



TERRACOM

FOCUS ON CASHFLOW & GROWTH

INVESTOR ROADSHOW PRESENTATION

21 NOVEMBER 2016

TERRACOM

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TERRACOM

OVERVIEW

FOCUS ON CASHFLOW AND GROWTH IN STRONG MARKET

- ✓ **Independent hard coking coal and high quality thermal coal producer**
 - Targeting production from 3 mines in 3 regions with a total target output of 5Mtpa in 2017 and all mines are estimated to deliver strong positive cash flows
- ✓ **Blair Athol Thermal Coal Mine in Australia#**
 - A\$1 acquisition of Blair Athol (BA) thermal coal mine in Bowen Basin, Australia completed and mining operations to commence in late 2016
- ✓ **BNU Hard Coking Coal Mine in Mongolia**
 - Restart of BNU mining operations underpinned by 5.5 year coal offtake agreement for ~7.5Mt of sales linked to seaborne prices
- ✓ **Indomet Hard Coking Coal Mine in Indonesia**
 - In discussion to acquire operating hard coking coal mine in Central Kalimantan, Indonesia targeting completion Q1 2017
- ✓ **Large JORC resource base (excludes BA and Indomet)**
 - 304 Mt of coking and thermal coal in Mongolia
 - 2.1 Bt of thermal and PCI coal in Australia
- ✓ **Strong development pipeline**
 - Organic /Brownfields expansion from each of the 3 regional hubs through development of large surrounding resources
- ✓ **Resilient balance sheet**
 - After restructuring through the issuance of a 5-year interest-only EuroClear-traded bonds
- ✓ **Strong Board and management team**
 - Proven track record in building and operating coal mines



3 Regions

Operations in Australia, Mongolia & Indonesia



A\$1 Acquisition

of Blair Athol thermal coal mine in Australia



Cash Generating

Capitalising on strong coal market targeting 5 Mtpa rate across 3 countries by 2017



>150 Years

of combined management experience

Note #: Blair Athol Mine acquisition is subject to relevant Queensland Government approvals



OVERVIEW

COAL MARKETS HAVE TURNED AROUND STRONGLY THIS YEAR

Thermal Coal

The thermal coal spot price has reached over US\$109/t in November 2016, up 118% year-to-date from US\$50/t



Coking Coal

The coking coal spot price has reached over US\$289/t in November 2016, up 280% year-to-date from US\$76/t

Source: Fosters Stock Broking
Charts: Bloomberg



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**AUSTRALIAN BASED AND
ASX LISTED COMPANY**

AUSTRALIA

BLAIR ATHOL MINE ACQUISITION AND RESTART

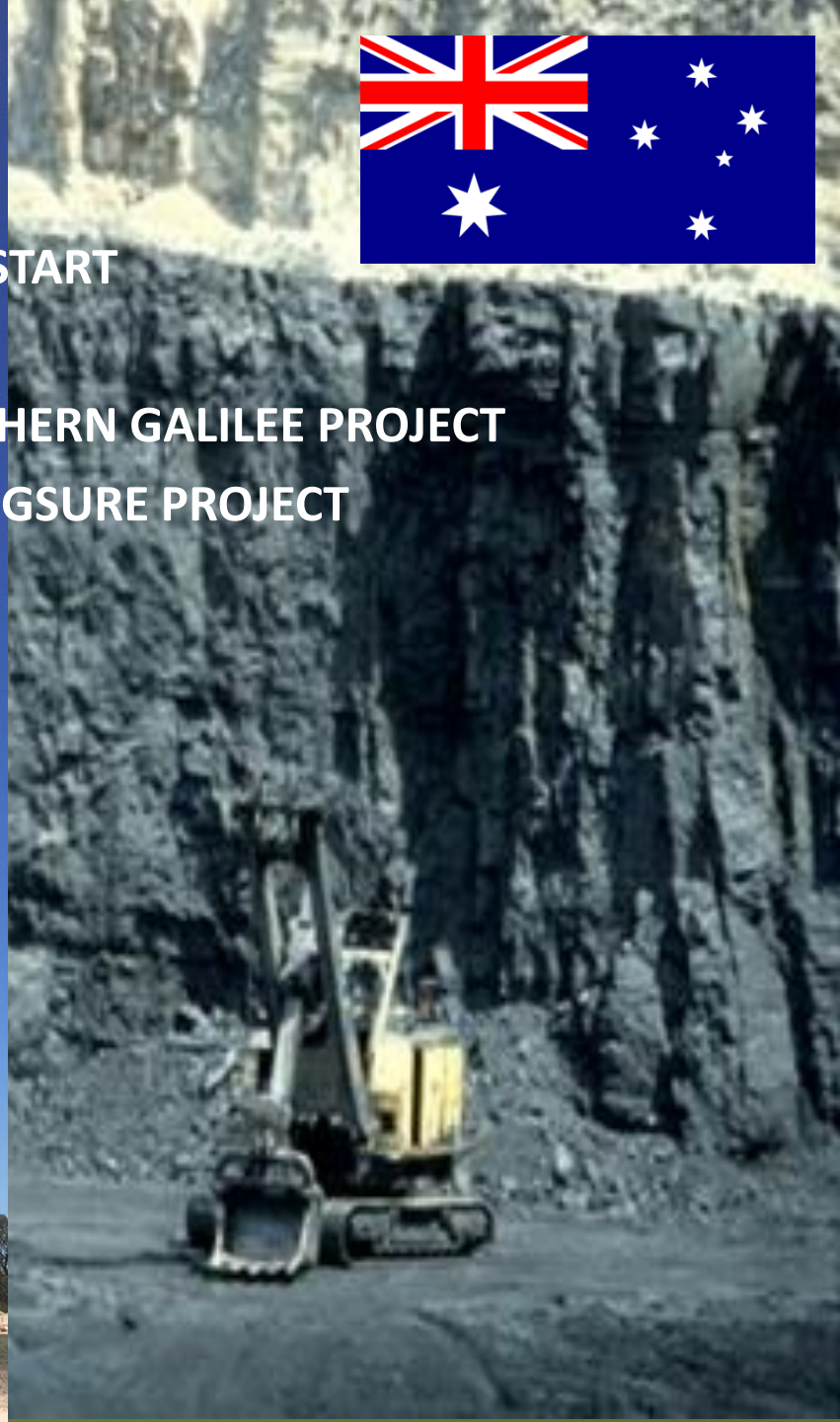
ORGANIC EXPANSION OF BLAIR ATHOL

EXPLORATION & DEVELOPMENT OF NORTHERN GALILEE PROJECT

EXPLORATION & DEVELOPMENT OF SPRINGSURE PROJECT



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AUSTRALIA

BLAIR ATHOL THERMAL COAL MINE (BA)

- ▶ Final stages of acquiring mothballed Blair Athol Mine in Australia for **\$1** which includes:
 - ▶ World class mine infrastructure capable of supporting **12Mtpa** including workshops, stores and offices
 - ▶ Dragline and all mining plant and equipment required to deliver mining plans
 - ▶ Rio Tinto providing **A\$80m cash** for reclamation and Gov. of Qld confirmed this liability in Nov 2015
- ▶ Mine plans to operate at **2Mtpa** rate for **7 years** with mining operations recommencing late 2016 and first coal sales early in 2017 with target product specification (ad) of 12.5% ash , 5,350kcal NAR and 0.31% TS
- ▶ 44Mt JORC 2012 Resource providing potential for additional production from BA
- ▶ Target positive cash flows with estimated cash margins of circa **US\$26 p/t**
- ▶ Re-commissioning and working capital costs of BA fully funded from recently announced **US\$12m** funding facility plus contractor working capital arrangements of **A\$11.6m**
- ▶ Organic expansion potential to combine BA with neighbouring properties to give **30+ year life**
- ▶ 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**) is large thermal resource with multi pit potential crossed by under-utilised rail and port system
 - ▶ Springsure (**190Mt**) a high grade thermal/PCI resource adjacent to existing rail infrastructure

Note: Blair Athol Mine acquisition is subject to relevant Queensland Government approvals

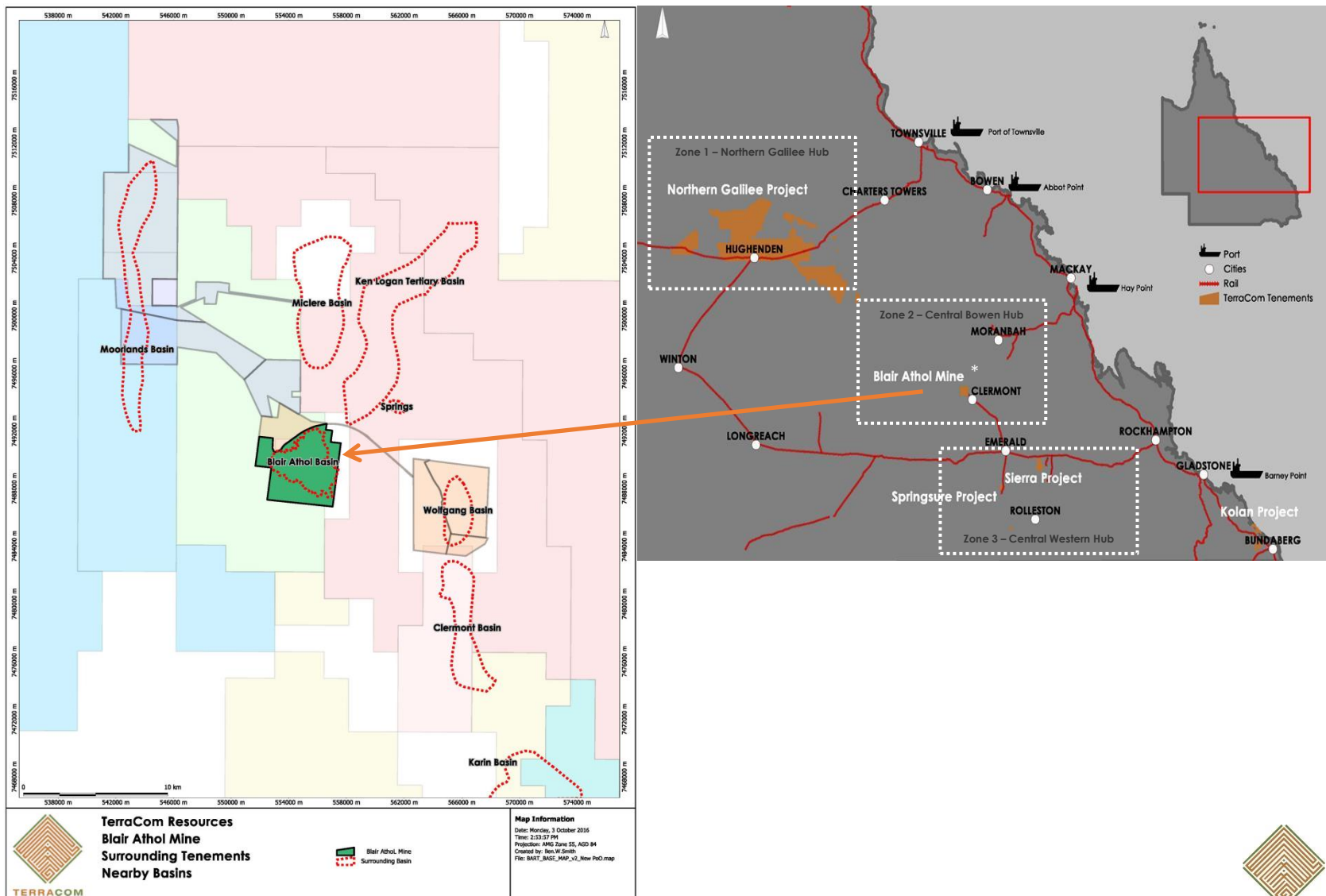
Note: Springsure is 36% owned by TerraCom



QUEENSLAND EXPANSION

ORGANIC GROWTH FROM STRATEGICALLY LOCATED ASSETS

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Note: Blair Athol Mine acquisition is subject to relevant Queensland Government approvals



MONGOLIA

- ▶ SOUTH GOBI COKING COAL ASSETS
- ▶ BNU COKING COAL MINE
- ▶ BNU CHPP DEVELOPMENT
- ▶ UVS COKING COAL AND POTASH/BRINES ASSETS
- ▶ MID GOBI THERMAL COAL ASSETS

MONGOLIA

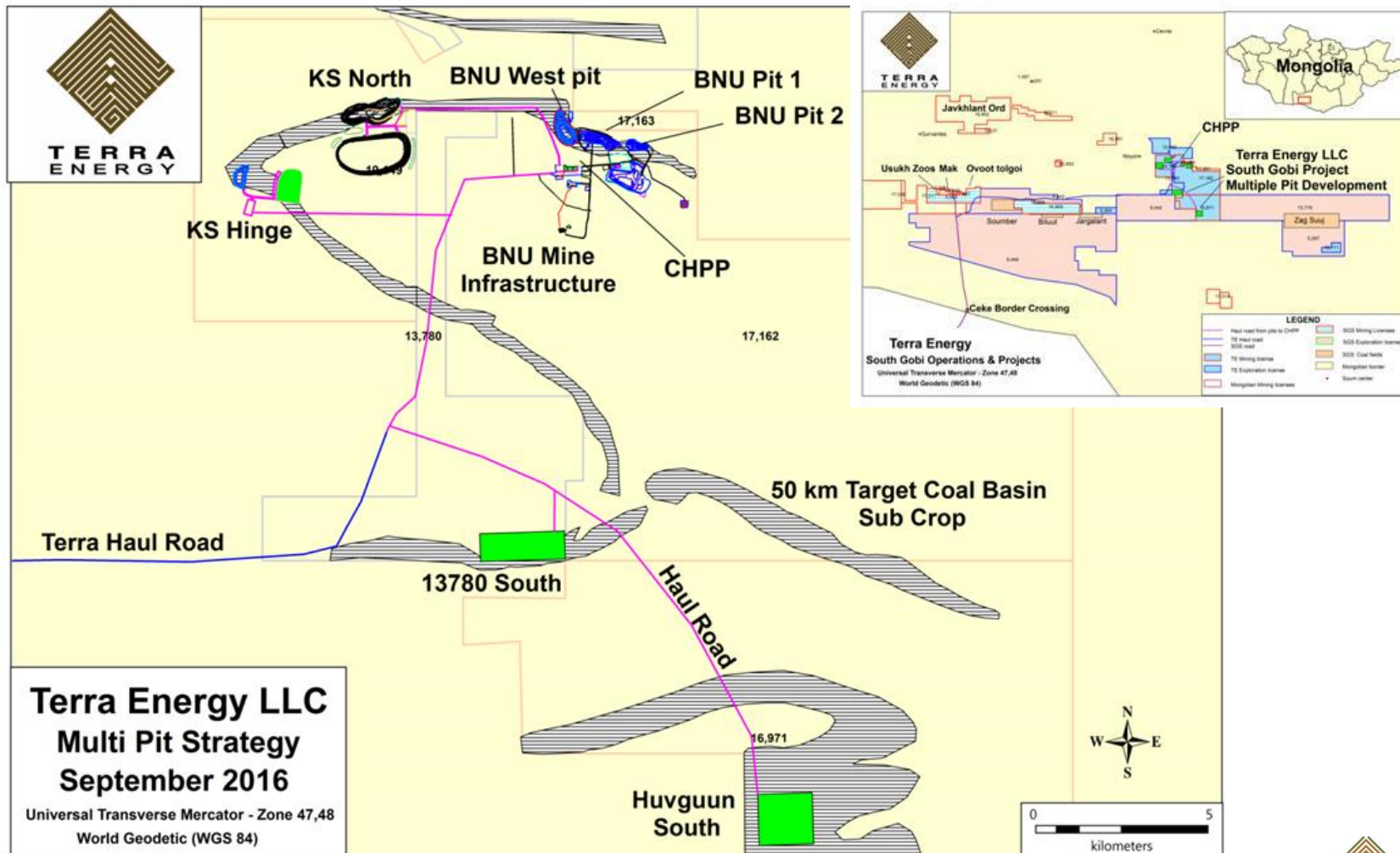
BNU HARD COKING COAL MINE



- ▶ Operate, optimise and expand BNU hard coking coal operations in South Gobi
- ▶ **1.5Mtpa of sales** generating strong estimated margins of circa **US\$32 p/t** with potential to increase to greater than 3Mtpa
- ▶ Set to capitalise on strong HCC prices through 5.5 year offtake agreement linked to seaborne price
- ▶ BNU targeted washed product specification (db) is for a **mid volatile hard coking coal**: <10.5% Ash, 23% - 27% Volatile Matter, 0.3% - 0.6% Total Sulphur, G Index 80-95, Y Index 22-26
- ▶ Construction of **vendor-financed on site CHPP** with commissioning planned for Q2 2017 and delivering improved margin
- ▶ Multi-pit expansion strategy with **50km of projected coal basin edge** across the South Gobi tenements with **83Mt JORC Resource**

SOUTH GOBI EXPANSION

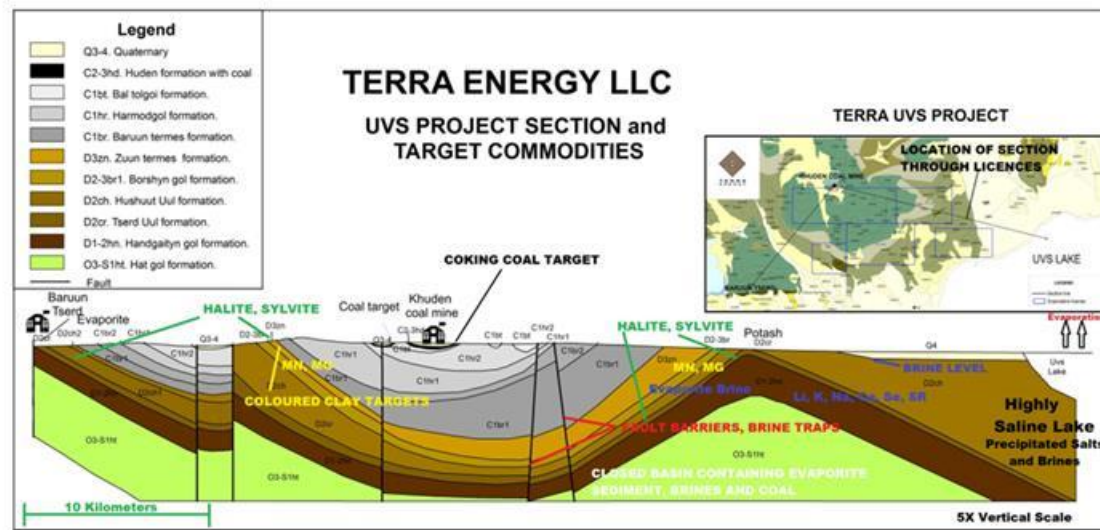
ORGANIC GROWTH THROUGH REGIONAL EXPANSION



MONGOLIA

STRONG LOCAL EXPERIENCE AND ASSET PORTFOLIO

- ▶ **Strong local history and experience** operating in Mongolia since 2011
- ▶ **Large portfolio** of Mining and Exploration Licences in strategic positions with links to large markets
- ▶ South Gobi Project (**JORC 83Mt**) of hard coking coal
- ▶ Uvs Project prospective for Hard Coking Coal, Potash and associated brines (Lithium and Magnesium) in northern Mongolia close to Russian border
- ▶ Mid Gobi Project (**JORC 221Mt**) of thermal coal





INDONESIA

- ▶ CENTRAL KALIMANTAN ACQUISITION
- ▶ OPERATING CASHFLOW POSITIVE COKING COAL MINE
- ▶ SIGNIFICANT EXPANSION POTENTIAL

INDONESIA

INDOMET HARD COKING COAL MINE

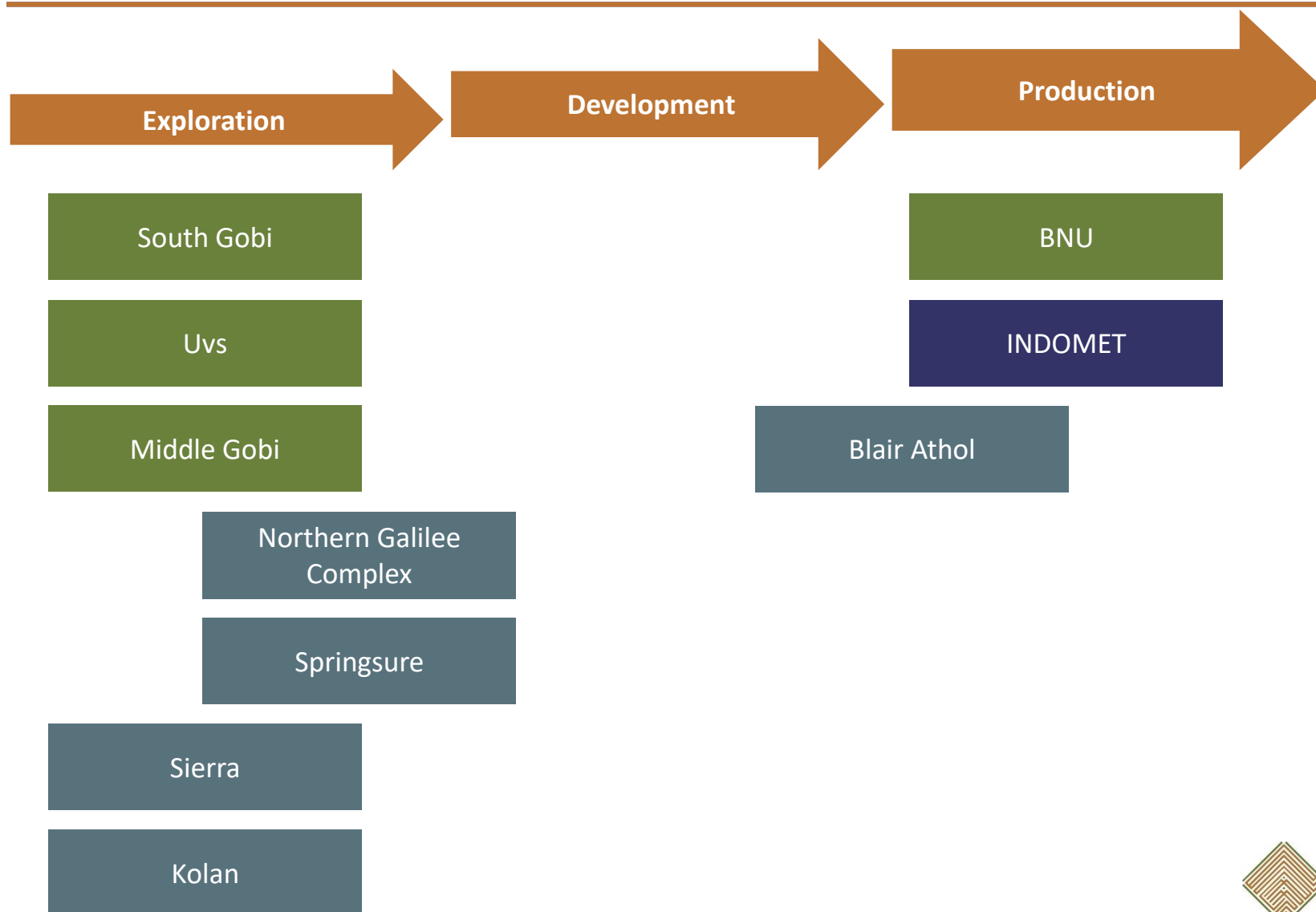
- ▶ Due diligence being conducted on an operational hard coking coal mine in Central Kalimantan (**Indomet**) with target acquisition completion in Q1 2017
- ▶ All share transaction which should be immediately cash generative with estimated cash margin of up to **US\$56 p/t**
- ▶ Initial **0.5-0.7 Mtpa** production of hard coking coal with Immediate opportunity to acquire neighbouring mine with fully developed port and road infrastructure and increase total production to **1.2-1.5 Mtpa** with further organic expansion potential
- ▶ Located in **Central Kalimantan** approximately 28 km from the Barito River and close to Muara Teweh Township which is approximately 400km upstream of Taboneo Trans-shipment Port (2kt to 10kt Barges)
- ▶ **Hard coking coal** specification with medium VM, high fluidity, CSNs of 8-9
- ▶ Simple **low cost extraction**; non complex resource with thick shallow seams



Note: Indomet acquisition is subject to final due diligence for completion

STRONG DEVELOPMENT PIPELINE

LARGE PORTFOLIO OF HIGH QUALITY ASSETS BEING PROGRESSED



Note: Blair Athol Mine acquisition is subject to relevant Queensland Government approvals

MANAGEMENT TEAM

+150 YEARS OF COAL EXPLORATION, DEVELOPMENT & OPERATIONAL EXPERIENCE



**Cameron
McRae**

*Executive
Chairman*

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 and CEO of Richards Bay Minerals in South Africa



**Michael
Avery**

*Executive
Director
Vice President,
Corporate
Development*

Michael has worked for blue chip mining companies Rio Tinto and BHP Billiton in operations both within Australia and internationally. Michael is a member of the Australian Institute of Mining and Metallurgy



**David
Stone**

*Executive
Director
Vice President,
Operations*

Over 25 years experience working for MIM / Xstrata, BHP and Anglo America. David has been responsible for several of Xstrata's mining complexes and Xstrata's underground operations globally



**Karl
Arnold**

*Chief Financial
Officer*

Over 20 years of mining industry experience working across various countries. Karl was previously the Regional CFO for the Glencore Australian Zinc Division (comprising 5 operating mine sites)



**Nathan
Boom**

*Financial
Controller &
Company
Secretary*

12 year career working at large multinationals such as Xstrata Coal and Tenova which has provided him with extensive exposure in business restructuring



**Jonathon
McCarthy**

*Head of
Operations
Australia*

Jonathon has over 10 years of mining industry experience across Australia, Asia and North America. He has worked in several large scale open pit operations across multiples commodities with a strong focus on coal mining.



**Mark
Reynolds**

*GM Corporate
Development*

Worked for both Rio Tinto and Xstrata, has experience across multiple commodities and has held both commercial and business development roles in Australia and the Americas

DEBT RESTRUCTURING COMPLETE

GIVES COMPANY CASHFLOW HEADROOM, STABILITY AND FLEXIBILITY

Old Structure

Amortising Notes
US\$55mn
OCP Asia

Convertible Notes
US\$5mn
JP Morgan

Working Capital & Related Facilities
US\$47mn
Noble Group

Convertible Notes
US\$5mn
OCP Asia

New Structure

Secured Bond

- ▶ US\$124mn face value (US\$129mn from 30 June 2017)
- ▶ 5 years, interest-only (12.5% p.a.)
- ▶ Revenue share of 0.75% (Post BA)
- ▶ First interest payment 30 June 2017
- ▶ Ability for TER to elect to PIK 50%
- ▶ Includes US\$7mn of new funding

Super Senior Notes

- ▶ US\$17mn face value
- ▶ US\$12mn repayable after 1 year due on 30 June 2017, US\$5mn rolls into Secured Bond
- ▶ Interest 15% p.a.

Acquired by new investors and converted to equity in January 2016

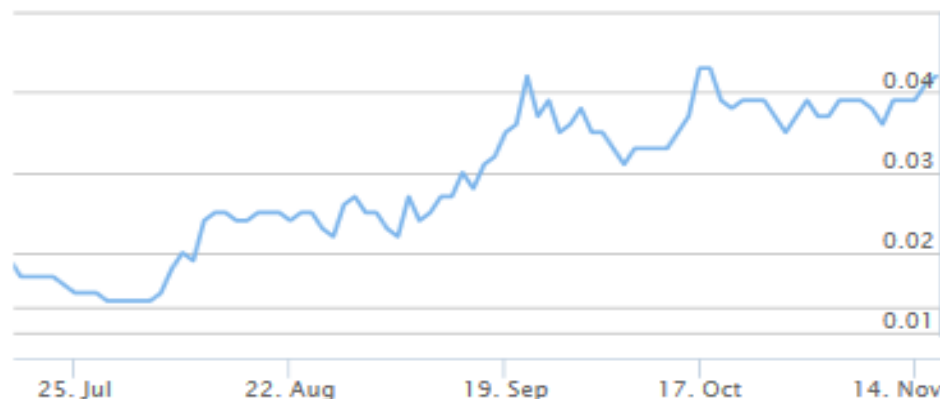
CAPITAL STRUCTURE

MAJOR SHAREHOLDERS COMMITTED TO BUILDING VALUE

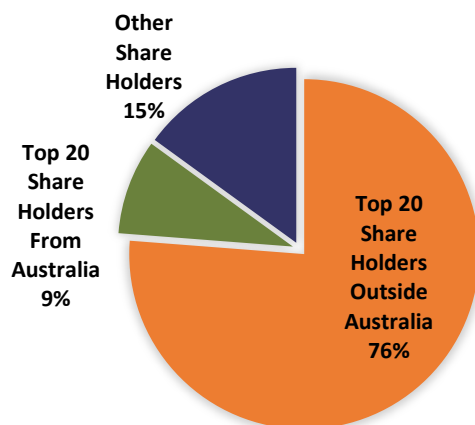
Trading Summary (17 Nov 16)

ASX Code	TER
Share Price	A\$0.04
Shares	2.6B
Market Cap	A\$103.3M

Share Price Performance



Ownership Summary (%)



Financial Instruments

Finance Instruments in Place

Warrants	OCP Asia hold 126,308,306 Detachable Warrants with an Exercise Price which is the lower of the Cross Listing Price and the Market Price and which expire on 28 February 2021
Options	Fosters Stock Broking have 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.
Convertible Notes	Nil Outstanding

Note: Financial data as of 17 Nov 2016.





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THANK YOU

Cameron McRae
Executive Chairman

Mick Avery
Executive Director

info@terracomresources.com



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APPENDIX

- AUSTRALIA MORE INFORMATION
- MONGOLIA MORE INFORMATION
- COMPETENT PERSONS STATEMENTS

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AUSTRALIA

BLAIR ATHOL COAL MINE ACQUISITION

PROGRESSING THROUGH FINAL APPROVALS

ACQUISITION PRICE

A\$1

INCLUDES

**Dragline & mobile
equipment**

TRANSACTION COMPLETION

4th Quarter 2016

QUICK RESTART

**Short mobilisation
and commissioning
period**

Acquisition of coal mine in care and maintenance

- ▶ Mine plan capable of delivering a 7 year mining life at 2Mtpa
- ▶ Rio Tinto providing A\$80mn for reclamation
- ▶ GoQ confirmed this liability in Nov 2015

History

- ▶ Site production peaked in 2009 with 11.3 Mt of coal exported in the year
- ▶ Placed on C&M by Rio Tinto when full production commenced at its neighboring Clermont mine

Location

- ▶ C.20 km north west of Clermont in the Bowen Basin of Central Queensland, Australia

Infrastructure and equipment

- ▶ Plant and equipment incl. Dragline for re-start remains on-site and included in \$1 purchase price
- ▶ Mine infrastructure capable of supporting 12Mtpa includes workshops, stores and offices
- ▶ Plans to utilise nearby rail access infrastructure

Further Expansion

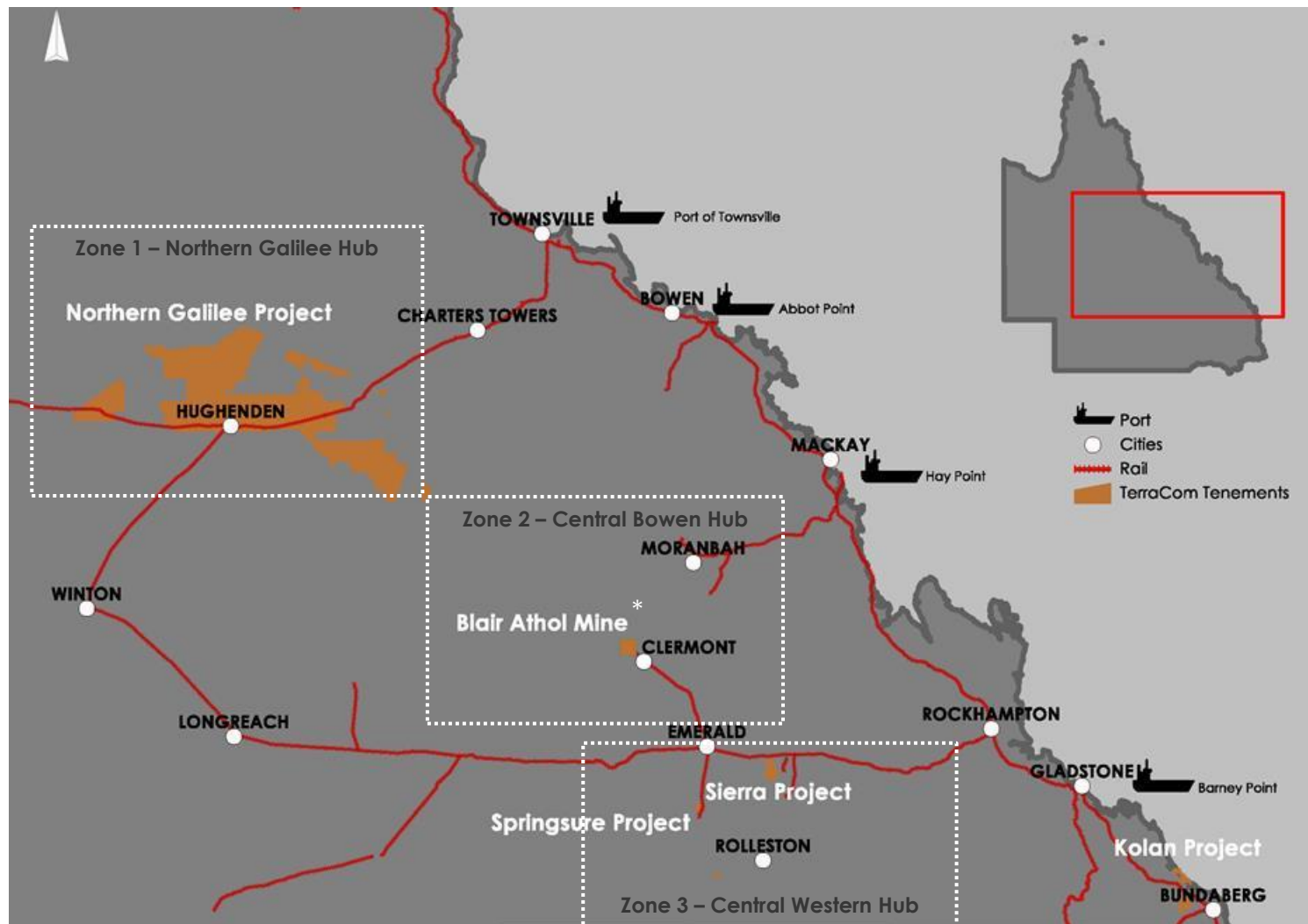
- ▶ JORC2012 Resource of 44Mt
- ▶ Potential to extend into neighboring projects

Note: Blair Athol Mine acquisition is subject to relevant Queensland Government approvals



QUEENSLAND PROJECT PIPELINE

STRATEGICALLY LOCATED ASSETS



Note: Blair Athol Mine acquisition is subject to relevant Queensland Government approvals

QUEENSLAND PROJECT PIPELINE

LARGE RESOURCE WITH SIGNIFICANT EXPANSION POTENTIAL

Australian JORC Resource Table (excluding Blair Athol)

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

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.

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MONGOLIA



SOUTH GOBI PROJECT

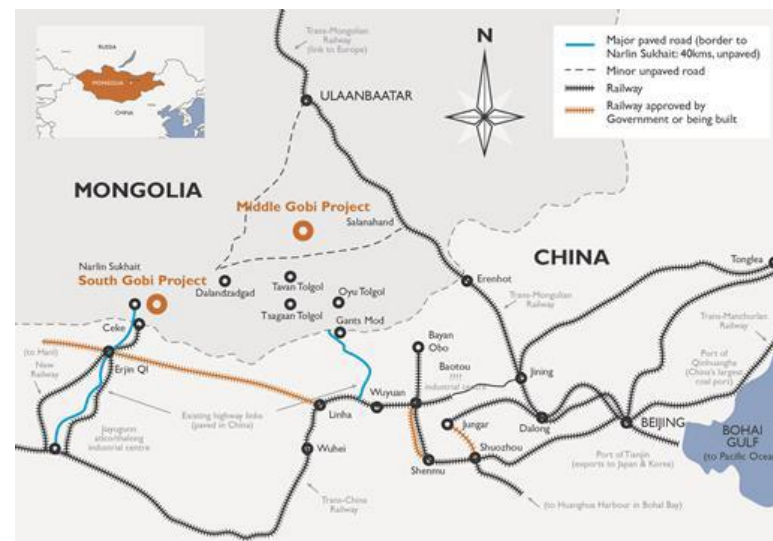
NOYON BASIN – MULTIPLE MINING AND EXPLORATION LICENCES

- ▶ 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
Total	15 Mt	9 Mt	59 Mt	83Mt

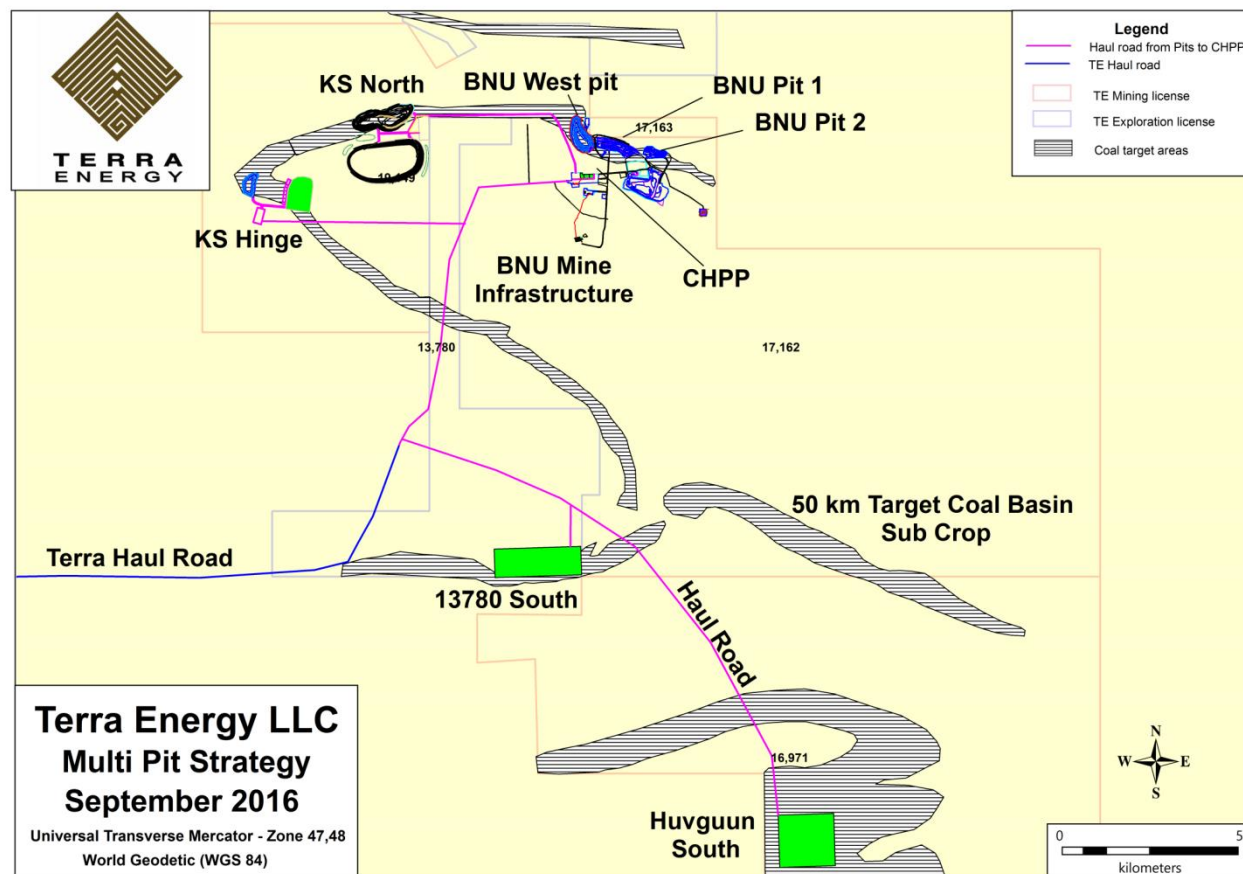
Location



SOUTH GOBI EXPANSION

STRONG MULTI PIT EXPANSION STRATEGY IN NOYON BASIN

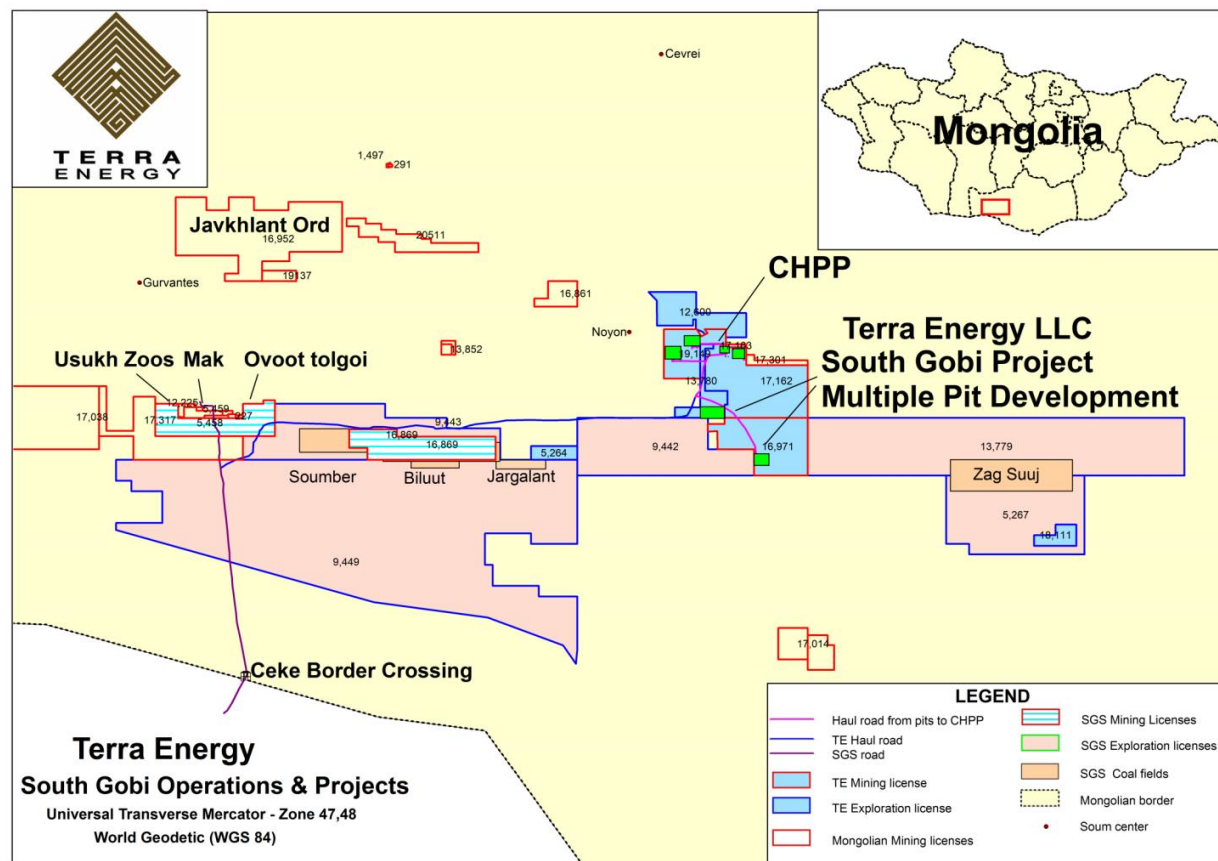
- ▶ South Gobi Project consists of tenements which cover most of north western extent of the Noyon coal basin
- ▶ Contains an estimated 50km of basin edge which contains near surface coal bearing stratigraphy
- ▶ Progressive development of a multiple shallow pit strategy
- ▶ Serviced by existing centrally located infrastructure



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

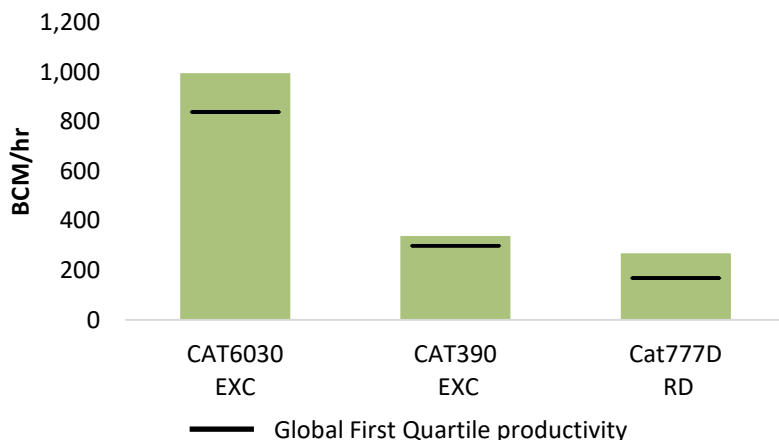


TERRA ENERGY BNU MINE

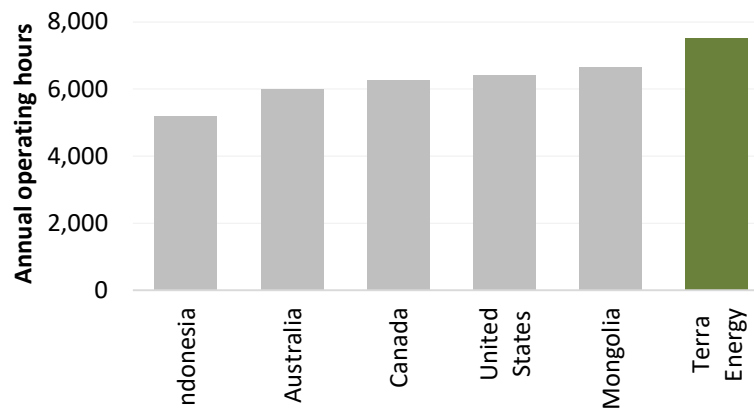
WORLD CLASS OPERATION IN MONGOLIA

- ▶ Delivering not only Mongolian productivity records but world class productivity from its mining fleet
- ▶ Asset utilisation in Mongolia is higher than other major producing basins
- ▶ Have developed this capability in a systematic fashion to ensure repeatable results during expansion and development of its other assets
- ▶ Unit mining cost performance reduced from circa US\$3 per cubic metre to circa US\$2 per cubic metre since commencement of operations

Productivity



Asset Utilisation



Note: Sourced from extensive internal analysis of best in country mining projects around the world

BNU OPERATIONS STATUS

ESTABLISHED NEW SUPPLY CHAIN AND REFINED MINE STRATEGY

- ▶ Mining operations were suspended in Q1 2016 due to depressed coal market, supply chain performance issues and full ROM coal stockpiles at BNU Mine.
- ▶ Mining operations will recommence in Q4 2016 with alternate supply chain established via the KingHo 5.5yr offtake agreement for ~7.5Mt of coal sales over the life of the contract and delivering the following:
 - ▶ Underwrites a profitable Mongolian business unit establishing a platform from which further expansion and growth
 - ▶ Has a pricing mechanism with linkages to the seaborne market with payment terms in USD in the form of 100% Irrevocable Letter of Credit issued by first class international bank
 - ▶ Confirms the strong BNU coal brand in China and recognition of the value-in-use of this coal when compared to other HCC available in southern Mongolia and northern China
 - ▶ Shifts the point of sale for BNU coal to minegate which removes Terra from the supply chain management in Mongolia and northern China allowing a focus on core competency of mining
 - ▶ Whilst Kingho which is one of the largest transporters and users of coal in northern China will manage the supply chain from minegate to customers in Northern China – BNU Coal will be used primarily for Kingho Coking Plant feed
- ▶ Terra plan to develop multiple pits to better manage complex geology, coal quality variations and unit costs which when combined with on-site CHPP will deliver stable long term coal quantities and quality



BNU COAL QUALITY

COAL QUALITY SUPERIOR TO OTHER PRODUCERS IN REGION

	BNU Washed (Targeted)	BNU Raw (Targeted)	MMC Ganqimaodu Pit 3 Washed	MMC Ganqimaodu Pit 4 Raw	Ceke 1/3 Coking Coal	SouthGobi Product B	SouthGobi Product F
Ash (%)db	<10.5	20	10.5	23	8-10	12.5	25
VM (%) db	23-27	24-26	28	26	30-33	36	36
Sulfur (%) db	0.3-0.6	0.3-0.7	<0.6	<0.6	<1.0	1.3	1.7
G Index	80-95	60-90	83	85	69	na	na
Y Index	22-26	19-24	16	16	9-11	na	na



BNU CHPP TO BE CONSTRUCTED IN 2016

SIGNIFICANT YIELD, QUALITY AND COMMERCIAL BENEFITS

Noyon Basin Coal Specification Issues

- ▶ Coal is soft and friable resulting in high proportion of fines
- ▶ The coal fines contains a large proportion of vitrinite and hence coking properties
- ▶ CHPP's in Mongolia or northern China cannot efficiently deal with this specification of coal

Benefits of CHPP at BNU

- ▶ Improvement in yields of 3-6% due to CHPP designed specifically to deal with fines
- ▶ Avoids yield manipulation by third party CHPP operators
- ▶ Ability to claim 10% Mongolian VAT against operating costs
- ▶ Reduction in distribution / trucking costs
- ▶ Ability to expand and wash third party coal in the future

Status

- ▶ In final negotiations with US, Chinese and UK suppliers
- ▶ Aiming for plant to be 100% vendor financed / 100% TER owned
- ▶ Approvals complete by end 2016, construction to commence in early 2017 and commissioned end H1 2017



Specifications Phase 1 CHPP

- ▶ Raw feed 1.0-1.5 Mtpa
- ▶ Raw feed rate 200-250 tonnes/hr
- ▶ Minimum 6,000 hour p.a. run time
- ▶ Operate in extreme temperatures (-30 degrees to +40 degrees)
- ▶ Dual product
- ▶ Modular for future scalability and easily relocatable
- ▶ Delivers <10.5% ash product with ability to deliver higher ash / higher yield options

TRANSPORT INFRASTRUCTURE DEVELOPMENTS

TERRA ROAD HAS BUILT ROAD TO CHINA

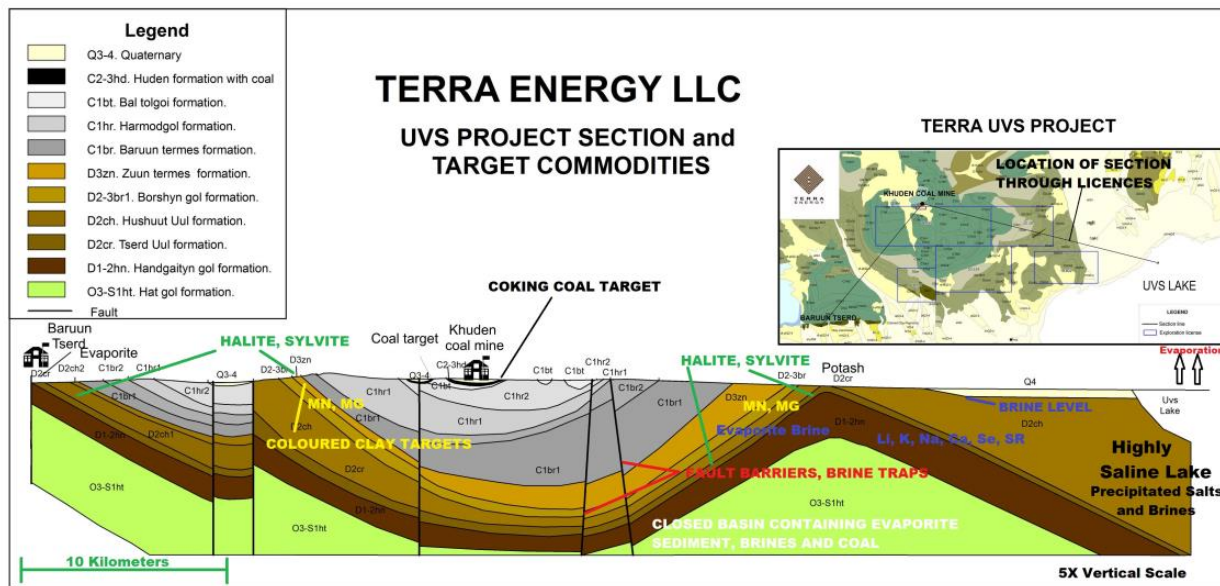
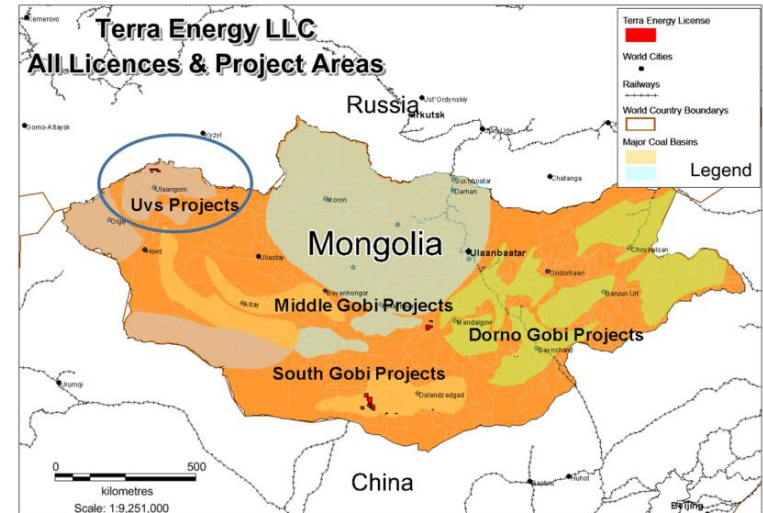
- ▶ June 2013, entered into a 20 year contract:
 - With the Mongolian government for the construction and use of wholly-owned haul road connecting BNU to the Chinese border at Ceke
 - The road is accessible by all Terra assets located in the South Gobi project
- ▶ December 2013, the haulage road construction was completed
- ▶ July 2014, the Mongolian government awarded a haulage permit to Terra
- ▶ Future development:
 - Currently converting road permit into a state concession agreement
 - Will enable external investor / operator to be brought in to upgrade the road (bitumen sealing) and charge a toll



UVS PROJECT

COKING COAL AND POTASH ASSETS IN NORTHERN MONGOLIA

- ▶ Uvs basin is prospective for coal, evaporite salts (potash), Uranium, associated brines and clays (Li and Mg)
- ▶ Mining of coking coal and potash occurs in neighbouring areas
- ▶ Located close to a 220Kw power line which runs from Russia into Mongolia
- ▶ The sealed Kyzyl Highway intersects the project area and runs to the Russian Border crossing at Borshoo
- ▶ Access into Russia then leads to railways which service Vladivostok port.
- ▶ There is also a planned future rail link to China proposed from the region



MID GOBI PROJECT

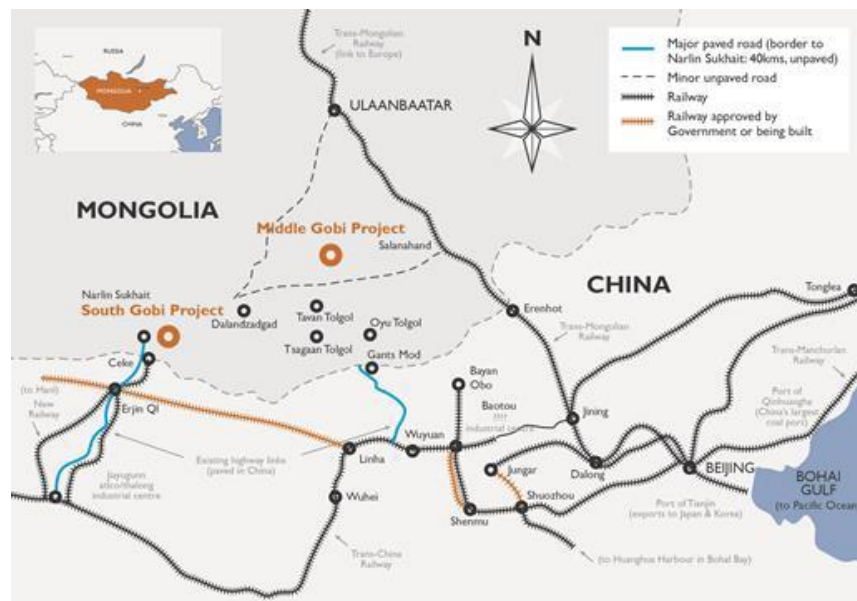
EXPLORATION TENEMENTS WITH SUBSTANTIAL THERMAL COAL RESOURCES

- ▶ Potential for large scale open cut operations to supply power producers in China and Mongolia
- ▶ Consists of two exploration licenses spanning 360 sq' km in Mongolia's Dundgovi Province
- ▶ Located approximately 200 km south of Ulaanbaatar and just over 200 km west of the Mongolian railway grid, which offers a logistics route to China via the Erlianhaote border crossing
- ▶ Since acquiring the Mid Gobi Project in 2011, TerraCom has established JORC (2004) compliant coal resources of 221.4 Mt classed as Indicated and Inferred
- ▶ Quality testing to date suggests the coals to be a combination of mid and low rank thermal coal

Mid Gobi Project – JORC Resources

	Measured	Indicated	Inferred	Total
Mid Gobi	-	32 Mt	189 Mt	221 Mt

Location



TERRACOM

COMPETENT PERSON STATEMENT

Technical Information on Clyde Park & Springsure JORC has been prepared by Kim Maloney who has over 10 years of experience in coal mining and extractive industry throughout Australia. 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 (2004). 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. Kim is a Member of The Australasian Institute of Mining & Metallurgy (# 229120) and a Member of the Bowen Basin Geological Group.

The information in this presentation that relates to Coal Resources for the South Gobi – North project was first reported in compliance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), 2012 Edition in a market release dated 25 June 2014. TER is not aware of any new information or data that materially affects the information included in the 25 June 2014 announcement and that all assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Technical information in this report 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 (formerly a subdivision within Moultrie Group). Mr Biggs now works for ROM Resources Pty Ltd, Mr. Biggs is a member of the Australasian Institute of Mining and Metallurgy (Member #107188) 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) 2004. 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.

The information in this report relating to the exploration target tonnage range and coal resources of 12600X 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.

The estimates of the Coal Resources presented in this Report are considered to be a true reflection of the Coal Resources as at 30th June 2014 and have been carried out in accordance with the principles and guidelines of the Australian Code for Reporting of Coal Resources and Coal Reserves published in September 2004 (JORC Code).

The estimates of the Coal Resources presented in this presentation are considered to be a true reflection of the Coal Resources as at 30th June 2015 and are available to view on www.terracomresources.com. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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.

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COMPETENT PERSON STATEMENT (CONT'D)

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 John Cawte under the guidelines of the 2012 edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). Mr Turner and Mr Cawte consent to the inclusion in the report of the matters based on the information, in the form and context in which it appears.