

TerraCom Limited

ACN 143 533 537

Notice of Annual General Meeting

and

Explanatory Statement

TIME: 9:30am AEST

DATE: Wednesday, 30 November 2016

LOCATION: Emporium Hotels, Function Room 1
1000 Ann Street, Fortitude Valley, Queensland, 4006

This Notice of Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

If you are unable to attend the Meeting please complete and return the enclosed proxy form in accordance with the specified instructions.

Should you wish to discuss the matters in the Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 4268 6258.

NOTICE OF MEETING – IMPORTANT INFORMATION

Time and place of meeting

Notice is given that the 2016 Annual General Meeting of shareholders of TerraCom Limited (**Company**) will be held at 9:30am (AEST) on Wednesday, 30 November 2016 at:

Emporium Hotels
Function Room 1
1000 Ann Street
Fortitude Valley, Queensland, 4006

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice of Meeting.

Voting entitlements

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those people who are registered shareholders at for the purpose of determining a person's voting entitlement at the Annual General Meeting of the Company, a person will be recognised as a member of the Company and the holder of shares if that person is registered in the Company's share register as the holder of those shares at 7:00pm AEST on Monday, 28 November 2016. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting by shareholders

To vote in person, attend the Meeting at the time, date and place set out above.

On a poll, a shareholder has one vote for every fully paid security held (subject to any voting restrictions that apply). On a show of hands, every person present and entitled to vote has one vote. Where a shareholder appoints two proxies, only one proxy may vote on a show of hands where the appointments specify the same way to vote on a resolution. Where a proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on a show of hands.

Voting by proxy

Please note that:

- (a) a member entitled to attend and cast two or more votes at the Annual General Meeting is entitled to appoint up to two proxies;
- (b) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of Meeting;
- (c) If a member appoints two proxies, and the appointment does not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the member's votes;
- (d) a proxy need not be a member of the Company;
- (e) a proxy form may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where the proxy form so provides, the proxy must vote on the Resolution as specified in the proxy form;
- (f) if a member does not direct the proxy how to vote on a particular Resolution, the member is authorising the proxy to vote as the proxy decides, subject to any applicable voting exclusions;
- (g) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (h) any directed proxy that is not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote the proxy as directed;
- (i) the Chair of the Meeting may vote all undirected proxies as he or she sees fit, including on remuneration related items;
- (j) to be valid, a proxy form must be signed by the member or the member's attorney or, if the member is a

corporation, executed in accordance with the corporation's constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**) (and may be signed on behalf of the corporation by its attorney); and

- (k) to be valid, a proxy form and the original or certified copy of the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 9.30am AEST on Monday 28 November 2016 by the Company:

in person: TerraCom Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes
NSW 2138
Australia

online: www.linkmarketservices.com.au

by mail: TerraCom Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

by facsimile: + 61 2 9287 0309

A proxy form accompanies this Notice.

Voting by corporate representative

If a body corporate is a member or is appointed as a proxy that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it has been signed, unless it has previously been given to the Company. A form of notice of appointment can be obtained from **Link Market Services** or downloaded from www.linkmarketservices.com.au

Voting by attorney

A member entitled to attend and vote may appoint an attorney to act on his or her behalf at the Meeting. An attorney may but need not be a member of the Company.

An attorney may not vote at the Meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company no later than 9.30am AEST on Monday, 28 November 2016.

BUSINESS OF THE MEETING – AGENDA

1 Financial statements and reports

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2016, which includes the Financial Report, the Directors' Report comprising the review of operations and the Remuneration Report, and the Independent Auditor's Report.

Note: There is no requirement for shareholders to approve these reports.

2 Resolution 1 – Adoption of remuneration report

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report of the Company (which forms part of the Directors' Report) for the financial year ended 30 June 2016 be adopted.”

The Remuneration Report is set out on pages 15-23 of the TerraCom Limited 2016 Annual Financial Report.

Notes:

- The vote on this resolution is advisory only and does not bind the Directors or the Company.
- The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.
- A voting exclusion applies to this resolution as set out in the Explanatory Statement.

3 Resolution 2 – Election of Cameron McRae appointed since last AGM

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of the Company's constitution, ASX Listing Rule 14.4 and for all other purposes, Cameron McRae, who having been appointed as a director since the last General Meeting of the Company, ceases to hold office at the end of this Meeting, and being eligible, offers himself for election, be elected as a Director of the Company.”

Note: The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.

4 Resolution 3 – Election of David Stone appointed since last AGM

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of the Company’s constitution, ASX Listing Rule 14.4 and for all other purposes, David Stone, who having been appointed as a director since the last General Meeting of the Company, ceases to hold office at the end of this Meeting, and being eligible, offers himself for election, be elected as a Director of the Company.”

Note: The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.

5 Resolution 4 – Re-Election of Tsogt Togoo

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of the Company’s constitution, ASX Listing Rule 14.4 and for all other purposes, Tsogt Togoo, who retires as a director by rotation ceases to hold office at the end of this Meeting, and being eligible, offers himself for re-election, be elected as a Director of the Company.”

Note: The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.

6 Resolution 5 – Ratification of prior issue of shares to OL Master Limited

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 221,489,379 shares in total to OL Master Limited on the terms and conditions set out in the Explanatory Statement.”

Notes:

- The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.
- A voting exclusion applies to this resolution as set out in the Explanatory Statement.

7 Resolution 6 – Ratification of prior issue of shares to Island Sands Corporation

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 60,447,310 shares in total to Island Sands Corporation on the terms and conditions set out in the Explanatory Statement.”

Notes:

- The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.
- A voting exclusion applies to this resolution as set out in the Explanatory Statement.

8 Resolution 7 – Ratification of prior issue of shares to Sea Honour Limited

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 80,849,502 shares in total to Sea Honour Limited on the terms and conditions set out in the Explanatory Statement.”

Notes:

- The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.
- A voting exclusion applies to this resolution as set out in the Explanatory Statement.

9 Resolution 8 – Ratification of prior issue of shares issued to three prominent Eastern European based investment companies led by Light Speed Commercial Incorporated

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 55,407,834 shares in total to three prominent Eastern European based investment companies led by Light Speed Commercial Incorporated on the terms and conditions set out in the Explanatory Statement.”

Note: The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.

10 Resolution 9 – Ratification of prior issue of shares issued to Fosters Stockbroking Pty Limited private and institutional clients

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 44,411,629 shares in total to Fosters Stockbroking Pty Limited private and institutional clients on the terms and conditions set out in the Explanatory Statement.”

Notes:

- The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.
- A voting exclusion applies to this resolution as set out in the Explanatory Statement.

11 Resolution 10 – Ratification of prior issue of unlisted options issued to Fosters Stockbroking Pty Limited

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 30,000,000 unlisted options in total to Fosters Stockbroking Pty Limited on the terms and conditions set out in the Explanatory Statement.”

Notes:

- The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.
- A voting exclusion applies to this resolution as set out in the Explanatory Statement.

12 Resolution 11 – Approval of share issue to Cameron McRae under Executive Chairman Consultancy Agreement

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve the issue of 73,318,740 shares to Cameron McRae as a sign-on bonus in accordance with his Executive Chairman Consultancy Agreement on the terms and conditions set out in the Explanatory Statement.”

Notes:

- The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.
- A voting exclusion applies to this resolution as set out in the Explanatory Statement.

13 Resolution 12 – Approval of 10% Additional Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special** resolution:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, shareholders approve the issue of shares up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Notes:

- The Chair of the Meeting intends to vote all available proxies in **favour** of this item of business.
- A voting exclusion applies to this resolution as set out in the Explanatory Statement.

By Order of the Board

Dated: 28 October 2016



Nathan Boom
Company Secretary

EXPLANATORY STATEMENT

The Explanatory Statement has been prepared to provide information which the Directors believe to be material to shareholders in connection with the business to be conducted at the Annual General Meeting of the Company which will be held at **Emporium Hotels, Function Room 1, 1000 Ann Street, Fortitude Valley, Queensland, 4006** on Wednesday 30 November 2016 at 9.30am AEST (**Meeting**).

Shareholders should carefully review this Explanatory Statement and the associated Notice of Meeting (**Notice**) to which this Explanatory Statement is attached. The purpose of this Explanatory Statement is to provide information to shareholders in deciding whether or not to pass the Resolutions as set out in the Notice of Meeting.

A proxy form is included at the end of this Explanatory Statement.

If you have difficulty in properly understanding this documentation, you should consult your financial or legal adviser.

1 Financial statements and reports

As required by the Corporations Act, the TerraCom Limited Annual Report (comprising the Financial Report, Directors' Report and Auditor's Report for the Company) for the year ended 30 June 2016 will be laid before the Meeting. There is no requirement for shareholders to vote on the reports.

Copies of the Annual Report can be found on the Company's website (www.terracomresources.com) or by contacting the Company on +61 2 4268 6258.

Shareholders will be given a reasonable opportunity as a whole at the Meeting to raise questions on the financial statements and reports. Shareholders will also be given a reasonable opportunity as a whole at the Meeting to ask questions of the auditor, Ernst & Young, relevant to the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions by mail (registered office) or email (admin@terracomresources.com) to the Chair or to the Company's auditor. Written questions to the auditor must be in relation to the content of the auditor's report and the conduct of the audit. All written questions to the Chair or the auditor must be submitted no later than 5 business days before the Meeting.

The Chair will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

2 Resolution 1 – Remuneration Report

There will be a reasonable opportunity for shareholders at the Meeting to comment on and ask questions about the Remuneration Report which is contained in TerraCom's 2016 Annual Report on pages 15 - 23.

The Corporations Act requires that, at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company, however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The Remuneration Report:

- explains the Board's policy in relation to the nature and level of remuneration paid to Directors and KMP within the Company;
- discusses the link between the Board's remuneration policy and the Company's performance;
- provides a detailed summary of performance conditions, why they were chosen and how performance is measured against them; and
- sets out remuneration details for each Director and for each member of the Company's

senior executive management team.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the Company's key management personnel (**KMP**) (being the Directors and the other KMP named in the Remuneration Report) or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a member of the KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 1:

- in accordance with a direction on the proxy form; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy, even though the resolution is connected with the remuneration of KMP.

'Closely related party' is defined in the Corporations Act and includes the KMP's spouse, dependents and certain other close family members, as well as any companies controlled by a member of the KMP.

*The Directors unanimously recommend that shareholders vote in **favour** of Resolution 1.*

*The Chair intends to vote all available proxies in **favour** of Resolution 1.*

3 Resolution 2 – Election of Cameron McRae appointed since last AGM

Biographic information for Cameron McRae is set out below:

Mr Cameron McRae

Executive Chairman: appointed 27 June 2016

Non-Executive Chairman: appointed 6 June 2016, resigned 27 June 2016

Qualifications Masters of Business Administration
Bachelor of Financial Administration

Experience Mr McRae has served a 28 year career at Rio Tinto, holding executive level positions in 5 countries. Cameron was CEO-President of Oyu Tolgoi (OT) copper-gold business in Mongolia, CEO of Richards Bay Minerals in South Africa, Managing Director of Murowa Diamonds in Zimbabwe and Project Director for the Hail Creek Coal Mine Expansion Project in Central Queensland. In 1995 he was also a key member of the M&A team that brought RTZ plc and CRA Limited together to form the dual listed Rio Tinto. Cameron's career highlight to date was leading the establishment of the OT business – Mongolia's world class mega project in the Gobi Desert. OT commenced construction in 2010 and the US\$6 billion project was commissioned ahead of schedule and moved to full production before Cameron left in October 2013.

Special Responsibilities Nil

*The Directors (with Cameron McRae abstaining) unanimously recommend that shareholders vote in **favour** of Resolution 2.*

*The Chair intends to vote all available proxies in **favour** of Resolution 2.*

4 Resolution 3 – Election of David Stone appointed since last AGM

Biographic information for David Stone is set out below:

Mr David Stone

Executive Director: resigned 24 December 2015; re-appointed 4 September 2016.

Qualifications	Bachelor of Mining Engineering Diploma in Risk Management Diploma from the Australian Institute of Company Directors
Experience	David Stone's career spans over 20 years with expertise in global operating resources businesses, in senior management, project development, operations and closure. He has a track record of transforming businesses and creating shareholder value. He had led both open cut and underground operations across multiple geographies. David has been a representative on government and industry committees and boards. He holds a Mine Manager and Senior Site Executive qualification.
Special Responsibilities	Nil

*The Directors (with David Stone abstaining) unanimously recommend that shareholders vote in **favour** of Resolution 3.*

*The Chair intends to vote all available proxies in **favour** of Resolution 3.*

5 Resolution 4 – Re-Election of Tsogt Togoo

Biographic information for Tsogt Togoo is set out below:

Mr Tsogt Togoo

[Independent] Appointed 25 February 2013; elected 28 November 2013

Non-Executive Director

Qualifications Masters of Business Administration

Master of Economics

Bachelor of Engineering (Mining) (First Class Hons)

Experience Mr Tsogt has close to two decades of experience in the Mongolian public sector. He worked in the senior management of the Mongolian national oil company, overseeing commercial and operational functions, including petroleum product imports and internal distribution to filling stations.

Mr Tsogt also led the privatisation division of the State Property Committee and has played extensive roles in the privatisation of Mongolia's most valuable state-owned companies. He was in charge of the privatisation of the national oil company, banks and other state-owned enterprises, restructuring power generation and energy distribution enterprises and the deregulation of the energy and oil sectors.

Special Responsibilities [Nil]

*The Directors (with Tsogt Togoo abstaining) unanimously recommend that shareholders vote in **favour** of Resolution 4.*

*The Chair intends to vote all available proxies in **favour** of Resolution 4.*

6 Resolution 5 – Ratification of prior issue of shares to OL Master Limited

On 8 January 2014 the Company entered into a debt facility with OL Master Limited ("OCP") to issue convertible notes with a face value of US\$10,000,000. The convertible notes bear an interest rate of 12% p.a. and had an original maturity on 8 July 2015. At the October 2015 Extraordinary General Meeting held shareholders approved a change in maturity date (extended to 31 January 2016) and conversion price (changed to 30 Day In Arrears Dealing Day VWAP).

On 29 January 2016 conversion notices were received for US\$5,000,000. At this time the outstanding interest relating to this portion of the facility was paid to OCP in fully paid ordinary shares (in lieu of cash). OCP accepted the issue of 221,489,379 fully paid

ordinary shares.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 221,489,379 fully paid ordinary shares to OCP.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval and subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1, and provided that the previous issue did not breach ASX Listing Rule 7.1, those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. The Company confirms the issue of the shares to OCP did not breach ASX Listing Rule 7.1.

By ratifying this previous issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

In accordance with ASX Listing Rule 7.5 the following information is provided in relation to the ratification of Resolution 5:

- i. 221,489,379 shares were issued;
- ii. Issue price was \$0.0065 per share;
- iii. Shares issued were all fully paid ordinary shares on the same terms and conditions as the Company's existing shares;
- iv. Shares were issued to OCP; and
- v. No funds were raised from the issue as the shares were issued in consideration for the satisfaction of interest outstanding on the converted portion of the convertible note facility with OCP.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by OCP and any of its associates. However, the Company will not disregard a vote if it is cast by:

- a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*The Directors unanimously recommend that shareholders vote in **favour** of Resolution 5.*

*The Chair intends to vote all available proxies in **favour** of Resolution 5.*

7 Resolution 6 – Ratification of prior issue of shares to Island Sands Corporation

On 26 February 2016 the Company issued fully paid ordinary shares (in lieu of cash) to Island Sands Corporation in satisfaction of US\$300,000 commissions payable. Island Sands Corporation accepted the issue of 60,447,310 fully paid ordinary shares.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 60,447,310 fully paid ordinary shares to Island Sands Corporation.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval and subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made

pursuant to ASX Listing Rule 7.1, and provided that the previous issue did not breach ASX Listing Rule 7.1, those securities will be deemed to have made with shareholder approval for the purpose of ASX Listing Rule 7.1. The Company confirms the issue of the shares to Island Sands Corporation did not breach ASX Listing Rule 7.1.

By ratifying this previous issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

In accordance with ASX Listing Rule 7.5 the following information is provided in relation to the ratification of Resolution 6:

- i. 60,447,310 shares were issued;
- ii. Issue price was \$0.007 per share;
- iii. AUD:USD exchange rate of 0.7090;
- iv. Shares issued were all fully paid ordinary shares on the same terms and conditions as the Company's existing shares;
- v. Shares were issued to Island Sands Corporation; and
- vi. No funds were raised from the issue as the shares were issued in consideration for commissions payable.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Island Sands Corporation and any of its associates. However, the Company will not disregard a vote if it is cast by:

- a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*The Directors unanimously recommend that shareholders vote in **favour** of Resolution 6.*

*The Chair intends to vote all available proxies in **favour** of Resolution 6.*

8 **Resolution 7 – Ratification of prior issue of shares to Sea Honour Limited**

On 9 August 2016 the Company issued fully paid ordinary shares to Sea Honour Limited (Hong Kong based private investment company) in accordance with the Placement Agreement executed between the Company and Sea Honour Limited ("Sea Honour"). Sea Honour accepted the issue of 80,849,502 fully paid ordinary shares.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 80,849,502 fully paid ordinary shares to Sea Honour.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval and subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1, and provided that the previous issue did not breach ASX Listing Rule 7.1, those securities will be deemed to have made with shareholder approval for the purpose of ASX Listing Rule 7.1. The Company confirms the issue of the shares to Sea Honour did not breach ASX Listing Rule 7.1.

By ratifying this previous issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

In accordance with ASX Listing Rule 7.5 the following information is provided in relation to the ratification of Resolution 7:

- i. 80,849,502 shares were issued;
- ii. Issue price was \$0.0166 per share;
- iii. AUD:USD exchange rate of 0.7495;
- iv. Shares issued were all fully paid ordinary shares on the same terms and conditions as the Company's existing shares;
- v. Shares were issued to Sea Honour; and
- vi. US\$1,000,000 cash was raised with respect to this share placement. The equivalent AU\$ cash raised was \$1,334,223. The cash raised was used / will be used as part of the Company's multi-faceted funding strategy which will deliver the expansion of its Mongolian coking coal mine, acquisition and commissioning of the Queensland thermal coal mine and completion of the potential acquisition of the Indonesian coking coal mine.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Sea Honour and any of its associates. However, the Company will not disregard a vote if it is cast by:

- a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*The Directors unanimously recommend that shareholders vote in **favour** of Resolution 7.*

*The Chair intends to vote all available proxies in **favour** of Resolution 7.*

9 **Resolution 8 – Ratification of prior issue of shares to three prominent Eastern European based investment companies led by Light Speed Commercial Incorporated**

On 6 September 2016 the Company issued fully paid ordinary shares to three large and prominent Eastern European based private investment companies led by Light Speed Commercial Incorporated (together, "Light Speed") in accordance with the Placement Agreements executed between the Company and Light Speed.. Light Speed accepted the issue of 55,407,834 fully paid ordinary shares.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 55,407,834 fully paid ordinary shares to Light Speed.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval and subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1, and provided that the previous issue did not breach ASX Listing Rule 7.1, those securities will be deemed to have made with shareholder approval for the purpose of ASX Listing Rule 7.1. The Company confirms the issue of the shares to Light Speed did not breach ASX Listing Rule 7.1.

By ratifying this previous issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

In accordance with ASX Listing Rule 7.5 the following information is provided in relation to the ratification of Resolution 8:

- i. 55,407,834 shares were issued;
- ii. Issue price was \$0.0206469 per share;
- iii. Shares issued were all fully paid ordinary shares on the same terms and conditions as the Company's existing shares;
- iv. Shares were issued to Light Speed; and
- v. \$1,100,000 cash was raised with respect to this share placement. The cash raised was used / will be used as part of the Company's multi-faceted funding strategy which will deliver the expansion of its Mongolian coking coal mine, acquisition and commissioning of the Queensland thermal coal mine and completion of the potential acquisition of the Indonesian coking coal mine.]

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Light Speed and any of its associates. However, the Company will not disregard a vote if it is cast by:

- a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*The Directors unanimously recommend that shareholders vote in **favour** of Resolution 8.*

*The Chair intends to vote all available proxies in **favour** of Resolution 8.*

10 **Resolution 9 – Ratification of prior issue of shares to Fosters Stockbroking Pty Limited private and institutional clients**

On 6 September 2016 the Company issued fully paid ordinary shares to private and institutional clients of Fosters Stockbroking Pty Limited ("Fosters") in accordance with the Placement Agreement executed between the Company and Fosters. Private and institutional clients of Fosters accepted 44,411,629 fully paid ordinary shares.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 44,411,629 fully paid ordinary shares.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval and subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1, and provided that the previous issue did not breach ASX Listing Rule 7.1, those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. The Company confirms that the issue of the shares to private and institutional clients of Fosters did not breach ASX Listing Rule 7.1.

By ratifying this previous issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

In accordance with ASX Listing Rule 7.5 the following information is provided in relation to the ratification of Resolution 9:

- i. 44,411,629 shares were issued;
- ii. Issue price was \$0.0215 per share;
- iii. Shares issued were all fully paid ordinary shares on the same terms and conditions as the Company's existing shares;
- iv. Shares were issued to Fosters' private and institutional clients; and

- v. \$954,850.02 cash was raised with respect to this share placement. The cash raised was used / will be used as part of the Company's multi-faceted funding strategy which will deliver the expansion of its Mongolian coking coal mine, acquisition and commissioning of the Queensland thermal coal mine and completion of the potential acquisition of the Indonesian coking coal mine.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Fosters, the private and institutional clients of Fosters who took part in this issue, and any of their associates. However, the Company will not disregard a vote if it is cast by:

- a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*The Directors unanimously recommend that shareholders vote in **favour** of Resolution 9.*

*The Chair intends to vote all available proxies in **favour** of Resolution 9.*

11 **Resolution 10 – Ratification of prior issue of unlisted options issued to Fosters Stockbroking Pty Limited**

On 6 September 2016 the Company issued unlisted ordinary share options to Fosters Stockbroking Pty Limited ("Fosters") in accordance with the Corporate Services Engagement:

- i. 15,000,000 ordinary share options were issued with a strike price equal to \$0.03 and with an expiry date of 31 August 2018; and
- ii. 15,000,000 ordinary share options were issued with a strike price equal to \$0.045 and with an expiry date of 31 August 2018.

Fosters accepted the issue of 30,000,000 unlisted ordinary share options.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 30,000,000 ordinary share unlisted options to Fosters.

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval and subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1, and provided that the previous issue did not breach ASX Listing Rule 7.1, those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. The Company confirms that the issue of the unlisted options to Fosters did not breach ASX Listing Rule 7.1.

By ratifying this previous issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

In accordance with ASX Listing Rule 7.5 the following information is provided in relation to the ratification of Resolution 10:

- i. 30,000,000 unlisted options were issued in two equal tranches of 15,000,000;
 - a. Tranche 1 (15,000,000 unlisted options) strike price is \$0.03 and has an expiry date of 31 August 2018; and
 - b. Tranche 2 (15,000,000 unlisted options) strike price is \$0.045 and has an expiry date of 31 August 2018.
- ii. Unlisted options once vested to fully paid ordinary shares will be on the same

terms and conditions as the Company's existing shares;

- iii. Unlisted options were issued to Fosters; and
- iv. If vested the unlisted options will raise up to \$1,125,000 in cash. Any cash raised will be used as part of the Company's multi-faceted funding strategy which will deliver the expansion of its Mongolian coking coal mine, acquisition and commissioning of the Queensland thermal coal mine and completion of the potential acquisition of the Indonesian coking coal mine.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by Fosters and any of its associates. However, the Company will not disregard a vote if it is cast by:

- c) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- d) the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*The Directors unanimously recommend that shareholders vote in **favour** of Resolution 10.*

*The Chair intends to vote all available proxies in **favour** of Resolution 10.*

12 Resolution 11 – Approval of share issue to Cameron McRae under Executive Chairman Consultancy Agreement

Cameron McRae was appointed a director of the Company on 6 June 2016; and as announced to the market was appointed Executive Chairman on 27 June 2016. The proposed sign-on bonus to Cameron McRae through Tarva Investment and Advisory LLC (Tarva), a company that he controls, is contemplated by his Executive Chairman Consultancy Agreement with a condition precedent that shareholder approval be obtained before the sign on bonus can be granted.

The Board (excluding Cameron McRae) has agreed, subject to obtaining Shareholder approval, to award Cameron McRae through Tarva a sign-on share bonus in the form of fully paid ordinary shares for nil consideration of the value of \$600,000 broken up into 2 equal tranches:

1. Tranche 1 of \$300,000 at a 30 day VWAP calculated prior to ASX announcement on the Blair Athol acquisition (this date is determined to be 4 July 2016):
 - a. 57,088,487 fully paid ordinary shares to be issued (refer escrow details below)
 - b. 0.005255 VWAP
2. Tranche 2 of \$300,000 at a 30 day VWAP calculated post ASX announcement on the Blair Athol acquisition (this date is determined to be 4 July 2016)
 - a. 16,230,253 fully paid ordinary shares to be issued (refer escrow details below)
 - b. 0.018484 VWAP

In summary 73,318,740 fully paid ordinary shares (subject to shareholder approval) are proposed to be issued to Tarva at an average VWAP of \$0.008183. The closing share price on 6 June 2016 (the date Cameron was appointed a director) and on 27 June 2016 (the date Cameron was appointed Executive Chairman) was \$0.005 and \$0.007 respectively. Therefore, the average issue price of the sign-on bonus represents a premium of 64% and 17% respectively to the respective appointment dates of Cameron McRae.

If approved, the shares will be issued within 1 month after the date of this Meeting.

The shares, provided approval is granted by shareholders, will be held in escrow by the Company and unable to be traded by Tarva as follows:

- i. Following a period of 12 months from commencement 20% of the sign-on share bonus released from escrow and may be traded;
- ii. Following a period of 18 months from commencement a further 20% of the sign-on share bonus

released from escrow and may be traded;

- iii. Following a period of 24 months from commencement a further 20% of the sign-on share bonus released from escrow and may be traded; and
- iv. Following a period of 30 months from commencement the remaining 40% of the sign-on share bonus released from escrow and may be traded.

As the shares will be granted as a sign-on bonus for nil consideration, there will be no funds raised as a result of the issue.

*The Directors unanimously recommend that shareholders vote in **favour** of Resolution 11.*

*The Chair intends to vote all available proxies in **favour** of Resolution 11.*

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution:

- by or on behalf of Tarva and any of its associates (including Cameron McRae), regardless of the capacity in which the vote is cast; and
- as proxy by a person who is a member of the KMP on the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on this Resolution:

- in accordance with a direction on the proxy form; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy, even though the resolution is connected with the remuneration of KMP.

13 **Resolution 12 – Approval of 10% Additional Placement Capacity**

Listing Rule 7.1A enables an eligible entity, subject to it receiving the requisite shareholder approval, to issue, or enter into an agreement to issue, equity securities representing up to 10% of its issued capital over a period of up to 12 months after its Annual General Meeting (calculated in accordance with the formula prescribed in Listing Rule 7.1A.2) (**10% Additional Placement Capacity**). The 10% Additional Placement Capacity is in addition to an eligible entity's ability to issue, or enter into an agreement to issue, securities representing up to 15% of its issued capital over a 12 month period (calculated in accordance with the formula prescribed in Listing Rule 7.1) without shareholder approval pursuant to Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

- has a market capitalization (excluding restricted securities and securities quoted on a deferred settlement basis) of A\$300 million or less; and
- is not included in the S&P/ASX 300 Index.

As at the date of this Notice (and as at the date of the Meeting unless advised otherwise), the Company is an eligible entity for the purposes of Listing Rule 7.1A.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue, or enter into an agreement to issue, securities under the 10% Additional Placement Capacity during the 12 month period after the Meeting.

Resolution 12 is a special resolution. Accordingly at least 75% of votes cast by shareholders present and eligible to vote at the Meeting must be in favour of Resolution 12 for it to pass.

Listing Rule 7.1A

(a) Securities which can be issued under the 10% Additional Placement Capacity

Any securities issued under the 10% Additional Placement Capacity must be in the same class as an existing quoted class of equity securities of the Company.

The Company only has one class of securities quoted on the ASX as at the date of this Notice, being ordinary shares (ASX Code: GUF).

(b) **Formula for calculating the 10% Additional Placement Capacity**

The exact number of securities which can be issued under the 10% Additional Placement Capacity will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

$$(A \times D) - E$$

where:

- A** is the number of fully paid ordinary shares on issue 12 months before the issue date or date of agreement to issue:
- (1) plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (2) plus the number of partly paid ordinary shares that became fully paid in the 12 months;
 - (3) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under Listing Rules 7.1 and 7.4;
 - (4) less the number of fully paid ordinary shares cancelled in the 12 months.
- D** is 10%.
- E** is the number of securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary shares under Listing Rules 7.1 or 7.4.

Specific information required by Listing Rule 7.3A

Listing Rule 7.3A sets out the information required to be disclosed to shareholders when seeking approval for the 10% Additional Placement Capacity. The information set out below is intended to satisfy this requirement.

(a) **Minimum Issue Price**

The minimum price at which the securities may be issued under the 10% Additional Placement Capacity is 75% of the volume weighted average market price of securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the securities are to be issued is agreed; or
- (2) if the securities are not issued within 5 trading days of the date in paragraph (1) above, the date on which the securities are issued.

The Company will disclose the issue price to ASX on the date of issue or date of agreement to issue the securities under the 10% Additional Placement Capacity.

(b) **Risk of economic and voting dilution**

Any issue of securities under the 10% Additional Placement Capacity carries a risk of economic and voting dilution to existing shareholders who do not receive any securities under the issue.

There is a specific risk that:

- the market price for the Company's securities may be significantly lower on the date of issue of, or date of agreement to issue, the securities under the 10% Additional Placement Capacity than on the date of the approval at this Meeting; and
- the securities may be issued under the 10% Additional Placement Capacity at a price that is at a discount to the market price for the Company's securities on the issue date which may have an effect on the amount of funds raised by the issue under the 10% Additional Placement Capacity and also on the value of the Company's securities.

The table below shows the potential economic and voting dilution effect on shareholders in circumstances where the issued share capital of the Company has doubled and the market price of shares has halved. The table also shows additional scenarios in which the issued share capital of the Company has increased (by both 50% and 100%) and the market price of Shares has (1) decreased by 50% and (2) increased by 100%.

Variable "A" in Listing Rule 7.1A.2		Issue Price: \$0.0215 (50% decrease in current share price)	Issue Price: \$0.043 (current share price)	Issue Price: \$0.086 (100% increase in current share price)
2,581,600,223 (Current)	Shares issued 10% voting dilution	258,160,022	258,160,022	258,160,022
	Fund Raised	5,550,440	11,100,881	22,201,762
3,872,400,335 (50% increases in shares on issue*)	Shares issued 10% voting dilution	387,240,034	387,240,034	387,240,034
	Fund Raised	8,325,661	16,651,321	33,302,643
5,163,200,446 (100% increases in shares on issue*)	Shares issued 10% voting dilution	516,320,045	516,320,045	516,320,045
	Fund Raised	11,100,881	22,201,762	44,403,524

- * The number of ordinary shares on issue (variable A) could increase as a result of the issue of ordinary shares which does not require shareholder approval or that are issued with shareholder approval under Listing Rule 7.1.

Assumptions:

The table above has been prepared on the following assumptions:

- the issue price is the closing price of the Company's shares on 17 October 2016;
- the number of shares on issue is at 17 October 2016. This could increase as a result of the issue of ordinary shares which does not require shareholder approval or that are issued with shareholder approval under Listing Rule 7.1; and
- the maximum number of shares is issued by the Company as permitted under Resolution 12.

(c) Date of issue

The Company may only issue securities under the 10% Additional Placement Capacity in the period commencing on the date of this Meeting and ending on the earlier of:

- 12 months after the date of this Meeting; and
- the date of approval by shareholders of a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking).

(d) Purpose of issue

The Company may issue securities under the 10% Additional Placement Capacity for the following purposes:

- as cash consideration in which case the Company intends to use funds raised for the acquisition of new assets and investments (including expenses associated with such an acquisition), continued expenditure on the Company's current assets and general working capital; or
- as non-cash consideration for the acquisition of new assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3), including expenses associated with such an acquisition, continued expenditure on the Company's current assets and general working capital.

(e) Allocation policy

The Company's allocation policy for issues under the 10% Additional Placement Capacity is dependent on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of securities will be determined on a case-by-case basis having regard to a number of factors, including (but not limited to) the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including (but not limited to) rights issues or other issues in which existing shareholders can participate and other forms of equity and debt financing;
- the effect of the issue of the securities on the control of the Company;
- the circumstances of the Company, including but not limited to, the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees of securities under the 10% Additional Placement Capacity have not been determined as at the date of this Notice but may include existing substantial shareholders or new shareholders (or both), none of whom will be related parties or associates of a related party of the Company.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any securities under the 10% Additional Placement Capacity.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company has previously obtained shareholder approval under Listing Rule 7.1A.

In the 12 months preceding the date of the Meeting, the Company issued a total of 1,515,671,700 equity securities (1,485,671,700 fully paid ordinary shares and 30,000,000 unlisted options) which represent 138.3% of the total number of equity securities on issue at 30 November 2015. Details of all issues of equity securities in the 12 months preceding the date of the Meeting are set out below:

Date of issue	Number of equity securities issued	Class of equity securities issued and summary of terms	Name of recipients or basis on which recipients determined	Issue price and discount to closing market price on the date of issue	If issued for cash – the total consideration, amount of cash that has been spent, what it was spent on and the intended use of any remaining cash If issued for non-cash consideration – a description of the consideration and the current value of the consideration.
29/01/2016	221,489,379	Ordinary (see Note 1)	OL Mater Limited	\$0.0065 (premium to closing price of \$0.006)	Issued for non-cash consideration] as repayment of outstanding interest on converted convertible note facility. The current value of this consideration is \$1,439,681.

29/01/2016	1,023,066,046	Ordinary (see Note 1)	Rastas Limited, Acecrest Investments Limited, Island Sands Corporation	\$0.0069 (premium to closing price of \$0.006)	Issued for non-cash consideration] for redemption of convertible note facility by 3 parties, representing 50% of the convertible note facility. The current value of this consideration is \$7,059,156.
26/02/2016	60,447,310	Ordinary (see Note 1)	Island Sands Corporation	\$0.007 (closing price identical)	Issued for non-cash consideration] for payment of outstanding commission's payable (in lieu of cash). The current value of this consideration is \$423,131.
9/08/2016	80,849,502	Ordinary (see Note 1)	Sea Honour Limited	\$0.0166 (discount to closing price of 0.019)	Issued for non-cash consideration] for part of multi-faceted funding strategy to deliver the expansion of Mongolia coking coal mine, acquisition of Blair Athol and completion of potential acquisition of Indonesian coking coal mine. The current value of this consideration is \$1,342,102.
6/09/2016	55,407,834	Ordinary (see Note 1)	Light Speed Commercial Incorporated and others	\$0.0206469 (discount to closing price of \$0.027)	Issued for non-cash consideration] for part of multi-faceted funding strategy to deliver the expansion of Mongolia coking coal mine, acquisition of Blair Athol and completion of potential acquisition of Indonesian coking coal mine. The current value of this consideration is \$1,144,000.
6/09/2016	44,411,629	Ordinary (see Note 1)	Fosters Stockbroking Pty Limited institutional and private clients	\$0.0215 (discount to closing price of \$0.027)	[Issued for non-cash consideration] for part of multi-faceted funding strategy to deliver the expansion of Mongolia coking coal mine, acquisition of Blair Athol and completion of potential acquisition of Indonesian coking coal mine. The current value of this consideration is \$954,850.

6/09/2016	30,000,000	Ordinary share unlisted options (see Note 2)	Fosters Stockbroking Pty Limited	\$0.03 and \$0.045 for 2 equal tranches of 15,000,000 unlisted ordinary share options (premium to closing price of \$0.0276)	[Issued for non-cash consideration] for engagement of Fosters Stockbroking Pty Ltd to provide corporate advisory and capital market services. The current value of this consideration if exercised is \$1,125,000.
-----------	------------	--	----------------------------------	--	--

Note 1: Fully paid ordinary shares on the same terms and conditions as the Company's existing ordinary shares.

Note 2: 15,000,000 options with a strike price equal to \$0.03 and with an expiry date of 31 August 2018; and 15,000,000 options with a strike price equal to \$0.045 and with an expiry date of 31 August 2018.

(g) **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of that person (or those persons).

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*The Directors unanimously recommend that shareholders vote in **favour** of Resolution 12.*

*The Chair intends to vote all available proxies in **favour** of Resolution 12.*



TERRACOM

TerraCom Limited
ABN 35 143 533 537

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

TerraCom Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **9:30am (AEST) on Monday, 28 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

Please note: you cannot change ownership of your shares using this form.

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

PROXY FORM

I/We being a member(s) of TerraCom Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **9:30am on Wednesday, 30 November 2016 at Emporium Hotels, Function Room 1, 1000 Ann Street, Fortitude Valley, Queensland, 4006** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Ratification of prior issue of shares issued to Fosters Stockbroking Pty Limited private and institutional clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Cameron McRae appointed since last AGM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Ratification of prior issue of unlisted options issued to Fosters Stockbroking Pty Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of David Stone appointed since last AGM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of share issue to Cameron McRae under Executive Chairman Consultancy Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-Election of Tsogt Togoo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of 10% Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of shares to OL Master Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Ratification of prior issue of shares to Island Sands Corporation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Ratification of prior issue of shares to Sea Honour Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Ratification of prior issue of shares issued to three prominent Eastern European based investment companies led by Light Speed Commercial Incorporated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

TER PRX1601D