

ASX ANNOUNCEMENT

12 June 2020



TerraCom Divests 100% of Mongolia

TerraCom Limited (**TerraCom** or the **Company**) (ASX: TER) is pleased to announce the finalisation of the sale of its Mongolian assets to Bridge Resources Pte Ltd (**Bridge Resources**). The sale includes the disposal of both the Baruun Noyon Uul (**BNU**) Coal Mine and the Enkhtunkh Orchon (**EO**) Coal Mine in Mongolia, along with associated legal entities (**Transaction**).

The assets are being sold as a going concern and therefore Bridge Resources has accepted the existing net liabilities of the entities, up to US\$28 million. The total consideration received from the sale is US\$3.

Bridge Resources is a Singapore coal buyer and an existing customer of BNU. They are familiar with the BNU asset and the coal produced, and are well versed in doing business in Mongolia.

Commenting on the sale, Deputy Chairman, Craig Ransley said:

“TerraCom is pleased to have worked with Bridge Resources on this transaction and looks forward to a mutually prosperous working relationship between the parties in the future. Now that the sale is complete, US\$28 million of net current liabilities will be removed from the Company’s balance sheet and TerraCom can focus its attention on its flagship asset, Blair Athol, and the more recently acquired Universal Coal assets in South Africa.”

Bridge Resources Director, Mr Cun Liu commented:

“Bridge Resources looks forward to working with the current team in Mongolia to continue to operate a successful mining operation. We expect the transition of ownership from TerraCom to Bridge Resources to be smooth given our previous knowledge of the asset and existing working relationship with TerraCom and its stakeholders”.

The following economic interests in BNU and EO have been transferred to Bridge Resources as a result of the Transaction.

Legal Entity	Economic Interest
Terra Energy LLC	<p>Assets include the 92.7 kilometre concession / haul road and mining tenements and exploration licences in the:</p> <ul style="list-style-type: none"> (i) South Gobi region, including XV-18513 (ii) Mid Gobi region, including XV-12929 (iii) Uvs region, including XV-18797, XV-18802, XV-20281, XV-20539.

Legal Entity	Economic Interest
<i>Tsagaan Uvuljuu LLC</i>	<i>Assets include mining tenements and exploration licences in the South Gobi region, including MV-17162, MV-20800, MV-20803, XV-18111, XV-20268.</i>
<i>Alag Tvesh LLC</i>	<i>Assets include mining tenements and exploration tenements in the South Gobi region, including MV-16971.</i>
<i>Enkhtunkh Orchon LLC</i>	<i>Assets include mining tenements and exploration tenements in the South Gobi region, including MV-19149.</i>

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

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About TerraCom Limited

TerraCom Limited (ASX: TER) is an emerging company originating as a resource explorer with a large portfolio of operating assets in Australia, South Africa and Mongolia. We are currently enacting a growth strategy towards delivering a Mid-Tier diversified operating and trading business and have a global focus on the development of a high yielding diversified asset portfolio for its investors.

To learn more about TerraCom visit terraresources.com.