blair Athol Thermal Coal**

- Strong brand history with an estimated 250 million tonnes of BA Thermal Coal sold into Asian Markets
- High Energy, Low Ash, Low sulfur coal with low trace element attractive to Japanese and Korean Power Utilities
- 55% of forecast coal production sold under offtake agreements with major Japanese and Korean Power Utilities

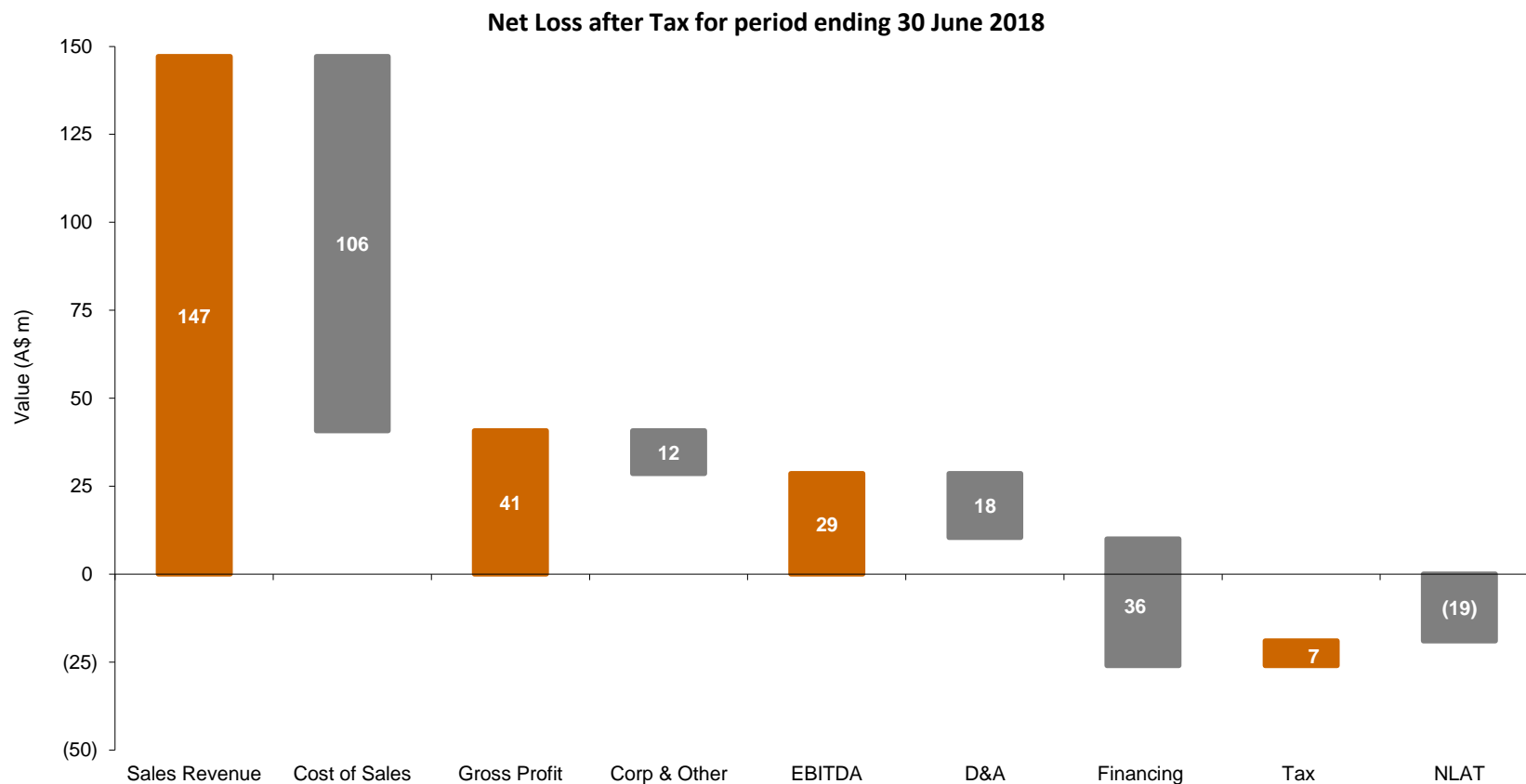
### ✓ **Mongolia - BNU Coking Coal**

- High quality hard coking coal with high G, X and Y indexes , High fluidity, dilatation and plastic range making it a desirable coke blend feed to produce higher grade coke product
- 5.5 year offtake agreement for 1.5Mtpa with large Chinese coke manufacturer



# EARNINGS ANALYSIS

## FULL YEAR EARNINGS OVERVIEW



# DEBT OVERVIEW

## RAPID DEBT REDUCTION UNDERWAY

Borrowings	Terms	Repaid
Listed Bond	US\$127.1m, 12.5% p.a.	Due June 2021
<del>Super Senior Note A</del>	<del>US\$7.5m, 15% p.a.</del>	<del>9<sup>th</sup> Aug 2018</del> ✓
<del>Super Senior Note B</del>	<del>US\$3.125m, 15% p.a.</del>	<del>Rolled to Listed Bond</del> ✓
<del>Fuel Facility</del>	<del>US\$1.4m, 12.5% p.a.</del>	<del>21<sup>st</sup> Sep 2018</del> ✓
Working Capital Facility	US\$12m, 9% p.a.	Due May 2022
Non interest bearing loan	US\$3m	Due Oct 2020
Dragline facility	A\$2.8m, 12% p.a.	August 2019

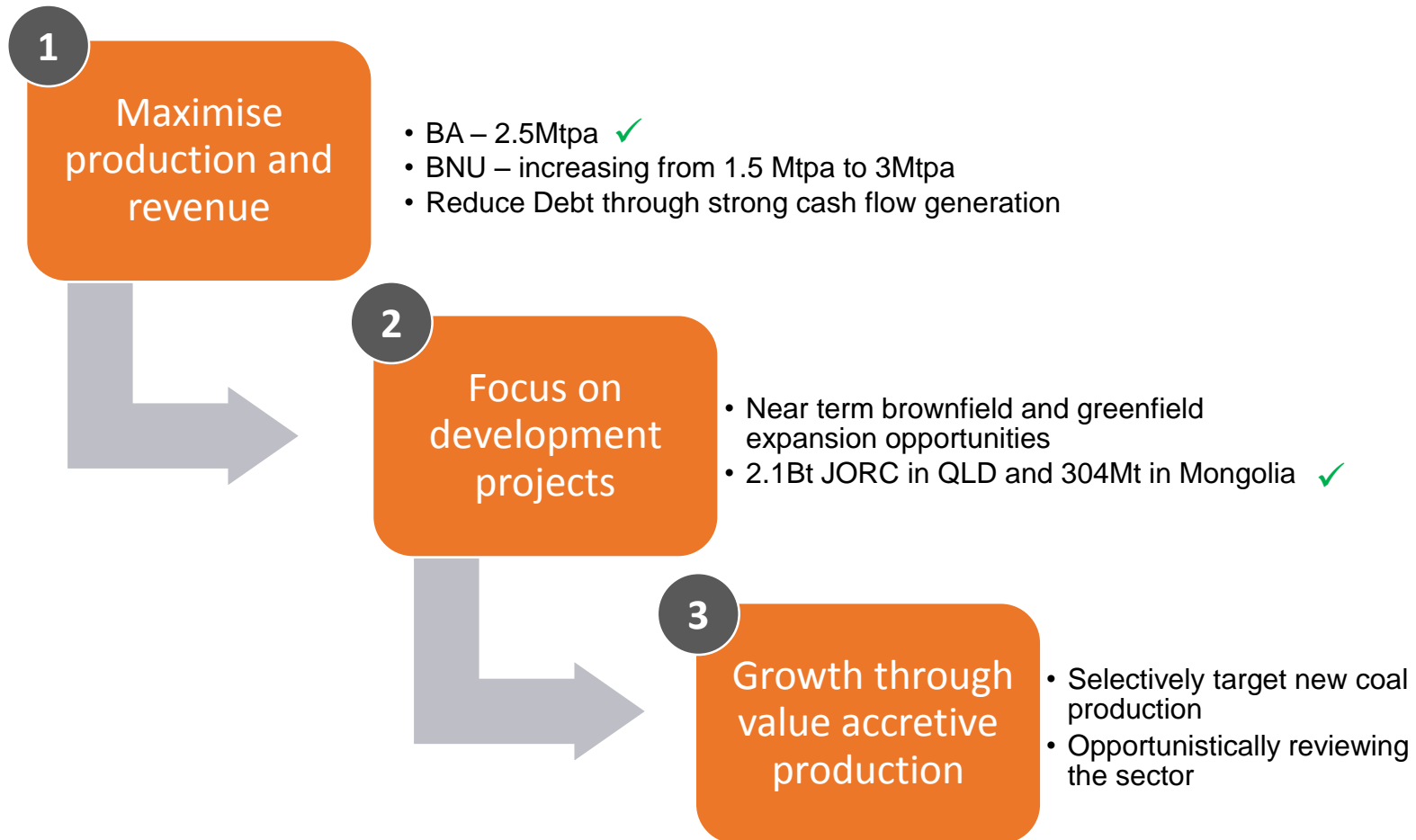
**STRATEGY**



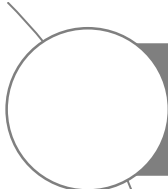
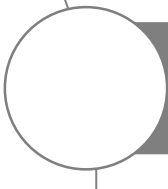
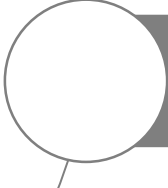

# STRATEGIC OUTLOOK

## FOCUSED ON BECOMING A MID-TIER COAL PRODUCER

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# GUIDANCE FOR FY19

	FY19 Guidance	FY18 Actual
 Production (Mt)	4.0	1.9
 EBITDA (\$m)	130-150	28.6
 EBITDA margin BA (A\$/t)	50	27
 EBITDA margin BNU (A\$/t)	15	12



# PROJECT UPDATES



# 1

## Queensland

Blair Athol



TER: BA Dragline

# SIGNIFICANT ACHIEVEMENTS

## BLAIR ATHOL MINE IN AUSTRALIA

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- ✓ **Recommissioned BA Mine**
  - World class infrastructure capable of supporting 12Mtpa
  - Ramped up to in excess of 2.5Mtpa annualised production rate within 12 months of taking ownership
  - Re-established BA strong coal brand in strong Japanese and Korean markets
- ✓ **Constructed , Commissioned and Paid for dedicated Train Load Out Facility (TLO)**
  - Upgraded the existing unused Agricultural rail line which runs across the Blair Athol mine site and connects into the main Goonyella Rail Line, which then continues to Dalrymple Bay Coal Terminal
- ✓ **Increased JORC Resource and Reserve<sup>(1)</sup>**
  - Increased JORC profile to 18Mt Reserve with 44mt Resource of which 21.9Mt is Measured

# OPERATIONAL PERFORMANCE

## BLAIR ATHOL MINE IN AUSTRALIA

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	Q1 Sep17	Q2 Dec17	Q3 Mar18	Q4 Jun18	TOTAL 2018FY
Run of Mine Coal mined (tonnes)	124,250	317,746	407,952	724,972	1,574,920
Overburden Mined (bcm)	2,221,357	3,739,744	4,348,459	3,939,305	14,248,865
Equivalent Saleable Production (tonnes)	124,250	281,799	294,861	605,851	1,306,761
Sales (tonnes)	46,461	158,087	409,693	380,401	994,642
Inventory (tonnes)	77,789	201,118	91,615	312,119	312,119

### ✓ BA Rapidly Recommissioned and into Full Production

- 31 May 2017 – Completion of the Sale and Purchase Agreement for mine acquisition
- 13 August 2017 – First Coal Mined
- 25 August 2017 – First Product Coal Crushed
- 26 August 2017 – First Dragline Swing
- 10 October 2017 – First Product Coal Washed
- 19 October 2017 – First Coal Trucked to Third Party Coal Handling Facility
- 6 April 2018 - TLO construction completed and first train loaded
- Q4 - achieved annualised ROM coal production rate of 2.9Mtpa



## RAIL LOAD-OUT FACILITY (BA)

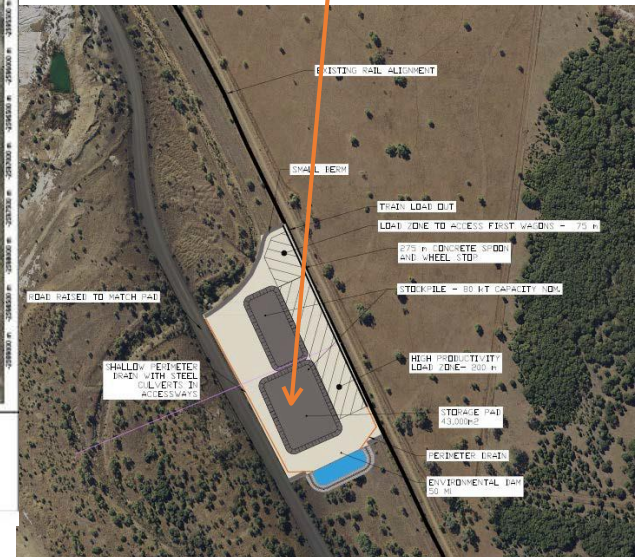


## BA Coal Mine



Existing Rail Line  
Connecting into Main  
Goonyella Line to DBCT

## BA Rail Load Out



# ENVIRONMENT

## SIGNIFICANT REHABILITATION WORK COMPLETED IN BA

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### ✓ Significant progress of rehabilitation activities in BA

- The capping of the old tailings storage facility completed ahead of schedule as part of the mining operations process.
- The completion of the rehabilitation of 58 hectares as part of the mine's recommissioning to production.
- The rehabilitation performance has resulted in the financial assurance requirements being reduced to \$72,493,383.



Image – 58 hectares of rehabilitation



Image – Capped Tailings Dam



# 2

## Mongolia

Baruun Noyon Uul (BNU)





# SOUTH GOBI PROJECT

## NOYON BASIN – MULTIPLE MINING AND EXPLORATION LICENCES

- ✓ The South Gobi Project comprises contiguous mining and exploration licenses covering 696 sq km in the Noyon Coal Basin

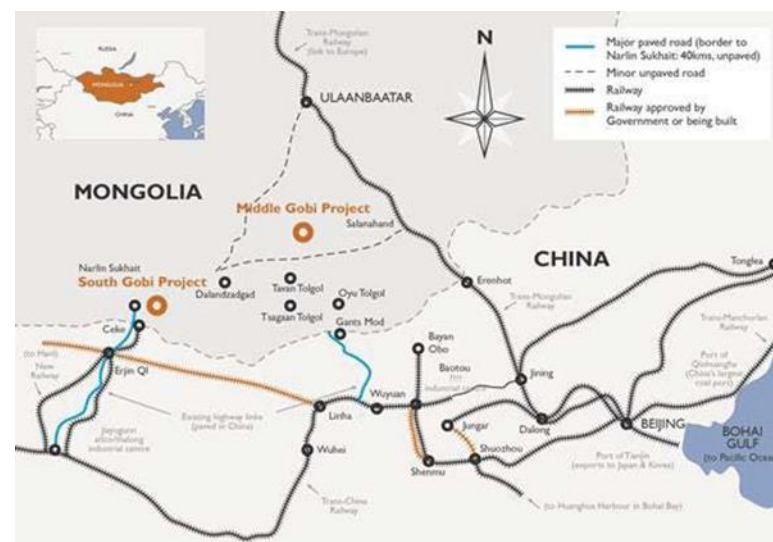
- c.850 km southwest of Ulaanbaatar
- 140 km from the Chinese border coal station of Ceke
- Connects by road and rail to northern Chinese steel producers
- Potential link to seaborne market

- ✓ There are currently three primary groups of mining licenses:
  - **North:** 100% owned, comprising mining, pre mining and exploration licenses
  - **East:** 83.9% owned, comprising mining and pre-mining licenses
  - **Khar Servegen (KS):** 100% owned, comprising mining and exploration licences

### South Gobi Project JORC Resources\*

	Measured	Indicated	Inferred	Total
North	15 Mt	9 Mt	3 Mt	27 Mt
East	-	-	41 Mt	41 Mt
KS	-	-	15 Mt	15 Mt
<b>Total</b>	<b>15 Mt</b>	<b>9 Mt</b>	<b>59 Mt</b>	<b>83Mt</b>

### Location



# SIGNIFICANT ACHIEVEMENTS

## BNU MINE IN MONGOLIA

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### ✓ **Multi Pit Expansion Implemented**

- Progressive development of a multiple shallow pits on coal subcrop along 50km of Noyon Basin edge with planning underway to increase output to 3Mtpa (refer below)
- All pits to be serviced by existing centrally located mine infrastructure

### ✓ **Thick Intersections on BNU South Hinge<sup>(3)</sup>**

- Multiple coal intersections have occurred along the 5km of strike drilled to date, with intersections of up to 122m of total gross coal recorded at downhole vertical stripping ratio as low as 0.35:1
- Plans to bring BNU South Hinge Pit into production in late 2018

### ✓ **CHPP**

- Engagement of Conveyor Manufacturers Australia Pty Ltd with their Chinese partners CCTEG to refine CHPP design
- Feasibility study being updated to incorporate refined design which aims to deliver a more profitable fully financed solution
- Target construction and commission in early 2019

# OPERATIONAL PERFORMANCE

## MONGOLIA AND CONSOLIDATED

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MONGOLIA			Q1 Sep17	Q2 Dec17	Q3 Mar18	Q4 Jun18	TOTAL 2018FY
Run of Mine Coal mined (tonnes)			147,218	282,000	204,177	290,678	924,073
Overburden Mined (bcm)			3,362,735	3,498,577	2,923,718	2,678,031	12,463,061
Equivalent	Saleable	Production	147,218	282,000	204,177	290,678	924,073
(tonnes)							
Sales (tonnes)			112,122	316,795	212,798	268,819	910,534
Inventory (tonnes)			108,891	89,121	82,308	81,521	81,521

CONSOLIDATED			Q1 Sep17	Q2 Dec17	Q3 Mar18	Q4 Jun18	TOTAL 2018FY
Run of Mine Coal mined (tonnes)			271,468	599,746	612,129	1,015,650	2,498,993
Overburden Mined (bcm)			5,584,092	7,238,321	7,272,177	6,617,336	26,711,926
Equivalent	Saleable	Production	271,468	563,799	499,038	896,529	2,230,834
(tonnes)							
Sales (tonnes)			158,583	474,882	622,491	649,220	1,905,176
Inventory (tonnes)			186,680	290,239	173,923	393,640	393,640

# ENVIRONMENT

## SIGNIFICANT REHABILITATION WORK COMPLETED IN BNU

- ✓ **Significant progress of rehabilitation activities in BNU**
  - The progressive rehabilitation of 9 exploration trenches and 1,027 exploration drill holes
  - Ongoing maintenance of tree planting program



Image – trench rehabilitation



Image – local wildlife at the mine site



Image – tree planting



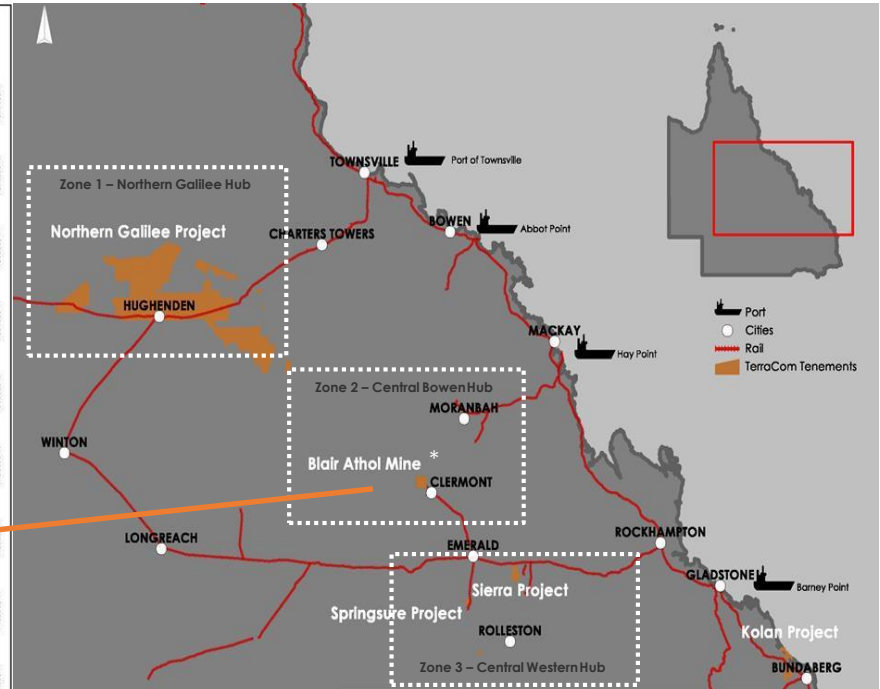
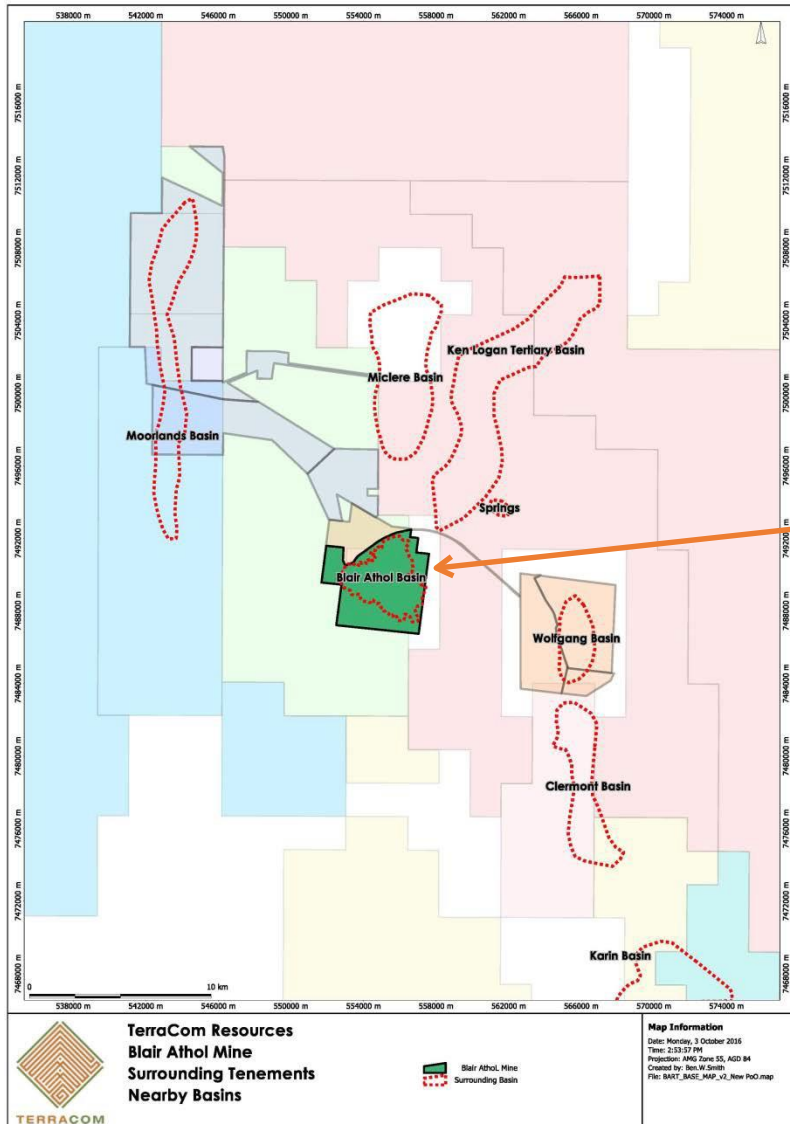
# 3

## Other Assets



# QUEENSLAND EXPANSION

## ORGANIC GROWTH FROM STRATEGICALLY LOCATED ASSETS



The BA acquisition **revalues** TerraCom's Australian portfolio through providing a **hub** for their development across major coal basins in Queensland including:

- ▶ Northern Galilee Project (**1.9Bt JORC 2004#**) is large thermal resource with multi pit potential crossed by under-utilised rail and port system
- ▶ Springsure Project \* (**190Mt JORC 2004#**) a high grade thermal/PCI resource adjacent to existing rail infrastructure with expansion potential into adjoining Fernlee Project (EPC1103)

*\* Note Springsure is 36% owned by TerraCom and Fernlee is 100% owned by TerraCom*

**# Note no change to this information from previous disclosures and see competent person statement at end of presentation**



# QUEENSLAND EXPANSION

## LARGE RESOURCE WITH SIGNIFICANT EXPANSION POTENTIAL

### Australian JORC Resource Table (excluding Blair Athol) #

Tenement	JORC 2004 Resources (Mt)				Potential coal type	Independent geologist
	Measured	Indicated	Inferred	Total		
Northern Galilee Project - Hughenden	-	133	1,076	1,209	Thermal	MDM
Northern Galilee Project - Clyde Park	-	51	677	728	Thermal	MDM /Palaris / Xstract
Springsure	-	43	148	191	Thermal/PCI	MDM
<b>Total</b>	-	<b>227</b>	<b>1,901</b>	<b>2,128</b>		

Source: TerraCom

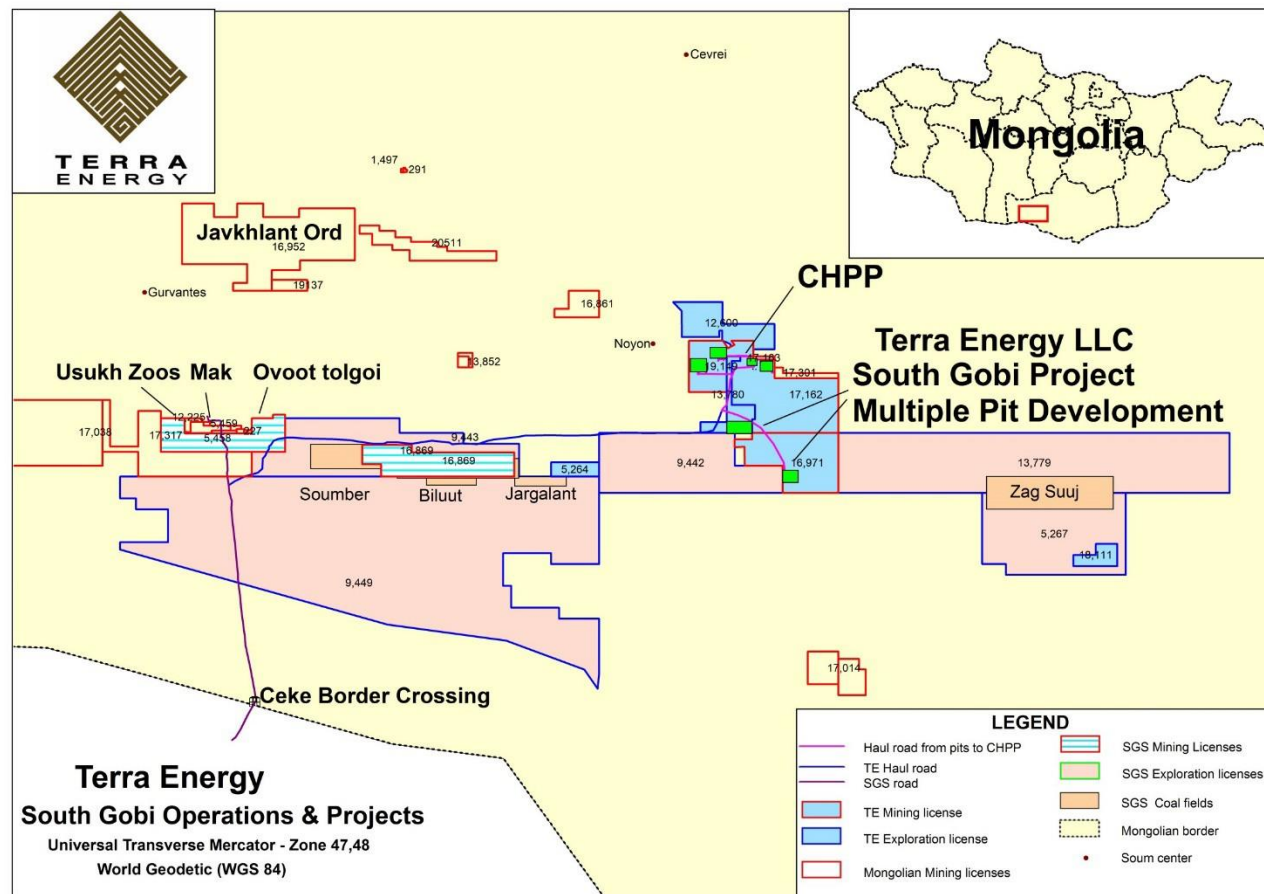
The information presented is available to view on TerraCom's website. TerraCom is not aware of any new information or data that materially affects the information included in the above table in relation to the estimates of Mineral Resources and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

# Note no change to this information from previous disclosures and see competent person statement at end of presentation

# SOUTH GOBI EXPANSION

## REGIONAL CONSOLIDATION

- ▶ Opportunity to consolidate the South Gobi region through development of operating and marketing arrangements with surrounding Mines and Projects
- ▶ Utilises TerraCom existing infrastructure including own coal haul road
- ▶ Applies TerraCom mining and market expertise
- ▶ Reduces costs in region through increased scale





# APPENDIX

# COMMUNITY

## COMMITMENT TO OUR COMMUNITIES

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### ✓ Sourcing People from and Living in Local Communities in Clermont

- Completed the acquisition of the 41 properties located in Clermont Township (including 39 houses, Guest House and 40 Single Person Quarters) as part of the Company's strategy to live local and not FIFO to operate the BA Mine

### ✓ Establishment of Community Fund in Mongolia

- Invested in important local infrastructure for nearby township of Noyon such as:
  - Winter Feed Storage Facility
  - Township Lighting Square for Children
  - Amusement Park
  - Basketball / Volleyball Court



# HEALTH AND SAFETY

## STRONG FOCUS AND PERFORMANCE

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### ✓ **BNU Lost Time Injury Free Record World Class**

- The BNU coking coal mine has maintained its excellent safety record, with operations continuing throughout the year without any Lost Time Injury (LTI) incidents occurring.
- By 30 June 2018, a total of 3,404,561 man-hours have been worked across 2,001 calendar days without an LTI.
- It remains that not a single LTI event has been recorded for an employee or contractor since the project construction commenced back in 2013.

### ✓ **BA Focus on Risk Management and Development of Positive Safety Culture**

- During the year TerraCom, along with mining contractor' Link Mining Services, continued its elevated focus on pro-active risk control and enhancing the positive safety culture within the workforce.
- A safety awards system was introduced during the year to reward positive contributions to safety and has had some exceptional nominations resulting in excellent improvements in safety

# FINANCIAL HIGHLIGHTS

## FULL YEAR EARNINGS OVERVIEW

Million \$	H1 2018	H2 2018	FY 2018	Comments
Revenue	45.2	101.9	<b>147.1</b>	Record revenue on the back of record production.
Cost of Sales	(35.1)	(71.2)	<b>(106.3)</b>	Substantial increase in COS reflecting BNU and BA ramp up production activities.
<b>Gross Profit/(Loss)</b>	<b>10.1</b>	<b>30.7</b>	<b>40.8</b>	FY 2018 gross profit driven by commencement of BA production and BNU production ramp-up.
Gain on acquisition	0.0	0.0	<b>0.0</b>	
Other Expenses	(4.6)	(7.6)	<b>(12.2)</b>	Other expenses reduced as a result of BA commissioning and BNU production ramp-up activities, transferring to COS.
<b>EBITDA</b>	<b>5.5</b>	<b>23.1</b>	<b>28.6</b>	FY 2018 EBITDA driven by record sales and improved margins.
Depreciation & amortisation	(6.0)	(12.2)	<b>(18.2)</b>	Depreciation increase in H2 reflecting increasing production activities
Net financial expense	(17.2)	(18.9)	<b>(36.1)</b>	
<b>Profit/(loss) before income tax</b>	<b>(17.7)</b>	<b>(8.0)</b>	<b>(25.7)</b>	
Income tax benefit	3.5	3.1	<b>6.6</b>	
<b>Profit/(loss) after income tax</b>	<b>(14.2)</b>	<b>(4.9)</b>	<b>(19.1)</b>	



# FINANCIAL HIGHLIGHTS

## RECORD CASH GENERATION FROM OPERATIONS

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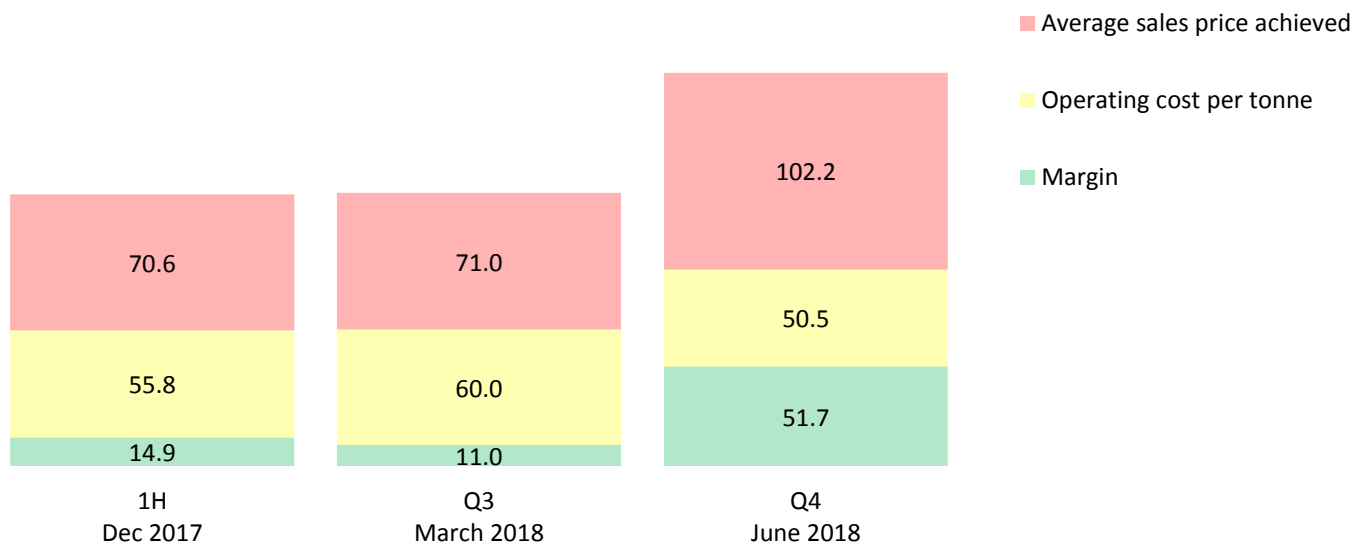
Key Financial Measures	\$M FY 2018	Comments
EBITDA	<b>28.6</b>	FY 2018 EBITDA driven by record sales and margins.
Cash generated from operations	<b>34.3</b>	FY2018 cash generation on the back of record sales at Blair Athol and BNU.
Cash & cash equivalents	<b>11.9</b>	FY2018 cash
Gross working capital	<b>43.5</b>	Substantial increases in coal inventory (carried at cost) and trade debtors resulting from increased production and sales.

# FINANCIAL HIGHLIGHTS

## BA (AUSTRALIA) – MARGIN AND UNIT COSTS

	\$/t H1 Dec 2017	\$/t Q3 Mar 2018	\$/t Q4 Jun 2018	Comments
<b>Margins &amp; Unit Costs - BA</b>				
Average sales price (A\$/t)	70.6	71.0	102.2	44% increase in revenue per tonne on commissioning of the train load out.
Unit cost per tonne (A\$/t)	55.8	60.0	50.5	Unit costs impacted by coal trucking until Q4 2018.
Margin (A\$/t)	14.9	11.0	51.7	Exponential increase in margin when train load out commissioned in Q4 2018. Margin was impacted through higher transportation costs

### Blair Athol Coal Mine performance analysis

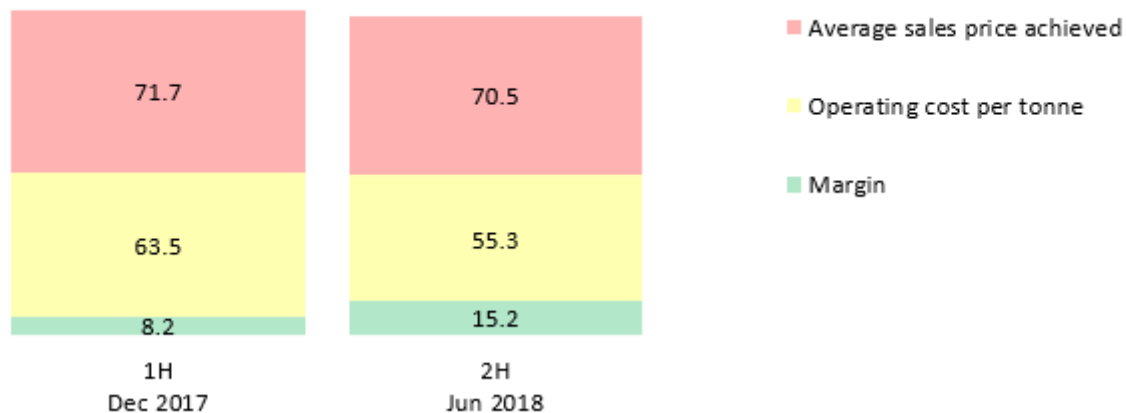


# FINANCIAL HIGHLIGHTS

## BNU (MONGOLIA) – MARGIN AND UNIT COSTS

	\$/t H1 Dec 2017	\$/t H2 Jun 2018	Comments
<b>Margins &amp; Unit Costs - BNU</b>			
Average sales price (A\$/t)	71.7	70.5	Coal sold raw at the mine gate
Unit cost per tonne (A\$/t)	63.5	55.3	Multi Pit expansion and cost reduction plan improvements
Margin (A\$/t)	8.2	15.2	This is pre-CHPP

### BNU Coal Mine performance analysis



# TERRACOM

## REFERENCES

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- (1) Refer to ASX Announcement on 13 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.
- (2) Refer 12 October 2018 ASX Announcement for further information and clarification on the BNU Mine production forecast. The material assumptions underpinning the BNU Mine production target in the 12 October 2018 ASX Announcement continues to apply and has not materially changed.
- (3) Refer ASX Announcement on 6 June 2018 for further information and clarification on the BNU South exploration results. The supporting information provided in this initial market announcement continues to apply and has not materially changed.
- (4) Refer TerraCom Limited's website <http://terracomresources.com/table/> for further information and clarification on the JORC Resources and Reserves. The supporting information provided in this material continues to apply and has not materially changed.

# TERRACOM

## COMPETENT PERSON STATEMENT

*Several JORC Resource estimates disclosed in this presentation were prepared and first disclosed under the JORC Code 2004. None have been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

### **Clyde Park & Springsure**

Technical Information in this presentation on Clyde Park and Springsure resources (dated February 2012) and Springsure resources (dated November 2012) has been prepared by Kim Maloney who is a member of the Australasian Institute of Mining & Metallurgy. Kim has experience within the Central Queensland coal mines and has held various roles in these mine's Technical Services, including Exploration Geologist, Mine Geologist and Geology Superintendent. Kim is a Competent Person for coal as defined by the [JORC Code (2012)]. Kim is a Senior Resource Geologist, previously with Moultrie Geology. Her principal qualifications are a Bachelor of Science from James Cook University and a Masters of Business Administration (Human Resource Management) from the Central Queensland University.

### **South Gobi North**

Technical information in this report in relation to coal quality and washability analysis of South Gobi Project and fluorite mineralisation on Mid Gobi Project has been compiled by Mr Peter Goodman, who is a Member of the Australasian Institute of Mining and Metallurgy (Member #307830) and has had sufficient experience which is relevant to the style of mineralisation under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Goodman is employed by Terra Energy LLC and consents to the inclusion of the matters based on his information in the form and context in which it appears. Mr Goodman has over 10 years experience in the processing of fluorite type deposits and over 20 years experience in the design and construction of coal processing facilities.

The information provided by Salva Resources in this report to which this statement is attached that relates to Exploration Results is based on information compiled by Dr Aldo Van Heeswijck, who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Van Heeswijck is employed by Salva Resources and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Aldo Van Heeswijck consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **BNU North**

Technical information in this presentation that relates coal resource estimates for the BNU North Deposit is based on information compiled and reviewed by Mr Craig Williams, who is a member of the Australasian Institute of Mining & Metallurgy. Mr Williams, Principal Consultant – Geology and a fulltime employee of HDR|Salva, has sufficient experience that is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012). Craig Williams consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

### **South Gobi, Middle Gobi & Hughenden**

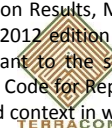
Technical information in this presentation in relation to the exploration targets and JORC Resources for South Gobi, Middle Gobi, and Hughenden Projects has been compiled by Mr. Mark Biggs, previously Principal Geologist of Moultrie Database and Modelling. Mr Biggs now works for ROM Resources Pty Ltd, Mr. Biggs is a member of the Australasian Institute of Mining and Metallurgy and has over 25 years of experience relevant to the style and type of coal deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves (JORC) 2012. The resource information in this report is being released to the Australian Securities Exchange. Mark Biggs consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

### **Noyon Syncline / Khar Severgen**

Technical information in this presentation in relation to the exploration target tonnage range and coal resources of Noyon Syncline is based on information reviewed by Mr Troy Turner who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Turner consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

### **Blair Athol Resource and Reserves**

Technical information in this presentation in relation to the coal resources of Blair Athol is based on information reviewed by Mr Troy Turner who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Technical Information in this presentation in relation to Reserves for Blair Athol has been prepared by Mr Ian Neilsen under the guidelines of the 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). Ian Neilsen is a qualified Mining Engineer and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Turner and Mr Neilsen consent to the inclusion in the report of the matters based on the information, in the form and context in which it appears.





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# THANK YOU

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