2024 ANNUAL REPORT

TerraCom

CORPORATE INFORMATION

REGISTERED OFFICE

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WEBSITE

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COUNTRY OF INCORPORATION

Australia
ABN 35 143 533 537

STOCK EXCHANGE LISTING

Australian Securities Exchange Ltd
ASX Code: TER

SERVICE PROVIDERS

Share Registry

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Auditors

BDO Audit Pty Limited
Level 10, 12 Creek Street
Brisbane, Queensland, 4810, Australia

PEOPLE

Directors

Mark Lochtenberg (Non-Executive Chairman)
Danny McCarthy (Managing Director)
Glen Lewis (Non-Executive Director)
Mark Ludski (Non-Executive Director)
David Norris (Non-Executive Director)

Executive Management

Megan Etcell (Chief Financial Officer & Company Secretary)

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COMPANY OVERVIEW

IN THIS SECTION

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

I am pleased to present the Annual Report for TerraCom Limited for the fiscal year ending 30 June 2024. This year has been one of significant progress and resilience for our Company, as we navigated through a dynamic and challenging operational environment.

Despite the ups and downs, our commitment to operational excellence has been unwavering. Whilst total coal sales for Blair Athol fell short of expectation, and our South Africa operations were hamstrung by rail and transport challenges limiting export sales, we maintained consistent production levels thanks to the dedication and hard work of our people.

Our focus on the safety of our people, efficiencies, and sustainable operations has enabled us to maintain high standards across the business.

Our overall financial performance compared to the prior corresponding period is significantly lower due to a rapid change in export thermal coal prices between the two reporting periods. To put this into perspective, the Company achieved average pricing of A$361 in FY2023, compared to A$159 in FY2024. After a period of unprecedented high prices and volatility in 2022, thermal coal prices returned to lower and more stable levels in 2023 and the long-term outlook suggests a gradual strengthening in coal prices due to sustained demand and market dynamics.

Sustainability remains at the core of our business strategy. We are committed to responsible mining practices that respect and protect the environment and benefit the communities where we operate. This year, we have continued with our progressive rehabilitation at Blair Athol and our proactive approach to rehabilitation means we carry out these works throughout the mining process rather than wait until the end of the life of the mine.

The recent announcement of the Cooperation Agreement with Wintime Energy Group Co., Ltd is exciting for shareholders and we are confident about the future. We look forward to working with Wintime to jointly develop and operate the Moorlands Thermal Coal Project in Queensland and pursue other strategic opportunities in complementary markets and industries.

Looking ahead, the demand for minerals and metals is expected to remain strong, driven by global infrastructure development and the transition to a low-carbon economy. We are well-positioned to capitalise on these opportunities, with a clear strategy focused on growth, innovation, and sustainability.

In closing, I would like to express my gratitude to our employees, partners, and shareholders for their unwavering support and trust. Together, we have built a resilient and forward-looking Company that is ready to meet the challenges and opportunities of the future.

Thank you for your continued confidence in TerraCom.

Mark Lochtenberg
Chairman

MANAGING DIRECTOR UPDATE

Our focus in 2024 has been on delivering consistent operational performance and embedding an empowering culture to underpin and progress our people led and future focused strategic objectives. We consistently deliver and enhance our reputation as a competent and reliable provider of high-quality, low impurity thermal coal and actively seek opportunities to improve our commercialisation outcomes and project delivery.

The strength and success of TerraCom, whilst founded on its people, is underpinned by trusted business partnerships with our customers, key equipment suppliers, technical partners and industry stakeholders. We continue to be supported by our long term and repeat customers, and our forward sales program is well booked with our flagship operation Blair Athol returning to its annualised run rate of 1.8Mt.

Key strengths of TerraCom are our resilience and our efficiency and we constantly strive for better outcomes today than we achieved yesterday, knowing at TerraCom, there is no finish line. Together with a dedicated and talented team, we have a clear growth and diversification plan in place to attract talent and retain personnel. We are committed to supporting our women in resources through career guidance, mentoring and professional development goals. In our Australian business, our female representation currently stands at 21%, with programs underway to increase this across all levels of the organisation. In our South African operations, our valued partners, Ndalamo, recently commemorated South Africa Women's month highlighting their commitment to fostering an inclusive and empowered workforce, particularly within the traditionally male-dominated mining industry. Among Ndalamo direct employees, 48% are women, significantly higher than the industry average.

Financial discipline is always front of mind as we consistently assess appropriate opportunities. With a cost-conscious outlook, we have structured improvement programs to ensure we maintain the lowest possible costs. This discipline will enable us to invest in the future health of our business. As an owner operator, we remain flexible and agile, allowing us to adapt quickly to changing market conditions and opportunities for growth.

Blair Athol coal pricing achieved for the financial year ended 30 June was US$105 resulting in total revenue of US$164 million. Demand for thermal coal is expected to remain strong in both the long and short term as it continues to underpin economic activity and energy security, and we anticipate steady demand from our key markets and long-term business in Japan, South Korea and India. We thank our loyal Blair Athol customers for their support of TerraCom and look forward to continuing to deliver our highly valued thermal coal.

MANAGING DIRECTOR UPDATE

Blair Athol endured a number of obstacles during the financial year due to geological challenges, regional and coastal rainfall throughout the December and March quarters, impacting the rail network and port operations. Despite this, our delivered total coal sales were a respectable 1.57 million tonnes, albeit below our expectation of 1.8 million tonnes. I am proud of the resilience of my team and our Blair Athol workforce who remain positive and continue to strive for success.

South Africa remains a challenging working environment, and we work closely with our in-country partners to maximise the profitability of the South African operations. Domestic sales continue to underpin our business in South Africa, and we look forward to bringing the Eloff project online during the coming financial year. For our export business, we have confidence on seeing an improvement in trains coming to our mines over the coming months, which should see export sales performance increase. Regarding the asset sale of the South African business, we remain focused on a responsible divestment opportunity and will continue to explore all possible opportunities.

A fantastic outcome for TerraCom and our people has been the recent signing of a cooperation agreement with Chinese energy giant Wintime Energy Group to jointly develop and operate the Moorlands Thermal Coal Project in Queensland, Australia. The deal highlights the role of TerraCom as a full-service development and mining services partner for Wintime, expediting approvals and commercialisation of the Moorlands Project. Additionally, our Blair Athol mine will be utilised as a processing and logistics hub, generating a long-term revenue stream alongside ongoing Blair Athol production. This major development project provides certainty of jobs for our people and will bring many economic benefits to the local community and the region in which we operate.

Further, both companies have committed to exploring joint development opportunities in complementary markets and industries, including renewables and mineral resource development opportunities.

Our focus on the safety and wellbeing of our employees and contractors is ever present and we are committed to having a safe working environment. This commitment ensures compliance, efficiency and sustainability, aligning with our core values of People, Performance, Passion, and Partnerships. This strong safety leadership creates a safe, respectful and inclusive culture. We strive for continuous improvement, and this is demonstrated by a TRIFR of 1.0 in FY2024, a 37% improvement from FY2023.

I am proud to lead our dynamic organisation with such a talented group of people and would like to take this opportunity to recognise every one of them. Well done on an outstanding year in challenging times. I look to the future with optimism and pride - there has never been greater demand for what we do. The capability of our people, and the quality of our partnerships, assets, technology, and innovation give me great confidence we can deliver for all of our stakeholders.

Our hard work and dedication today and everyday will ensure the success of our business as we focus on delivery and growth opportunities as they arise.

Lastly, I would like to acknowledge my fellow directors and executive team for their constant support and guidance, and my leadership team for their tireless commitment and dedication, which has been instrumental in the success of the Company to date.

Danny McCarthy
Managing Director

CURRENT OPERATIONS AND PROJECT STRUCTURE

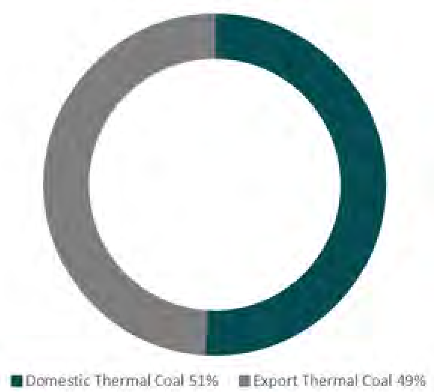
SOUTH AFRICA	AUSTRALIA
Kangala & Eloff Colliery	Blair Athol
New Clydesdale Colliery	
North Block Complex	
Ubuntu Colliery	

Operations	Commodity	Annual ROM Production	Life of Mine
AUSTRALIA			
Blair Athol	Thermal Coal	2.8	Approximately 8 years at current operational run rate
SOUTH AFRICA *			
Kangala and Eloff	Thermal Coal	3.2	Approximately 10 years subject to finalisation of domestic sales contract
NCC	Thermal Coal	4.4	11 years
NBC	Thermal Coal	5.1	7 years

** subject to coal sales contracts*

Current Commodity Composition

Current Sales Profile

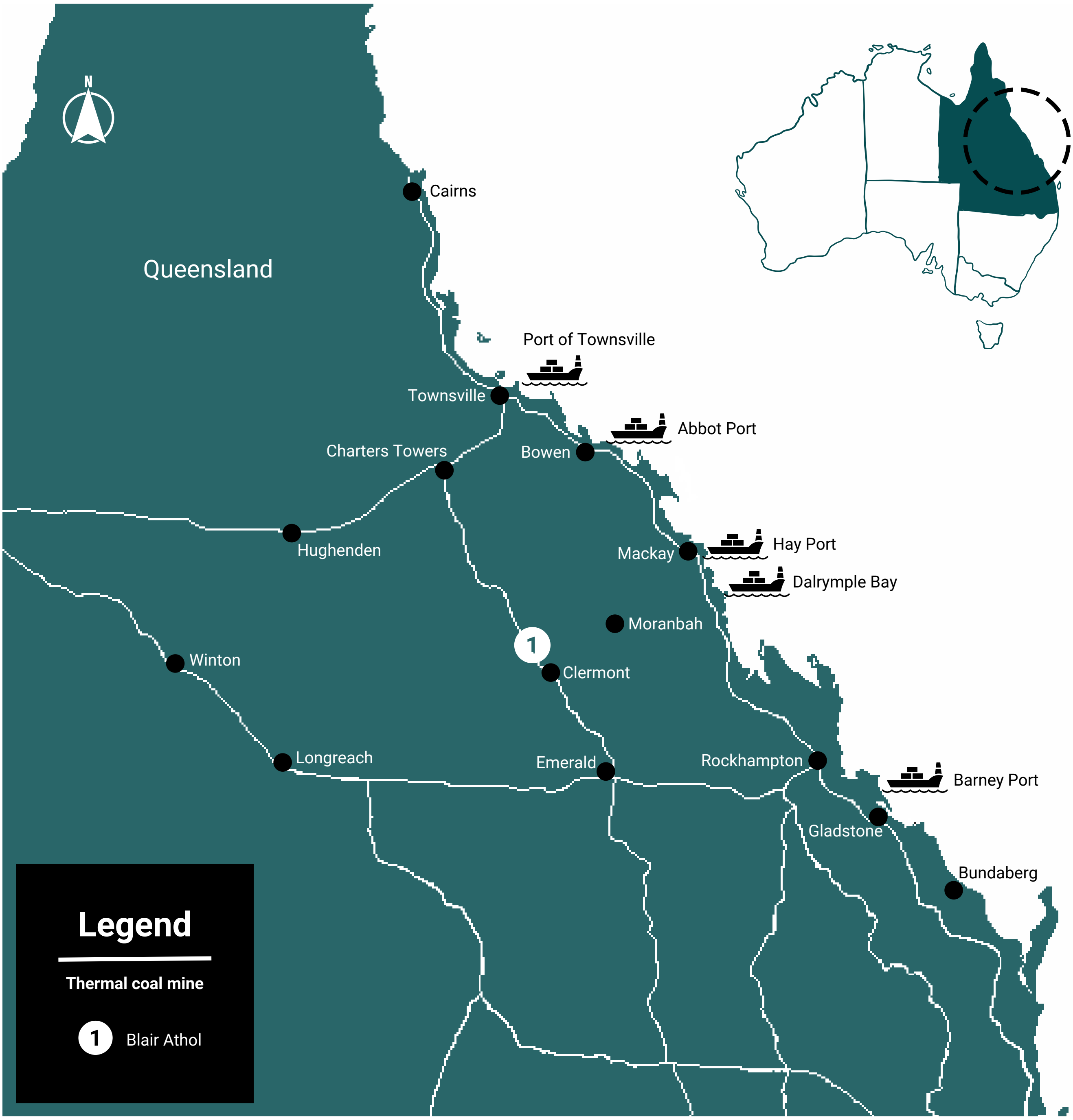


Location of Operations

AUSTRALIA

TerraCom acquired its flagship Blair Athol Coal Mine, located in Clermont Queensland, in 2017. Since acquisition, the Company has continued to produce and sell approximately 2 million tonnes per annum of high quality thermal coal.

Rehabilitation at the site is progressive and forms part of the ongoing mining operations.

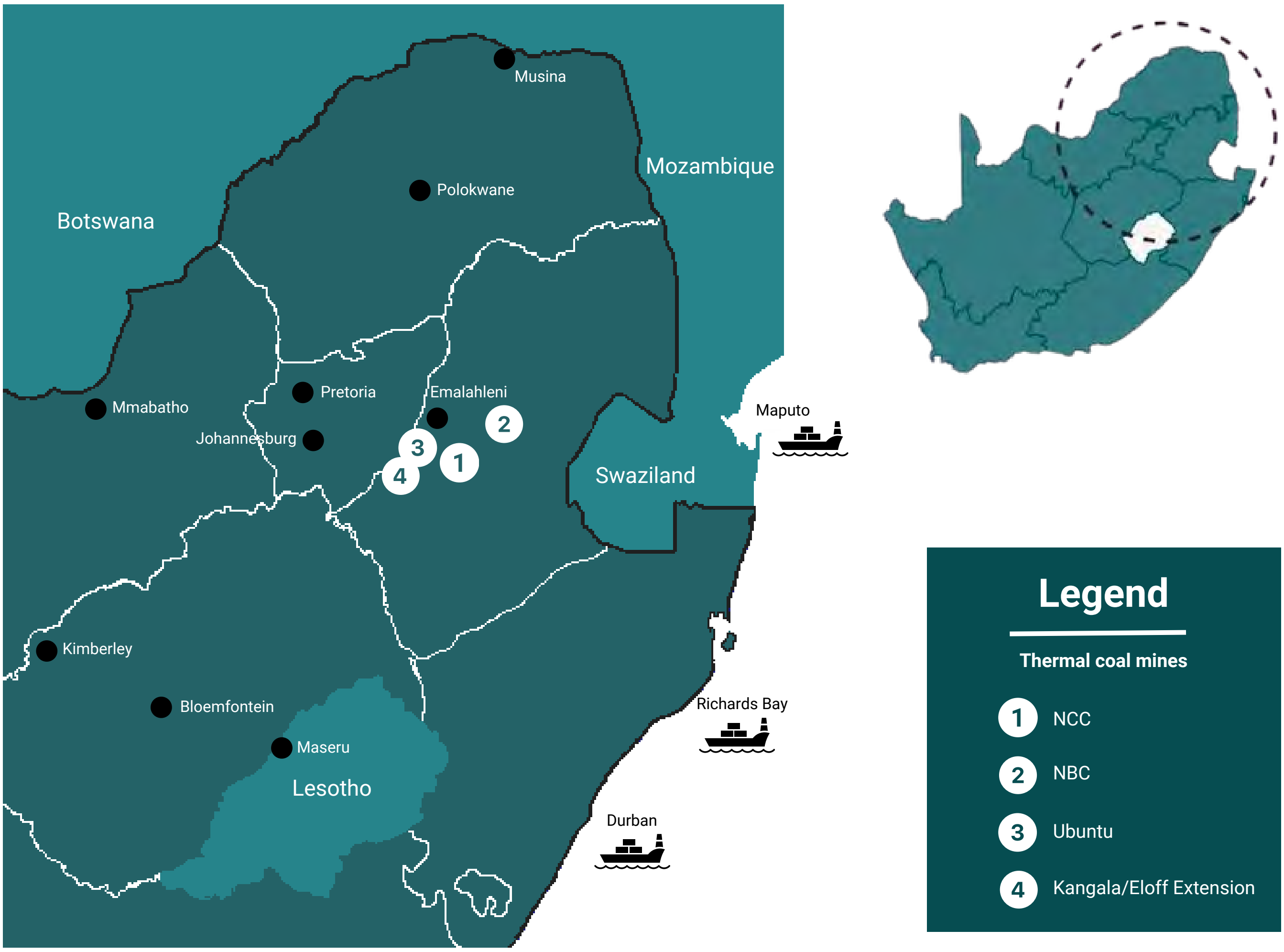


Location of Operations

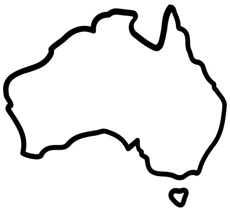
SOUTH AFRICA

TerraCom, via its 100% ownership of Universal Coal Limited (**Universal**), holds an interest in a portfolio of producing, development and exploration assets located across South Africa's major coalfields.

The South African operations provide domestic quality coal to Eskom (South Africa's government owned power utility) and also provide export coal to customers via the Richards Bay port.



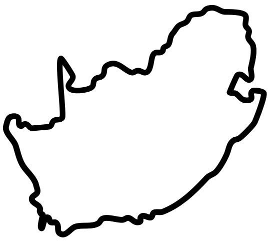
CURRENT MINING TENEMENTS HELD



AUSTRALIA

Tenement number	Operation/project	Location	%
ML 1804	Blair Athol	Blair Athol, Queensland, Australia	100.00%
EPC 1260	Northern Galilee (Clyde Park)	Charter Towers, Queensland, Australia	64.40%
EPC 1300	Northern Galilee (Hughenden)	Charter Towers, Queensland, Australia	100.00%
EPC 1394	Northern Galilee (Hughenden)	Charter Towers, Queensland, Australia	100.00%
EPC 1477	Northern Galilee (Hughenden)	Charter Towers, Queensland, Australia	100.00%
EPC 1478	Northern Galilee (Hughenden)	Charter Towers, Queensland, Australia	100.00%
EPC 2049	Northern Galilee (Hughenden)	Charter Towers, Queensland, Australia	100.00%
EPC 1890	Northern Galilee (Pentland)	Rockhampton, Queensland, Australia	100.00%
EPC 1892	Northern Galilee (Pentland)	Rockhampton, Queensland, Australia	100.00%
EPC 1893	Northern Galilee (Pentland)	Rockhampton, Queensland, Australia	100.00%
EPC 1964	Northern Galilee (Pentland)	Rockhampton, Queensland, Australia	100.00%
EPC 1674	Springsure (Springsure)	Emerald, Queensland, Australia	90.07%
MDL 3002	Springsure (Springsure)	Emerald, Queensland, Australia	90.07%
EPC 1103	Springsure (Fernlee)	Emerald, Queensland, Australia	100.00%

CURRENT MINING TENEMENTS HELD



SOUTH AFRICA

Tenement number	Operation/project	Location	%
MP30/5/1/2/2/429MR	Kangala Colliery	Delmas, Mpumalanga Province, South Africa	70.5%
MP30/5/1/1/2/10179MR	Kangala Colliery	Delmas, Mpumalanga Province, South Africa	70.5%
LP30/5/1/2/3/2/1 (10131) MR	Berenice Project *	Waterpoort, Limpopo Province, South Africa	50%
LP30/5/1/1/2/376PR	Berenice Project *	Waterpoort, Limpopo Province, South Africa	50%
MP30/5/1/2/2/10027MR	Ubuntu Colliery *	Delmas, Mpumalanga Province, South Africa	48.9%
MP30/5/1/1/2/492MR	New Clydesdale Colliery *	Kriel, Mpumalanga Province, South Africa	49%
MP30/5/1/2/2/10169MR	Eloff Project *	Delmas, Mpumalanga Province, South Africa	49%
MP30/5/1/2/1/326MR	North Block Complex (Glisa) *	Belfast, Mpumalanga Province, South Africa	49%
MP30/5/1/1/2/19MR (10068MR)	North Block Complex (Eerstelingsfontein) *	Belfast, Mpumalanga Province, South Africa	49%
MP30/5/1/2/2/10090MR	North Block Complex (Paardeplaats) *	Belfast, Mpumalanga Province, South Africa	49%
LP 30/5/1/2/2/10169MR	Cygnus Project *	All Days (Waterpoort), Limpopo Province, South Africa	50%

* *Held through equity accounted investment*

OUR VISION, PURPOSE AND VALUES

OUR VISION

To be recognised as a reliable global resources company that delivers sustainable returns to shareholders and partners.

OUR PURPOSE

To operate assets in the resources and energy sector and create long term value for shareholders by being dynamic and innovative, building on our unique internal and external relationships, caring for and investing in our people and the community and operating with integrity and respect.

OUR VALUES

People

- We value safety and have an inclusive and respectful culture
- We achieve the greatest outcomes through collaboration and teamwork
- We are a respected employer within our industry

Performance

- We always deliver and do what we say
- We are accountable to all stakeholders
- We strive for continuous improvement every day

Passion

- Our innovation delivers a future for the industry
- We continually find new ways to be leaders in sustainability of the mining sector
- We are focused on maximising value for shareholders and the community

Partnerships

- We are proactive with all stakeholders
- We have dynamic alliances to ensure a skilled workforce and sustainable industry
- Our strategic partnerships within the industry provide opportunities to benefit both shareholders and the community

JORC RESOURCES AND RESERVES STATEMENT

JORC RESOURCES AND RESERVES STATEMENT

Mineral Resources and Ore Reserves estimates are reported in accordance with the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), 2012 Edition as required by the ASX.

Australia

JORC Reserves - Australia

	Location	Status	Licence Number	Commodity	Proved	Probable	2024 Financial Year Total*	2023 Financial Year Total	Report Date
Recoverable Reserves - JORC 2012									
Blair Athol	Clermont, Queensland, Australia	Mine	ML1804	Thermal Coal	6.7	12.9	**19.6**	22.0 [(1)]	23 August 2021
Marketable Reserves - JORC 2012									
Blair Athol	Clermont, Queensland, Australia	Mine	ML1804	Thermal Coal	4.7	9.4	**14.1**	15.8	23 August 2021

* *Due to rounding of reported figures, not all totals may reconcile to the sum of the reported components.*

[(1)] *Contribution factors in Reserve changes include the depletion of mined areas (South Pit & Central Pit) ~2.8Mt, reduction of modelled coal volumes ~0.6Mt and additional economic strips (West Pit) ~2.4Mt.*

Competent Persons Statement

Annual Coal Reserves Summary

The information in this report relating to Coal Reserves is based on information compiled by Mr Hayden Jones who is a member of the Australasian Institute of Mining and Metallurgy and is a consultant working for The Minserve Group Pty Ltd.

Hayden Jones has over five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."

This reserves statement is based upon remaining Reserves as at 31 August 2024. The reserves calculated in this reserves statement are based around the 2021 Life of Mine cost and revenue structures associated with the 2021 Life of Mine plan. These Reserves are based upon a depletion of the 2023 JORC Reserves.

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements relating to drill results, resource estimates or studies and that all material assumptions and technical parameters underpinning the drill results and estimates in the relevant market announcements continue to apply and have not materially changed.

JORC Resources - Australia

	Location	Status	Licence Number	Commodity	Measured	Indicated	Inferred	2024 Financial Year Total	2023 Financial Year Total	Report Date
JORC 2012										
Blair Athol	Clermont, Queensland, Australia	Mine	ML1804	Thermal Coal	23.7	3.9	0.4	**28.0**	30.7	6 December 2018
JORC 2004										
Springsure [1]	Southern Bowen Basin, Springsure, Queensland, Australia	Exploration	MDL3002 EPC1674	PCI Coal and Thermal Coal	-	43	148	**191**	191	29 November 2013
Hughenden	Galilee Basin, Hughenden, Queensland, Australia	Exploration	EPC1300 EPC1394 EPC1477 EPC1478 EPC2049	Thermal Coal	-	133	1,076	**1,209**	1,209	8 February 2013
Clyde Park [2]	North Eastern Galilee Basin, Hughenden, Queensland, Australia	Exploration	EPC1260	Thermal Coal	-	51	677	**728**	728	8 February 2013
								2,156.0	**2,158.7**	

[1] Figures shown are 100% of the total resources. TerraCom's ownership is 90.07%.
[2] Figures shown are 100% of the total resources. TerraCom's ownership is 64.40%.

Competent Persons Statement

Blair Athol - Resources

The estimates of coal resources herein have been prepared in accordance with the guidelines of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code". These resources are inclusive of the reserves reported in the Reserves Statement.

The company has used its significant working knowledge of the Blair Athol resource and together worked with Mr Greg Jones to update the original report relating to coal resources for Blair Athol which was announced on 6 December 2018, titled "JORC Resource Confidence Upgrade – Blair Athol". Compared to the 30 June 2018 JORC Resource position, the Blair Athol JORC Resource as at 31 August 2024 has been reduced by 17 million tonnes.

The updated position reflects depletion due to mining and replies on updated drill hole and seam correlation data gathered through a more intimate understanding of the resource. The company is pleased to report a high level of resource to reserve conversion (ROM tonne basis) of 92% with more than 84% within the Measured Resource category.

The Blair Athol JORC Resource has been updated by Mr Greg Jones, who completed the previous report as announced on 6 December 2018, titled "JORC Resource Confidence Upgrade - Blair Athol". The updated information at 30 June 2024 is based on information compiled by Mr Greg Jones who is a Principal Consultant of JB Mining Services Pty Ltd. Mr Jones 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 Competent.

Clyde Park – Resources

The information in this report relating to coal resources for Clyde Park was announced on 8 February 2013, titled "Mongolia and Queensland Update". This is based on information compiled by Ms Kim Maloney who is previously Senior Resource Geologist of Moultrie Geology. Ms Maloney 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. Ms Maloney is a Competent Person for coal as defined by the JORC Code (2004).Ms Maloney 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. Ms Maloney is a Member of The Australasian Institute of Mining & Metallurgy (#229120) and a Member of the Bowen Basin Geological Group.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement on 8 February 2013; and that all material assumptions and technical parameters in the announcement made on 8 February 2013 continue to apply and have not materially changed.

Springsure – Resources

The information in this report relating to coal resources for Springsure was announced on 29 November 2013, titled "Maiden Springsure JORC Indicated Resource". This is based on information compiled by Ms Kim Maloney who is previously Senior Resource Geologist of Moultrie Geology. Ms Maloney 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. Ms Maloney is a Competent Person for coal as defined by the JORC Code (2004). Ms Maloney 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. Ms Maloney is a Member of The Australasian Institute of Mining & Metallurgy (#229120) and a Member of the Bowen Basin Geological Group.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement on 29 November 2013; and that all material assumptions and technical parameters in the announcement made on 29 November 2013 continue to apply and have not materially changed.

Hughenden – Resources

The information in this report relating to coal resources for Hughenden was announced on 8 February 2013, titled "Mongolia and Queensland Update". This is based on information compiled by Mr Mark Briggs who is previously Principal Geologist of Moultrie Database and Modelling. 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 Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement on 8 February 2013; and that all material assumptions and technical parameters in the announcement made on 8 February 2013 continue to apply and have not materially changed.

South Africa

JORC Resources and Reserves - South Africa (as at 30 June 2024)

Deposit	Location	Licence Number	Status	Commodity
Thermal Coal				
Kangala Colliery – Wolwenfontein	Delmas, Mpumalanga Province, South Africa	Mining Right: MP30/5/1/2/2/429MR Mining Right application: MP30/5/1/1/2/10179MR	Valid Mining Right Granting of Mining Right pending In progress	Thermal Coal
New Clydesdale Colliery*	Kriel, Mpumalanga Province, South Africa	Mining Right: MP30/5/1/2/2/429MR	Valid Mining Right	Thermal Coal
North Block Complex* – Glisa Paardeplaats Eerstellingsfontein	Belfast, Mpumalanga Province, South Africa	Mining Right: MP30/5/1/2/1/326MR Mining Right: MP30/5/1/1/2/19MR (10068MR) Mining Right: MP30/5/1/2/2/10090MR	Valid Mining Right	Thermal Coal
Ubuntu Colliery*	Delmas, Mpumalanga Province, South Africa	Mining Right: MP30/5/1/2/2/10027MR	Valid Mining Right	Thermal Coal
Eloff Project*	Delmas, Mpumalanga Province, South Africa	Mining Right: MP30/5/1/2/2/10169MR	Mining Right granted and executed. Registration of the mining right is underway.	Thermal Coal
Sub-total				
Coking Coal				
Berenice/ Cygnus Project*	Waterpoort, Limpopo Province, South Africa	Mining Right: LP30/5/1/1/2/10131MR	Granting of Mining Right pending due to an appeal against issuance of Environmental Authorisation. In progress.	Thermal Coal/ Metallurgical Coal
		Mining Right application: LP30/5/1/1/2/10169MR	Mining Right Application lodged and accepted. Granting of Mining right pending. In progress	
Sub-total				
Total thermal and coking coal				

* *Held through equity accounted investment*

JORC RESOURCES AND RESERVES STATEMENT

Proved Mt	Probable Mt	2024 Financial Year Total (5)	2023 Financial Year Total	Measured Mt	Indicated Mt	Inferred Mt	2024 Financial Year Total (5)	2023 Financial Year Total	TerraCom interest %	Report Date
-	-	**-**	-	47.3	15.0	32.3	**94.6**	94.6	70.5	12 October 2017
15.6	27.4	**43.0**	53.7	69.0	31.4	7.7	**108.1**	112.3 (2)	49.0	27 April 2017
11.5	4.2	**15.7**	39.6	72.9	9.2	6.7	**88.8**	80.4 (1)(3)	49.0	12 December 2015
-	6.3	**6.3**	4.8	20.6	2.0	14.3	**36.9 (4)**	71.5 (1)	48.9	13 January 2015
-	-	**-**	-	399.3	188.4	107.5	**695.2**	528.4	49.0	9 July 2017 + 20 March 2019 (correction) + 27 January 2022
27.1	**37.9**	**65.0**	**98.2**	**609.1**	**246.0**	**168.5**	**1,023.6**	**886.7**		
-	-	-	-	424.9	800.9	124.3	1,350.1	**1,350.1**	50.0	23 February 2013
-	**-**	**-**	**-**	**424.9**	**800.9**	**124.3**	**1,350.1**	**1,350.1**		
27.1	**37.9**	**65.0**	**98.2**	**1,034.0**	**1,046.9**	**292.8**	**2,373.7**	**2,236.8**		

RESOURCE SUMMARY

(1) Normal reduction in Resources on all operations from July 2023 to end June 2024 is due to production.

(2) Seam 4 underground removed from reserves due to insufficient geological and technical information. Additional work being completed to evaluate this seam further.

(3) Reduction in reserves due to updated economic parameters. The increase in resources is due to new information arising from additional drilling, offset by annual production.

(4) Resources reduced as a result of mining right boundary and application of quality cut-offs.

(5) Rounding may cause computational discrepancies.

JORC Reserves - South Africa (30 June 2024)

Ore Reserves

		2024 Financial Year Proved (Mt)	2024 Financial Year Probable (Mt)	2024 Financial Year Total (Mt)	2023 Financial Year Proved (Mt)	2023 Financial Year Probable (Mt)	2023 Financial Year Total (Mt)
Reserves at Operating Mines							
NCC	O/C & U/G	**15.6**	**27.4**	**43.0**	42.1	11.6	53.7 [(1)(2)]
NBC	O/C	**11.5**	**4.2**	**15.7**	25.2	14.4	39.6 [(1)(3)]
Ubuntu	O/C	**-**	**6.3**	**6.3**	4.8	-	4.8 [(1)]
Total *		**27.1**	**37.9**	**65.0**	72.1	26.0	98.2

** due to rounding of reported figures, not all totals may concile to the sum of the reported components*

Marketable Ore Reserves

		2024 Financial Year (Mt)	2023 Financial Year (Mt)
Reserves at Operating Mines			
NCC	O/C & U/G	27.1	35.0
NBC	O/C	10.6	23.4
Ubuntu	O/C	4.8	4.6
Total		**42.5**	**62.9**

Universal Coal share at 30 June 2024

		Interest %	Ore reserves (Mt)	Marketable ore reserves (Mt)
Reserves at Operating Mines				
NCC	O/C & U/G	49.0	43.0	13.3
NBC	O/C	49.0	15.7	5.2
Ubuntu	O/C	48.9	6.3	2.3
Total			**65.0**	**20.8**

Competent Persons Statement

Kangala – Resources and Reserves

The Coal Resource estimate for Kangala was prepared by Mr Simon Mokitimi who is a registered natural scientists and member of the South African Council for Natural Scientific Professions (a Recognised Overseas Professional Organisation). Mr Mokitimi was employed by Universal Coal and Energy Holdings SA (Pty) Ltd. He has sufficient experience relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results (JORC) and consent to the inclusion in this document of this information in the form and context in which it appears.

New Clydesdale Colliery – Resources and Reserves

The Coal Resource and Reserve estimate for New Clydesdale Colliery was prepared by Mr Phillip van Vuuren (reserves) and Mr Sachin Sewpersadh (resources). Mr van Vuuren is a registered member of SAIMM (a Recognised Overseas Professional Organisation) and Mr Sewpersadh is a registered member of SACNASP (a Recognised Overseas Professional Organisation). Both Mr van Vuuren and Mr Sewpersadh have sufficient experience relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results (JORC) and consent to the inclusion in this document of this information in the form and context in which it appears.

North Block Complex – Resources and Reserves

The Coal Resource and Reserve estimate for New Clydesdale Colliery was prepared by Mr Phillip van Vuuren (reserves) and Mr Sachin Sewpersadh (resources). Mr van Vuuren is a registered member of SAIMM (a Recognised Overseas Professional Organisation) and Mr Sewpersadh is a registered member of SACNASP (a Recognised Overseas Professional Organisation). Both Mr van Vuuren and Mr Sewpersadh have sufficient experience relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results (JORC) and consent to the inclusion in this document of this information in the form and context in which it appears.

Ubuntu Project – Resources and Reserves

The Coal Resource and Reserve estimate for New Clydesdale Colliery was prepared by Mr Phillip van Vuuren (reserves) and Mr Sachin Sewpersadh (resources). Mr van Vuuren is a registered member of SAIMM (a Recognised Overseas Professional Organisation) and Mr Sewpersadh is a registered member of SACNASP (a Recognised Overseas Professional Organisation). Both Mr van Vuuren and Mr Sewpersadh have sufficient experience relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results (JORC) and consent to the inclusion in this document of this information in the form and context in which it appears.

Eloff Project – Resources and Reserves

The Coal Resource estimate for the Eloff Project was prepared by Mr Nico Denner, who is a registered natural scientist and member of the South African Council for Natural Scientific Professions (a Recognised Overseas Professional Organisation). Mr Denner is employed by Gemecs (Pty) Ltd and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results (JORC) and consent to the inclusion in this document of this information in the form and context in which it appears.

Berenice and Arnot South – Resources

The Coal Resource estimate for Berenice and Arnot South was prepared by Mr Nico Denner, who is a registered natural scientists and member of the South African Council for Natural Scientific Professions (a Recognised Overseas Professional Organisation). Mr Denner is employed by Gemecs (Pty) Ltd and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results(JORC) and consent to the inclusion in this document of this information in the form and context in which it appears.

DIRECTORS' REPORT

For the year ended 30 June 2024

PRINCIPAL ACTIVITIES

The principal activity of TerraCom Limited (the 'Company') and its controlled entities (the 'Group') during the period was the development and operation of coal mines in Queensland, Australia and South Africa. In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year that have not been noted in the review of operations.

DIRECTORS

Chair of Remuneration Committee

Mark Lochtenberg

Non-Executive Chairman *(appointed 28 January 2022)*

Mr Lochtenberg graduated with a Bachelor of Law (Hons) degree from Liverpool University, UK and has been actively involved in the coal industry for more than 25 years. He was the Executive Chairman and founding Managing Director of ASX Listed Cockatoo Coal Limited. He was also formerly the co-head of Glencore International AG's worldwide coal division, where he spent 13 years overseeing a range of trading activities including the identification, due diligence, negotiation, acquisition and aggregation of the coal project portfolio that would become Xstrata Coal. Prior to this, Mr Lochtenberg established a coal "swaps" market for Bain Refco, (Deutsche Bank) after having served as a senior coal trader for Hansen Neuerburg AG and as coal marketing manager for Peko Wallsend Limited. Mr Lochtenberg is currently Chairman of Evolve Power Limited (formerly Montem Resources Limited) and Non-executive Director of Helios Energy Ltd.

Former ASX Directorships in the last three years: Nickel Industries (ASX: NIC), Equus Mining Limited (ASX: EQE).

Member of HSEC Committee

Danny McCarthy

Managing Director *(appointed 1 April 2021)*

(Chief Executive Officer from 1 December 2018 to 31 March 2021)

Mr McCarthy is a well-regarded executive with over a decade of relevant C-Suite leadership experience in the mining sector. Having held senior roles within industry leading organisations including Thiess, Wesfarmers (ASX: WES), QCoal and Mineral Resources Limited (ASX: MIN), Mr McCarthy has a proven record of delivering extraordinary results over his career spanning almost 30-years in construction, mining and minerals processing across a wide range of commodities. Previously, as COO at Mineral Resources Limited, Mr McCarthy honed his competencies, contributing to his reputation for operational excellence whilst overseeing the successful implementation of MIN's strategic growth initiatives. With 6 years at the helm, TerraCom has flourished under his direction as Managing Director, following a transformative tenure as CEO. Mr McCarthy brings a wealth of experience to TerraCom, providing exceptional leadership with a strong commercial focus and operational background with expertise in the development and implementation of business strategy.

Former ASX listed directorships in the last three years: Nil

Chair of HSEC Committee
Member of Audit Committee
Member of Remuneration Committee

Glen Lewis

Non-Executive Director *(appointed 23 December 2019)*

Mr Lewis is a qualified Coal Mine Manager and has worked in the Coal Industry since 1980. Throughout his career he worked as an Undermanager at various operations including United Colliery and Dartbrook Coal. In 1997 he commenced as Mine Manager at Cumnock Coal and in 1999 was promoted to Operations Manager at Oceanic Coal. Mr Lewis was promoted to the role of General Manager Eastern Underground Operations for Xstrata Coal NSW in 2003. Continuing with Xstrata Coal NSW, he was promoted to General Manager Operations with overall responsibility for 6 operating mines and several projects under construction. Mr Lewis commenced with NuCoal Resources Ltd (ASX: NCR) in 2010 as Managing Director overseeing the listing, capital raising, exploration and feasibility studies for a number of mining projects in the Hunter Valley. Mr Lewis stepped down from the position of Managing Director in 2017 and remains a Non-Executive Director of NuCoal.

Former ASX listed directorships in the last three years: Nil

Chair of Audit Committee
Member of Remuneration Committee

Mark Ludski

Non-Executive Director *(appointed 7 December 2022)*

Mr. Ludski is a finance professional with in excess of 30 years' corporate experience within ASX listed public companies and professional accounting firms gaining experience in capital management, governance related activities and providing audit, taxation and business advisory services. Mr Ludski is university degree qualified, a member of Chartered Accountants in Australia and New Zealand and the Australian Institute of Company Directors. Mark previously held the role of Chief Financial Officer for over 22 years with ASX Listed Company, Ainsworth Game Technology Limited (ASX: AGI). Mark still remains as Company Secretary with AGI, a role he has held for over 22 years. In addition to his current role Mark is currently a non-executive director for Angel Action Pty Ltd as Trustee for The Ainsworth Foundation a role held since 2013.

Former ASX listed directorships in the last three years: Nil

Member of Audit Committee

David Norris

Non-Executive Director *(appointed 6 October 2023)*

Mr Norris is a highly experienced financial professional with experience in board-level decision-making, investment strategies, and accounting practices. For over 20 years' David has held prominent positions in various organisations, including Director at Deloitte and is currently Chief Executive Officer at the John Singleton Group. His experience enables him to analyse complex financial data and provide valuable insights to support strategic decision-making. David has a deep understanding of financial regulations, taxation and accounting principles, ensuring compliance and accurate financial reporting. In his current role, David is responsible for identifying investment opportunities, conducting due diligence, and implementing sound investment strategies, and is actively involved as a director on multiple company boards and private equity funds. David holds a Bachelor's Degree in Commerce, and is a member of both the Chartered Accountants Australia New Zealand, and the Australian Institute of Company Directors.

Former ASX listed directorships in the last three years: Nil

DIRECTORS WHO RESIGNED DURING THE YEAR

CRAIG LYONS
Non-Executive Director
Resigned 1 February 2024

EXECUTIVE MANAGEMENT

Danny McCarthy
Managing Director

Refer details on page 25

Megan Etcell
Chief Financial Officer and Company Secretary

Megan holds a Bachelor of Commerce Degree from the University of Newcastle and is a qualified Chartered Accountant. Ms Etcell joined TerraCom in November 2019 as Company Secretary and started in the role of Executive General Manager Corporate Affairs in September 2020. In this role Megan looked after all Corporate regulatory, legal and governance, investor and stakeholder relations and administrative matters. Ms Etcell was appointed Chief Financial Officer in March 2022 after holding the position of Interim Chief Financial Officer. Ms Etcell has held senior roles within the coal mining industry working for NuCoal Resources Limited (ASX NCR) in various capacities including Chief Financial Officer and Company Secretary. During her time with NuCoal, Megan was involved in numerous corporate transactions including capital raisings, acquisitions and joint venture arrangements.

EXECUTIVE MANAGEMENT TERMINATED DURING THE YEAR

NATHAN BOOM
Chief Commercial Officer
Termination Date 31 December 2023

DIRECTORS' INTERESTS

As at the date of this report, the interest of each director in the ordinary shares of the Company, as notified by the directors to the ASX in accordance with section 205G(1) of the Corporations Act 2001 (Cth) is as follows:

Directors' Interests	Ordinary shares Direct Interest	Ordinary shares Indirect Interest	Options over Ordinary shares Direct Interest	Options over Ordinary Shares Indirect Interest	Total
M Lochtenberg (1)	-	10,504,786	-	-	10,504,786
D McCarthy (2)	3,053,798	355,516	-	-	3,409,314
G Lewis (3)	-	2,106,354	-	-	2,106,354
M Ludski	-	-	-	-	-
D Norris (4)	-	28,513	-	-	28,513

(1) *Shares held indirectly by Rigi Investments Pty Ltd (Director & Shareholder).*
(2) *Shares held indirectly via Rainbow Max Limited (holding now shown as individual holding in unit trust).*
(3) *Shares held indirectly via Baysoni Pty Ltd 2,000,000 (Director and Shareholder) as trustee for the Lewis Family Trust and Lewis Superannuation Fund A/C (Beneficiary) and Rainbow Max Limited 106,354 (holding now shown as individual holding in unit trust).*
(4) *Shares held indirectly by Davem Nominees Pty Ltd atf D & E Norris Super Fund.*

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors (the **Board**) and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board *		Remuneration Committee		Audit Committee		HSEC Committee	
	Attended (A)	Held (B)	Attended (A)	Held (B)	Attended (A)	Held (B)	Attended (A)	Held (B)
M Lochtenberg	10	10	3	3	-	-	-	-
D McCarthy	10	10	-	-	-	-	3	3
G Lewis	7	10	3	3	4	4	3	3
C Lyons (1)	6	6	2	2	2	2	2	2
M Ludski (2)	10	10	1	1	4	4	-	-
D Norris (3)	7	7	-	-	1	1	-	-

** TerraCom does not have a fully constituted Nominations Committee, however, as and when required the full Board participates as the Nominations Committee in order to fulfil its corporate governance responsibilities.*
(A) Number of meetings attended.
(B) Number of meetings held during the time the Director held office or was a member of the committee during the period.
(1) Resigned 1 February 2024.
(2) Member of Remuneration Committee from 1 April 2024.
(3) Appointed 6 October 2023. Member of Audit Committee from 1 April 2024.

OPERATING AND FINANCIAL REVIEW

Review of operations

Full year total coal sales were 7.23 million tonnes and full year equity coal sales were 4.34 million tonnes.

	TOTAL TONNES				EQUITY TONNES			
	ROM Tonnes (kt)		Coal Sales (kt)		ROM Tonnes (kt)		Coal Sales (kt)	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Australia	**1,991**	**2,473**	**1,567**	**1,798**	**1,991**	**2,473**	**1,567**	**1,798**
Blair Athol	1,991	2,473	1,567	1,798	1,991	2,473	1,567	1,798
South Africa	**7,583**	**8,996**	**5,663**	**6,234**	**3,716**	**4,407**	**2,775**	**3,054**
NCC (1)	3,460	3,594	2,305	2,437	1,696	1,761	1,129	1,194
NBC (1)	4,123	4,570	3,358	3,192	2,020	2,239	1,646	1,564
Ubuntu (2)	-	832	-	605	-	407	-	296
Total	**9,574**	**11,469**	**7,230**	**8,032**	**5,707**	**6,880**	**4,342**	**4,852**

(1) 49.0% equity interest owned by TerraCom Limited
(2) 48.9% equity interest owned by TerraCom Limited

Total tonnes disclosed throughout this report assumes 100% ownership of the South African operations, noting the interest held by TerraCom in the operating mines ranges from 48.9% to 49%. Equity tonnes disclosed throughout this report represents the tonnes attributable to the equity ownership of TerraCom.

Dividends

Paid during the year
Dividends of $24 million were paid to shareholders during the year ended 30 June 2024 (2023: $244 million).

Declared after end of year
No dividends were declared after end of year.

Shares under option

Shares issued on exercise of options
No shares were issued on the exercise of options during the financial year (2023: Nil).

Unissued shares under options

At the date of this report there were no unissued ordinary shares under options of the Company.

Indemnity and Insurance of Officers

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001 (Cth). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

During the financial year, the Company paid legal bills on behalf of D McCarthy ($290,000) and N Boom ($192,000) with respect to the ASIC legal matter (refer Note 32 for further details). The Company will receive reimbursement of these funds under the terms of the Directors and Officers insurance policy.

Indemnity and Insurance of Auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, BDO, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Australian Business Unit OPERATIONS

TerraCom acquired its flagship Blair Athol Coal Mine, located in Clermont Queensland, in 2017. Since the acquisition, the Company has successfully restarted operations and now exports approximately 1.8 million tonnes per annum of high quality low impurity thermal coal. Rehabilitation at the site is progressive and forms part of the ongoing mining operations.

The Blair Athol mine is an open pit operation producing thermal coal for export primarily to Japan, South Korea for their power generation markets and to India for the sponge iron market. Life of Mine is approximately 8 years at the current run rate and our recently announced Moorlands development project will see Blair Athol utilised as a processing precinct for many decades to come.

OPERATING AND FINANCIAL REVIEW

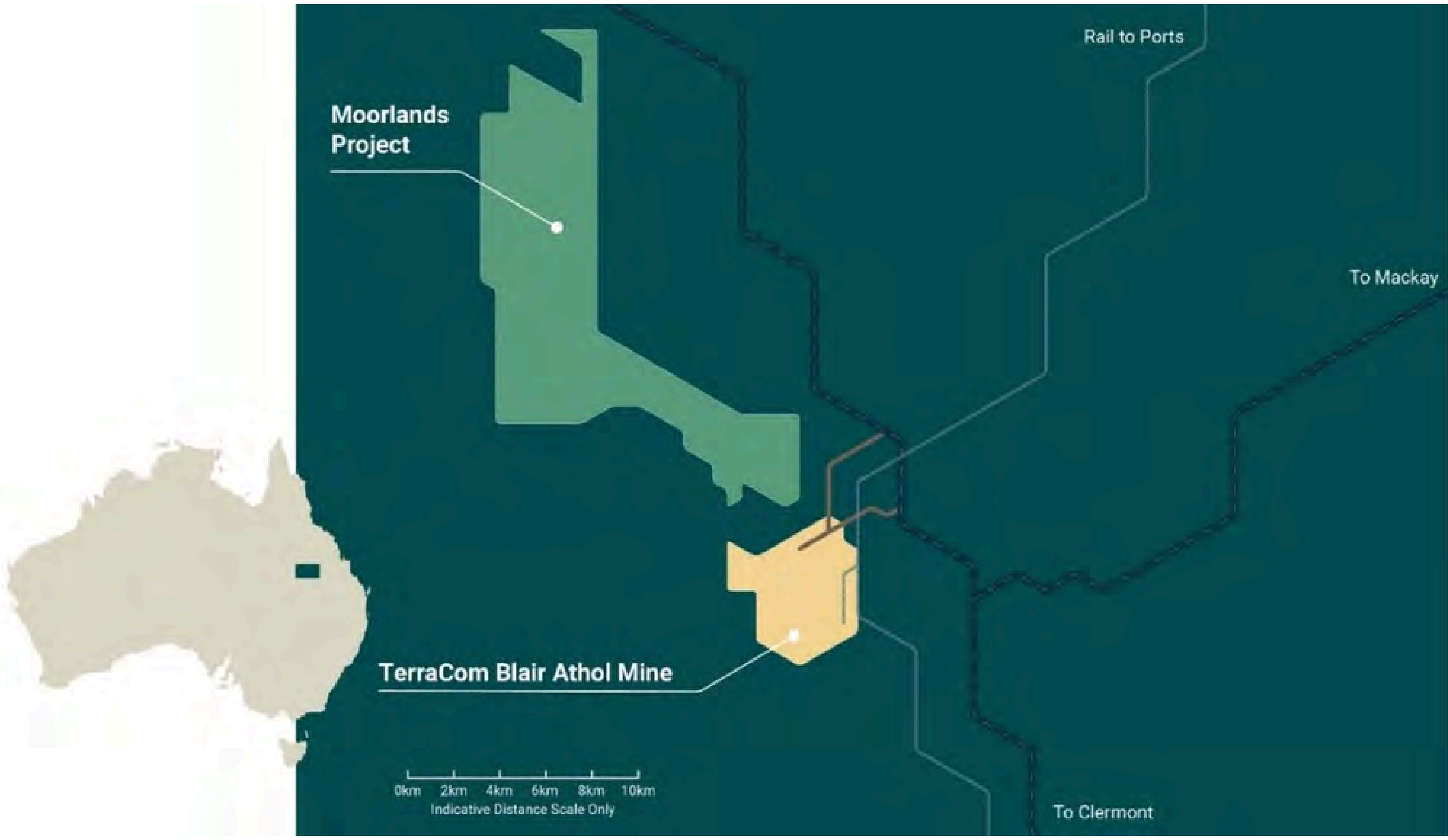
Under the Cooperation Agreement with Wintime Energy Group Co., Ltd (a company listed on the Shanghai Stock Exchange, 600157) (**Wintime**), TerraCom and Wintime will jointly develop and operate the Moorlands Thermal Coal Project (**Moorlands Project**) in Queensland and pursue other strategic opportunities in complementary markets and industries both within Australia and globally.

About the Moorlands Project

The Moorlands Project is a thermal coal development opportunity located in the Western Bowen Basin of Queensland approximately 14 kilometres northwest of the TerraCom Blair Athol Coal Mine and 25 kilometres northwest of the Clermont township.

Moorlands is initially proposed as a 1.9mtpa run-of-mine operation with a 25 year mine life and expansion potential to 4mtpa run-of-mine. Moorlands is subject to grant of mining leases and receipt of other relevant approvals.

The tenements comprising the Moorlands Project have a 378mt resource (JORC 2012) with initial studies indicating support for a robust open cut thermal coal mining operation to provide long term supply for Wintime's coal fired power generation in China.



TerraCom will be engaged to provide development, management, mining services, logistics and processing services through to the mine gate.

TerraCom will leverage capacity in the existing infrastructure at Blair Athol, to establish a dual processing and logistics hub for Blair Athol and Moorlands coal whilst maintaining steady state ROM production from the Blair Athol resource.

TerraCom and Wintime will now work with regulatory authorities and technical consultants with a view to targeting first coal from the Moorlands Project in FY26.

BLAIR ATHOL

Thermal Coal
2.25Mtpa ROM

Export
1.8Mt export, primarily to Japan and South Korea for power generation and Indian sponge iron markets. Exported through Dalrymple Bay Coal Terminal.

Ownership
100% ownership, Owner Operator

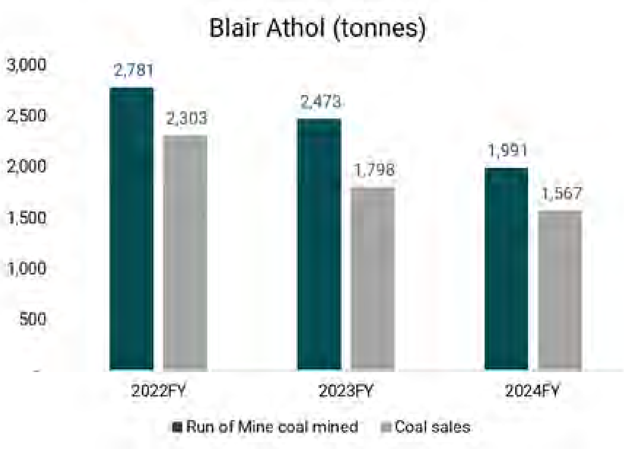
Open Pit
Dragline, truck, excavator and dozers for waste removal. Coal mining by truck and excavator. Life of Mine strip ratio ~8:1.

Ore Reserve
~22Mt

LOM
Approx. 8 years

Total Tonnes

Blair Athol	Quarter 1 Sept-23	Quarter 2 Dec-23	Quarter 3 Mar-24	Quarter 4 Jun-24	2024 Financial Year	2023 Financial Year
Run of Mine Coal mined (tonnes)	482	546	476	487	**1,991**	**2,473**
Saleable Production (tonnes)	399	385	352	366	**1,502**	**1,868**
Coal Sales (tonnes)	426	418	315	408	**1,567**	**1,798**
Inventory (tonnes)	70	64	110	54	**54**	**171**



Production

Total ROM production for the year was 1.99 million tonnes with sales of 1.57 million tonnes. Blair Athol encountered a number of setbacks during the financial year and reflecting on the period, the geological challenges at Blair Athol in September and the substantial regional and coastal rainfall throughout the December and March quarters significantly impacted our operation, as it did for all producers, the rail network and port operations.

Closing stocks (ROM + Saleable) at the end of 30 June 2024 were 54kt.

South African Business Unit OPERATIONS

The South African Business Unit comprised two operating coal mines throughout the financial year - North Block Complex and New Clydesdale Colliery.

Ubuntu remains on care and maintenance since February 2023 following the conclusion of the Eskom Coal Supply Agreement in December 2022. Management continues to explore domestic coal sales opportunities for the colliery to enable it to return to an operational state.

OPERATING AND FINANCIAL REVIEW

South Africa production overview: quarter by quarter for 12 months ending 30 June 2024

	Quarter 1 Sept-23	Quarter 2 Dec-23	Quarter 3 Mar-24	Quarter 4 Jun-24	2024 Financial Year
Run of Mine Coal mined (tonnes)	1,973	1,776	1,732	2,102	**7,583**
Saleable Production (tonnes)	1,558	1,240	1,453	1,628	**5,879**
Sales (tonnes)	1,598	1,117	1,418	1,530	**5,663**
Inventory (tonnes)	373	578	368	288	**288**

South Africa production: year to date comparison for 12 months ending 30 June 2024

	2024 Financial Year	2023 Financial Year	Change	Change %
Run of Mine Coal mined (tonnes)	**7,583**	8,996	(1,413)	(16%)
Saleable Production (tonnes)	**5,879**	6,309	(430)	(7%)
Sales (tonnes)	**5,663**	6,234	(571)	(9%)
Inventory (tonnes)	**288**	557	(269)	(48%)

OPERATING AND FINANCIAL REVIEW

NEW CLYDESDALE COLLIERY

The New Clydesdale Colliery (NCC) is located in the Kriel district, within the Mpumalanga province in South Africa located approximately 149km from Johannesburg and consists of the Roodekop and Diepsprult West projects.

NCC is a multi-product open cast and underground mine with the ability to produce domestic and export quality product. NCC has a 1.6 Mt per annum off-take agreement with Eskom, South Africa's largest power generator, until 2024 and an export offtake for 650Kt per annum with a global trader.

Thermal Coal ^
3.5Mtpa ROM

Export
AP14 Index

Domestic
Fixed sales to Eskom

Ore Reserves
~46Mt

Ownership
49% ownership

Open Pit and Underground
Truck and excavator operation
~3:1 strip ratio
Board and Pillar extraction

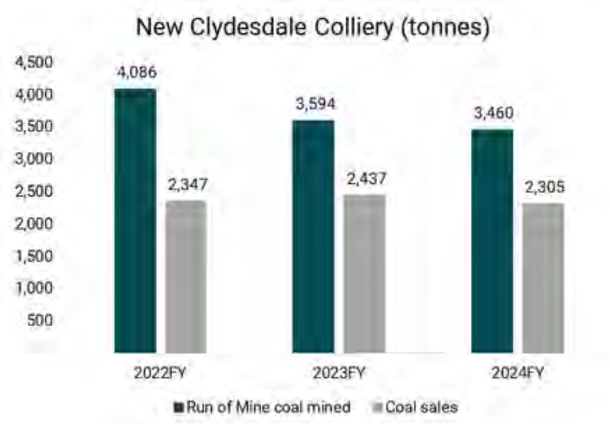
^ *subject to coal sales contract*

Total Tonnes

NCC	Quarter 1 Sept-23	Quarter 2 Dec-23	Quarter 3 Mar-24	Quarter 4 Jun-24	2024 Financial Year	2023 Financial Year
Run of Mine Coal mined (tonnes)	853	892	745	970	**3,460**	**3,594**
Saleable Production (tonnes)	602	535	571	731	**2,439**	**2,373**
Sales (tonnes)	664	449	546	646	**2,305**	**2,437**
Inventory (tonnes)	205	401	304	232	**232**	**273**

Production

During the financial year, NCC produced 3.46Mt of ROM (FY2023: 3.59Mt) and achieved a total of 2.30Mt (FY2023: 2.44Mt) coal sales. We remain confident on seeing improvement in trains during FY2024 which will lead to improved sales revenue and an improved EBITDA position.



NORTH BLOCK COMPLEX

The North Block Complex (NBC) is located in Belfast in the Mpumalanga province, South Africa, approximately 200km North-east of Johannesburg. Open cast mining is taking place in the Paardeplaats section developed in FY2020.

NBC is a multi-product open cast operation that has solidified itself as a reliable supplier of high-quality export thermal coal for the export market and domestic coal for ESKOM, South Africa's power generator. The multiple established export path to market for NBC provides the platform for further growth opportunities for the Company.

Thermal Coal ^
~4Mtpa ROM

Domestic
2.4Mtpa to 2030, fixed price

Ore Reserves
~40Mt

Ownership
49% ownership

Open Pit
Truck and shovel operation

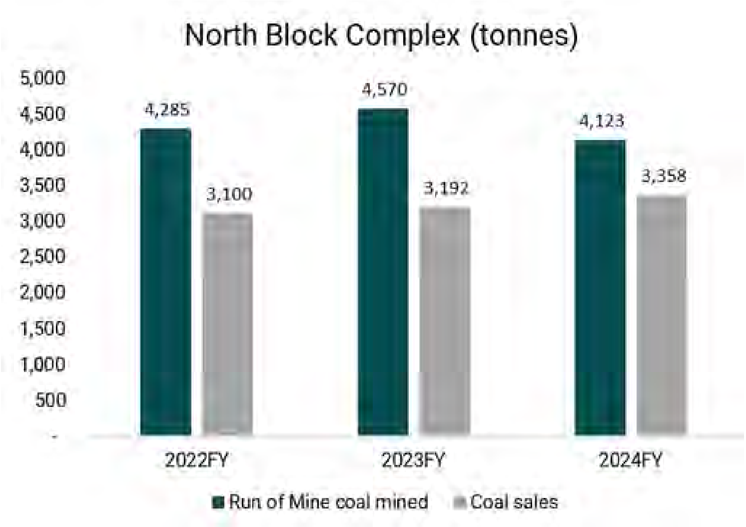
^ *subject to coal sales contract*

Total Tonnes

NBC	Quarter 1 Sept-23	Quarter 2 Dec-23	Quarter 3 Mar-24	Quarter 4 Jun-24	2024 Financial Year	2023 Financial Year
Run of Mine Coal mined (tonnes)	1,120	884	987	1,132	**4,123**	**4,570**
Saleable Production (tonnes)	956	705	882	897	**3,440**	**3,134**
Sales (tonnes)	934	668	872	884	**3,358**	**3,192**
Inventory (tonnes)	168	177	64	56	**56**	**284**

Production

A total of 3.36Mt of coal was sold to market during FY2024 (FY2023: 3.19Mt). Total Eskom offtake volumes were achieved during the year with the colliery reporting total domestic coal sales of 3.0Mt. With respect to export tonnes, a total of 358kt was sold during the year.



UBUNTU

Ubuntu Colliery - 48.9% Equity Interest

Ubuntu remains on care and maintenance since February 2023 following the conclusion of the Eskom Coal Supply Agreement in December 2022. Management continues to explore other domestic coal sales opportunities for the colliery to enable it to return to an operation state.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years other than the following:

On 12 August 2024 the Company announced the Cooperation Agreement (**Agreement**) entered into with Wintime Energy Group Co., Ltd (a company listed on the Shanghai Stock Exchange, 600157) (**Wintime**) to jointly develop and operate the Moorlands Thermal Coal Project in Queensland and pursue other strategic opportunities in complementary markets and industries both within Australia and globally.

As part of the Agreement, TerraCom intends to act as a full-service development and mining services partner for Wintime to expedite the approval and commercial operation of the Moorlands Project. Blair Athol is to be used as an infrastructure, processing and logistics precinct generating a long-term revenue stream alongside steady state ROM production from Blair Athol until the end of its mine life at which time final mine void and other rehabilitation obligations will be completed.

OUTLOOK AND LIKELY DEVELOPMENTS

Energy security is expected to remain a key priority while there is a continuing global energy supply shortfall - particularly for high quality thermal coal.

In the opinion of the directors, it is likely to take several years before additional supply or alternative energy sources are available in the global energy market to meet the necessary demand. Whilst many options for decarbonisation are being considered, there is no immediate alternatives to replace coal as a baseload energy solution in the next multi-decade period.

ENVIRONMENTAL REGULATION

The Group holds licences issued by the relevant environmental protection authorities of the various countries in which it operates. There have been no significant known breaches of the consolidated entities' licence conditions or any environmental regulations.

PRINCIPAL RISKS

The Group operates in the coal sector in both Australia and South Africa. There are a number of factors, both specific to the Group and to the coal sector in general, which may, either individually or in combination, affect the future operating and financial performance of the Group, its prospects and/or the value of the Group's shares. Many of the circumstances giving rise to these risks are beyond the control of the board and management. The major risks believed to be associated with investment in the Group are as follows:

Operational risk
The Group's coal mining operations are subject to operating risks that could impact the amount of coal produced or processed at its coal mines, delay coal deliveries or increase the cost of mining for varying lengths of time. These include failure to achieve predicted grade in exploration, mining and processing, technical difficulties encountered in operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment. Geological uncertainty is also an inherent operational risk which could result in pit wall failures, rock falls or other failures to mine infrastructure. The Company has in place a framework for the management of operational risks and a comprehensive group insurance program which provides insurance coverage for a number of these operating risks.

Cash Flow risk
The risk the Group's operations are unable to generate sufficient cashflow to meet their operational commitments and debt funding repayments in South Africa could have a negative effect on the Group's going concern ability. The Group's operations were able to meet all their commitment for the period under review and service head office and corporate expenses. The Directors regularly review cash flow requirements to ensure the Group can meet financial obligations as and when they fall due.

Country Risks
There is a risk that circumstances (including unforeseen circumstances) in either Australia or South Africa may cause a delay to project development, exploration milestones or other operating factors, resulting in receipt of revenue at a later date than expected. There is also a risk that a change in laws may impact the viability of the projects. TerraCom has monitoring processes in place which provide adequate assessment of the circumstances and necessary action to mitigate the associated risk.

Market risk – Coal Price and Foreign Currency
The Group's plans for any revenue are to be derived mainly from the sale of coal and/or coal products. Consequently, the Group's financial position, operating results and future growth will closely depend on the market price of each of these commodities. Market prices of coal products are subject to large fluctuations in response to changes in demand and/or supply and various other factors. These changes can be the result of uncertainty or several industry and macroeconomic factors beyond the control of the Group, including political instability, governmental regulation, forward selling by producers, climate, inflation, interest rates and currency exchange rates. If market prices of the commodities sold by the Group were to fall below production costs for these products and remain at that level for a sustained period of time, the Group would be likely to experience losses, having a material adverse effect on the Group. The Group does not currently hedge against coal price and foreign exchange.

Exploration and Evaluation risk
Mineral exploration and development are high risk undertakings. While the Group has attempted to reduce this risk by selecting projects that have identified prospective mineral targets, there is still no guarantee of success. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The Group's exploration and appraisal activities are dependent upon the grant and maintenance of appropriate licences, permits, resource consents, access arrangements and regulatory authorities (authorisations) which may not be granted or may be withdrawn or made subject to limitations. Although the authorisations may be renewed following expiry or granting (as the case may be), there can be no assurance that such authorisations will be renewed or granted on the same terms. There are also risks that there could be delays in obtaining such authorisations. If the Group does not meet its work and/or expenditure obligations under its authorisations, this may lead to dilution of its interest in, or the loss of such authorisations. The business of commodity development and production involves a degree of risk. Amongst other factors, success is dependent on successful design, construction and operation of efficient gathering, processing and transportation facilities. Even if the Company discovers or recovers potentially commercial quantities of coal from its exploration activities, there is no guarantee that the Group will be able to successfully transport these resources to commercially viable market or sell the resources to customers to achieve a commercial return.

Capital requirements risk
There is a risk that insufficient liquidity or the inability to access funding on acceptable terms may impact ongoing operations and growth opportunities. The Group implements various capital management strategies to align, where possible, with the capitalised liquidity requirements on the Company.

Health & safety risk
The Group has a comprehensive health and safety management system. The Group's projects are subject to laws and regulations regarding health and safety matters. Accidents or incidents of the operations could lead to delays, disruptions, or shutdown of the operations. Potential safety risks include equipment failure, human errors, mining equipment interactions and spontaneous combustion risk. TerraCom has a comprehensive environmental, health and safety management system to mitigate the risk of incidents and to ensure compliance with environmental and safety laws.

Resources and Reserves risk
The future success of the Group will depend on its ability to find or acquire coal reserves that are economically recoverable. There can be no assurance that the Group's planned exploration activities will result in significant resources or reserves or that it will have success mining coal. Even if the Group is successful in finding or acquiring coal reserves or resources, reserve and resource estimates are estimates only and no assurance can be given that any particular level of recovery from coal resources or reserves will in fact be realised or that an identified coal resource will ever qualify as commercially viable which can be legally and economically exploited.

Market fluctuations in the price of coal, as well as increased production costs or reduced recovery rates may render coal reserves and resources containing relatively lower grades of mineralisation uneconomic and may ultimately result in a restatement of reserves and or resources. Short-term operating factors relating to the coal reserves and resources, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period and may adversely affect the Group's profitability. The mining of coal involves a high degree of risk, including that the coal mined may be of a different quality, tonnage or strip ratio from that estimated.

OPERATING AND FINANCIAL REVIEW

Acquisitions & Commercial Transactions risk

Acquisitions and commercial transactions are completed by the Group with the principal objective of growing the Group's portfolio of assets. Risks associated with these transactions include adverse market reaction to proposed and/ or completed transactions, further exploration and evaluation activities not meeting expectations, and the imposition of unfavourable or unforeseen conditions, obligations and liabilities. Commercial processes in place are designed to reduce the likelihood of these risks materialising as a result of a commercial transaction.

Environmental and regulatory risk

The Group's projects are subject to laws and regulations regarding environmental matters. Many of the activities and operations of the Group cannot be carried out without prior approval from and compliance with all relevant authorities. The Group intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Group could be subject to liability due to risks inherent to its activities, such as groundwater contamination, subsidence, accidental spills, leakages or other unforeseen circumstances. TerraCom has a comprehensive environmental, health and safety management system to mitigate the risk of incidents and to ensure compliance with environmental and safety laws. The Company also has a community relations team that engage with local communities to ensure community issues are understood and addressed appropriately.

Legal and regulatory risk

The coal sector is subject to a broad range of laws, regulations and standards including in relation to taxation, royalties, environmental matters and greenhouse gas emissions. A change in the laws, regulations or standards applicable to the Company could result in increased costs, regulatory action, litigation or, in extreme cases, threaten the viability of an operation.

TerraCom actively monitors legislative and regulatory developments and engages appropriately with legislative and regulatory bodies to manage this risk.

Cyber risk

The Group's operations are supported by an information technology security framework ad back-up data infrastructure. However, computer viruses, unauthorised access, cyberattack and other similar disruptions may threaten the security of information and impact operational systems. TerraCom manages this risk by continuing to invest in systems to prevent such attacks and undertaking staff training programs.

Infrastructure risks

Coal sold from the Group's mining operations is transported to customers by a combination of trucks, rail and ship. A number of factors could disrupt these transport services, including a failure of infrastructure providers to increase capacity in order to meet future export requirements.

Rail and port capacity is obtained predominantly through contract arrangements which includes take-or pay provisions which require payment to be made irrespective of whether the service is actually used. The Group seeks to align these take-or-pay infrastructure obligations with the Group's forecast future production.

Counterparty risk

The Group deals with a number of counterparties, including customers and suppliers. Risks include non-supply or changes to the quality of key inputs which may impact costs and production at its mining operations, or failure of suppliers or customers to perform against operational and sales contracts. Counterparty risk is assessed prior to entry into any new arrangements and, if necessary, appropriate risk control mechanisms are put in place. TerraCom proactively engages with its counterparties to manage instances of non-supply and quality control and to ensure alignment of expectations.

Climate Change risk

Climate change and management of carbon emissions may lead to increasing regulation and costs. There continues to be focus from governments, regulators and investors in relation to how companies are managing the impacts of climate change policy and expectations. The Group's growth may be impacted by increasing regulation and costs associated with climate change and the management of carbon emissions.

The Group actively monitors current and emerging areas of climate change risk and opportunities to ensure appropriate action can be taken.

POLITICAL RISK

Political and regulatory instability has been the cause of major investment uncertainty in the South African mining space. The South Africa Department of Mineral Resources unveiled new rules for Black Economic Empowerment, including more rigorous ownership requirements, increased expectations on skills development, and expanded quotas for buying goods and services from black-owned companies.

Notwithstanding these additional requirements, the Group is in a fortunate position with respect to its South African Operations in that it fulfills nearly all obligations in the revised Mining Charter in its current format.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is set out immediately after this directors' report.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

AUDITOR

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001 (Cth).

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 5 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth).

The directors are of the opinion that the services as disclosed in Note 6 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 (Cth) for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF BDO AUDIT PTY LTD

There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF TERRACOM LIMITED

As lead auditor of TerraCom Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of TerraCom Limited and the entities it controlled during the period.

R M Swaby

Director

BDO Audit Pty Ltd

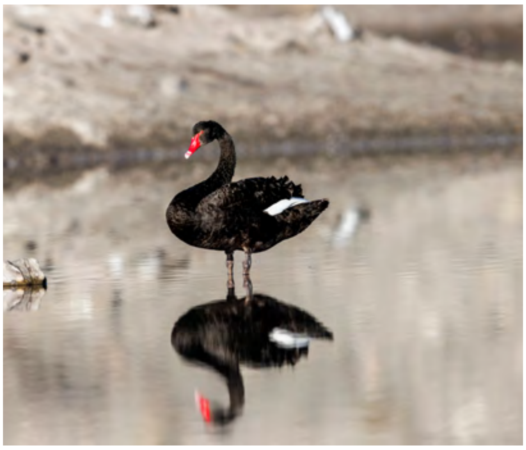
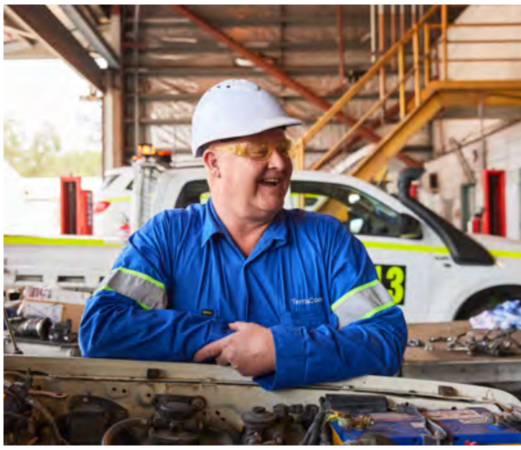
Brisbane, 30 August 2024











LAIR ATHOL MINE
erraCom

LETTER FROM CHAIRMAN OF REMUNERATION COMMITTEE

MARK LOCHTENBERG

Dear Shareholders

I am pleased to present the Remuneration Report for TerraCom for the financial year ending 30 June 2024. This report outlines our approach to remuneration and the key decisions made by the Remuneration Committee during the year.

To begin, I would like to acknowledge the remuneration strike on last year's remuneration report. We greatly value the feedback from our shareholders and have taken steps throughout the year to review our remuneration framework. We remain committed to ensuring that executive remuneration is aligned with shareholder value as a top priority.

The TerraCom remuneration policy is designed to attract, retain, and motivate top-tier executives who are critical to the success of our Company. We aim to align executive remuneration with the long-term interests of our shareholders by linking a significant portion of remuneration to performance outcomes. Remuneration of directors is at market rates and reflects the demands and responsibilities of the role.

During the year, the Board made several important decisions regarding executive remuneration. The previous Long Term Incentive (**LTI**) plan was altered from a share-based scheme to a cash based scheme to better align reward with the achievement of financial performance and strategic goals. There was no change to the vesting conditions previously in place under the LTI plan. Additionally, we conducted a review of our overall remuneration framework to ensure it remains competitive and fair. It is noted that current executives have not received an increase in base salary in over 3 years.

Despite lower-than-expected coal sales at our Blair Athol operation in FY2024, the primary drivers of our financial performance are economic factors, including the export thermal coal prices and USD:AUD foreign currency rates. The significant year-on-year decline in coal prices (A$361 in FY2023 vs. A$159 in FY2024) has notably impacted the Company's overall financial performance.

Given the above, this year, the remuneration outcomes reported for our executives are based on the short-term and long-term incentive payments awarded for the previous performance period (FY2023) only. The short-term incentive (**STI**) and LTI awards for the current performance period (FY2024) have not yet been determined and will be reported on next reporting period. Considering several strategic initiatives recently announced to the market, the Remuneration Committee is currently reviewing a revised program to better align with our future-focused business strategy.

Looking ahead, we remain committed to maintaining a remuneration framework that supports our strategic objectives and drives sustainable growth. We will continue to review and refine our policies to ensure they align with best practices and the evolving needs of our business.

I would like to thank our shareholders for their continued support and confidence in TerraCom. We believe that our remuneration practices are aligned with your interests and will continue to drive the long-term success of our company.

Sincerely,

Mark Lochtenberg
Remuneration Committee Chair

REMUNERATION REPORT

The audited remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of the Group in accordance with the Corporations Act 2001 (Cth) and its regulations. This information has been audited as required by section 308(3C) of the Corporations Act 2001 (Cth).

The remuneration report details the remuneration arrangements for the Group's key management personnel (**KMP**) during the financial year ended 30 June 2024. KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group directly or indirectly, including any director (whether executive or otherwise) of the Group and other designated senior executives.

During the year, KMP comprised the Managing Director (**MD**), the Chief Financial Officer and Company Secretary and the Chief Commercial Officer(1) (collectively the **Executive KMP**) and the non-executive directors of the Company.

The remuneration report is tabled at the Annual General Meeting of the Company each year for shareholder approval. At the 2023 Annual General Meeting of shareholders held on 29 November 2023, the remuneration report did not pass and the Company received a first strike. The Board acknowledges the lack of support for the Remuneration Report resolution and is committed to continuing to review and alter the remuneration framework to ensure alignment of executive remuneration with the overall strategic objectives of the Group.

(1) Position held by Nathan Boom until 31 December 2023

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Group's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The performance of the Group depends on the quality of both its Directors and Executive KMP and the Company's remuneration philosophy is to attract, motivate and retain high performing and high-quality personnel who will contribute to the Group's success.

The Group's remuneration framework is designed to align executive remuneration with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice. The following key criteria are considered by the Board in setting the remuneration framework to achieve good governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

A key element of the remuneration framework is to enhance the interests of both shareholders and KMP.

KMP INTERESTS	SHAREHOLDER INTERESTS
• rewarding capability and experience • reflecting competitive reward for contribution to growth in shareholder wealth • providing a clear structure for earning rewards	• economic profit as a core component of plan design • focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value • attracting and retaining high calibre executives

ROLE OF THE REMUNERATION COMMITTEE

The Board recognises the principle of fair, responsible and transparent remuneration practices is imperative to its overall corporate governance structure. To assist in carrying out its responsibilities in this area, the Board has delegated certain responsibilities to the Remuneration Committee.

The primary purpose of the Remuneration Committee is to represent the Board and to assist the Board to perform its functions in relation to all executive KMP remuneration issues and the Company's human resources strategy, generally.

The Committee is primarily responsible for:

- monitoring the effectiveness of the overall remuneration structure of the Group;
- reviewing and approving the remuneration arrangements for the Managing Director and other executive KMP;
- reviewing and approving the terms and conditions of short-term incentives and long-term incentives for the Managing Director and other executive KMP (including setting short term incentives);
- assisting the Board with review of the performance of the Managing Director;
- reviewing and recommending to the Board the remuneration to be paid to non-executive Directors, including the process by which any pool of directors' fees approved by shareholders is allocated to directors;
- reviewing and recommending to the board the remuneration to be paid to board members of any subsidiaries of the Group;
- reviewing and making recommendations to the Board on remuneration;
- approving the appointment of remunerations consultants for the purposes of the Corporations Act 2001 (Cth);
- reviewing senior executive succession and key staff succession plans;
- reviewing and recommending to the Board the remuneration report prepared in accordance with the Corporations Act 2001 (Cth) for inclusion in the annual directors' report;
- reviewing and facilitating shareholder and other stakeholders' engagement in relation to the Company's remuneration policies and practices; and
- to ensure any termination benefits are justified and appropriate.

The objective of the Committee is to ensure the remuneration polices and structures adopted by the Group are both fair and competitive and aligned with the long-term interests of the Group. In doing this, the Remuneration Committee may seek advice from independent expert remuneration consultants where applicable.

The Company has not engaged any remuneration experts since 2022. During FY2022, remuneration experts where engaged to assist with the development of both a formal Short Term Incentive (**STI**) plan and Long Term Incentive (**LTI**) plan. The STI and LTI plans were formally introduced by the Board in August 2022 noting changes to these plans have subsequently been adopted.

NON-EXECUTIVE DIRECTOR REMUNERATION

1. Non-executive KMP

The table below shows non-executive KMP during FY24. Committee roles held for the entire reporting period unless otherwise stated.

Name	Role held during FY24, including committee memberships
M Lochtenberg	**Non-executive Chairman *(appointed 28 January 2022, appointed Non-executive Chairman 19 May 2023)*** Chair of Remuneration Committee
G Lewis	**Non-executive Director *(appointed 23 December 2019)*** Chair of HSEC Committee Member of Remuneration Committee Member of Audit Committee
M Ludski	**Non-executive Director *(appointed 7 December 2022)*** Chair of Audit Committee Member of Remuneration Committee - from 1 April 2024
C Lyons	**Non-executive Director *(appointed 14 July 2020, resigned 1 February 2024)*** Member of Audit Committee Member of Remuneration Committee Member of HSEC Committee
D Norris	**Non-executive Director *(appointed 6 October 2023)*** Member of Audit Committee - from 1 April 2024

2. Setting non-executive director fees

Fees and payments to non-executive directors reflect the demands and responsibilities of the role and are designed to ensure the Company can attract and retain suitably qualified and experienced non-executive directors. Although there is no stipulated minimum shareholding for non-executive directors, the Company encourages all directors to hold shares.

Non-executive directors are reimbursed for travel and other expenses reasonably incurred when attending meetings of the Board or in connection with the business of the Company. Non-executive director fees and payments are reviewed annually by the Remuneration Committee. The Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive director fees and payments are appropriate and in line with the market. Fees for the Chairman are determined independently to the fees for other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive director remuneration pool be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 19 November 2019, where shareholders approved a maximum aggregate remuneration of $1,250,000 per annum, excluding long-term incentive options.

3. Current non-executive director fee remuneration

The fee levels adopted by the Board during FY2024 are outlined below, noting the fees are per annum and include mandatory statutory superannuation contributions. The fees apply to non-executive directors only.

	Board	Remuneration Committee	Audit Committee	HSEC Committee
Chair	$250,000	$30,000	$30,000	$30,000
Member	$100,000	$15,000	$15,000	$15,000

EXECUTIVE KMP REMUNERATION

The Group aims to reward Executive KMP based on their position and responsibility, with a balance between fixed and incentive pay, reflecting short and long term performance objectives which align with the Group's circumstances and objectives.

The executive remuneration and reward framework has four components which comprises the total remuneration:

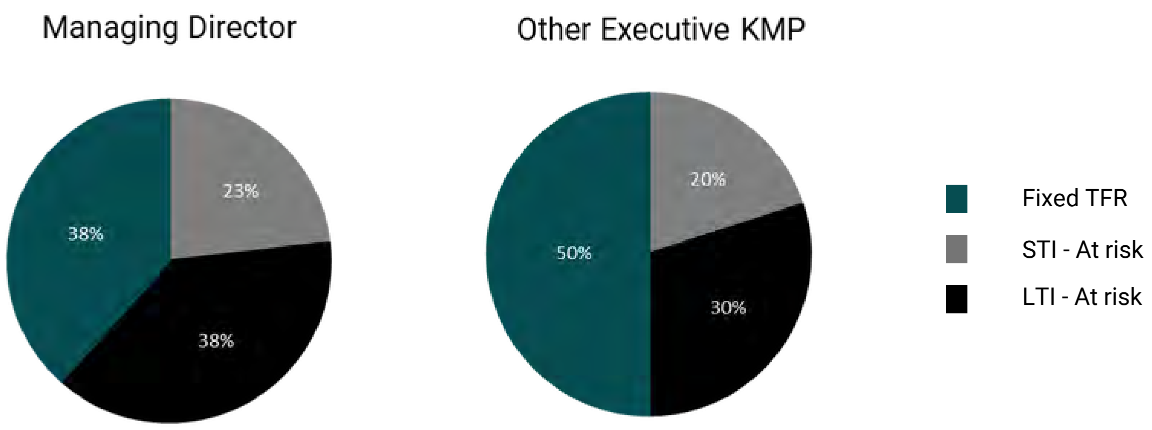
1. fixed remuneration, including superannuation (**TFR**)
2. short-term performance incentives (**STI**)
3. long-term performance incentives (**LTI**)
4. non-monetary benefits (including fringe benefits)

The table below shows Executive KMP during FY24, including a summary of notice periods and key terms.

Name	Position held during period	Notice Period
D McCarthy	Managing Director	6 months
M Etcell	Chief Financial Officer & Company Secretary	6 months
N Boom (1)	Chief Commercial Officer	6 months

(1) Termination date 31 December 2023

The following diagram sets out the remuneration mix of TFR, STI award and LTI award value at target for the Executive KMP for the 2024 financial year.



1. Fixed Remuneration

The purpose of TFR is to provide a base level of remuneration which is market competitive and appropriate. TFR includes base pay and superannuation contributions. Executive contracts of employment do not include guaranteed base pay increases and are reviewed each year by the Remuneration Committee.

The TFR is determined using a number of factors, including skills displayed, particular experience of the individual concerned and overall performance of the Company. The contracts for service between the Company and all Executive KMP are on a continuing employment basis (not fixed term).

The terms and conditions of these contracts are not expected to change in the immediate future.

2. Short Term Incentives

The objective of awarding an STI is to link the rewards of all employees with the achievement of strategic goals, whilst constituting a reasonable cost to the Group. The STI performance measures are focused on the growth of the business and include various business performance and technical measurement components.

A formal STI plan was formally introduced by the Board in August 2022 and the measures which form the basis of the STI plan are assessed by the Remuneration committee on a yearly basis.

Key terms of the approved STI plan are noted below:

Item	Description
Performance Period	The STI plan was formally approved and adopted by the Board in August 2022. Eligible participants were advised of their participation in the STI plan at this time. Given the commencement of the plan in August 2022, the performance periods impacting the remuneration of KMP during FY2023 related to the following 12-month performance periods. **FY2022** – 1 July 2021 to 30 June 2022 **FY2023** – 1 July 2022 to 30 June 2023 (bonus provision) The performance period impacting the remuneration of KMP during FY2024 related to the actual award for the Performance Period 1 July 2022 to 30 June 2023 and included a discretionary amount as approved by the Board for the same reporting period. The STI Award for 1 July 2023 to 30 June 2024 has not yet been determined by the Remuneration Committee.
Performance Measures	The STI plan is linked to performance measures achieved during a financial reporting period (i.e. from 1 July to 30 June). Incentive payments under the plan are calculated on the achievement of pre-determined criteria set by the Board, which include Company financial performance measures, strategic objectives, Blair Athol operational performance targets as well as individual performance. To enable payment of any STI Award, an Eligible Participant must be meeting expectations with respect to individual performance and displaying behaviour consistent with the Company's values.
Form of Award	Awards are delivered in cash. Timing of award and payment is usually September each year.

Item	Description
STI Opportunity	Managing Director: Target 60% of TFR **(Stretch of 72% of TFR)** Other Executive KMP: Target 40% of TFR **(Stretch of 48% of TFR)**
Calculation of STI Award	The value of the STI Award is calculated as follows: *Value of STI Award = TFR x Target Opportunity x % of incentive achieved*
Award Determination and Payment	The STI Award is determined following a review of performance over the year against the pre-determined criteria, as assessed by the Managing Director and Remuneration Committee. As noted above, the STI Award for the current performance period (FY2024) has not yet been determined by the Remuneration Committee.
Board Discretion	The Board retains discretion to increase or decrease, including to nil, the extent of the STI Award to Eligible Participants if it forms a view that it is appropriate to do so given the circumstances during the Performance Period.
Major Corporate Transactions	Awards vest pro-rata relative to the percent of the Performance Period that has elapsed in the event of a change of control transaction going unconditional, unless determined otherwise by the Board.

2.1 Summary of Short Term Incentive Outcomes

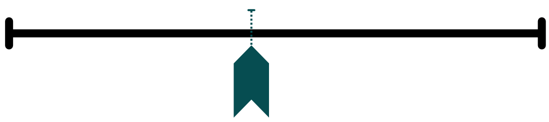
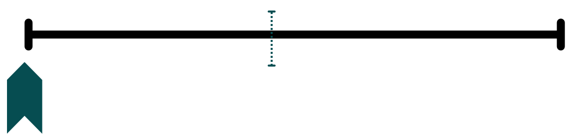
Annual performance is assessed by examination of outcomes against pre-determined criteria.

The pre-determined criteria are holistic to the activities of the Group with targets determined annually to drive actions and initiatives in order to provide continuous improvement.

Each criteria has a minimum achievement level and achievement of any incentive then works on a sliding scale designed to encourage superior performance that exceeds established targets.

2.2 Performance Measure

(a) FY2024 Performance Period (1 July 2023 to 30 June 2024)

	Measure	Weighting	Description	Outcome		
FY2024 Financial Year STI Measures and Outcomes				**THRESHOLD**	**TARGET**	**STRETCH**
Financial	Group EBITDA	75%	Financial performance is measured on the Group's Financial Performance. A minimum EBITDA must be achieved for this incentive to be payable.			
Operational	Coal Sales	25%	Blair Athol Mine Operational Performance is measured based on coal sales against target. A minimum achievement of 85% of the target must be achieved for part of this incentive to be payable.			
Total		**100%**				

(b) FY2023 Performance Period (1 July 2022 to 30 June 2023)

	Measure	Weighting	Description	Outcome		
FY2023 Financial Year STI Measures and Outcomes				**THRESHOLD**	**TARGET**	**STRETCH**
Financial	Group EBITDA	75%	Financial performance is measured on the Group's Financial Performance. A minimum EBITDA must be achieved for this incentive to be payable.			
Operational	Coal Sales	25%	Blair Athol Mine Operational Performance is measured based on coal sales against target. A minimum achievement of 85% of the target must be achieved for part of this incentive to be payable.			
Total		**100%**				

3. Long Term Incentives

3.1 Summary of Long Term Incentive Outcomes

The objective of the LTI plan is to link the long-term performance objectives of the Company with the retention of the Group's employees at all levels.

The LTI plan approved by the Board in August 2022 allowed for the issue of Performance Rights (**Rights**) to eligible participants which were to be exercised into fully paid ordinary shares upon satisfying requisite service conditions. The LTI plan allowed settlement via the issuance of fully paid ordinary shares, or cash equivalent, upon valid exercise.

For Rights issued for the performance period 1 July 2021 to 30 June 2022, vesting criteria was based on service conditions as follows:

Vesting Period 1 - 50% on 31 December 2022
Vesting Period 2 - 50% on 30 June 2023

Eligible Participants who reached Vesting Period 1 received fully paid ordinary shares on 3 January 2023. Eligible Participants who reached Vesting Period 2 received cash equivalent settlement in July 2023. On exercise of Vesting Period 2, Eligible Participants received settlement in cash. Due to the cash settlement, the Rights were cancelled by agreement on 21 July 2023. If cash settlement was not elected at this time, Eligible Participants would have been financially penalised for something intended to incentivise.

Following this, the Remuneration Committee reviewed the approved LTI plan and a number of changes were made to reflect changing market conditions.

3.2 Performance measure

(a) LTI impacting FY2024 reporting period

The LTI awarded to Executive KMP during FY2024 covered the performance period from 1 July 2022 to 30 June 2023.

The award was determined based on the financial performance of the Group as set by the Remuneration Committee and was a cash based long term incentive subject to vesting criteria as outlined in section 3.7.

(b) LTI impacting FY2023 reporting period

The LTI awarded to Executive KMP during FY2023 covered the performance period from 1 July 2021 to 30 June 2022 (**Performance Period**).

The number of Rights awarded was determined based on the Total Shareholder Return (**TSR**) during the Performance Period, benchmarked against comparable coal mining companies listed on the ASX.

TSR is a method of calculating the return shareholders would earn if they held a notional number of shares over a period of time. In broad terms, TSR measures the growth in the company's share price (modified to account for capital adjustments where appropriate) together with the value of dividends derived during the period, assuming that all those dividends are re-invested into new shares.

To determine the LTI Award for the Performance Period, the TSR of the Company was measured as a percentile ranking compared to the average TSR for the same period of a comparator group of companies.

For the Performance Period, the comparator group of companies included Bathurst Resources Ltd, Coronado Global Resources Inc, New Hope Group, Whitehaven Coal and Yancoal.

The final percentage of the LTI Award was then determined in accordance with the following schedule:

Number of Rights

Once the final percentage of the LTI Award was determined (% basis), the number of Rights to be granted was calculated with reference to the opening share price on the day after the Performance Period has completed (i.e. 1 July 2022).

Number of Rights = Total Fixed Remuneration (TFR) x LTI % ÷ share price on 1 July 2022
Note: LTI % is the maximum LTI opportunity as a % of TFR

TSR percentile ranking	Award
75th percentile or above	100%
Between 50th and 75th percentile	Award will occur on pro rata straight line basis
Equal to 50th percentile	50%
Below 50th percentile	Nil

3.3 Amount of LTI Award

Under the Company's LTI plan, Executive KMP are entitled to earn up to a percentage of their total remuneration as equity incentive as outlined below.

Executive KMP	% LTI Opportunity
Danny McCarthy	100%
Megan Etcell	60%
Nathan Boom (1)	60%

(1) Termination date 31 December 2023

3.4 LTI Award to Eligible Participants

Terms and conditions of the LTI Award granted to Executive KMP in the current or future reporting periods and the associated pricing model inputs are detailed in the table below.

Name	Performance Period	LTI Series Reference	Grant Date	Vesting Date	LTI Award Type
D McCarthy	1 Jul 2021 to 30 Jun 2022	2022 - T1 2022 - T2	Nov 22 (1) Nov 22 (1)	31 Dec 2022 30 Jun 2023	Rights Rights
	1 Jul 2022 to 30 Jun 2023	**2023 - T1** **2023 - T2**	**Aug 23** **Aug 23**	**31 Dec 2023** **30 Jun 2024**	**Cash** **Cash**
M Etcell	1 Jul 2021 to 30 Jun 2022	2022 - T1 2022 - T2	Aug 22 Aug 22	31 Dec 2022 30 Jun 2023	Rights Rights
	1 Jul 2022 to 30 Jun 2023	**2023 - T1** **2023 - T2**	**Aug 23** **Aug 23**	**31 Dec 2023** **30 Jun 2024**	**Cash** **Cash**
N Boom (2)	1 Jul 2021 to 30 Jun 2022	2022 - T1 2022 - T2	Aug 22 Aug 22	31 Dec 2022 30 Jun 2023	Rights Rights

(1) The Grant Date for D McCarthy is November 2022, being the date shareholder approval was obtained.
(2) Termination date 31 December 2023.

3.5 Schedule of LTI Award to Executive KMP - Performance Rights

Name	LTI series	Grant Date	Vesting Date	Number Granted	Value Per Share (1)	Number Vested	Vested %	Number Forfeited	Forfeited %	Total Award Value in Future Financial Years (2)
D McCarthy	2022 - T1	Nov 22 (3)	31 Dec 22	733,740	0.7800	733,740	100%	-	-	-
	2022 - T2	Nov 22 (3)	30 Jun 23	733,740	0.5818	733,740 (5)	100%	-	-	-
M Etcell	2022 - T1	Aug 22	31 Dec 22	257,317	0.8803	257,317	100%	-	-	-
	2022 - T2	Aug 22	30 Jun 23	257,317	0.6837	257,317 (5)	100%	-	-	-
N Boom (4)	2022 - T1	Aug 22	31 Dec 22	329,268	0.8803	329,268	100%	-	-	-
	2022 - T2	Aug 22	30 Jun 23	329,268	0.6837	329,268 (5)	100%	-	-	-

(1) The fair value of the performance right is determined with reference to the actual share price on Grant Date and adjusted for the present value of expected dividends over the vesting period.
(2) Calculated with reference to the Grant Date at fair value. This value may change depending on the actual share price at Vesting Date.
(3) The Grant Date for D McCarthy is November 2022, being the date shareholder approval was obtained.
(4) Termination date 31 December 2023.
(5) Shares settled for cash consideration following a change to the LTI. Cancellation by agreement between the Company and the holder on 21 July 2023.

3.6 Schedule of LTI Award to Executive KMP - Cash

Name	LTI series	Grant Date	Vesting Date	LTI Award	LTI Vested	Vested %	LTI Forfeited	Forfeited %	LTI subject to vesting in future reporting period
D McCarthy	2023 - T1	Aug 23	31 Dec 23	$541,500	$541,500	100%	-	-	-
	2023 - T2	Aug 23	30 Jun 24	$541,500	-	100%	-	-	$541,500 (2)
M Etcell	2023 - T1	Aug 23	31 Dec 23	$189,900	$189,900	100%	-	-	-
	2023 - T2	Aug 23	30 Jun 24	$189,900	-	100%	-	-	$189,900 (2)
N Boom (1)	2023 - T1	Aug 23	31 Dec 23	-	-	100%	-	-	-

(1) Termination date 31 December 2023
(2) Vesting condition satisfied effective 1 July 2024 however, settlement has been delayed by agreement between the Company and the holder.

3.7 Vesting of LTI Award

Rights vest on completion of service conditions as outlined below:

Performance Period 1 July 2021 - 30 June 2022	Performance Period 1 July 2022 - 30 June 2023
• 50% of the LTI Award to vest on 31 December 2022 • 50% of the LTI Award to vest on 30 June 2023	• 50% of the LTI Award to vest on 31 December 2023 • 50% of the LTI Award to vest on 30 June 2024

The Board has the discretion to adjust the service conditions where it is considered appropriate to do so.

3.8 Treatment of Awards on cessation of employment

Subject to the Board's discretion to determine otherwise, any LTI Award granted to Executive KMP will lapse where their employment is terminated.

The Board has the discretion to determine that only part of an LTI Award (up to a pro rata portion based on how much of the relevant Service Condition period remains) will lapse should any Executive KMP leave prior to a Service Condition being met.

3.9 Dividend and voting entitlements for Performance Rights

Rights do not have any dividend or voting rights prior to vesting and exercise.

3.10 Change of control

If there is a takeover bid or other transaction, event or state of affairs that in the Board's opinion is likely to result in a change in control of the Company, the Board has a discretion to determine that some or all of the LTI Award will vest and become exercisable. If an actual change of control occurs before the Board has exercised this discretion, a pro rata portion of the LTI Award (based on how much of the relevant Service Condition has lapsed) will immediately vest and become exercisable.

The Board retains discretion to determine whether the remaining unvested LTI Award will vest and become exercisable or lapse.

3.11 No dealing

Any dealing in respect of the LTI Award is prohibited unless the Board determines otherwise, or the dealing is required by law.

3.12 Additional information

There is no cost to Executive KMP on the grant or exercise of the LTI Award and there are no loans associated with the grant of the LTI Award.

4. Non-monetary benefits

Executive KMPs may receive fixed remuneration in the form of reimbursement or other fringe benefits (for example motor vehicle benefits).

AMOUNTS OF REMUNERATION

The following table sets out the statutory remuneration disclosures required under the Corporations Act 2001 (Cth) and has been prepared in accordance with the appropriate accounting standards.

		Short-term benefits			Post-employment benefits		
2024		Salary $	Cash Bonus $	Other $	Super-annuation $	Termination Benefits $	Total $
Non-Executive Directors							
M Lochtenberg (1)	2024	225,875	-	-	24,125	-	250,000
	2023	99,621	-	-	9,962	-	109,583
G Lewis	2024	160,000	-	-	-	-	160,000
	2023	135,833	-	-	-	-	135,833
M Ludski	2024	120,496	-	-	13,254	-	133,750
	2023	66,968	-	-	7,032	-	74,000
D Norris (2)	2024	69,675	-	-	7,664	-	77,339
	2023	-	-	-	-	-	-
C Lyons (3)	2024	84,583	-	29,167	-	-	113,750
	2023	148,750	-	70,000	-	-	218,750
G Campbell (4)	2024	-	-	-	-	-	-
	2023	266,129	-	-	-	-	266,129
M Hunter (5)	2024	-	-	-	-	-	-
	2023	97,723	-	-	2,517	-	100,240
S Kyrikou (6)	2024	-	-	-	-	-	-
	2023	43,750	-	-	-	-	43,750
Total Directors	**2024**	**660,629**	**-**	**29,167**	**45,043**	**-**	**734,839**
	2023	**858,774**	**-**	**70,000**	**19,511**	**-**	**948,285**

(1) Appointed 28 January 2022 and appointed Non-Executive Chairman on 19 May 2023. Payments made for these services are at market rates.
(2) Appointed 6 October 2023
(3) Resigned 1 February 2024. Other fees relate to additional advisory services to the Company with respect to the South African operations. Payments for these services are at market rates.
(4) Resigned 19 May 2023
(5) Resigned 3 October 2022
(6) Resigned 28 November 2022

REMUNERATION REPORT

		Short-term benefits			Post-employment benefits		Long-term benefits		
2024		**Salary $**	**Cash Bonus $**	**Accrued/ (used) Annual Leave (1) $**	**Super annuation $**	**Termination Benefits $**	**FY2022 LTI Award (2) $**	**FY2023 LTI Award (3) $**	**Total $**
Executive KMP									
D McCarthy	2024	875,000	808,848	71,675	27,500	-	(96,707)	1,083,000	2,769,316
	2023	875,000	1,554,556	49,516	27,500	-	999,207	-	3,505,779
M Etcell	2024	500,000	288,460	17,106	27,500	-	(60,135)	379,800	1,152,731
	2023	500,000	588,163	32,110	27,500	-	402,443	-	1,550,216
N Boom (4)	2024	323,750	153,125	-	27,500	622,048	(76,950)	-	1,049,473
	2023	647,500	752,625	-	27,500	-	514,974	-	1,942,599
Total Executive KMP	**2024**	**1,698,750**	**1,250,433**	**88,781**	**82,500**	**622,048**	**(233,792)**	**1,462,800**	**4,971,520**
	2023	**2,022,500**	**2,895,344**	**81,626**	**82,500**	**-**	**1,916,624**	**-**	**6,998,594**

(1) Accrued/(used) Annual Leave amount has been restated for prior year comparatives.
(2) The amount for 2023 represents the fair value of the Rights on Grant Date. The fair value of the Rights is determined with reference to the actual share price on Grant Date and adjusted for the present value of expected dividends over the vesting period. The amount for 2024 comprises the adjustment of fair value (due to the Rights being settled for cash in accordance with the terms and conditions of the LTI Plan) and cash component paid on achievement of service conditions.
(3) Comprises LTI settled in cash on achievement of service conditions plus LTI expensed during the period and subject to vesting in a future period.
(4) Termination date 31 December 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		Share-based payment		At risk incentives (7)	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Non-Executive Directors						
M Lochtenberg	100%	100%	-	-	-	-
G Lewis	100%	100%	-	-	-	-
M Ludski	100%	100%	-	-	-	-
D Norris (1)	100%	-	-	-	-	-
C Lyons (2)	100%	100%	-	-	-	-
G Campbell (3)	-	100%	-	-	-	-
M Hunter (4)	-	100%	-	-	-	-
S Kyriakou (5)	-	100%	-	-	-	-
Executive KMP						
D McCarthy	33%	26%	(3%)	29%	65%	45%
M Etcell	46%	35%	(5%)	26%	53%	39%
N Boom (6)	93%	35%	-	26%	7%	39%

(1) Appointed 6 October 2023
(2) Resigned 1 February 2024
(3) Resigned 19 May 2023
(4) Resigned 3 October 2022
(5) Resigned 28 November 2022
(6) Termination date 31 December 2023. Fixed remuneration includes post employment benefits including termination benefits.
(7) At risk incentives include cash bonuses

SHARE-BASED COMPENSATION

Issue of shares

There have been no shares issued to Non-Executive Directors or Executive KMP as part of compensation during this financial year.

Rights were awarded to Executive KMP during FY2023 and vesting criteria was achieved, resulting in the issue of shares as outlined below.

	No. of Rights	Vesting Date	Vesting Criteria Achieved	No. of Shares Issued	Issue Date	Issue Price	Fair Value
D McCarthy	733,740	31 December 2022	Yes	733,740	3 January 2023	$0.93	$682,378
M Etcell	257,317	31 December 2022	Yes	257,317	3 January 2023	$0.93	$239,305
N Boom (1)	329,268	31 December 2022	Yes	329,268	3 January 2023	$0.93	$306,219

(1) Termination date 31 December 2023

Performance Rights Holdings - Executive KMP

	Balance at the start of the year	Granted as remuneration	Vested and Exercised	Vested and Not Exercised (2)	Forfeited	Lapsed	Balance at the end of the year
D McCarthy	733,740	-	-	733,740	-	-	-
M Etcell	257,317	-	-	257,317	-	-	-
N Boom (1)	329,268	-	-	329,268	-	-	-

(1) Termination date 31 December 2023
(2) On 25 July 2023, the Company cancelled performance rights to be issued to key management personnel totalling 1,447,967. A total of 1,320,325 held by Executive KMP were cancelled by agreement between the Company and the holder and settled for cash consideration in accordance with the terms and conditions of the LTI plan. A total of 127,642 were cancelled due to the performance rights no longer being capable of being satisfied.

ADDITIONAL DISCLOSURE RELATING TO KEY MANAGEMENT PERSONNEL

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Amount held on appointment or cessation (4)	Balance at the end of the year
Non-Executive Directors						
M Lochtenberg	9,004,786	-	1,500,000	-	-	10,504,786
G Lewis (1)	2,000,000	-	-	-	-	2,000,000
M Ludski	-	-	-	-	-	-
D Norris (5)	-	-	-	-	28,513	28,513
C Lyons (2)	-	-	-	-	-	-
Executive KMP						
D McCarthy (1)	3,053,798	-	-	-	-	3,053,798
M Etcell (1)	456,333	-	-	-	-	456,333
N Boom (3)	329,268	-	-	-	(329,268)	-

(1) *Mr Lewis, Mr McCarthy and Ms Etcell (via nominees) hold shares indirectly via Rainbow Max Limited (holding now shown as individual holding in unit trust). All parties have requested confirmation of the holding which has not been forthcoming, therefore these shares have not been disclosed in the table above.*
(2) *Resigned 1 February 2024*
(3) *Termination date 31 December 2023*
(4) *Shares held on appointment / resignation / termination*
(5) *Appointed 6 October 2023. Addition reflects shares held on appointment date.*

Loans with Executive KMP and Non-Executive Directors

There were no loans outstanding to Executive KMP or any Non-Executive Director or their related parties at any time in the current or prior reporting periods.

Legal fees paid on behalf of KMP

During the financial year, the Company has paid legal bills on behalf of D McCarthy ($290,000) and N Boom ($192,000) with respect to the ASIC legal matter (refer Note 32 for further details). The Company will receive reimbursement of these funds under the terms of the Directors and Officers insurance policy.

Other KMP Transactions

Apart from the details disclosed in this report, no Executive KMP or Non-Executive Director or their related parties has entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving those people's interests existing at year end.

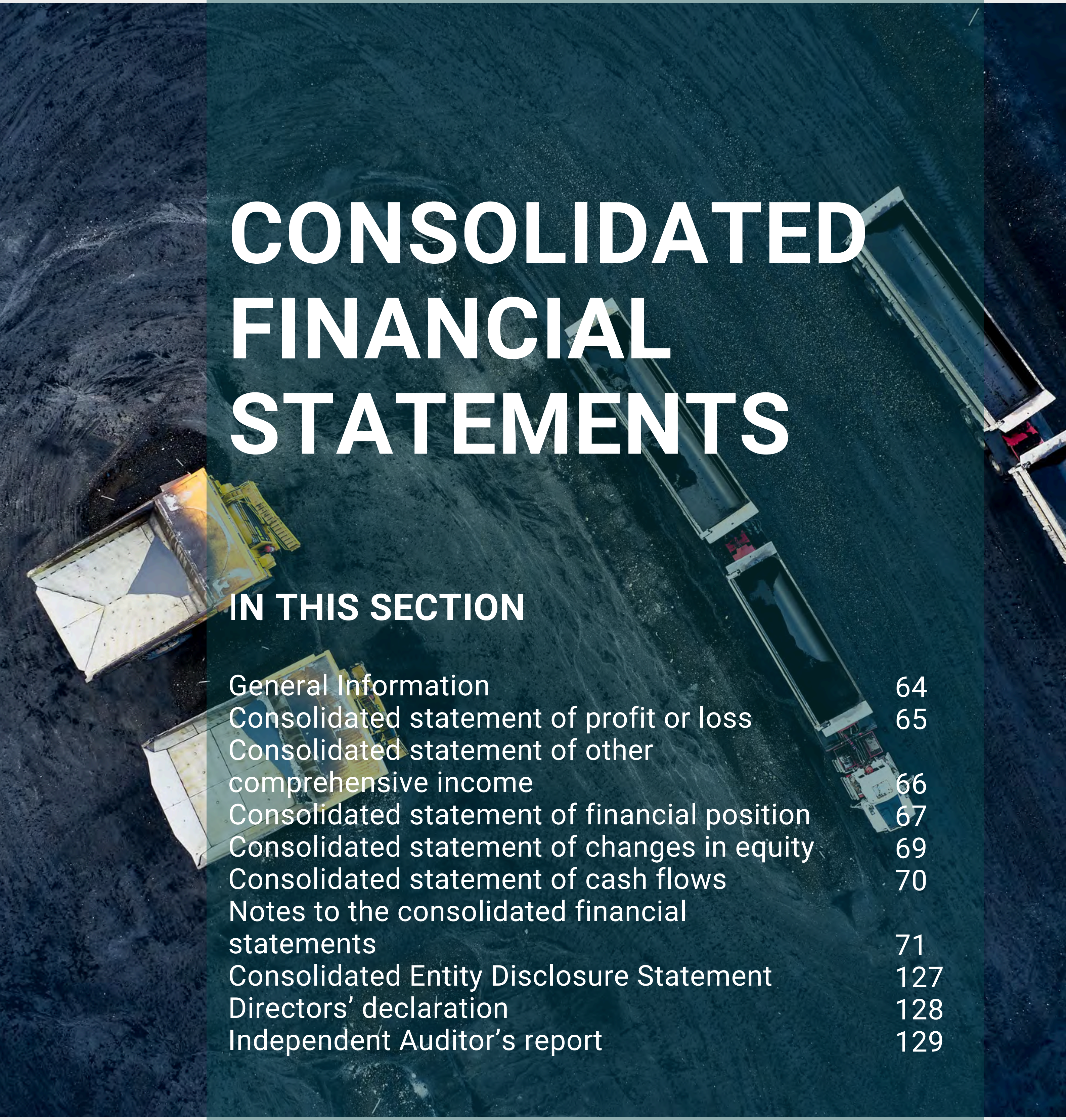
This concludes the remuneration report, which has been audited.

This Directors' report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001 (Cth).

On behalf of the directors

Mark Lochtenberg
Non-Executive Chairman
30 August 2024
Sydney

Danny McCarthy
Managing Director



CONSOLIDATED FINANCIAL STATEMENTS

IN THIS SECTION

GENERAL INFORMATION

The financial statements are presented in Australian dollars (**AUD**), which is the presentation currency of TerraCom Limited.

The functional currency of TerraCom Limited, its Australian exploration subsidiaries and United Kingdom subsidiaries is Australian dollars (**AUD**), the South African subsidiaries and associates functional currency is South African Rand (**ZAR**).

TerraCom Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Blair Athol Mine Access Road, Clermont, Queensland, 4721.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 August 2024. The Directors have the power to amend and reissue the financial statements.

Consolidated Statement of Profit or Loss for the year ended 30 June 2024

		Consolidated	
	Note(s)	2024 $ '000	2023 $ '000
Revenue		259,143	660,639
Cost of goods sold	3	(201,285)	(312,267)
Gross profit		**57,858**	**348,372**
Net foreign exchange gain		2,206	1,165
Other operating and administration expenses	4	(15,395)	(19,865)
Share of profit of investments accounted for using the equity method	37	7,411	43,044
Finance income		3,782	4,940
Finance expenses		(4,345)	(2,312)
Depreciation and amortisation expense		(17,346)	(14,334)
Impairment of assets		(864)	-
Profit before taxation		**33,307**	**361,010**
Income tax expense	6	(8,268)	(98,517)
Profit after taxation		**25,039**	**262,493**
Profit attributable to:			
Owners of TerraCom Limited		25,951	262,096
Non-controlling interest		(912)	397
		25,039	**262,493**
Earnings per share for profit attributable to the owners of TerraCom Limited			
Basic earnings per share (cents)	7	3.24	32.76
Diluted earnings per share (cents)	7	3.24	32.76

The above consolidated statement of profit or loss is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2024

	Note(s)	Consolidated 2024 $ '000	2023 $ '000
Profit / (loss) for the year		25,039	262,493
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(181)	104
Other comprehensive income for the year net of taxation		(181)	104
Total comprehensive income / (loss) for the year		**24,858**	**262,597**
Total comprehensive income / (loss) for the year attributable to:			
Owners of TerraCom Limited		25,785	262,200
Non-controlling interest		(927)	397
		24,858	**262,597**

The above consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Financial Position as at 30 June 2024

	Notes(s)	Consolidated 2024 $ '000	2023 $ '000
ASSETS			
Current Assets			
Cash and cash equivalents	8	8,351	44,032
Trade and other receivables	9	33,870	19,109
Inventories	10	9,101	15,566
		51,322	**78,707**
Non-Current Assets			
Trade and other receivables	9	2,502	5,933
Restricted cash	11	58,219	66,946
Investments accounted for using the equity method	37	86,811	79,934
Other financial assets	12	2,764	2,661
Property, plant and equipment	13	86,152	90,972
Exploration and evaluation assets	14	13,524	14,366
Other non-current assets	16	13,125	16,685
		263,097	**277,497**
Total Assets		**314,419**	**356,204**
LIABILITIES			
Current Liabilities			
Trade and other payables	17	32,593	39,144
Current tax liability		38,352	64,396
Borrowings	18	2,891	2,786
Lease liabilities	19	377	1,017
Provisions	20	5,231	6,490
		79,444	**113,833**
Non-Current Liabilities			
Borrowings	18	722	3,469
Lease liabilities	19	186	-
Deferred tax	6, 15	7,005	9,273
Provisions	20	59,214	61,780
		67,127	**74,522**
Total Liabilities		**146,571**	**188,355**
Net Assets		**167,848**	**167,849**

Consolidated Statement of Financial Position as at 30 June 2024 (continued)

		Consolidated	
	Note(s)	2024 $ '000	2023 $ '000
EQUITY			
Issued capital	21	376,011	376,011
Reserves	23, 24	21,933	22,927
Accumulated losses	25	(229,684)	(231,605)
Total equity attributable to the owners of TerraCom Limited		168,260	167,333
Non-controlling interest	26	(412)	516
Total equity		**167,848**	**167,849**

The above consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity for the year ended 30 June 2024

	Issued capital $ '000	Foreign currency translation reserve $ '000	Share based payments/ options reserve $ '000	Accumulated losses $ '000	Total Equity Attributable to the owners of TerraCom Limited $ '000	Non-controlling interest $ '000	Total equity $ '000
Balance at 01 July 2022	**373,203**	**21,995**	**-**	**(249,692)**	**145,506**	**119**	**145,625**
Profit for the year after income tax	-	-	-	262,096	262,096	397	262,493
Other comprehensive income	-	104	-	-	104	-	104
Total comprehensive income for the year	**-**	**104**	**-**	**262,096**	**262,200**	**397**	**262,597**
Dividends paid to shareholders of TerraCom Limited	-	-	-	(244,009)	(244,009)	-	(244,009)
Share issue (issue of options and share based payment) (note 21, 24)	1,851	-	-	-	1,851	-	1,851
Transfer from share based payment reserve (note 21, 24)	1,201	-	(1,201)	-	-	-	-
Share based payments (note 24)	-	-	2,029	-	2,029	-	2,029
Share issue transaction costs (note 21)	(244)	-	-	-	(244)	-	(244)
Balance at 30 June 2023	**376,011**	**22,099**	**828**	**(231,605)**	**167,333**	**516**	**167,849**
Balance at 01 July 2023	**376,011**	**22,099**	**828**	**(231,605)**	**167,333**	**516**	**167,849**
Profit for the year after income tax	-	-	-	25,951	25,951	(912)	25,039
Other comprehensive income	-	(166)	-	-	(166)	(15)	(181)
Total comprehensive income for the year	**-**	**(166)**	**-**	**25,951**	**25,785**	**(927)**	**24,858**
Dividends paid to shareholders of TerraCom Limited	-	-	-	(24,030)	(24,030)	-	(24,030)
Share based payments (note 24)	-	-	(828)	-	(828)	-	(828)
Balance at 30 June 2024	**376,011**	**21,933**	**-**	**(229,684)**	**168,260**	**(412)**	**167,848**

The above consolidated statement of changes in equity should be read in conjunction with the notes to the consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 30 June 2024

		Consolidated	
	Note(s)	2024 $ '000	2023 $ '000
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST/VAT)		263,778	661,413
Cash paid to suppliers and employees (inclusive of GST/VAT)		(240,690)	(382,440)
Interest received		1,901	4,177
Tax payments made		(39,517)	(79,642)
Interest paid		(1,025)	(1,885)
Net cash (used in)/from operating activities	28	**(15,553)**	**201,623**
Cash flows from investing activities			
Payments for property, plant and equipment	13	(12,520)	(10,729)
Proceeds from sale of property, plant and equipment		5	28
Receipts / (payments) for financial asset		12,276	(21,918)
Repayment of loans by Ndalamo Resources		-	3,913
Other assets investments		(1,200)	(600)
Loan to associates		(107)	(80)
Repayments from associates		2,179	26,623
Dividends received from associates	37	5,554	45,930
Net cash from investing activities		**6,187**	**43,167**
Cash flows from financing activities			
Proceeds from issue of shares		-	583
Repayment of borrowings		(2,172)	(26,623)
Repayment of principal component of lease liabilities	30	(489)	(642)
Dividends paid to shareholders of TerraCom Limited		(24,030)	(244,009)
Net cash (used in) financial activities		**(26,691)**	**(270,691)**
Total cash movement for the year		(36,057)	(25,901)
Cash at the beginning of the year		44,032	69,572
Effect of exchange rate movement on cash equivalents		376	361
Total cash and cash equivalents at end of the year	8	**8,351**	**44,032**

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Material accounting policies

The material accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements cover TerraCom Limited as a consolidated entity consisting of TerraCom Limited and the entities it controlled at the end of, or during, the year. TerraCom Limited, the Company or the Parent entity, and its subsidiaries together are referred to in these financial statements as the 'Group'.

1.1 New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are mandatory for the current reporting period. The adoption of these new or amended Accounting Standards and Interpretations did not have a material impact to the consolidated financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these new or amended Accounting Standards or Interpretations will not materially impact the consolidated financial statements on adoption dates.

1.2 Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001 (Cth), as appropriate for for-profit oriented entities. These consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs.

Going Concern

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 30 June 2024 the Group had a net current asset deficiency of $28.122 million (30 June 2023: $35.126 million).

During the period, the Group generated a profit after tax of $25.039 million and cash outflows from operating activities of $15.553 million, driven by consistent thermal coal prices and continued strong demand for our product.

The Group is now largely debt free, with the exception of a $3.613 million loan held by TerraCom Limited’s wholly owned South African Subsidiary, Universal Coal Energy Holdings South Africa (**UCEHSA**), which has on-lent the funds to the now deconsolidated South African operations.

The Group is expected to realise its assets and settle its liabilities in the ordinary course of business for at least the 12 months from the date of this financial report, and therefore in the directors’ opinion, the going concern basis of preparation remains appropriate.

Notes to the Consolidated Financial Statements

1.2 Basis of preparation (continued)

Critical accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make estimates and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

In preparing the consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the previous period.

1.3 Parent entity information

In accordance with the Corporations Act 2001, these consolidated financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 35.

1.4 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of TerraCom Limited ('**Company**' or '**parent entity**') as at 30 June 2024 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of a business is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

1.5 Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (**CODM**). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Notes to the Consolidated Financial Statements

1.6 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the **functional currency**'). The consolidated financial statements are presented in Australian dollars (**AUD**), which is TerraCom Limited's presentation currency. The functional currency of the Australian exploration and the United Kingdom subsidiaries are Australian dollars (**AUD**), the South African subsidiaries are South African Rand (**ZAR**) and the remaining of the subsidiaries and TerraCom Limited are United States Dollar (**USD**).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity.

The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

1.7 Revenue recognition

The Group recognises revenue as follows:

Sale of goods

The Group recognizes sales revenue related to the transfer of promised goods or services when control of the goods or services is transferred to the customer. The amount of revenue recognised reflects the consideration to which the Group is, or expects to be entitled to in exchange for those goods or services.

Sales revenue is recognised on individual sales when control transfers to the customer.

The Group sells its products on Free on Board terms where the Group has no responsibility for freight or insurance once control of the goods has passed at the loading port. Under these terms there is only one performance obligation: the provision of goods at the point when control passes to the customer.

The Group's products are sold to customers under the contracts that vary in tenure and pricing mechanisms, primarily being monthly or quarterly indexes. Certain sales may be provisionally priced at the date revenue is recognised; however, substantially all coal sales are reflected at final prices by the end of the reporting period. The final selling price is based on the price for the quotational period stipulated in the contract.

Notes to the Consolidated Financial Statements

1.8 Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

1.9 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Restricted cash is not available for use by the Group and therefore is not considered highly liquid, for example, cash set aside to cover rehabilitation obligations.

1.10 Inventories

Stock on hand is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of coal inventories is determined using an actual weight basis. Cost includes direct material, overburden removal, mining, processing, labour, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining activities. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. The tonnes of contained coal are based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are verified by periodic surveys. Where coal stock is purchased from third party, the cost includes purchase cost and delivery cost, net of rebates and discounts received or receivable.

1.11 Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of

Notes to the Consolidated Financial Statements

1.11 Associates (continued)

the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.12 Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation, impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Notes to the Consolidated Financial Statements

1.13 Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis with expected useful lives as follows:

Item	Depreciation method	Average useful life
Freehold land	No depreciated	N/A
Plant and equipment	Straight line and units of production	1-10 years
Mine development	Units of production	

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

The Group's right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

1.14 Deferred stripping

Deferred stripping expenditure incurred to remove overburden or waste material during the production phase of a mining operation is deferred to the extent it gives rise to future economic benefits and charged to operating costs on a units of production basis using the estimated average stripping ratio for the area being mined. Changes in estimates of average stripping ratios are accounted for prospectively. The stripping activity asset is subsequently depreciated on a units of production basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. For the purposes of assessing impairment, deferred stripping costs are grouped with other assets of the relevant cash generating unit.

1.15 Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the consolidated statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

1.16 Impairing of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash- generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Notes to the Consolidated Financial Statements

1.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition except those classified as non-current which are paid after 12 months from year end.

1.18 Restoration and rehabilitation

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past events, and it is probable that resources will be expended to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are made for the estimated cost of rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. Provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cashflows. The estimated costs of rehabilitation include the current cost of re-contouring, topsoiling and revegetation based on legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

The amount of the provision relating to rehabilitation of mine infrastructure and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time. The provision is recognised as a liability with a corresponding asset included in mine development assets.

At each reporting date, the rehabilitation liability is re-measured in line with changes in discount rates, and timing or amount of the costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as a finance expense in the consolidated statement of profit or loss as it occurs.

For closed mines, changes to estimated costs are recognised immediately in the consolidated statement of profit or loss.

The amount of the provision relating to rehabilitation of environmental disturbance caused by on-going production and extraction activities is recognised in the consolidated statement of profit or loss as incurred.

1.19 Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

On occasion, equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

Notes to the Consolidated Financial Statements

1.19 Employee benefits (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte Carlo or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, market performance conditions, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non vesting and market conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Monte Carlo or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

The Group elects to transfer the share-based reserve for cancelled share options to accumulated losses.

1.20 Fair value measurement

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Notes to the Consolidated Financial Statements

1.20 Fair value measurement (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

1.21 Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.22 Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

1.23 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of TerraCom Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1.24 Goods and Services Tax ('GST'), Value Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST/VAT, unless the GST/VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of GST/VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST/VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the tax authority.

1.25 Rounding

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Notes to the Consolidated Financial Statements

2. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Carrying value of mining assets

The Group assesses at the end of each reporting period, whether there is any indication that a mining asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the mining assets. The recoverable amount of an individual asset, or cash generating unit is determined based on the higher of fair value less cost of disposal (**FVLCD**) or value in use (**VIU**). These calculations require the use of estimations and assumptions. Refer to Note 13 for further information.

Estimated future cash flows used to determined FVLCD are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors including future coal prices, discount rates, foreign exchange rates, future costs of production, stripping ratios, and future capital expenditure. These assumptions are likely to change over time, which may then impact the estimated life of the mine, and the associated FVLCD.

Carrying value of exploration and evaluation assets

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Refer to Note 14 for further information.

Mineral reserves and resources

The estimated quantities of economically recoverable Reserves and Resources are based upon interpretations of geological and geophysical models and require assumptions to be made requiring factors such as estimates of future operating performance, future capital requirements, and coal prices. The Group is required to determine and report Reserves and Resources under the *Australian Code for Reporting Mineral Resources and Ore Reserves December 2012* (**JORC code**). The JORC code requires the use of reasonable investment assumptions to calculate reserves and resources. Changes in reported reserves and resources can impact the life of mine, which impacts the carrying value of mine development asset, rehabilitation provisioning and amortisation and depreciation.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitation in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Refer to Note 20 for further information.

Notes to the Consolidated Financial Statements

2. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Monte Carlo or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to Note 22 for further details.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets as well as in the amounts recognised in income in the period in which the change occurs. The most significant assumptions as part of the future probability estimate include; future production profiles, future commodity prices, expected operating costs, future development costs necessary to produce the reserves and value attributable to additional resource.

All available evidence is considered when determined forecast assumptions, including approved budgets, forecasts and business plans, impact of climate change policy (enacted and future) and, in certain cases, analysis of historical operating results.

The estimates described above require significant management judgement and are subject to risk and uncertainty that maybe beyond the control of the Group; hence, there is a possibility that changes in circumstances will materially alter projections, which may impact the recoverable amount of deferred tax asset at each reporting date.

3. Operating segments

Identification of reportable operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers, or CODM) in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the geographical location of the segment; and
- any external regulatory requirements.

The CODM reviews Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation, impairment of exploration assets, gain on deconsolidation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the consolidated financial statements.

The information reported to the CODM is on a monthly basis.

Notes to the Consolidated Financial Statements

3. Operating segments (continued)

Types of products and services

The reporting segments are organised according to the nature of the activities undertaken and geographical local of the activities as outlined below:

Australia	Coal exploration and extraction activities within Australia
South Africa	Coal exploration and extraction activities in South Africa
Unallocated	Various business development and support activities that are not allocated to operating segments.

Accounting policies adopted

All amounts reported to the Board of Directors, being the CODM with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual consolidated financial statements of the Group.

A number of inter-segment transactions, receivables, payables, or loans occurred during the period, or existed at reporting date. In addition, corporate re charges were allocated to the reporting segments.

Notes to the Consolidated Financial Statements

3. Operating segments (continued)

Operating segment information

2024	**Australia $ '000**	**South Africa $ '000**	**Unallocated $ '000**	**Total $ '000**
Revenue				
Sales to external customers	251,499	7,644	-	259,143
Cost of goods sold	(192,853)	(8,432)	-	(201,285)
Gross Profit	**58,646**	**(788)**	**-**	**57,858**
Other operating and administration expenses	(4,675)	(3,970)	(6,750)	(15,395)
Net foreign exchange gain	3	2,203	-	2,206
Share of profits of investments accounted for using the equity method	-	7,411	-	7,411
Depreciation and amortisation expense	(17,234)	(112)	-	(17,346)
Impairment of assets	-	(864)	-	(864)
Net finance income – (expenses)	(75)	(488)	-	(563)
Profit before taxation	**36,665**	**3,392**	**(6,750)**	**33,307**
Profit before taxation				33,307
Income tax expense				(8,268)
Profit after taxation				**25,039**
Assets				
Segment assets	209,279	105,140	-	314,419
Total assets	**209,279**	**105,140**	**-**	**314,419**
Total assets include additions and acquisitions of non-current assets				
Property, plant and equipment	12,520	-	-	12,520
	12,520	**-**	**-**	**12,520**
Liabilities				
Segment liabilities	132,160	14,411	-	146,571
Total liabilities	**132,160**	**14,411**	**-**	**146,571**

Notes to the Consolidated Financial Statements

3. Operating segments (continued)

2023	Australia $ '000	South Africa $ '000	Unallocated $ '000	Total $ '000
Revenue				
Sales to external customers	649,713	10,926	-	660,639
Cost of goods sold	(302,848)	(9,419)	-	(312,267)
Gross Profit	**346,865**	**1,507**	**-**	**348,372**
Other operating and administration expenses	(432)	(1,680)	(17,753)	(19,865)
Net foreign exchange gain	-	526	639	1,165
Share of profits of investments accounted for using the equity method	-	43,044	-	43,044
Depreciation and amortisation expense	(14,010)	(289)	(35)	(14,334)
Net finance income – (expenses)	970	1,988	(330)	2,628
Profit before taxation	**333,393**	**45,096**	**(17,479)**	**361,010**
Profit before taxation				361,010
Income tax expense				(98,517)
Profit after taxation				**262,493**
Assets				
Segment assets	239,011	117,193	-	356,204
Total assets	**239,011**	**117,193**	**-**	**356,204**
Total assets include additions and acquisitions of non-current assets				
Property, plant and equipment	11,931	-	-	11,931
Exploration and evaluation	-	292	-	292
	11,931	**292**	**-**	**12,223**
Liabilities				
Segment liabilities	172,301	16,054	-	188,355
Total liabilities	**172,301**	**16,054**	**-**	**188,355**

Notes to the Consolidated Financial Statements

3. Operating segments (continued)

Major customers

External revenue for the Group was derived from sales to the following customers:

	2024 $ '000	2024 %	2023 $ '000	2023 %
Major customers				
Vitol Asia	55,291	21.3%	193,863	29.3%
Customer A *	96,822	37.4%	298,978	45.3%
Customer B *	63,043	24.3%	130,731	19.8%
Other customers	43,987	17.0%	37,067	5.6%
	259,143		**660,639**	

* *Due to contractual limitations, parties are not identified.*

Geographic information	2024 $ '000		2023 $ '000	
	Sales to external customers	Non-current assets	Sales to external customers	Non-current assets
Australia	251,498	160,811	649,713	176,861
South Africa	7,645	102,286	10,926	100,636
	259,143	**263,097**	**660,639**	**277,497**

4. Other operating and administration expenses

	Consolidated	
	2024 $ '000	2023 $ '000
Other operating and administration expenses	2,291	3,586
Consultant and professional fees	5,108	6,207
Employee benefits excluding superannuation expense	7,737	9,755
Superannuation expense	259	317
	15,395	**19,865**

Notes to the Consolidated Financial Statements

5. Remuneration of auditors

The following fees were paid or payable for services provided by BDO Audit Pty Ltd (TerraCom Limited Auditor) and BDO South Africa Incorporated (UCEHSA Group auditor), the auditors of the Group:

	Consolidated	
	2024 $	2023 $
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities		
Audit or review of the consolidated financial statements	882,474	1,348,546
Other services		
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	19,426	-
	901,900	**1,348,546**
Audit and other services		
Ernst & Young (Australia)	-	467,490
BDO (Australia)	797,345	750,000
BDO (South Africa)	104,555	131,056
	901,900	**1,348,546**

6. Taxation

Reconciliation of the tax expenses

	Consolidated	
	2024 $ '000	2023 $ '000
Current tax expense	10,343	99,294
Deferred tax expense / (benefit)	(2,075)	(777)
	8,268	**98,517**

Notes to the Consolidated Financial Statements

6. Taxation (continued)

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Profit/(loss) before income tax benefit	33,307	361,010
Tax at the applicable tax rate of 30% (2023: 30%)	9,992	108,303
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Non-taxable items	(4,239)	(12,903)
Adjustments in respect of current income tax of previous years	-	13
Foreign exchange	(6)	352
Non-deductible expenses	100	1,511
Other	2,291	1,282
	8,138	**98,558**
Difference in overseas tax rates	130	(41)
Income tax expense	**8,268**	**98,517**

	2024 Deferred income tax	2023 Deferred income tax
Opening balance	(9,273)	(11,839)
Charged to income – corporate tax	2,075	777
Charged to equity	-	(244)
Adjustment for prior periods	193	2,033
Payments	-	-
Closing balance	**(7,005)**	**(9,273)**

Notes to the Consolidated Financial Statements

7. Earnings per share

Basic earnings / (loss) per share

Basic earnings per share is determined by dividing profit (loss) attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	Consolidated 2024	Consolidated 2023
Basic earnings per share (cents per share)	3.24	32.76

Basic earnings per share was based on earnings of $25.951 million (2023: profit of $262.096 million) and a weighted average number of ordinary shares of 800,966,235 (2023: 799,958,960).

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
Reconciliation of profit / (loss) for the year to basic earnings		
Profit / (loss) for the year attributable to equity holders of the parent	25,951	262,096
	25,951	**262,096**

Diluted earnings per share

	Consolidated 2024	Consolidated 2023
Diluted earnings per share (cents per share)	3.24	32.76

Diluted earnings per share was based on earnings of $25.951 million (2023: profit of $262.097 million and a weighted average number of ordinary shares inclusive of unquoted options of 800,966,235 (2023: 799,958,960).

There were no dilutive instruments at the 2024 year end (2023: nil).

8. Cash and cash equivalents

Cash and cash equivalents consist of:

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
Cash at bank	8,351	44,032

Notes to the Consolidated Financial Statements

9. Trade and other receivables

Split between current and non-current portions:	**Consolidated 2024 $ '000**	**Consolidated 2023 $ '000**
Current		
Trade receivables	16,796	9,112
Loan receivables – related parties	2,891	2,777
Prepayment	10,476	183
Other receivables	3,707	7,037
Total trade and other receivables - current	**33,870**	**19,109**
Non-Current		
Loan receivables – related parties	722	3,469
Long service leave receivable	1,780	2,464
Total trade and other receivables – non-current	**2,502**	**5,933**
Total trade and other receivables	**36,372**	**25,042**

The trade receivables balance relates to an outstanding amount with a long-standing customer. Given the well-established history with the customer, there is no credit loss expected.

Increase in prepayments relates to a fee of $10 million paid to third party provider for assignment of port and rail capacity which covers the period to 1 January 2024 to 31 December 2025.

The loan receivables – related parties balance is net of provisions for expected credit loss and relates to funds owing from the deconsolidated South African entities which have drawn funds against the loan with The Standard Bank of South Africa. As disclosed in Note 18, UCEHSA is the main borrower, on behalf of the entities. Refer to Note 33 for further details on the terms and conditions of this related party receivables.

The other receivables balance includes refundable, Goods and Services Tax (GST), Diesel Rebate and Value Added Tax (VAT) receivable. Due to the short-term nature of these receivables, their carrying value is assumed to approximate to their fair value. The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

10. Inventories

	Consolidated 2024 $ '000	**Consolidated 2023 $ '000**
Coal Stock	4,054	9,646
Consumables and stores	5,047	5,920
	9,101	**15,566**

Notes to the Consolidated Financial Statements

11. Restricted cash

	Consolidated	
	2024 $ '000	2023 $ '000
Bank deposit	29	28
Security deposit	58,190	66,918
	58,219	**66,946**

The bank deposit relates to a $0.03 million of standby equity and security for financial and supplier guarantees provided by financial institutions on behalf of the Group's South African operations.

The security deposit relates to the cash pledged as security for the issuance of insurance bond to satisfy the financial assurance requirements with the Queensland Government's Department of Environment and Science for the Blair Athol Coal Mine's Environmental Authority EPML00876713. The security deposit is held by Westpac, which at reporting date was bearing an interest rate of 5.2% per annum.

12. Other financial assets

	Consolidated	
	2024 $ '000	2023 $ '000
Mining rehabilitation guarantees	2,764	2,061
Other investment	-	600
	2,764	**2,661**

Legislation stipulates that all mining operations within South Africa are required to make a provision for environmental rehabilitation during the Life of Mine and at closure. In line with this requirement, the Group has entered into policies with a reputable insurance broker to set aside funds for aforementioned purposes. On the back of these policies, the insurance broker provides the required mining rehabilitation guarantees which are accepted by the Department of Mineral Resources and Energy in South Africa. The Group makes annual premium payments towards structured products that will allow the matching of the environmental rehabilitation liability against the Group assets over a period of time.

This financial asset comprises the premium paid to the insurer, plus interest, less charges and claims paid by the insurer to the Group and is measured at amortised cost, as the formula includes the effect of the time value of money.

Notes to the Consolidated Financial Statements

13. Property, plant and equipment

	2024			2023		
Consolidated	**Cost $ '000**	**Accumulated depreciation $ '000**	**Carrying Value $ '000**	**Cost $ '000**	**Accumulated depreciation $ '000**	**Carrying value $ '000**
Land and buildings	6,330	-	6,330	6,331	-	6,331
Plant and machinery	57,058	(28,916)	28,142	45,052	(22,561)	22,491
Mine development	167,832	(121,353)	46,479	165,575	(108,934)	56,641
Right-of-use assets – land and buildings	638	(638)	-	638	(637)	1
Right-of-use assets – plant and equipment	4,021	(3,486)	535	4,021	(3,015)	1,006
Capital – work in progress	4,666	-	4,666	4,502	-	4,502
Total	**240,545**	**(154,393)**	**86,152**	**226,119**	**(135,147)**	**90,972**

Notes to the Consolidated Financial Statements

13. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment	Opening balance $ '000	Additions $ '000	Disposals $ '000	Transfers $ '000	Derecognit-ion $ '000	Change in estimate $ '000	Exchange differences $ '000	Depreciation $ '000	Closing balance $ '000
Consolidated – 2024									
Land and buildings	6,331	-	-	-	-	-	(1)	-	6,330
Plant and machinery	22,491	338	(5)	12,006	-	-	3	(6,691)	28,142
Mine development	56,641	18	-	-	-	-	2	(10,182)	46,479
Right-of-use assets – land & buildings	1	-	-	-	-	-	1	(2)	-
Right-of-use assets – plant & equipment	1,006	-	-	-	-	-	-	(471)	535
Capital – work in progress	4,502	12,164	-	(12,006)	-	-	6	-	4,666
Total	**90,972**	**12,520**	**(5)**	**-**	**-**	**-**	**11**	**(17,346)**	**86,152**
Consolidated – 2023									
Land and buildings	6,331	-	-	-	-	-	-	-	6,331
Plant and machinery	22,387	6,298	(53)	-	-	-	(360)	(5,781)	22,491
Mine development	63,148	902	-	-	-	-	484	(7,893)	56,641
Right-of-use assets – land & buildings	235	-	-	-	-	-	(17)	(217)	1
Right-of-use assets – plant & equipment	230	1,202	-	-	-	-	17	(443)	1,006
Capital – work in progress	1,045	3,529	-	-	-	-	(72)	-	4,502
Total	**93,376**	**11,931**	**(53)**	**-**	**-**	**-**	**52**	**(14,334)**	**90,972**

Right-of-use assets

Right-of-use assets consist of mining plant and equipment and an office lease.

Notes to the Consolidated Financial Statements

13. Property, plant and equipment (continued)

Impairment

At each reporting period, the Company assesses whether there are indicators of impairment or impairment reversal with respect to its mining assets. When indicators of impairment or impairment reversal are identified, impairment testing is performed to determine their recoverable amount. If the carrying value of the assets exceeds this recoverable amount, an impairment loss is charged to the consolidated statement of profit or loss with a corresponding reduction in the asset value. If the recoverable amount exceeds the carrying value for an asset which was previously impaired a partial or full reversal is recorded.

No indicators of impairment were identified for the period ended 30 June 2024 (2023: nil). .

In the event that impairment testing is required for mining assets, the expected future cash flows are based on a number of factors, variables and assumptions. In most cases, the present value of future cash flows is most sensitive to estimates of future commodity price, foreign exchange and discount rates. The future cash flows for the FVLCD calculation are based on estimates, the most significant of which are coal reserves, future production profiles, commodity prices, operating costs, any future development costs necessary to produce the reserves and value attributable to additional resource and exploration opportunities beyond reserves based on production plans. The FVLCD calculation is categorised within level 3 of the fair value hierarchy.

Future commodity prices are based on the Group's best estimate of future market prices with reference to external market analysts' forecasts, current spot prices and forward curves. The Group's coal price forecasts include the expected impact of climate change and potential policy responses as one of the many factors that can affect long term scenarios. The Group's independent research into forecast coal consumption suggests that the global demand for the Group's products will continue over the life of the respective assets. Future commodity prices are reviewed at least annually. Where volumes are contracted, future prices are based on the contracted price.

In the event that future circumstances vary from these assumptions, the recoverable amount of the Group's CGUs could change materially and result in impairment losses or the reversal of previous impairment losses.

The recoverable value of the Company's Coal Resources and Reserves (including its plant and equipment) is most sensitive to the following items:

1. Domestic thermal coal demand. In determining this the Company considers the contracted volumes it has contracted with domestic power producers, as well as the South African forecasted electricity demand over the mine life.

2. Export coal demand. In determining this the Company considers its export contracted volumes, as well as the forecasted coal demand over the mine life.

3. USD coal prices. In determining this the Company considers the futures pricing on or around period end.

4. ZAR:USD foreign exchange rate. In determining this the Company considers the futures pricing on or around period end.

5. The discount rate derived using the weighted average cost of capital methodology adjusted for any risks that are not reflected in the underlying cash flows.

6. The estimated quantities of economically recoverable reserves and resources are based on interpretations of geological and geophysical models, which require assumptions to be made on factors, including future operating performance, capital requirements, and economic assumptions (coal price and foreign exchange). Any change in the recoverable reserves and resources may result in an amendment to the life of the mine.

Any material change in these assumptions or circumstances may result in a future impairment being recognised in future reporting periods.

Notes to the Consolidated Financial Statements

14. Exploration and evaluation assets

	2024			2023		
Consolidated	Cost $ '000	Impairment/ Deconsolid-ation $ '000	Carrying value $ '000	Cost $ '000	Impairment/ Deconsolid-ation $ '000	Carrying value $ '000
Exploration and evaluation	14,388	(864)	13,524	14,366	-	14,366

Reconciliation of exploration and evaluation assets

	Opening balance $ '000	Additions $ '000	Exchange differences $ '000	Impairment loss $ '000	Closing balance $ '000
Consolidated – 2024					
Exploration and evaluation	14,366	-	22	(864)	13,524
Consolidated – 2023					
Exploration and evaluation	14,149	292	(75)	-	14,366

Exploration and evaluation

The recoverability of the carrying amounts of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

During the year ending 30 June 2024, it was determined to impair $864 thousand at Universal Coal Development I Pty Ltd.

Notes to the Consolidated Financial Statements

14. Exploration and evaluation (continued)

Australian mining and exploration tenements

Tenement No.	Operation/Project	Location	2024	2023
EPC 1260	Northern Galilee (Clyde Park)	Charters Towers, Queensland, Australia	64.40%	64.40%
EPC 1300	Northern Galilee (Hughenden)	Charters Towers, Queensland, Australia	100%	100%
EPC 1394	Northern Galilee (Hughenden)	Charters Towers, Queensland, Australia	100%	100%
EPC 1477	Northern Galilee (Hughenden)	Charters Towers, Queensland, Australia	100%	100%
EPC 1478	Northern Galilee (Hughenden)	Charters Towers, Queensland, Australia	100%	100%
EPC 2049	Northern Galilee (Hughenden)	Charters Towers, Queensland, Australia	100%	100%
EPC 1890	Northern Galilee (Pentland)	Rockhampton, Queensland, Australia	100%	100%
EPC 1892	Northern Galilee (Pentland)	Rockhampton, Queensland, Australia	100%	100%
EPC 1893	Northern Galilee (Pentland)	Rockhampton, Queensland, Australia	100%	100%
EPC 1964	Northern Galilee (Pentland)	Rockhampton, Queensland, Australia	100%	100%
EPC 1674	Springsure (Springsure)	Emerald, Queensland, Australia	90.07%	90.07%
MDL 3002	Springsure (Springsure)	Emerald, Queensland, Australia	90.07%	90.07%
EPC 1103	Springsure (Fernlee)	Emerald, Queensland, Australia	100%	100%
ML 1804	Blair Athol	Blair Athol, Queensland, Australia	100%	100%

South African mining and prospecting rights

Tenement No.	Operation/Project	Location	2024	2023
MP30/5/1/2/2/429MR	Kangala Colliery	Delmas, Mpumalanga Province, South Africa	70.5%	70.5%
MP30/5/1/1/2/10179MR	Kangala Colliery	Delmas, Mpumalanga Province, South Africa	70.5%	70.5%
LP30/5/1/2/3/2/1 (10131) MR	Berenice Project *	Waterpoort, Limpopo Province, South Africa	50%	50%
LP30/5/1/1/2/376PR	Berenice Project *	Waterpoort, Limpopo Province, South Africa	50%	50%
MP30/5/1/2/2/10027MR	Ubuntu Colliery *	Delmas, Mpumalanga Province, South Africa	48.9%	48.9%
MP30/5/1/1/2/492MR	New Clydesdale Colliery *	Kriel, Mpumalanga Province, South Africa	49%	49%
MP30/5/1/2/2/10169MR	Eloff Project *	Delmas, Mpumalanga Province, South Africa	49%	49%
MP30/5/1/2/1/326MR	North Block Complex (Glisa) *	Belfast, Mpumalanga Province, South Africa	49%	49%
MP30/5/1/1/2/19MR (10068MR)	North Block Complex (Eerstelingsfontein) *	Belfast, Mpumalanga Province, South Africa	49%	49%
MP30/5/1/2/2/10090MR	North Block Complex (Paardeplaats) *	Belfast, Mpumalanga Province, South Africa	49%	49%
LP 30/5/1/2/2/10169MR	Cygnus Project *	All Days (Waterpoort), Limpopo Province, South Africa	50%	50%

** held through equity accounted investment*

Notes to the Consolidated Financial Statements

15. Deferred tax

	Consolidated 2024 $'000	Consolidated 2023 $'000
Deferred tax asset comprises temporary differences attributable to:		
Provision	17,322	18,375
Leases	8	14
Other	1,115	999
Offset of deferred tax liability	(18,627)	(19,570)
	(182)	**(182)**
Amounts recognised in equity		
Transaction costs on share issue	182	182
Deferred tax asset – net	**-**	**-**
Deferred tax liability comprises temporary differences attributable to:		
Property, plant and equipment	(12,517)	(13,267)
Exploration and evaluation	(176)	-
Secured deposits	(10,882)	(13,500)
Consumables	(78)	(77)
Other	(1,979)	(1,999)
Offset of deferred tax asset	18,627	19,570
Deferred tax liability – net	**(7,005)**	**(9,273)**

TerraCom Limited and its wholly owned Australian controlled entities are part of a tax-consolidated group under Australian taxation law. The head entity, TerraCom Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, TerraCom Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes.

Notes to the Consolidated Financial Statements

16. Other non-current assets

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
Other deposits	13,125	16,685

Other deposits comprise mainly of refundable security deposits paid to Dalrymple Bay Coal Terminal and Aurizon Network for port and below rail contract security for the Blair Athol supply chain. The established history with these parties indicate an expected loss will be immaterial (less than 1%).

17. Trade and other payables

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
Trade and other payables	32,593	39,144

Fair value of trade and other payables

Due to the short-term nature, the current trade and other payables have a carrying value which approximates their fair value.

18. Borrowings

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
Current borrowings		
Standard Bank of South Africa facilities	2,891	2,777
Hire purchase	-	9
	2,891	**2,786**
Non-current borrowings		
Standard Bank of South Africa facilities	722	3,469
	722	**3,469**

Standard Bank of South Africa facilities

On 10 September 2020, UCEHSA entered into new financing agreement with The Standard Bank of South Africa (**SBSA**), acting through its Corporate and Investment Banking division, wherein UCEHSA and its operating partners would have access to a financing facility of up to ZAR 600 million.

Drawn funds from the facility bear interest at three-month JIBAR plus 3.9% per annum and this is serviced quarterly, following drawdown. Repayments of the capital commenced on 30 September 2021 and are to occur on a quarterly basis over 16 equal payments, ending 30 September 2025.

Security over the debt facilities are standard for a facility of this nature, and involve first ranking security over assets, including bonds over movable, immovable, mining and surface rights in South Africa, as well as the equity holders of the operating subsidiaries have all pledged their shares as security in the operating subsidiaries to SBSA. Under the facility, the Group is subject to compliance with leverage & debt service cover ratio and interest coverage financial covenants. The Group has complied with all the covenants during the financial year.

Notes to the Consolidated Financial Statements

18. Borrowings (continued)

Given the deconsolidation of a number of the South African entities, a corresponding receivable has been recorded for the Group which reflects the portion of the SBSA loan where each South African entity is the ultimate borrower of funds, via UCEHSA.

19. Lease liabilities

Lease liabilities are secured over the leased assets to which they relate. Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Consolidated	
	2024 $ '000	2023 $ '000
As at 1 July	1,017	414
Additions	-	1,202
Accretion of interest	35	58
Payments	(489)	(647)
Exchange differences	-	(10)
	563	**1,017**
Current liabilities	377	1,017
Non-current liabilities	186	-
	563	**1,017**

The following are the amounts recognised in profit or loss:

Depreciation expense	473	660
Interest expenses on lease liabilities	35	57
Expenses relating to leases of low-value assets	-	45
	508	**762**

Notes to the Consolidated Financial Statements

20. Provisions

Environmental

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred over the life of the estimated life of the mine (up to 25 years), which is when the producing mine properties are expected to cease operations. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon whichto estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates.

Reconciliation of provisions – 2024	Opening balance $ '000	Change in Estimate $ '000	Unwinding of discount $ '000	Rehab-ilitation $ '000	Exchange differences $ '000	Closing balance $ '000
Mine rehabilitation and closure						
Blair Athol	57,247	(2,347)	-	(585)	-	54,315
Kangala	3,669	-	-	-	366	4,035
Australian exploration assets	864	-	-	-	-	864
	61,780	**(2,347)**	**-**	**(585)**	**366**	**59,214**

Reconciliation of provisions – 2023	Opening balance $ '000	Change in Estimate $ '000	Unwinding of discount $ '000	Rehab-ilitation $ '000	Exchange differences $ '000	Closing balance $ '000
Mine rehabilitation and closure						
Blair Athol	63,802	(1,920)	-	(4,635)	-	57,247
Kangala	4,023	82	-	-	(436)	3,669
Australian exploration assets	864	-	-	-	-	864
	68,689	**(1,838)**	**-**	**(4,635)**	**(436)**	**61,780**

Notes to the Consolidated Financial Statements

20. Provisions (continued)

Other (Current)	Consolidated 2024 $ '000	Consolidated 2023 $ '000
Current liability		
Annual leave	3,451	4,148
Long service leave	1,780	2,342
	5,231	**6,490**
Non-current liability		
Rehabilitation	59,214	61,780
	59,214	**61,780**

Other movement relates to the decrease in the Blair Athol mine rehabilitation provision relates to the year on the year change in macro assumptions relating to inflation and discount rate.

21. Issued capital

Issued	2024 Shares	2023 Shares	2024 $ '000	2023 $ '000
Ordinary shares – fully paid	800,966,235	800,966,235	376,011	376,011

Movement in ordinary share capital

Details	Date	Shares	Issue price	$ '000
Opening Balance	1 July 2022	797,851,601		373,203
Ordinary shares issued to Evolution Capital Pty Ltd on the exercise of unquoted options	29 Aug 2022	1,666,667	$0.35	583
Fair value adjustment on ordinary shares issued to Evolution Capital	29 Aug 2022	-		1,268
Ordinary shares issued to management following the vesting of performance rights	3 Jan 2023	1,447,967	-	1,201
Share issue costs				(244)
Closing Balance	**30 June 2023**	**800,966,235**		**376,011**
Opening Balance	1 July 2023	**800,966,235**		**376,011**
Closing Balance	**30 June 2024**	**800,966,235**		**376,011**

Notes to the Consolidated Financial Statements

21. Issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or Company was seen as value adding relative to the current Company's share price at the time of the investment.

The Group is subject to certain financing arrangements covenants as noted in Note 18 and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year (2023: no default).

The capital risk management policy remains unchanged from the 2023 Annual Report.

Notes to the Consolidated Financial Statements

22. Share based payments

Directors and Executive KMP

No performance rights were granted during the year. Set out below is a summary of the performance rights granted by the Company in prior years:

Name	LTI series	Grant Date	Vesting Date	Number Granted	Value Per Share (1)	Number Vested	Vested %	Number Forfeited	Forfeited %	Total Award Value in Future Financial Years (2)
Danny McCarthy	2022 – T1	Nov 22 (3)	31 Dec 22	733,740	0.7800	733,740	100%	-	-	-
	2022 – T2	Nov 22 (3)	30 Jun 23	733,740	0.5818	733,740 (5)	100%	-	-	-
Nathan Boom (4)	2022 – T1	Aug 22	31 Dec 23	329,268	0.8803	329,268	100%	-	-	-
	2022 – T2	Aug 22	30 Jun 23	329,268	0.6837	329,268 (5)	100%	-	-	-
Megan Etcell	2022 – T1	Aug 22	31 Dec 23	257,317	0.8803	257,317	100%	-	-	-
	2022 – T2	Aug 22	30 Jun 23	257,317	0.6837	257,317 (5)	100%	-	-	-

(1) The fair value of the performance right is determined with reference to the actual share price on Grant Date and adjusted for the present value of expected dividends over the vesting period.
(2) Calculated with reference to the Grant Date at fair value. This value may change depending on the actual share price at Vesting Date.
(3) The Grant Date for D McCarthy is November 2022, being the date shareholder approval was obtained.
(4) Termination date 31 December 2023.
(5) The performance rights were cash settled following a change to the LTI. Cancellation by agreement between the Company and the holder on 21 July 2023.

Evolution Capital Pty Ltd

On 19 November 2021, 5,000,000 unquoted options were issued to Evolution Capital Pty Ltd under a lead broker agreement. The options were issued at a strike price of $0.35. Following the exercise of unquoted options, the Company issued 3,333,333 fully paid ordinary shares on 16 June 2022 and issued a further 1,666,667 fully paid ordinary shares on 29 August 2022. Refer to Note 21 for issuance of shares.

Set out below is a summary of the options granted by the Company:

	Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Number of options lapsed/ forfeited/ cancelled	Balance at the end of the year
2024	-	-	-	-	-	-	-	-
Weighted average exercise price			-	-	-	-	-	-
2023								
	19 Nov 2021	19 Nov 2024	$0.350	1,666,667	-	1,666,667	-	-
Weighted average exercise price			**$0.3500**	**$0.3500**	-	**$0.3500**	-	-

Notes to the Consolidated Financial Statements

23. Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the consolidated financial statements of foreign operations to Australian dollars.

Movements in the Foreign currency translation reserve during the current and previous financial year are set out below:

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
At the beginning of the financial year	22,099	21,995
Foreign currency translation through other comprehensive income	(166)	104
	21,933	**22,099**

24. Share-based payments reserve and other reserves

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in the share-based payments reserve during the current and previous financial year are set out below:

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
At the beginning of the financial year	828	-
Share based payments made during the year	(828)	2,029
Ordinary share issue	-	(1,201)
Share based payments reserve and other reserves at the end of the financial year	**-**	**828**

25. Accumulated losses

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
Accumulated losses at the beginning of the financial year	(231,605)	(249,692)
Profit / (Loss) after income tax for the year	25,951	262,096
Dividends paid	(24,030)	(244,009)
Accumulated losses at the end of the financial year	**(229,684)**	**(231,605)**

Notes to the Consolidated Financial Statements

26. Other non-controlling interest

	Consolidated	
	2024 $ '000	2023 $ '000
Non-controlling interest	(412)	516
Opening balance	516	119
Loss attributable to non-controlling interest	(913)	397
Other comprehensive income	(15)	-
	(412)	**516**

27. Key management personnel disclosures

Compensation to Executive KMP and Non-Executive Directors of the Group	2024 $ '000	2023 $ '000
Short-term employee benefits	3,728	5,928
Contributions to superannuation plans	128	102
Share-based compensation payments	(234)	1,917
Termination benefit	622	-
Long-term incentive award	1,463	-
Total compensation	**5,707**	**7,947**

Notes to the Consolidated Financial Statements

28. Cash flow information

	Consolidated 2024 $ '000	Consolidated 2023 $ '000
Profit/(Loss) after income tax for the year	25,039	262,493
Adjustments for non-cash items:		
Depreciation and amortisation	17,346	14,334
Fair value adjustment on share issue	-	1,268
Bad debts	(35)	-
Impairment expense	864	-
Share-based payments	(828)	2,029
Foreign exchange differences	(2,816)	(2,559)
Share of profit of investments accounted for using the equity method	(7,411)	(43,044)
Changes in assets and liabilities:		
Movement in tax balances	(31,250)	18,875
(Increase)/decrease in inventories	6,466	(9,564)
(Increase)/decrease in trade and other receivables	(19,671)	34,277
(Increase)/decrease in other assets	10	280
Increase/(decrease) in trade and other payables	193	(70,954)
Increase/(decrease) in provisions	(3,460)	(5,812)
	(15,553)	**201,623**

Changes in liabilities arising from financing activities

2024	Opening $ '000	Cash flows $ '000	FX and other movements $ '000	Closing $ '000
Interest bearing loans and borrowings *(excluding items listed below)*	6,255	(2,172)	(470)	3,613
Lease liabilities	1,017	(489)	35	563
Total liabilities from financing activities	**7,272**	**(2,661)**	**(435)**	**4,176**

2023	Opening $ '000	Cash flows $ '000	FX and other movements $ '000	Closing $ '000
Interest bearing loans and borrowings *(excluding items listed below)*	36,920	(26,623)	(4,042)	6,255
Lease liabilities	414	(642)	1,245	1,017
Total liabilities from financing activities	**37,334**	**(27,265)**	**(2,797)**	**7,272**

Notes to the Consolidated Financial Statements

29. Dividends paid

TerraCom declared and paid a dividend totalling $24.030 million to shareholders during the year ended 30 June 2024 (2023: $244.009 million), details as follows:

Period	Declaration Date	Amount (cents per share)	Franked Amount (cents per share)	Date of Payment
1 April 2023 to 30 June 2023	31 August 2023	$0.03	$0.03	28 September 2023

30. Financial instruments

Categories of financial instruments and fair value information

Categories of financial assets and fair value information

2024	Note	Carrying value at amortised cost	Fair value
Trade and other receivables	9	36,372	36,372
Cash and cash equivalents	8	8,351	8,351
Restricted cash	11	58,219	58,219
Other financial asset	12	2,764	2,764
Other non-current asset (deposit)	16	13,125	13,125
		118,831	**118,831**

2023	Note	Carrying value at amortised cost	Fair value
Trade and other receivables	9	25,042	25,042
Cash and cash equivalents	8	44,032	44,032
Restricted cash	11	66,946	66,946
Other financial asset	12	2,661	2,661
Other non-current asset (deposit)	16	16,685	16,685
		155,366	**155,366**

Categories of financial liabilities and fair value information

2024	Note	Carrying value at amortised cost	Fair value
Trade and other payables	17	32,593	32,593
Borrowings	18	3,613	3,613
Lease liabilities	19	563	563
		36,769	**36,769**

Notes to the Consolidated Financial Statements

30. Financial instruments (continued)

2023	Note	Carrying value at amortised cost	Fair value
Trade and other payables	17	39,144	39,144
Borrowings	18	6,255	6,255
Lease liabilities	19	1,017	1,017
		46,416	**46,416**

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group does not have any Level 1, Level 2 or Level 3 financial instruments as at 30 June 2024 or 30 June 2023.

Financial risk management objectives

The Group’s activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior finance executives (‘**Finance**’) under policies approved by the Board of Directors (‘the **Board**’). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group’s operating units. Finance reports to the Board on a monthly basis.

Market risk

The Group’s plans for any revenue are to be derived mainly from the sale of coal and/or coal products. Consequently, the Group’s financial position, operating results and future growth will closely depend on the market price of each of these commodities. Market prices of coal products are subject to large fluctuations in response to changes in demand and/or supply and various other factors.

These changes can be the result of uncertainty or several industry and macroeconomic factors beyond the control of the Group, including political instability, governmental regulation, forward selling by producers, climate, inflation, interest rates and currency exchange rates. If market prices of the commodities sold by the Group were to fall below production costs for these products and remain at that level for a sustained period of time, the Group would be likely to experience losses, having a material adverse effect on the Group. The Group does not currently hedge against coal price and foreign exchange.

Notes to the Consolidated Financial Statements

30. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year. In addition, receivable balances are monitored on an ongoing basis.

The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored.

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Group's maximum exposure is equal to the carrying amount of the financial assets, as outlined below:

	Carrying amount	
	2024 $ '000	2023 $ '000
Cash and cash equivalents	8,351	44,032
Trade and other receivables	36,372	25,042
Other deposits	13,125	16,685
Restricted cash	58,219	66,946
Other financial assets	2,764	2,661
	118,831	**155,366**

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Notes to the Consolidated Financial Statements

30. Financial instruments (continued)

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

2024	Interest Rates	Less than 1 year	1 to 5 years	Over 5 years	Remaining contractual maturities
Non-interest bearing					
Non-interest bearing trade payables	0%	32,593	-	-	32,593
Interest bearing – variable					
Borrowings (excluding lease liabilities)	12.30%	3,201	744	-	3,945
Lease liabilities	4.25% - 4.50%	393	191	-	584
		36,187	**935**	**-**	**37,122**

2023	Interest Rates	Less than 1 year	1 to 5 years	Over 5 years	Remaining contractual maturities
Non-interest bearing					
Non-interest bearing trade payables	0%	39,144	-	-	39,144
Interest bearing – variable					
Borrowings (excluding lease liabilities)	10.79%	3,427	3,792	-	7,219
Lease liabilities	4.25% - 4.50%	489	584		1,073
		43,060	**4,376**	**-**	**47,436**

The table above reflects current contractual obligations however, the Group may settle these borrowings under a different repayment profile to that as disclosed in the above table.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cashflow forecasting.

The functional currency of the parent entity, its Australian exploration subsidiaries and United Kingdom subsidiaries is Australian dollars (AUD), the South African subsidiaries and associates functional currency is South African Rand (ZAR). As a result, currency exposure exists arising from the transaction and balances in currencies other than AUD and ZAR (Australian Dollars and South African Rand). The Group closely monitors its foreign exchange risk in Australia and South Africa to ensure it is at an acceptable level of risk.

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments.

Notes to the Consolidated Financial Statements

30. Financial instruments (continued)

Foreign currency sensitivity analysis

	2024	2024	2023	2023
Increase or decrease in rate	AUD strengthened 1%	AUD weakened 1%	AUD strengthened 1%	AUD weakened 1%
Impact on profit or loss before tax:				
Cash and cash equivalents	16,330	(16,660)	2,008,269	(2,048,840)
Trade debtors	173,269	(176,769)	57,361	(58,520)
Restricted cash	-	-	438,544	(447,404)
Accounts payable	(113,349)	115,639	(6,131)	6,255
	76,250	**(77,790)**	**2,498,043**	**(2,548,509)**
Impact on equity:				
Cash and cash equivalents	(16,330)	16,660	(2,008,269)	2,048,840
Trade debtors	(173,269)	176,769	(57,361)	58,520
Restricted cash	-	-	(438,544)	447,404
Accounts payable	113,349	(115,639)	6,131	(6,255)
	(76,250)	**77,790**	**(2,498,043)**	**2,548,509**

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Interest rate profile

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	Average interest rate		Carrying amount	
	2024 %	2023 %	2024 $ '000	2023 $ '000
Consolidated				
Standard Bank of South Africa	12.30%	10.79%	3,612	6,240
Net exposure to cash flow interest rate risk			**3,612**	**6,240**

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' above.

Notes to the Consolidated Financial Statements

30. Financial instruments (continued)

Price risk

Commodity price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

The Group is continuing to monitor its exposure to commodity price risk. As at reporting date thermal coal and coking coal prices are significantly lower since July 2022. There is still uncertainty in the market and the cost to implement an effective hedging strategy to manage the commodity price risk is quite substantial compared to the hedging prices available make this strategy ineffective. On this basis the Group has decided to not implement strategies to reduce its exposure to downside risk in prices. As commodity prices stabilise and market uncertainty is reduced the Group will consider strategies to manage this risk.

31. Capital and leasing commitments

Exploration and evaluation commitments

	Consolidated	
	2024 $ '000	2023 $ '000
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	910	889
One to five years	5,320	617
	6,230	**1,506**

32. Contingent liabilities

The Group had contingent liabilities at 30 June 2024 in respect of:

- On 1 March 2023, the Company announced ASIC filed proceedings in the Federal Court of Australia against the Company and current and former directors and officers of the Company, being Mr McCarthy, Mr Boom, Mr Ransley and Mr King [1].

  The proceedings relate to disclosures made by the Company with respect to a former employee in early 2020. The Company has lawyers engaged and will vigorously defend the proceedings. Based on the legal timetable currently in place, the next Case Hearing is expected to be held in February 2025.

Other than noted above, the Group had no other contingent liabilities at 30 June 2024.

[1] *NSD176/2023 - Australian Securities and Investments Commission v TerraCom Limited ACN 143 533 537 & Ors*

Notes to the Consolidated Financial Statements

33. Related parties

Relationships	
Parent entity	TerraCom Limited is the parent entity
Subsidiaries	Interests in subsidiaries are set out in Note 36
Associates	Interests in associates include Universal Coal Development VI (Pty) Ltd and Universal Coal Logistics (Pty) Ltd

Related party balances

	Consolidated 2024 $	Consolidated 2023 $
Receivables		
North Block Complex (Pty) Ltd loan payable to UCEHSA	841,778	1,455,575
Universal Coal Development IV (Pty) Ltd loan payable to UCEHSA	2,770,613	4,790,854
Payables		
Lewis Mining Consulting – Glen Lewis (director fees)	13,333	13,333
Craig Lyons (director fees) *	-	16,250
Universal Coal Logistics (Pty) Ltd	-	208,422

* *Resigned 1 February 2024*

Related party transactions	Consolidated 2024 $	Consolidated 2023 $
BEE/minority shareholder related parties in South Africa		
Management fees received from Universal Coal Development IV (Pty) Ltd	-	2,105,298
Interest earned from North Block Complex (Pty) Ltd	152,157	230,076
Interest earned from Universal Coal Development III (Pty) Ltd	-	132,109
Interest earned from Universal Coal Development IV (Pty) Ltd	501,993	1,000,829
Interest earned from Eloff Agriculture and Mining Company (Pty) Ltd	-	128,825
Distribution revenue received from Universal Coal Development IV (Pty) Ltd	7,632,333	6,677,930

Directors with TerraCom or controlled subsidiaries of the Group

	Consolidated 2024 $	Consolidated 2023 $
Services from Lewis Mining Consulting – Glen Lewis	161,333	135,833
Services from OT21 Consulting – Shane Kyriakou	73,329	43,750
Services from Craig Lyons	97,500	218,750
Services from Campbell Advisory – Graeme Campbell	-	266,129
Services from Rivendell Capital – Matthew Hunter	-	73,750

Notes to the Consolidated Financial Statements

33. Related parties (continued)

Legal fees paid on behalf of Key Management Personnel

During the financial year, the Company has paid legal bills on behalf of D McCarthy ($290,000) and N Boom ($192,000) with respect to the ASIC legal matter (refer Note 32 for further details). The Company will receive reimbursement of these funds under the terms of the Directors and Officers insurance policy.

Loans to/from related parties

Loan Receivable

The loan receivable amounts owing from NBC and NCC consists of an amount relating to the Standard Bank borrowings in the name of UCEHSA, which has been on-lent to the associates. The facility is secured against the assets of the associates.

Universal Coal and Energy Holdings South Africa (Pty) Ltd (**UCEHSA**) provided funding to Ndalamo Resources (Pty) Ltd (**Ndalamo**) in 2015 to facilitate their contribution to the acquisition and development of the New Clydesdale Colliery. The loan was fully repaid on 30 June 2023.

Lewis Mining Consulting (Lewis Mining)

The payments made by the Company to Lewis Mining are for the services of Mr. Glen Lewis acting as Non-Executive Director (appointed 23 December 2019) and for additional advisory services. The amount payable to Lewis Mining on 30 June 2024 is $13,333 (30 June 2023: $13,333).

OT21 Consulting

The payments made by the Company to OT21 Consulting are for additional advisory services. Mr Shane Kyriakou resigned as a Non-Executive Director on 28 November 2022.

Craig Lyons

The payments made by the Company to Mr. Craig Lyons are for his services acting as Non-Executive Director (appointed 14 July 2020 and resigned 01 February 2024) and for additional advisory services. The amount payable to Mr. Lyons on 30 June 2024 is Nil (30 June 2023: $16,250).

Campbell Advisory – Graeme Campbell

The payments made by the Company to Mr. Graeme Campbell are for his services acting as Non-Executive Chairman (appointed 28 January 2022 and resigned 19 May 2023).

Rivendell Capital Pty Ltd – Matthew Hunter

The payments made by the Company to Mr. Matthew Hunter are for his services acting as Non-Executive Director in respect of completion of audit committee services (appointed 18 January 2018 and resigned 3 October 2022).

Notes to the Consolidated Financial Statements

34. Events after the reporting period

In the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than the following:

On 12 August 2024 the Company announced the Cooperation Agreement (**Agreement**) entered into with Wintime Energy Group Co., Ltd (a company listed on the Shanghai Stock Exchange, 600157) (**Wintime**) to jointly develop and operate the Moorlands Thermal Coal Project in Queensland and pursue other strategic opportunities in complementary markets and industries both within Australia and globally.

As part of the Agreement, TerraCom intends to act as a full-service development and mining services partner for Wintime to expedite the approval and commercial operation of the Moorlands Project. Blair Athol is to be used as an infrastructure, processing and logistics precinct generating a long-term revenue stream alongside steady state ROM production from Blair Athol until the end of its mine life at which time final mine void and other rehabilitation obligations will be completed.

35. Parent entity information

Set out below is the supplementary information about the parent entity.

Summary of statement of profit or loss and other comprehensive income

	2024 $ '000	2023 $ '000
Loss after income tax	(8,767)	(13,776)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	**(8,767)**	**(13,776)**

Summary of Statement of financial position

	2024 $ '000	2023 $ '000
Assets		
Current assets	26,879	1,126
Non-current assets	144,639	127,647
Total assets	**171,518**	**128,773**
Liabilities		
Current liabilities	4,343	11,862
Non-current liabilities	454,520	370,631
Total liabilities	**458,863**	**382,493**
Total net assets (liabilities)	**(287,345)**	**(253,720)**

Notes to the Consolidated Financial Statements

35. Parent entity information (continued)

Summary of Statement of Equity

	2024 $ '000	2023 $ '000
Equity		
Issued Capital	374,232	374,232
Foreign currency translation reserve	(3,884)	(3,884)
Share based payments reserve	-	828
Accumulated losses *	(657,693)	(624,896)
Total deficiency	**(287,345)**	**(253,720)**

* *Accumulated losses include dividend paid of $24,030,000 during the year.*

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity formed a closed group with a number of subsidiaries during the financial year ended 30 June 2024. Refer to Note 38 for further information.

Contingent liabilities

Other than noted in Note 32, the Company had no other contingent liabilities at 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1, except for The following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Notes to the Consolidated Financial Statements

36. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of a number of subsidiaries.

The Group's remaining interest in subsidiaries remains unchanged from the consolidated annual financial report for the year ended 30 June 2024. As noted elsewhere in this report, there has been no economic or equity interest change for the equity holders of the Company.

Name	Principal place of business / Country of incorporation	% holding 2024	% holding 2023
FTB (QLD) Pty Ltd	Australia	100.00%	100.00%
Sierra Coal Pty Ltd	Australia	100.00%	100.00%
Orion Mining Pty Ltd #	Australia	100.00%	100.00%
Clermont Logistics Pty Ltd #	Australia	100.00%	100.00%
Terra Energy Pty Ltd	Australia	100.00%	100.00%
Clyde Park Coal Pty Ltd *	Australia	64.40%	64.40%
Guildford Coal (Mongolia) Pty Ltd *	Australia	83.87%	83.87%
Guildford Infrastructure Pty Ltd	Australia	100.00%	100.00%
Guildford Infrastructure (Mongolia) Pty Ltd	Australia	100.00%	100.00%
Terra Mining Services Pty Ltd #	Australia	100.00%	100.00%
Springsure Mining Pty Ltd *	Australia	90.07%	90.07%
Springsure Centre of Excellence Pty Ltd *	Australia	90.07%	90.07%
TCIG Resources Pte Limited	Singapore	100.00%	100.00%
Universal Coal Limited	United Kingdom	100.00%	100.00%
Universal Coal and Energy Holdings South Africa (Pty) Ltd	South Africa	100.00%	100.00%
Universal Coal Development I (Pty) Ltd	South Africa	70.50%	70.50%
Universal Coal Development VII (Pty) Ltd	South Africa	50.00%	50.00%
Twin Cities Trading 374 (Pty) Ltd	South Africa	74.00%	74.00%
Episolve (Pty) Ltd	South Africa	74.00%	74.00%
Epsimax (Pty) Ltd	South Africa	74.00%	74.00%
Bold Moves 1756 (Pty) Ltd	South Africa	74.00%	74.00%
Universal Coal Logistics (Pty) Ltd	South Africa	49.00%	49.00%
Universal Coal Power Generation (Pty) Ltd	South Africa	100.00%	100.00%
TerraCom Resources DMCC	United Arab Emirates	100.00%	100.00%

* *Percentage of voting power is in proportion to ownership*

\# *These subsidiaries entered into a Class Instrument 2016/785 dated 27 June 2023 and related deed of cross guarantee with TerraCom Limited*

Control considerations where 50% or less of share capital held.

The Group's wholly owned subsidiary Universal Coal and Energy Holdings South Africa (Pty) Ltd (UCEHSA) holds the interest in the subsidiaries noted below.

Universal Coal Development VII (Pty) Limited (UCDVII)

Although the Group owns 50% of UCDVII, the Company has determined that the Group controls the entity because the chairman of the Board of UCDVII, who has the casting vote at Directors meetings, is a Director of and appointed by UCEHSA. The Board is responsible for the management of UCDVII.

Notes to the Consolidated Financial Statements

36. Interest in subsidiaries (continued)

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in Note 1:

			Parent		Non-controlling interest	
	Principal place of business/ Country of incorporat-ion	Principal activities	Ownership interest 2024 %	Ownership interest 2023 %	Ownership interest 2024 %	Ownership interest 2023 %
Clyde Park Coal Pty Ltd	Australia	Exploration	64.40%	64.40%	35.60%	35.60%
Guildford Coal (Mongolia) Pty Ltd	Australia	Holding Company	83.87%	83.87%	16.13%	16.13%
Springsure Mining Pty Ltd	Australia	Exploration	90.07%	90.07%	9.93%	9.93%
Springsure Centre of Excellence Pty Ltd *	Australia	Holding Company	90.07%	90.07%	9.93%	9.93%
Universal Coal Development I (Pty) Ltd	South Africa	Care & Maintenance	70.50%	70.50%	29.50%	29.50%
Universal Coal Development VII (Pty) Ltd	South Africa	Exploration	50.00%	50.00%	50.00%	50.00%
Twin Cities Trading 374 (Pty) Ltd	South Africa	Holding Company	74.00%	74.00%	26.00%	26.00%
Episolve (Pty) Ltd	South Africa	Holding Company	74.00%	74.00%	26.00%	26.00%
Epsimax (Pty) Ltd	South Africa	Company Holding	74.00%	74.00%	26.00%	26.00%
Bold Moves 1756 (Pty) Ltd	South Africa	Holding Company	74.00%	74.00%	26.00%	26.00%
Universal Coal Logistics (Pty) Ltd	South Africa	Holding Company	49.00%	49.00%	51.00%	51.00%

* *Percentage of voting power is in proportion to ownership*

Notes to the Consolidated Financial Statements

36. Interest in subsidiaries (continued)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Universal Coal Development I (Pty) Ltd $'000
30 June 2024	
Summarised statement of financial position	
Current assets	521
Non-current assets	2,985
Current liabilities	(4,927)
Non-current liabilities	(12,365)
Summarised statement of profit or loss and other comprehensive income	
Revenue	(7,644)
Profit/(Loss)	(3,080)
30 June 2023	
Summarised statement of financial position	
Current assets	84
Non-current assets	3,135
Current liabilities	(4,103)
Non-current liabilities	(9,359)
Summarised statement of profit or loss and other comprehensive income	
Revenue	(7,596)
Profit/(Loss)	(1,344)

Notes to the Consolidated Financial Statements

37. Investment in associates

The tables below provide summarised financial information for those associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Investments accounted for using the equity method

	Consolidated	
	2024 $ '000	**2023 $ '000**
Non-current assets		
Investment in Associates	86,811	79,934

Reconciliation

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	2024 $ '000	2023 $ '000
South Africa operation		
Carrying amount at beginning of financial year	79,934	92,781
Share of profit/(loss) ^	7,411	43,044
Effect of foreign exchange	3,220	(9,961)
Dividends received	(5,554)	(45,930)
Closing carrying amount	**85,011**	**79,934**
Australian operation		
Carrying amount at beginning of financial year	-	-
Transfer of investments previously held as FVTPL *	1,800	-
Closing carrying amount	**1,800**	**-**
	86,811	**79,934**

^ *Share of profit/(loss) for the year ended 30 June 2023 was $43.0 million. The reduction to $9.9 million during the year ended 30 June 2024 is attributable to reduction in coal tonnage and average coal price achieved.*

* *Transfer of investment previously held as FVTPL relates to an increase in investment from 16.67% to 37.5% during the year. There are no revenues generated at this stage as the project is in the research phase.*

Notes to the Consolidated Financial Statements

37. Investment in associates (continued)

Summarised statement of financial position as at 30 June 2024 for South African operations *

	NBC	Berenice	Cygnus	Eloff & NCC	Ubuntu ^	UCD8	Total
	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000
Current assets							
Cash and cash equivalents	4,886	-	-	5,983	21	8	10,898
Other current assets	30,872	18	-	34,973	14,825	29	80,717
Total current assets	**35,758**	**18**	**-**	**40,956**	**14,846**	**37**	**91,615**
Non-current assets	**85,607**	**4,365**	**824**	**85,694**	**8,075**	**99**	**184,664**
Current liabilities							
Financial liabilities (excluding trade payables)	674	-	-	2,217	-	-	2,891
Other current liabilities	25,138	135	75	25,234	15,151	30	65,763
Total current liabilities	**25,812**	**135**	**75**	**27,451**	**15,151**	**30**	**68,654**
Non-current liabilities							
Financial liabilities (excluding trade payables)	168	-	-	554	-	-	722
Other non-current liabilities	51,734	-	-	44,387	41,075	-	137,196
Total non-current liabilities	**51,902**	**-**	**-**	**44,941**	**41,075**	**-**	**137,918**
Net assets	**43,651**	**4,248**	**749**	**54,258**	**(33,305)**	**106**	**69,707**
Group interest %	49%	50%	50%	49%	49%	49%	
Group interest $	21,389	2,124	375	26,586	-	52	50,526
Goodwill	2,547	2,874	639	28,425	-	-	34,485
Carrying amount	**23,936**	**4,998**	**1,014**	**55,011**	**-**	**52**	**85,011**

* *Statement of financial position amounts are converted from ZAR to AUD using the spot rate as at the reporting date.*

^ *Losses recorded for Ubuntu are nil as the losses exceed the Company's interest and there is no legal or constructive obligations to make payments on the associates behalf.*

Notes to the Consolidated Financial Statements

37. Investment in associates (continued)

Summarised statement of profit or loss and other comprehensive income for the year ended 30 June 2024 for South African operations *

	NBC	Berenice	Cygnus	Eloff & NCC	Ubuntu ^	UCD8	Total
	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000	30 June 2024 $ '000
Revenue	224,092	-	-	178,932	193	-	403,217
Cost of goods sold	(173,698)	-	-	(172,248)	(590)	-	(346,536)
Other operating and administrative expense	(19,907)	(14)	(1)	3,234	99	-	(16,589)
Profit after income tax expense	**30,487**	**(14)**	**(1)**	**9,918**	**(298)**	**-**	**40,092**
Depreciation and amortisation expense	(9,078)	-	-	(3,240)	(35)	-	(12,353)
Net finance expenses	(3,679)	-	-	(2,758)	(1,950)	-	(8,387)
Net profit before income tax expense	**17,730**	**(14)**	**(1)**	**3,920**	**(2,283)**	**-**	**19,352**
Income tax expense	(5,815)	-	-	(695)	-	-	(6,510)
Profit after income tax expense	**11,915**	**(14)**	**(1)**	**3,225**	**(2,283)**	**-**	**12,842**
Statutory and underlying result for the year	11,915	(14)	(1)	3,225	(2,283)	-	12,842
Other comprehensive income	-	-	-	-	-	-	-
Statutory total comprehensive income	**11,915**	**(14)**	**(1)**	**3,225**	**(2,283)**	**-**	**12,842**
Group interest %	49%	50%	49%	49%	49%	49%	
Group interest $	5,838	(7)	-	1,580	-	-	7,411

* *Income statement amounts are converted from ZAR to AUD using the average rate prevailing for the relevant period.*
^ *Losses recorded for Ubuntu are nil as the losses exceed the Company's interest and therefore there is no legal or constructive obligations to make payments on the associates behalf.*

Notes to the Consolidated Financial Statements

37. Investment in associates (continued)

Summarised statement of financial position as at 30 June 2023 for South African operations *

	NBC	Berenice	Cygnus	Eloff & NCC	Ubuntu ^	UCD8	Total
	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000
Current assets							
Cash and cash equivalents	3,796	-	-	9,383	774	8	13,961
Other current assets	26,100	7	-	40,986	14,639	-	81,732
Total current assets	**29,896**	**7**	**-**	**50,369**	**15,413**	**8**	**95,693**
Non-current assets	**79,930**	**4,146**	**790**	**64,447**	**7,812**	**96**	**157,221**
Current liabilities							
Financial liabilities (excluding trade payables)	647	-	-	2,130	-	-	2,777
Other current liabilities	24,537	53	64	15,430	14,301	1	54,386
Total current liabilities	**25,184**	**53**	**64**	**17,560**	**14,301**	**1**	**57,163**
Non-current liabilities							
Financial liabilities (excluding trade payables)	809	-	-	2,661	-	-	3,470
Other non-current liabilities	53,649	-	-	42,214	38,710	-	134,573
Total non-current liabilities	**54,458**	**-**	**-**	**44,875**	**38,710**	**-**	**138,043**
Net assets	**30,184**	**4,100**	**726**	**52,381**	**(29,786)**	**103**	**57,708**
Group interest %	49%	50%	50%	49%	49%	49%	
Group interest $	14,790	2,049	363	25,667	-	50	42,919
Goodwill	2,448	2,763	614	31,190	-	-	37,015
Carrying amount	**17,238**	**4,812**	**977**	**56,857**	**-**	**50**	**79,934**

* *Statement of financial position amounts are converted from ZAR to AUD using the spot rate as at the reporting date.*

Notes to the Consolidated Financial Statements

37. Investment in associates (continued)

Summarised statement of profit or loss and other comprehensive income for the year ended 30 June 2023 for South African operations *

	NBC	Berenice	Cygnus	Eloff & NCC	Ubuntu ^	UCD8	Total
	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000	30 June 2023 $ '000
Revenue	242,612	-	-	242,983	34,470	-	520,065
Profit after income tax expense	**38,064**	**(32)**	**(4)**	**49,817**	**(2,821)**	**-**	**85,024**
Statutory and underlying result for the year	38,064	(32)	**(4)**	49,817	(2,821)	-	85,024
Other comprehensive income	-	-	-	-	-	-	-
Statutory total comprehensive income	**38,064**	**(32)**	**(4)**	**49,817**	**(2,821)**	**-**	**85,024**
Group interest %	49%	50%	50%	49%	49%	49%	
Group interest $	18,651	(16)	(2)	24,411	-	-	43,044

* *Income statement amounts are converted from ZAR to AUD using the average rate prevailing for the relevant period.*
^ *The share of profit for the year ended 30 June 2022 is only related to the post deconsolidation share of profit.*

Given the loss of operating and management rights in North Block Complex (Pty) Ltd (**NBC**), TerraCom no longer has direct operational control as defined within AASB10 Consolidated Financial Statements (AASB 10). As such, NBC was deconsolidated from 31 October 2021, the date in which it was determined in accordance with AASB 10 that control ceased and recorded as an investment in associate at fair value.

As at 3 February 2022, the casting vote held by the Chairman of the Executive Committee (a position held by TerraCom) was revoked and it was therefore determined that control ceased over the following entities, in accordance with AASB 10. Given the above, on and from this date, the following companies have been deconsolidated and equity accounted:

Universal Coal Development II (Pty) Ltd (**Berenice**)
Universal Coal Development III (Pty) Ltd (**Ubuntu**)
Universal Coal Development IV (Pty) Ltd (**NCC**)
Universal Coal Development V (Pty) Ltd (**Cygnus**)
Eloff Agriculture and Mining Company (Pty) Ltd (**Eloff**)

Universal Coal Development II (Pty) Limited (UCDII)

Although the Group owns 50% of UCDII, the Company has determined that the Group no longer has control in accordance with AASB10, notwithstanding that within the shareholder arrangement UCEHSA has an option to purchase a further 24% of shares in UCDII. The company has been deconsolidated and recorded as an investment in associates and equity accounted as at 3 February 2022.

Notes to the Consolidated Financial Statements

37. Investment in associates (continued)

Universal Coal Development III (Pty) Limited (UCDIII)

The Group owns less than 50% of UCDIII. As outlined in elsewhere in this report, the Company has determined that the Group no longer controls the entity because UCEHSA has relinquished its operational and management rights to meet requirements of the Department of Mineral Resources and Energy (**DMRE**). As UCEHSA no longer has operational control over UCDIII, the Company has been deconsolidated and recorded as an investment in associate as at 3 February 2022.

Universal Coal Development IV (Pty) Limited (UCDIV)

The Group owns less than 50% of UCDIV. As outlined in elsewhere in this report, the Company has determined that the Group no longer controls the entity because UCEHSA has relinquished its operational and management rights to meet requirements of the Department of Mineral Resources and Energy (**DMRE**). As UCEHSA no longer has operational control over UCDIII, the Company has been deconsolidated and recorded as an investment in associate as at 3 February 2022.

Eloff Agriculture and Mining Company (Pty) Limited (Eloff) and Manyeka Coal Mines (Pty) Limited (Manyeka)

The Group holds an effective shareholding of 49% in the Eloff Project and Manyeka through its investment in UCDIV. As established above, as UCEHSA no longer has operational control over UCDIV, Eloff (as a wholly owned subsidiary of UCDIV) has therefore been deconsolidated and recorded as an as an investment in associate as at 3 February 2022.

Universal Coal Development V (Pty) Limited (UCDV)

Although the Group owns 50% of UCDV, the Company has determined that the Group no longer has control in accordance with AASB10, notwithstanding that within the shareholder arrangement UCEHSA has an option to purchase a further 24% of shares in UCDV. The company has been deconsolidated and recorded as an investment in associate at equity accounted as at 3 February 2022.

Universal Coal Development VIII (Pty) Limited (UCDVIII)

The Company has determined that the Group no longer has control in accordance with AASB10. The company has been deconsolidated and recorded as an investment in associate at equity accounted as at 1 January 2023.

38. Deed of cross guarantee

Pursuant to ASIC Corporations Instrument 2016/785 dated 28 September 2016, the wholly owned subsidiaries listed in Note 36 (and identified with the symbol #) are relieved from the Corporations Act 2001 (Cth) (the **Act**) requirements for the preparation, audit and lodgement of financial reports, and directors' reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a deed of cross guarantee (the **Deed**). The effect of the Deed is that the Company guarantees to each creditor payment of any debt in full in the event of winding up of any of the subsidiaries under certain provisions of the Act. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The Company and each of the relevant subsidiaries entered into the Deed on 27 June 2023.

The following consolidated statement of comprehensive income and statement of financial position comprises the Company and its controlled entities which are party to the Deed (**Closed Group**) after eliminating all transactions between the parties to the Deed.

Notes to the Consolidated Financial Statements

38. Deed of cross guarantee (continued)

	Closed Group	Closed Group
	2024	2023
Statement of Comprehensive Income	$ '000	$ '000
Profit/(loss) before tax	**30,137**	**317,506**
Income tax (expense)/benefit	(8,187)	(96,813)
Profit/(loss) after tax	**21,950**	**220,693**
Total comprehensive income/(loss) for the period, net of tax	**21,950**	**220,693**

Statement of financial position		
Cash and cash equivalents	7,955	14,941
Trade and other receivables	31,400	15,538
Inventories	9,084	15,295
Total current assets	**48,439**	**45,774**
Trade and other receivables	258,456	288,366
Investments	127,028	125,828
Property, plant and equipment	85,979	90,699
Restricted cash	58,191	66,918
Other non-current assets	12,999	16,559
Total non-current assets	**542,653**	**588,370**
Total assets	**591,092**	**634,144**
Liabilities		
Trade and other payables	27,129	34,371
Interest-bearing liabilities	-	15
Income tax payable	38,501	64,536
Provisions	5,206	4,078
Lease liabilities	377	997
Total current liabilities	**71,213**	**103,997**
Non-current liabilities		
Deferred tax liabilities	5,185	7,454
Provisions	54,314	59,589
Lease liabilities	186	-
Total non-current liabilities	**59,685**	**67,043**
Total liabilities	**130,898**	**171,040**
Net assets	**460,194**	**463,104**
Issued capital	373,963	373,963
Share-based payments reserve	-	828
Retained earnings	86,231	88,313
Equity	**460,194**	**463,104**

Consolidated Entity Disclosure Statement

Basis of Preparation
This Consolidated Entity Disclosure Statement (**CEDS**) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency
Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australia resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 and PCG 2018/9.

Foreign tax residency
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Partnerships and Trusts
Australian tax law does not contain specific residency tests for partnerships and trust. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Consolidated Entity Disclosure Statement

Name of Entity	Type of Entity	Trustee, partner or participant in joint venture	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction for foreign residents
TerraCom Limited	Body Corporate	N/A	100.00%	Australia	Australian	N/A
FTB (QLD) Pty Ltd	Body Corporate	N/A	100.00%	Australia	Australian	N/A
Sierra Coal Pty Ltd	Body Corporate	N/A	100.00%	Australia	Australian	N/A
Orion Mining Pty Ltd #	Body Corporate	N/A	100.00%	Australia	Australian	N/A
Clermont Logistics Pty Ltd #	Body Corporate	N/A	100.00%	Australia	Australian	N/A
Terra Energy Pty Ltd	Body Corporate	N/A	100.00%	Australia	Australian	N/A
Clyde Park Coal Pty Ltd *	Body Corporate	N/A	64.40%	Australia	Australian	N/A
Guildford Coal (Mongolia) Pty Ltd *	Body Corporate	N/A	83.87%	Australia	Australian	N/A
Guildford Infrastructure Pty Ltd	Body Corporate	N/A	100.00%	Australia	Australian	N/A
Guildford Infrastructure (Mongolia) Pty Ltd	Body Corporate	N/A	100.00%	Australia	Australian	N/A
Terra Mining Services Pty Ltd #	Body Corporate	N/A	100.00%	Australia	Australian	N/A
Springsure Mining Pty Ltd *	Body Corporate	N/A	90.07%	Australia	Australian	N/A
Springsure Centre of Excellence Pty Ltd *	Body Corporate	N/A	90.07%	Australia	Australian	N/A
TCIG Resources Pte Limited **	Body Corporate	N/A	100.00%	Singapore	Australian	N/A
Universal Coal Limited ***	Body Corporate	N/A	100.00%	United Kingdom	Australian	N/A
Universal Coal and Energy Holdings South Africa (Pty) Ltd	Body Corporate	N/A	100.00%	South Africa	Foreign	South Africa
Universal Coal Development I (Pty) Ltd	Body Corporate	N/A	70.50%	South Africa	Foreign	South Africa
Universal Coal Development VII (Pty) Ltd	Body Corporate	N/A	50.00%	South Africa	Foreign	South Africa
Twin Cities Trading 374 (Pty) Ltd	Body Corporate	N/A	74.00%	South Africa	Foreign	South Africa
Episolve (Pty) Ltd	Body Corporate	N/A	74.00%	South Africa	Foreign	South Africa
Epsimax (Pty) Ltd	Body Corporate	N/A	74.00%	South Africa	Foreign	South Africa
Bold Moves 1756 (Pty) Ltd	Body Corporate	N/A	74.00%	South Africa	Foreign	South Africa
Universal Coal Logistics (Pty) Ltd	Body Corporate	N/A	49.00%	South Africa	Foreign	South Africa
Universal Coal Power Generation (Pty) Ltd	Body Corporate	N/A	100.00%	South Africa	Foreign	South Africa
TerraCom Resources DMCC ****	Body Corporate	N/A	100.00%	United Arab Emirates	Australian	N/A

These subsidiaries entered into a Class Instrument 2016/785 dated 27 June 2023 and related deed of cross guarantee with TerraCom Limited
* *Percentage of voting power is in proportion to ownership*
** *TCIG Resources Pte Limited is also a tax resident of Singapore*
*** *Universal Coal Limited is also a tax resident of United Kingdom*
**** *TerraCom Resources DMCC is also a tax resident of United Arab Emirates*

Directors' Declaration

In the directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001 (Cth), the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the consolidated financial statements;
- the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- the information disclosed in the attached consolidated entity disclosure statement is true and correct; and
- at the date of this declaration, there are reasonable grounds to believe the members of the extended closed group identified in Note 38 will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 38.

The directors' have been given the declarations required by section 295A of the Corporations Act 2001 (Cth).

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001 (Cth).

On behalf of the directors

Mark Lochtenberg **Non-Executive Chairman**	**Danny McCarthy** **Managing Director**

Date: 30 August 2024
Sydney

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INDEPENDENT AUDITOR'S REPORT

To the members of TerraCom Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of TerraCom Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of rehabilitation provision

Key audit matter	How the matter was addressed in our audit
Refer to Note 20 of the financial report. The Group has recognised a provision for rehabilitation as at 30 June 2024. The provision for rehabilitation relates to: • Rehabilitation and rectification of current historical disturbance at Blair Athol; • Rehabilitation and rectification of remaining historical disturbance at Kangala; and • Rehabilitation and rectification of disturbance at Australian exploration sites. The provision for rehabilitation was a key audit matter due to judgement involved in estimating expected costs and timing to rehabilitate disturbed areas in future periods and the amount is material.	Our procedures, amongst others, included: • Assessing the reasonableness of the methodology and assumptions applied in the rehabilitation calculation, in particular the extent of disturbed areas as at 30 June 2024, verifying the rehabilitation works completed during the year and the expected timing of rehabilitation works; • Checking the mathematical accuracy of the provision calculation and agreeing the underlying inputs used within the rehabilitation calculation to external market data were available; and • Assessing the appropriateness of the disclosures included in the financial statements.

Classification and carrying value of investments accounted for using the equity method

Key audit matter	How the matter was addressed in our audit
Refer to Note 37 of the financial report. The Group holds investments in associates accounted for using the equity method. The classification of each as an associate and measurement thereof is a key audit matter due to: • the level of judgement management were required to make in assessing the classification of the investment; • the significance of the closing balance; and • the significance of the share of profits of associates.	Our audit procedures, amongst others, included: • Evaluating management's assessment of whether significant influence existed; • Agreeing the Group's share of associate profits to the audited financial reports of the Associates and assessing the adequacy of the disclosures; • Reviewing the financial information of the associate including assessing whether the accounting policies of the associates were consistent with TerraCom Limited; and • Reviewing the adequacy of the disclosures of in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in Director's report for the year ended 30 June 2024, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 30 to 44 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of TerraCom Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

R M Swaby
Director

Brisbane, 30 August 2024

ADDITIONAL SHAREHOLDER INFORMATION FOR LISTED PUBLIC COMPANIES

as at 25 September 2024

Distribution of Shareholders

Range	Securities	%	No. of shareholders	%
100,001 and Over	702,709,343	87.73	592	9.03
10,001 to 100,000	85,735,343	10.70	2,334	35.61
5,001 to 10,000	7,389,718	0.92	931	14.21
1,001 to 5,000	4,647,348	0.58	1,689	25.77
1 to 1,000	484,483	0.06	1,008	15.38
Total	**800,966,235**	**100.00**	**6,554**	**100.00**
Unmarketable parcels	2,054,869	0.26	1,910	29.14

20 Largest Shareholders

Rank	Name	25 September 2024	%IC
1	UBS NOMINEES PTY LTD	125,287,109	15.64
2	CITICORP NOMINEES PTY LIMITED	109,306,799	13.65
3	BONYTHON COAL NO 1 PTY LTD	78,819,723	9.84
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	32,138,320	4.01
5	MR FREDERICK BART	31,217,405	3.90
6	WARNEET SUPER PTY LIMITED	15,833,371	1.98
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,464,900	1.81
8	BNP PARIBAS NOMINEES PTY LTD	12,357,750	1.54
9	WARBONT NOMINEES PTY LTD	10,630,142	1.33
10	7 FOURTH WEST DEVELOPMENTS PTY LTD	10,000,000	1.25
10	BART SUPERANNUATION PTY LIMITED	10,000,000	1.25
11	NEWECONOMY COM AU NOMINEES PTY LIMITED	4,951,007	0.62
12	BNP PARIBAS NOMS PTY LTD	4,613,847	0.58
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	4,373,792	0.55
14	BUTTONWOOD NOMINEES PTY LTD	4,082,654	0.51
15	MR DANIEL GERARD MCCARTHY	3,552,798	0.44
16	SHINING SUN INVESTMENTS PTY LTD	3,449,011	0.43
17	WOODROSS NOMINEES PTY LTD	3,426,000	0.43
18	EYEON NO 2 PTY LTD	3,300,000	0.41
19	NORTHROCK CAPITAL PTY LTD	3,200,000	0.40
20	MR DONALD GORDON MACKENZIE	3,100,000	0.39
	TOTAL	**488,104,628**	**60.94**

Substantial Shareholders

Substantial shareholders as disclosed in substantial notices given to the Company are as follows:

Name	Shares Held	% of issued capital
Regal Funds Management Pty Ltd	114,211,995	14.26%
Bonython Coal No 1	78,819,723	9.84%
Thorney Investments	57,857,806	7.22%

Voting Rights

All issued shares carry voting rights on a one for one basis.